

Chairman's Statement

I am delighted to report on the Group's Interim results for the six months to 30 June 2017.

I reported in the 2016 year end report that we maintained greater than 95% occupancy at the Wellingborough investment portfolio, saw the majority of the development loan repaid at the Kingswood, Surrey development and made great progress on the sourcing, analysis and negotiation of a number of potential transactions. We also raised new equity. I am pleased to say that we have continued to make exciting progress on the current portfolio and new potential transactions, such as the micro self-storage opportunity as announced on 13 June 2017.

Results

Energiser continues to hold the 20 residential properties at Wellingborough. The gross rental income from the portfolio for the six months to 30 June 2017 was £82,000 (2016: £77,000), an increase of 6.5% over the previous year. The net rental income, after relevant operating costs, increased 10.2% to £65,000 (2016: £59,000). Energiser's administrative expenses have increased to £109,000 (2016: £35,000) for the half year, predominantly due to the effect of engaging our Chief Executive, Dominic White in October 2016 and further increases due to being a listed company. The loss before taxation improved to £81,000 (2016: £161,000) with loss per share of 0.07p (2016: 0.32p). Net assets have increased to £1,804,000 (2016: £340,000) principally due to crystallising a £765,000 performance related fee following successful completion of the Kingswood development, and, the £1.26 million of new equity raised in December 2016. This results in a 87.2% increase in net asset value per share to 1.46p (2016: 0.78p). The Directors do not recommend the payment of a dividend.

Operations

The 20 residential properties in Wellingborough, Northamptonshire, have continued to maintain their high level of occupancy at more than 95% over the period. As outlined in the last report, the Directors believe that the value of this portfolio is reaching a ceiling and that the associated capital could be better invested into new opportunities. The small size of the individual residential units and the strong letting history of the portfolio should be attractive to residential investors. The Directors are considering a sale of the properties in the coming months.

Energiser's investment in the development funding of 12 residential properties in Kingswood, Surrey has successfully completed. The last unit was sold in the six months to June and all payments have been received. The back-to-back funding that Energiser raised relating to this investment has also been repaid in full.

In June, Energiser committed to an initial investment of £0.6m with an industry leading self-storage entrepreneur, Paul Fahey, to help him launch a micro self-storage operator. Self-storage is a fast growing industry in the UK. Traditionally, self-storage facilities operate in large stores positioned on the edge of towns and cities. Micro self-storage focuses on smaller facilities within dense urban centres and on the edge of smaller towns. Due diligence relating to the acquisition of the first micro self-storage facility is underway. We are in parallel working on potential corporate opportunities to accelerate our entry into this sector.

Outlook

The Group's strategy is to focus on and engage in investment opportunities within the real estate sector, in particular in real estate operating companies. Our focus has been on three areas – residential, self-storage and short-term property lending. We are currently focused on ways to realise the equity within our Wellingborough portfolio so that it can be recycled into new opportunities with higher potential returns, and, the live opportunities in the self-storage sector.

We look forward to sharing more details of Energiser's progress with shareholders in the coming months.

Stephen Wicks
Non-executive Chairman
28 September 2017

Group statement of comprehensive income

		Unaudited 6 months to 30 June 2017 £'000	Unaudited 6 months to 30 June 2016 £'000	Audited year to 31 December 2016 £'000
Continuing operations				
Revenue arising in the course of ordinary activities		82	77	160
Cost of sales		(16)	(17)	(42)
Gross profit		66	60	118
Administrative expenses		(109)	(35)	(110)
Operating profit	5	(43)	25	8
Finance costs		(38)	(193)	(208)
Finance income		—	7	(11)
Loss before taxation	5	(81)	(161)	(211)
Taxation		—	—	—
Loss for the period attributable to shareholders of the Company		(81)	(161)	(211)
Other comprehensive income – fair value adjustment to the profit on mezzanine funding arrangement		103	155	(5)
Related taxation/deferred taxation		42	(73)	14
Other comprehensive income for the period, net of tax		145	82	9
Total comprehensive income		64	(79)	(202)
Loss per share				
Basic and diluted loss per share from total and continuing operations	4	(0.07)p	(0.32)p	(0.40)p

Diluted earnings per share is taken as equal to basic earnings per share as the Group's average share price during the period is lower than the exercise price and therefore the effect of including share options is anti-dilutive.

