The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ('MAR'). Upon the publication of this announcement via a Regulatory Information Service ('RIS'), this inside information is now considered to be in the public domain.

Plutus PowerGen Plc / Ticker: PPG / Index: AIM

31 January 2018

PLUTUS POWERGEN PLC ('Plutus' or the 'Company')

Interim Results for the Six-Month Period Ended 31 October 2017

Plutus PowerGen Plc (AIM: PPG), the AIM listed Power Company focused on the focussed on the development and operation of flexible energy generation ('FlexGen') projects in the UK, announces its interim results for the six-month period ended 31 October 2017.

Highlights

- 120MW now in operation with a further 60MW targeted for 2018 excluding gas sites
- Heads of Terms with JCB Power Products agreed to co-operate on site development and maintenance
- Planning achieved for all 180MW partnered with Rockpool
- Expansion into energy storage projects with London and Devonshire Trust
- Strengthened gas site pipeline with development partners

Executive Chairman's Report

It has been another busy half year for your Company and I am pleased to report that the roll-out of our FlexGen sites across the UK has continued with 120MW now in operation and a further three 20MW sites planned to be constructed in 2018. The continued execution phase of our partnership with Rockpool Investments LLP has allowed us to plan for our future expansion into gas-powered and hybrid sites. Hybrid sites allow power generation sites of various types to partner with storage technologies, giving the Company access to additional revenue streams. I am particularly pleased with these developments, which will drive the Company's future growth and we now have a substantial pipeline of such sites. We continue to work closely with potential financing partners for the funding of these new sites and look forward to being able to update our shareholders on these discussions in due course.

We announced in December 2017 that, as part of our strategy to expand into gas-powered sites, we had lodged Capacity Mechanism ('CM') deposits for the upcoming CM auction for two 20MW gas powered sites with planning permission. CMs are awarded by the Government to ensure that electricity supply continues to meet demand; providers are paid a per MW rate for the capacity they offer to the market, which must be available when called upon by National Grid at any time during the contracted period. The consideration for the CM deposits totalled £390,000, funded in part by short-term shareholder loans of £250,000 bearing interest of 8% per annum. Whilst we hope to develop up to five gas sites in 2018, much will depend on the CM auction, including the quantum and award thereof and our ability to acquire sites with CM for development in calendar year 2018 (of which we have a number under consideration). Our main expansion into gas and hybrid sites is expected to follow in 2019 and we are working with prospective partners and financial partners in relation to this.

In terms of financial scale and returns, one 20MW gas site provides Plutus with similar financial returns to 50MW of the equivalent Rockpool sites under development. We therefore aim to ensure that all new sites are consolidated and create visibility of earnings. 60% of this is 60MW equivalent meaning our carried interest would be the financial equivalent to 75% of our Rockpool interests, representing a substantial increase in our asset base which will be consolidated should the Company be successful in gaining CM contracts for either site. Nevertheless, the above assumptions can be projected for as many sites as we can develop in the future with CMs.

The Company continues to focus on increasing its pipeline and to this end a further six gas sites totalling 120MW are now in the planning process; it is envisaged that this figure will significantly increase during 2018. Plutus is also in advanced discussions regarding the purchase of further sites with existing planning permission that could be fast-tracked to commissioning. The majority of the gas sites in the current pipeline are expected to be constructed in 2018 and 2019.

The cost of the build out of these gas sites average £12.5m per site and are expected to be funded by asset finance (60% - debt), a big six energy utility (20% equity) and a portion of equity potentially combined with mezzanine finance (20%). Hybrid sites with energy storage will cost more but they are expected to open up additional revenue streams for the Company and the expected returns demonstrate an attractive project and investment IRR. The Company is seeking to achieve an economic interest of between 60% and 80% in each gas and hybrid site via the funding routes currently under negotiation.

To that end, I was pleased to announce, in September 2017, that we had signed a Heads of Terms with a leading UK provider of generators, JCB Power Products Broadcrown Limited ('JCB'), to design, procure and supply the required generators for the Company's UK FlexGen Projects (the 'Projects'). Under the terms of this agreement, both parties will cooperate with the identification and suitability of sites and will leverage their complementary skills and capabilities to bring FlexGen projects into operation. JCB will assist on the design, procurement and supply of the required generators for each individual FlexGen site and will also provide long term repair and maintenance services. Furthermore, JCB has introduced Plutus to JCB Finance Limited, a member of the RBS Group, which specialises in providing asset finance in connection with the acquisition of JCB equipment.

