



Energetix Group plc
Interim Results September 2008
Group CEO Adrian Hutchings
Group CFO Rick Smith
VPhase plc CEO Lee Juby

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Introduction



- Energetix develops low-cost products for alternative and sustainable energy markets
- Current market cap. £43million (78p/share)
 - Listed on Aim in August 06 raising £6m at 40p/share
 - Placing in Aug 07 raising £12m at 120p/share
 - Business fully funded
- Three subsidiary businesses:
 - Genlec, a microCHP (combined heat and power/mCHP) company
 - Pnu Power, a UPS (uninterruptible power supply) company based on compressed air
 - VPhase (AIM: VPHA), a domestic voltage control energy saving business (49.4% EGX); market cap. of £64 million (as of 12th Sept 2008)

Financial Performance



- Turnover £29k (2007: £Nil)
- Operating loss £2,075k (2007: £1,314k)
- Gain on VPhase shares
 - Realised £1,613k (2007: £Nil)
 - Unrealised £17,605k (2007: £nil)
- Operating loss net of other gains £462k
- Finance Income
 - Interest income £327k (2007: £99k)
 - Fair value adjustment on liabilities (IFRS) £799k (2007: £106k loss)
- Net profit £664k

Financial Performance



- Cash and cash equivalents at beginning of period £12,778k
 - Cash inflow (Outflow) from operating activities £1,773k (2007: £(854)k)
 - Expenditure on intangible fixed assets (IFRS) £(866)k (2007: (532)k)
 - Expenditure on tangible fixed assets £122k (2007: £115k)
 - Interest received £327k (2007: £99k)
 - Repayment of borrowings £(112)k (2007: £(106)k)
- Cash and cash equivalents at 30 June 2008 £13,778k
 - Of which £3,628k is in VPhase
- Current burn rate £435k per month
- Value of VPhase shares held £31,360k
 - VPhase market cap £63,736k, 12 September 2008

Sustained, Substantial Progress



- All three businesses have:
 - Delivered key targets
 - On target to deliver remaining targets
 - Product launch schedules on target this year
 - Increased profile in UK and Internationally
 - e.g. – UK Energy Minister launching Genlec product
- Preparing for revenue generation
 - Infrastructure and resources in place to deliver



Energetix Genlec Ltd

CEO Bill Fortescue

Targets



2008

- Complete E.ON trials
- Extend boiler company & utility company relationships
- Dutch field trials
- Formal product launch
- Increase company profile through presentations and exhibitions

On target for product launch H2 2008

2009

- Grow sales through boiler partners
- Volume agreements with utility companies
- Initiate development of 3rd generation product
- European market growth
- Establish Far East assembly

Revenue growth

Trials

- New facility developed at Capenhurst for extended E.ON PAS67 trials
- Dutch field trials on target for this year – first batch of units in production

Micro-wkk-systeem met stoomturbine

Innovatie

De CombiVolt is een zogenaamde HR_e -ketel of micro-wkk-systeem: een cv-ketel die elektriciteit produceert en de restwarmte gebruikt voor verwarming en warm water, en daarmee het rendement ten opzichte van een HR107-ketel verbetert.

Techniek

De CombiVolt maakt gebruik van de Organic Rankine Cycle, een stoomturbine die werkt met organische stoom. De stoom die uit de turbine komt, wordt gebruikt voor verwarming.

Besparing

Het rendement wordt van 107% voor een normale HR107-ketel verhoogd naar minimaal 120%. Daarmee wordt het gas beter benut en de CO₂-uitstoot evenredig verminderd. In de toekomst ligt een verdere verhoging van het rendement in het verschiet. Dit kan worden gerealiseerd door de stoomturbine te verbeteren en door integratie in een totaalsysteem met warmteopslag, zonnepanelen en adaptieve besturing.

Installatie

De ketel is een directe vervanging van een HR107-ketel (drop-in-replacement). De terugverdientijd van de extra investering ten opzichte van een HR107-ketel is 4 tot 5 jaar. Installatie en onderhoudskosten zijn gelijk aan die van een HR107-ketel.

Marktintroductie

De CombiVolt is in ontwikkeling. Veldtesten zijn voorzien voor eind 2008, waarna in 2009 de introductie volgt.