Group statement of financial position

		Unaudited as at 30 June 2017 £'000	Unaudited as at 30 June 2016 £'000	Audited as at 31 December 2016 £'000
ASSETS				
Non-current assets				
Investment property	6	2,844	2,844	2,844
		2,844	2,844	2,844
Current assets				
Trade and other receivables		16	21	72
Available-for-sale financial assets		—	654	553
Cash and cash equivalents		588	39	1,120
		604	714	1,745
Total assets		3,448	3,558	4,589
LIABILITIES				
Current liabilities				
Trade and other payables		332	791	733
Short term borrowings		80	946	694
Deferred tax		—	165	126
		412	1,902	1,553
Non-current liabilities				

Long term borrowings	1,232	1,316	1,288
	1,232	1,316	1,288
Total liabilities	1,644	3,218	2,841
Net assets	1,804	340	1,748
EQUITY			
Share capital	2,392	2,312	2,392
Share premium account	7,190	5,747	7,198
Convertible loan	88	88	88
Merger reserve	1,012	1,012	1,012
Revaluation reserve	—	610	537
Retained earnings	(8,878)	(9,429)	(9,479)
Total equity	1,804	340	1,748

Group statement of changes in equity

	Share						Total equity £'000
	Share capital	premium account	Convertible loan	Merger reserve	Revaluation reserve	Retained earnings	
	£'000	£'000	£'000	£'000	£'000	£'000	
Balance at 1 January 2016	2,312	5,747	88	1,012	528	(9,268)	419
Total comprehensive loss	—	—	—	—	82	(161)	(79)
Balance at 30 June 2016	2,312	5,747	88	1,012	610	(9,429)	340
Issue of equity	80	1,451	—	—	—	—	1,531
Total comprehensive loss	—	—	—	—	(73)	(50)	(123)
Balance at 31 December 2016	2,392	7,198	88	1,012	537	(9,479)	1,748
Legal fees on issue of equity	—	(8)	—	—	—	—	(8)
Realisation of available for sale financial asset	—	—	—	—	(537)	537	—
Total comprehensive income	—	—	—	—	—	64	64
Balance at 30 June 2017	2,392	7,190	88	1,012	—	(8,878)	1,804

Group statement of cash flows

	Unaudited 6 months to 30 June 2017 £'000	Unaudited 6 months to 30 June 2016 £'000	Audited year to 31 December 2016 £'000
Cash flows from operating activities			
Loss before taxation	(81)	(161)	(211)
Adjustments for:			
Interest expense	38	170	208
Interest Income	—	—	11
Changes in working capital:			
- Decrease/(increase) in trade and other receivables	755	17	(33)
- Decrease in trade payables	16	(75)	(127)
Net cash generated by/(used in) operating activities	728	(49)	(152)
Cash flows from investing activities			
Mezzanine finance facility repaid	—	3,305	3,408
Net cash generated by investing activities	—	3,305	3,408
Cash flows from financing activities			
Re-payment of borrowings	(670)	(3,372)	(3,670)

Net proceeds on issue of ordinary shares	(8)	—	1,530
Interest paid	(582)	(63)	(214)
Net cash used in financing activities	(1,260)	(3,435)	(2,354)
Net (decrease)/increase in cash and cash equivalents	(532)	(179)	902
Cash and cash equivalents at beginning of period	1,120	218	218
Cash and cash equivalents at end of period	588	39	1,120

1. Nature of operations and general information

The principal activity of the Group is as an investment company investing in quoted and unquoted companies to achieve capital growth. The Group also holds a property development acquired by way of its principal activity. The properties are held for sale with rental income arising from short term lets.