All selected sites being advanced by JCB and Plutus will be developed within individual SPV structures, with terms negotiated on a per site basis. Plutus will be responsible for all commercial contracts and arrangements with respect to power and benefits related to each Project, including inter alia, Capacity Market contract and Power Purchase Agreements and provide overall funding, which may be through JCB Finance Limited or asset finance, as appropriate.

During the period under review, the Company also signed a cooperation agreement with land and property developer, London & Devonshire Trust Ltd ('LDT'), to identify and develop energy storage projects in the UK. This agreement is in line with the Company's strategy to widen its exposure within the UK energy sector utilising integral new technologies that provide security of supply. Plutus and LDT entered into the agreement to leverage their complementary skills and capabilities in the development, financing, construction and operation of energy storage plants within the UK. Under the terms of the agreement, LDT and Plutus will incorporate a special purpose vehicle for the development of an initial 85MW of energy storage project. Similar to Plutus' arrangements with LDT with regard to sourcing FlexGen sites, LDT will provide to the Project

Company a suitable site and associated grid connection for the Project and Plutus will provide the necessary skills for the Project Company to manage the ongoing Project development.

This is another interesting and potentially profitable step in our corporate development and marks the continuation of our successful partnership with LDT and entry into the fast-emerging energy storage arena. We have been looking at the potential for energy storage for some time, and the technology is reaching a stage where it has the possibility to become a reality. This opportunity will add to our capability to enable us to supply energy more efficiently and provide solutions to the low inertia and intermittent green energy upon which the UK is increasingly depending.

Earlier in the period under review, we were pleased to announce that we had received planning permission for final two 20MW FlexGen sites partnered with Rockpool at the Marchwood Industrial Estate in Marchwood. These two sites bring the total number of 20MW sites which have planning permission to nine (equal to 180MW).

Outlook

In conclusion, the Company has had a very successful first half with progress on many fronts, all of which should deliver near and longer term returns for our shareholders. Whilst there have been industry challenges, such as the OFGEM decision to step down TRIAD payments ahead of their phase out over the next three years (which remains subject to a court hearing in April 2018), we have continued to make strong progress with sites commissioning and others receiving planning permissions. Our approach to the market has also evolved with our diversification into different power generation and energy storage types.

2018 is expected to be a pivotal year in the development of Plutus with our move into gas powered, energy storage and hybrid generation sites. The Directors view the year ahead with confidence, as we start the development of our new strategy and complete the execution of the Rockpool Investee Companies' site build outs.

I would like to thank all the staff and Directors for their considerable efforts and support, together with our advisors and consultants, who assist us in developing and executing the roll-out of our FlexGen sites across the UK.

Charles Tatnall
Executive Chairman
30 January 2018

Financial review

Highlights

	6 months ended 31 October 2017 £	6 Months ended 31 October 2016 £	Change %
Revenue	**675,000**	**675,000**	**No change**
Operating Profit/(Loss)	**(392,489)**	**3,035**	□
Profit/(Loss) per share (pence per share)	**(0.06)**	**0.00**	□

The Company's net loss for the half year under review was £392,489 (six-months ended 31 October 2016: profit of £3,035). Administration expenses were up in the period to £888,939 from £658,440 in the same period last year. Administration expenses have been increased by one off expenditure on the bond issue which listed on 31 October 2017; the marketing of the bond is now underway. The second half of the year is expected to see slightly lower overheads. The loss before taxation was also increased by the share-based payment charge for the new 2017 share option scheme for the directors (as detailed below) of £159,748. (six-months ended 31 October 2016: £nil) This amount has not affected the cash flow of the company. The share-based payment charge relates to the 60,000,000 options granted to directors on 19 May 2017. Under IFRS accounting regulations the Company must put a charge through the income statement reflecting the value of any options granted. The charge has been calculated using the Black-Scholes model which is an internationally recognised method for valuing options.

The Company continues to control costs as tightly as possible. Finance costs for the convertible loans were reduced to £8,000 (six-months ended 31 October 2016: £13,525).

Net reimbursable expenses have reduced considerably from the Rockpool Investee Companies and now mainly constitute ongoing expenses which are initially paid for by Plutus, but which are ultimately borne by the nine investee companies. These are reimbursed on average every couple of months. There are no more reimbursements due for pre-planning with regard to these sites as these amounts have all been reimbursed and any amounts for sites not proceeding have been written off. Plutus continues to make payments for its prospective gas, hybrid and energy storage sites under development. These will ultimately be capitalised if the site goes forward as part of our investment into the sites or written off if the sites do not proceed.

