

7 August 2019

**Eight Capital Partners plc**

**("Eight Capital" or the "Company")**

**Acquisition of €2 million receivable**

Eight Capital Partners plc is pleased to announce that it has completed the acquisition of a €2m receivable as outlined in its announcement of 1 June 2019 Notice of AGM (resolution 6 "IWEP Acquisition").

Finance Partners Group SPA ("FPG") is an Italian financial services company that, among other things, takes minority stakes in private companies seeking future listings on public markets. Its main holding is The Avantgarde Group ("TAG") a growing fintech company. In September 2018 the Company invested €111,100 in an 8% bond in FPG.

FPG owns a minority interest in TAG and We Arena ("WE"), a digital media gaming company. TAG has been valued by an international firm of accountants at €75 million. Management of FPG have valued We Arena at €5 million. TAG is in the process of obtaining a stock market listing in a prominent European market. WE is in pre-IPO growth phase and is expected to seek a listing in a comparably prestigious jurisdiction and exchange in 2020. The proposed strategy is for FPG to list these two investee companies, liquidate or redeem the shares and return profits to its shareholders, including Eight Capital Partners, then repeat with other companies.

IWEP Ltd ("IWEP") owns a receivable of €4 million from FPG resulting from a sale of TAG shares to FPG. Eight Capital has acquired half of the receivable asset from IWEP. The receivable has a face value of €2 million. The price paid is €1.9 million. The Company has an option to acquire the remainder of the receivable from IWEP at the same price in the next six months. Eight Capital, in discussion with FPG, intends to convert this receivable into an equity holding in FPG and gain exposure to the potential upside from FPG's investee company transactions.

The Board believes the investment delivers the following positives:

- If the receivable is converted into FPG equity, the investment provides exposure to FPG's investee companies that are expected to be listed and become liquid over time.
- The pricing of the investment is considered attractive compared to the estimated valuation of the investee companies.
- The portfolio of assets managed by Eight Capital Partners will increase significantly without having to fund acquisitions with cash, which may be difficult to raise currently.

- The market capitalisation of the Company could increase should the receivable be converted into FPG's equity or other of the Company's loans be converted into equity over time, which may help to generate more liquidity in the Company's.
- Through successfully executing transactions such as this and creating scale and more substance in the portfolio, there is the expectation that Eight Capital Partners will become more attractive to investors, enabling the Company to raise more capital and acquire other interesting assets in exchange for cash and or its securities.

Settlement of the transaction's €1.9 million consideration is being effected through €1 million of Eight Capital's 7% bonds, a €600,000 vendor loan at a 5% interest rate with a duration of one year, and, €300,000 in cash.

### **Bond update**

Following the transaction above, the Company will have placed €1,800,000 of bonds from its instrument traded on the Vienna MTF as "€5,000,000 7.00 per cent. Notes due 26 July 2022". It is anticipated that more bonds will be placed in due course.

### **Disclosures**

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 ("MAR"). Prior to publication, certain information contained within this Announcement was deemed to constitute inside information for the purposes of Article 7 of MAR.

IWEP is a company connected to Eight Capital Partners' Chairman Dominic White. This transaction therefore constitutes a related party transaction. IWEP continues to have a direct shareholding in TAG. Dominic White agreed to become a non executive board member of TAG to monitor the Company and IWEP's interests.

The completion of the IWEP Acquisition was conditional on the passing of Resolution 6 at the Company's AGM on 9th July 2019, relating to Section 190 of the Act, as it was deemed to be a substantial property transaction. The resolution was passed and transaction approved unanimously by the shareholders.

The directors of the Company take responsibility for this announcement.

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