Energiser Investments plc is the Group's ultimate parent company. It is incorporated and domiciled in Great Britain. The address of Energiser Investments plc's registered office, which is also its principal place of business, is Decimal Place, Chiltern Avenue, Amersham, Buckinghamshire, HP6 5FG.

Energiser Investments plc's shares are quoted on AIM, a market operated by the London Stock Exchange. The consolidated half-yearly financial report has been approved for issue by the Board of Directors on 28 September 2017.

The financial information set out in this half-yearly financial report does not constitute statutory accounts as defined in Sections 434(3) and 435(3) of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2016 have been filed with the Registrar of Companies and are available at www.energiserinvestments.co.uk. The auditor's report on those financial statements was unqualified and did not contain any statement under Section 498(2) or Section 498(3) of the Companies Act 2006.

2. Basis of preparation

This consolidated half-yearly financial report has been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting.

The consolidated half-yearly financial report should be read in conjunction with the annual financial statements for the year ended 31 December 2016, which have been prepared in accordance with IFRS as adopted by the European Union.

3. Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016.

4. Loss per ordinary share

The loss per ordinary share is based on the weighted average number of ordinary shares in issue during the period of 123,912,956 ordinary shares of 0.1p (2016: 43,787,956 ordinary shares of 0.1p) and the following figures:

	Unaudited 6 months to 30 June 2017	Unaudited 6 months to 30 June 2016	Audited year to 31 December 2016
Loss attributable to equity shareholders £'000	(81)	(161)	(211)
Loss per ordinary share	(0.07)p	(0.32)p	(0.40)p

Diluted earnings per share is taken as equal to basic earnings per share as the Group's average share price during the period is lower than the exercise price and therefore the effect of including share options is anti-dilutive.

5. Income and segmental analysis

	Unaudited 6 months to 30 June 2017	Unaudited 6 months to 30 June 2016	Audited year to 31 December 2016
	£'000	£'000	£'000
Segment result			
Investment activities:			
Administrative expenses	(108)	(34)	(106)
	(108)	(34)	(106)
Rental activities:			

Rental income	66	60	118
Administrative expenses	(1)	(1)	(4)
Fair value adjustment on investment property	—	—	—
	65	59	114
Operating (loss)/profit	(43)	25	8
Finance Income	—	—	(11)
Finance costs	(38)	(193)	(208)
Fair value adjustment on interest rate swap	—	7	—
Loss before tax	(81)	(161)	(211)

	Unaudited as at 30 June 2017 £'000	Unaudited as at 30 June 2016 £'000	Audited as at 31 December 2016 £'000
Segment assets			
Investment activities:			
Non-current assets	—	—	—
Current assets	595	45	—
	595	45	—
Rental:			
Non - current assets – investment property	2,844	2,844	2,844
Current assets – other	9	15	1,192
	2,853	2,859	4,036
Mezzanine funding arrangement:			
Current assets	—	654	553
	—	654	553
Total assets	3,448	3,558	4,589
Segment liabilities			
Investment activities:			
Current liabilities	170	791	749
	170	791	749
Rental:			
Current liabilities	158	946	321
Non-current liabilities	1,232	1,316	1,288
	1,390	2,262	1,609
Other:			
Current liabilities – accrued interest	—	—	357
Current liabilities – corporation tax	84	—	—
Current liabilities – deferred tax on fair value adjustment	—	165	126
	84	165	483
Total liabilities	1,644	3,218	2,841
Total assets less total liabilities	1,804	340	1,748

The activity of both the investments and rentals arose wholly in the United Kingdom. No single customer accounts for more than 10% of revenue.

6. Investment property

**Investment
Property
£'000**

Cost or fair value

At 1 July 2016 **2,844**

Fair value adjustment —

At 31 December 2016 **2,844**

Fair value adjustment —

At 30 June 2017 **2,844**