Cash and short-term investments as at 31 October 2017 totalled £126,212 (2016: £45,084). Cash balances have gone up primarily because of the exercise of the 10,000,000 warrants each of James Longley and Charles Tatnall and the reimbursement of all pre-planning disbursements by the Rockpool Investee Companies which have all achieved planning permission, the determinate for reimbursement. As a result of the exercise of the aforementioned warrants, in May 2017, 10,000,000 ordinary shares were issued to Charles Tatnall, Executive Director, and a further 10,000,000 ordinary shares were issued to James Longley, Chief Financial Officer, following the exercise of an aggregate of 20 million warrants at an exercise price of 0.9p per ordinary share, representing a cash subscription to the Company of £180,000.

Management fees from the Rockpool Investee Companies continue to be received monthly when they fall due. The Directors believe the Company has sufficient working capital for the foreseeable future.

A new Share Option Incentive scheme was also introduced by the Company contemporaneously with the exercise of the warrants. The 2017 Share Option Scheme is designed to incentivise the Directors as Plutus changes direction towards gas powered, energy storage and hybrid projects, of which the Company has a substantial pipeline in the pre-planning and planning stages. This is the first share option scheme to be implemented since the reverse acquisition of Plutus Energy Limited in August 2014 (the "Reverse Acquisition"), since when minimal shareholder dilution has been incurred via external equity financing. The Company has ensured that the ongoing development of the Rockpool funded portfolio of 180MW of FlexGen sites have been financed totally through external equity and debt.

The Company granted an aggregate of 60,000,000 share options with an exercise price of 1.485p pursuant to the 2017 Share Option Scheme announced in May, all vesting immediately. 15,000,000 Options were granted to each of Paul Lazarevic, James Longley, Phil Stephens and Charles Tatnall. James Longley and Charles Tatnall also hold 4,770,000 existing share options each which were awarded prior to the Reverse Acquisition of Plutus Energy Limited. All of the Directors indicated that they would not sell any shares that they hold for the next eighteen months. Following the issue of options and exercise of warrants, there are a total of 69,540,000 options in the Company outstanding, representing approximately 9.8% of the Company's issued share capital.

Events after the reporting period

Earlier this month, the Company announced that its two flexible generation sites in Ipswich had been energised which completed the five sites being commissioned over winter 2017/2018 with a total of 120MW now producing electrons and a further 60MW planned in 2018

In November 2017, the Company received a notice of conversion of £100,000 of the unsecured Convertible Loan Notes created by the Company on 22 December 2014. As set out at the time, these loan notes convert at 0.8 pence per Ordinary Share and as such the Company applied for the listing of 12,500,000 new ordinary shares of 0.1p each in the capital of the Company (the "New Ordinary Shares") to be admitted to trading on AIM. Following the issue of the New Ordinary Shares, the Company has 723,928,935 ordinary shares of 0.1 pence each in issue.

James Longley
Chief Financial Officer
30 January 2018

For further information, please visit www.pluspowergen.com, or contact:

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UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 OCTOBER 2017

	Unaudited 6 months ended 31 October 2017 £	Unaudited 6 months ended 31 October 2016 £	Audited Year ended 30 April 2017 £
Continuing operations			
Revenue	675,000	675,000	1,350,000
Gross profit	675,000	675,000	1,350,000
Administration expenses	(888,939)	(658,440)	(1,261,424)
Share based compensation expense	(159,748)	–	(31,276)
Pre-planning project expenses written off	(10,802)	–	(236,164)
Finance costs	(8,000)	(13,525)	(22,637)
Loss before taxation	(392,489)	3,035	(201,501)
Taxation	–	–	–
Loss for the period and total comprehensive income	(392,489)	3,035	(201,501)
Basic and fully diluted loss per share			
Continuing and total operations	(0.06p)	0.00p)	(0.03p)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 OCTOBER 2017

	Called up share capital £	Share premium account £	Other reserves £	Retained deficit £	Total equity £
Balance at 1 May 2016	1,496,950	6,994,076	133,033	(7,457,970)	1,166,089
Total comprehensive income for the period	–	–	–	3,035	3,035
Balance at 31 October 2016	1,496,950	6,994,076	133,033	(7,454,935)	1,169,124
Total comprehensive income for the period	–	–	–	(204,536)	(204,536)
Credit to equity in respect of share-based compensation charge	–	–	31,276	–	31,276
Balance at 30 April 2017	1,496,950	6,994,076	164,309	(7,659,471)	995,864
Total comprehensive income for the period	–	–	–	(392,489)	(392,489)
Issue of shares on exercise of warrants	20,000	160,000	–	–	180,000
Credit to equity in respect of share-based compensation charge	–	–	159,748	–	159,748
Balance at 31 October 2017	1,516,950	7,154,076	324,057	(8,051,960)	943,123