Informatie
Ducode bv
www.ducodebv.nl

Relationships

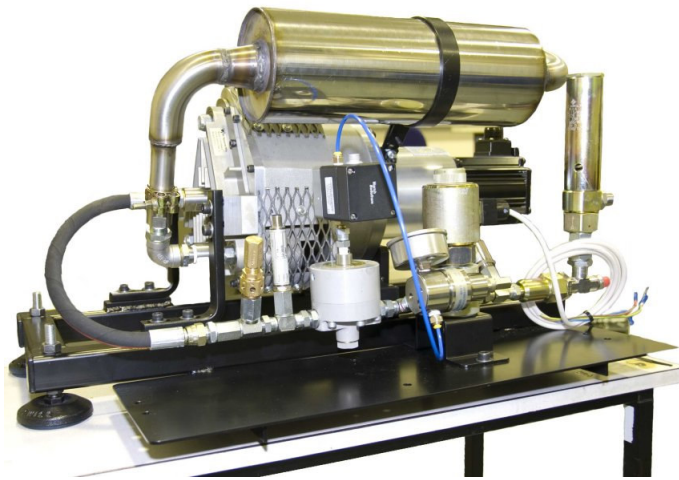


- Additional boiler company announced
- Agreements in place with three boiler companies and one utility
- Further additional commercial discussions in progress
- Design for manufacture contract placed and initial build completed by third party assembler
- High volume manufacture discussions in progress
 - Mainland Europe and Far East

Increase Profile



- BBC North West News coverage of Energy Minister visit to Energetix
- Energy Minister agrees to launch Genlec
- Genlec has participated in and presented papers at:
 - European Micro CHP Congress
 - Micropower Conference
 - SGBI Energy Pricing Conference and,
 - Energy Institute Annual Conference
- Study on fuel price increase and potential future trends shows that by 2010 back pay on Genlec could have reduced from 3 to 5 years to less than 2 years



Energetix Pnu Power Ltd

CEO Neil Bright

Targets



2008

- Wider Eskom deployment
- Pilot installations with leading European operators
- Launch of TC2 and UPS product range
- Establishment of North America office and technical support function
- Exhibit at two major shows

Build the business platform

2009

- Wider European telecoms deployment with major operators
- Pilot installations in North America telecoms sector
- First orders for high-power (100kW) UPS in North America and Europe
- Next generation products launched

Post trials roll-out, growing revenue and contribution

Wider Eskom Deployment & Pilot Installations



- Eskom installation has successfully managed 27 (sub 10s) power interruptions to date. Eskom require two longer interruptions before placing an order for c.10 units
- Pilot European installations in negotiation with:
 - Distribution and transmission companies and with local telecoms operators in both the UK and mainland Europe
- Further opportunities identified:
 - South Africa require additional installations to support 2010 World Cup
 - Australia for base stations

New Products



- “Pnu Bay” launched at Intelec in San Diego. A rack mounted vertical configuration
- Environmental test facility established
 - Testing at 40°C and 95% RH



- Fully integrated autonomous system with compressor refill
- Accelerated test life now over 22 years
- BoM significantly reduced

US Operations and Exhibitions



- US office established and engaged with potential US customers:
 - Utility companies
 - Telecoms service providers
 - Genset manufacturers
- Exhibited at DataCentre Command & Control April, and LandWarNet in August
- Exhibiting and presenting an Eskom paper at Intelec in September

VPhase



VPhase plc
CEO Dr Lee Juby

Timeline: 2008 & 2009

VPhase

2008

- Product engineering
- Test house installation and data logging
- Deliver pre-production units for partner evaluation
- Launch of initial product
- Initial market introduction working with selected partners
- Scale up for volume production
- Exhibit at a major show

Establish supply chain
& provide customer pull

2009

- Start volume manufacturing
- UK market roll-out
- Expansion of routes to market
- Develop overseas markets
- Development of next generation products

Post trials roll out, growing
revenue and contribution

Preparing for Production



- Design for manufacture contract placed
 - Capability for 2009 volumes secured
 - Far East assembly to be progressed in 2009



- CE program on target to enable product sales this year
- Letter of Intent with SSE for CERT field trials to start this year

Product Launch



- VXI will be launched at Interbuild during October
 - Interbuild has a focus this year on Eco products
- Outsourced PR and Sales Office appointed to promote and manage sales enquiries
- Prototype units due for release to potential Consumer Unit producers for testing
 - Successful in house testing 24/7 since March 2008
- Letter of intent signed with Scottish & Southern Energy
 - To support commercialisation by funding field trials in the form of an OFGEM approved demonstration action.