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2017

	Unaudited 6 months ended 31 October 2017	Unaudited 6 months ended 31 October 2016	Audited Year ended 30 April 2017
	£	£	£
ASSETS			
Non-current assets			
Goodwill	1,085,000	1,085,000	1,085,000
Investments	152	152	152
Total non-current assets	1,085,152	1,085,152	1,085,152
Current assets			
Trade and other receivables	254,884	530,482	268,738
Cash and cash equivalents	126,212	45,084	71,609
Total current assets	381,096	575,566	340,347
Total assets	1,466,248	1,660,718	1,425,499
LIABILITIES			
Current liabilities			
Trade and other payables	323,125	291,594	229,635
Borrowings	200,000	200,000	200,000
Total current liabilities	523,125	491,594	429,635
Net assets/(liabilities)	943,123	1,169,124	995,864
EQUITY			
Share capital	1,516,950	1,496,950	1,496,950
Share premium account	7,154,076	6,994,076	6,994,076
Loan note equity reserve	23,657	23,657	23,657
Share option and warrant reserve	300,400	109,376	140,652
Retained losses	(8,051,960)	(7,454,935)	(7,659,471)
Total equity	943,123	1,169,124	995,864

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 31 OCTOBER 2017

	Unaudited 6 months ended 31 October 2017 £	Unaudited 6 months ended 31 October 2016 £	Audited Year ended 30 April 2017 £
(Loss)/profit before tax	(392,489)	3,035	(201,501)
Share-based compensation charge	159,748	–	31,276
Loan note interest charge	8,000	13,525	22,637
Operating cash flow before movements in working capital	(224,741)	16,560	(147,588)
Decrease/(increase) in receivables	13,854	(112,502)	149,242
Increase in payables	93,490	126,418	63,347
Net cash (used in)/from operating activities	(117,397)	30,476	65,001
Financing activities			
Proceeds of share issues	180,000	–	–
Interest paid	(8,000)	(8,000)	(16,000)
Net cash generated from financing activities	172,000	(8,000)	(16,000)
Net increase in cash and cash equivalents	54,603	22,476	49,001
Cash and cash equivalents at beginning of year	71,609	22,608	22,608
Cash and cash equivalents at end of year	126,212	45,084	71,609

NOTES TO THE INTERIM REPORT

1. Basis of preparation

The financial information set out in this interim report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The Company's statutory financial statements for the period ended 30 April 2017, prepared under International Financial Reporting Standards (IFRS), have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The interim financial information has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) and on the same basis and using the same accounting policies as used in the financial statements for the year ended 30 April 2017. The interim financial statements have not been audited or reviewed in accordance with the International Standard on Review Engagement 2410 issued by the Auditing Practices Board.

The financial statements have been prepared on a going concern basis under the historical cost convention.

The Directors believe that the going concern basis is appropriate for the preparation of the financial statements as the Company is in a position to meet all its liabilities as they fall due.

2. Earnings per share

The calculation of basic and diluted earnings per share is based on the loss for the period of £392,489 (2016: Profit £3,035) and a weighted average number of ordinary shares of 709,461,722 (2016: 691,428,935). The number of shares used in the calculation of the diluted loss per share is the same as that used for the basic loss per share for the current period, as the exercise of options would be anti-dilutive.

3. Share Capital

	Number of Ordinary shares	Value £	Number of Deferred shares	Value £	Share Premium £
Issued and fully paid					
At 1 May 2017	691,428,935	691,429	16,439,210	805,521	6,994,076
Share issues	20,000,000	20,000	–	–	160,000
At 31 October 2017	711,428,935	711,429	16,439,210	805,521	7,154,076

On 19 May 2017, Charles Tatnall and James Longley each exercised warrants over 10,000,000 shares at 0.9p per share

4. Dividend

No interim dividend will be paid.

Copies of the interim report can be obtained from: The Company Secretary, Plutus PowerGen PLC, 27/28 Eastcastle Street, London W1E 8DH and are available to view and download from the Company's website: www.plutuspowergen.com