Market Expansion



- US based consultant appointed to undertake initial market study
- Energetix US office in Florida to be used as initial VPhase base
- EU plans to be initiated early 2009

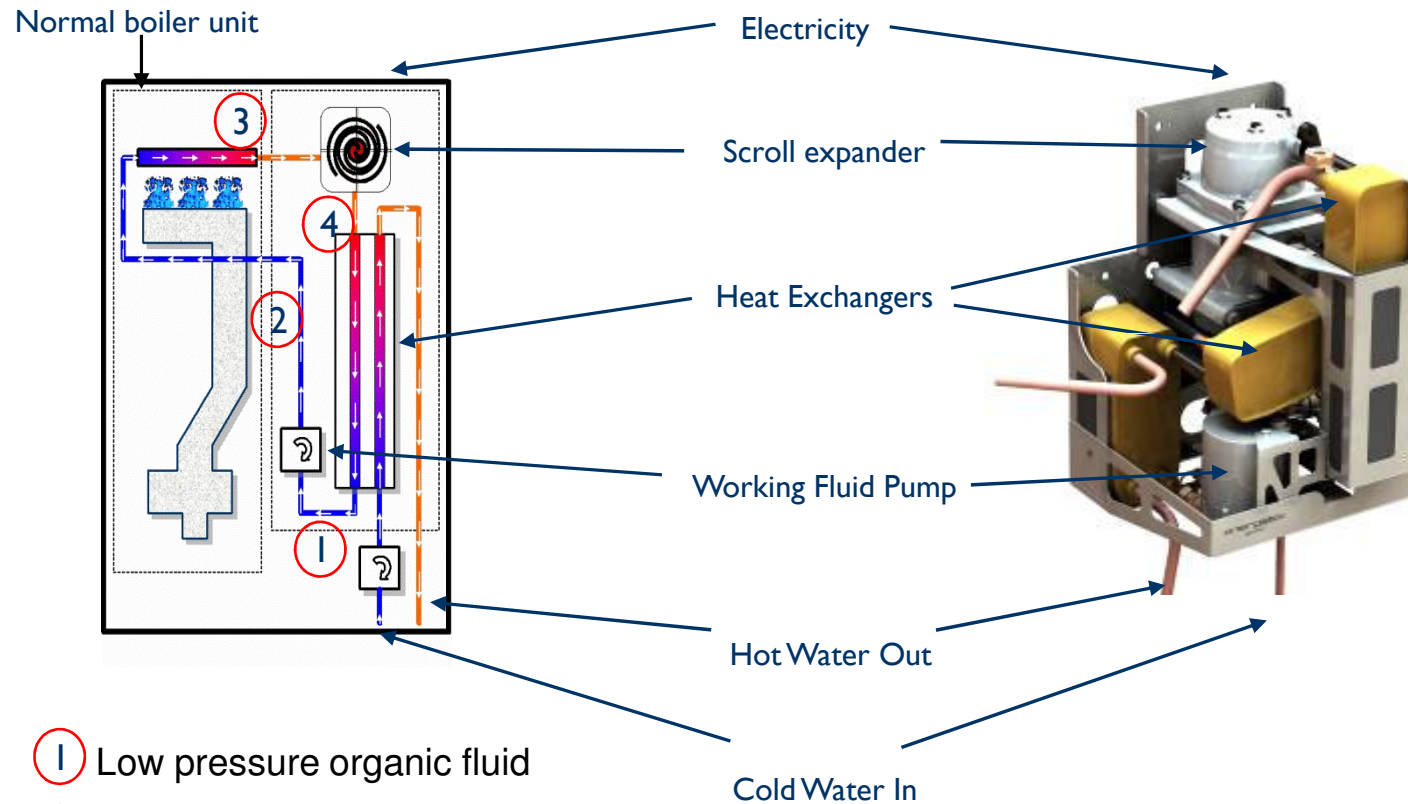
VPhase plc Financial Performance



- Operating Loss £370k (2007: £14k)
 - Finance income £13.3k (2007: £Nil)
- Loss for the financial period £356k (2007: £14k)
- Placing raising £3,305k net of expenses
- Bank balance at 30 June 08 £3,628k
- Current burn rate £45k per month

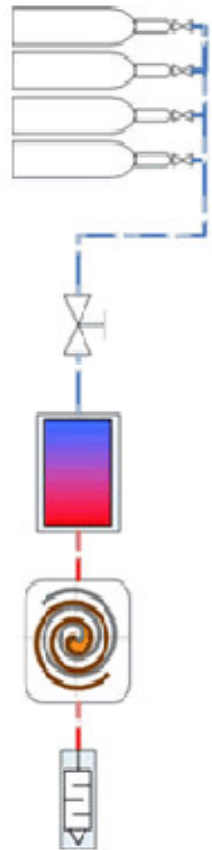
Appendices

How Genlec Works



- ① Low pressure organic fluid
 - ② Pressurised organic fluid
 - ③ Pressurised organic vapour
 - ④ Low pressure organic vapour
- Cycle repeats

How Pnu Power Works



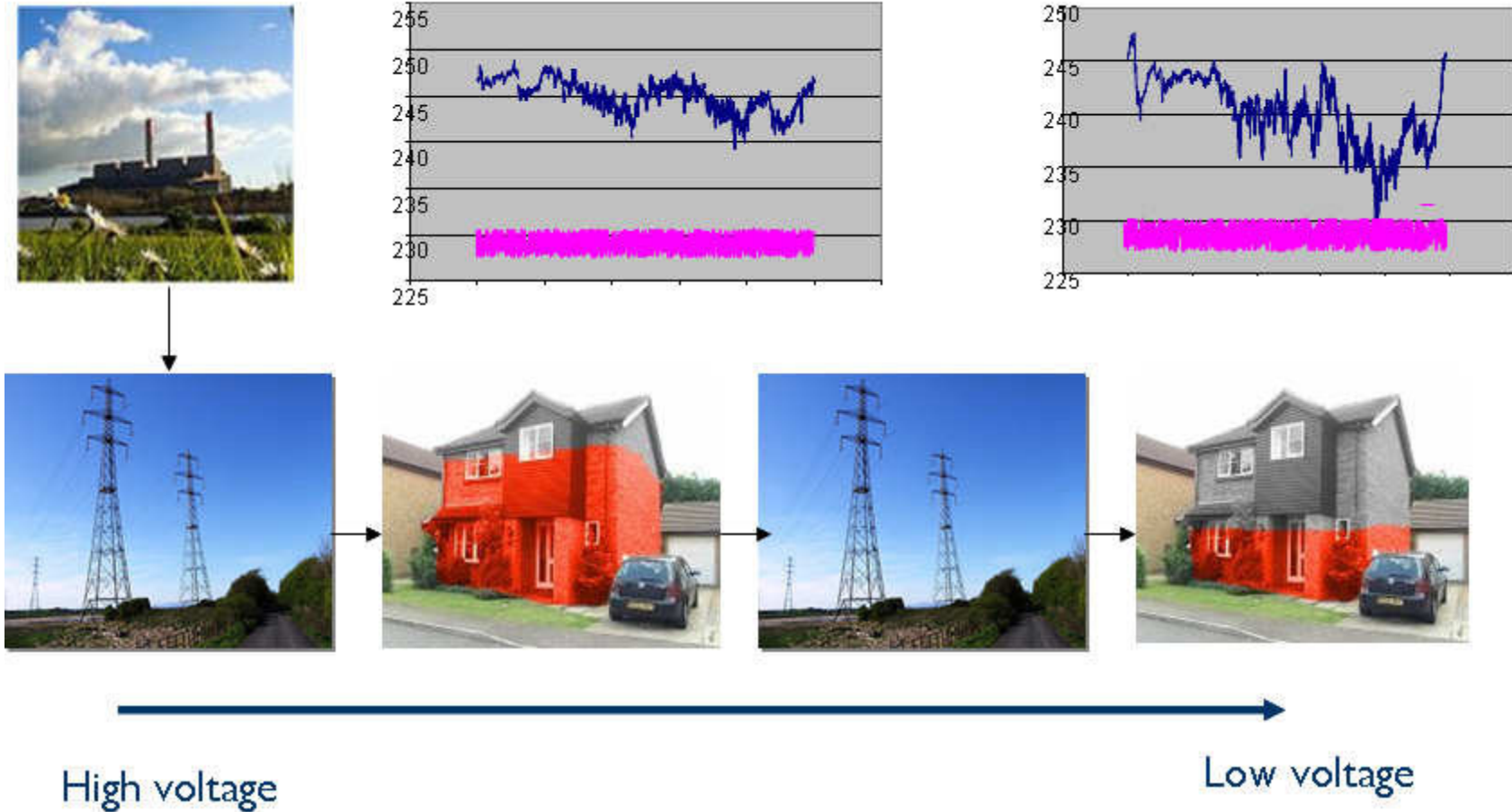
Compressed air cylinders

Control system releases air on mains power failure

Scroll expander rotates to drive electric generator

Cold air released

How VPhase Works



Voltage level changes dependant distance from generation, demand, time of day, etc

VPhase maintains voltage at a fixed level