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Eight Capital Partners PLC
29 September 2020

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EIGHT CAPITAL PARTNERS PLC

("Eight Capital" or the "Company")

UNAUDITED INTERIM REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2020

Eight Capital Partners plc (AQSE: ECP), announces its consolidated interim results for the half year ending 30 June 2020.

Chairman's Interim Report

I report on the Company's interim results for the six months to 30 June 2020.

Eight Capital Partners plc (the "Company" or "Eight Capital") is an investment vehicle quoted on the AQSE Growth Market. Its objective is to generate an attractive rate of return for shareholders, predominantly through capital appreciation, by taking advantage of opportunities principally to invest in the TMT[1] and financial services sectors (including in other investment companies).

These interim results also consolidate the results of Epsion Capital Limited ("Epsion"), the boutique corporate advisory company that is a 100% owned investment.

Since I last reported to you on the full year results to December 2019, the Company has seen the ongoing effects of the COVID-19 pandemic and that the first half of 2020 forecasts of some of our investments have not been realised as originally expected. We are therefore reporting a loss for the half year, mainly created through adverse currency movements and the volatile share price of our listed company investment Supply@Me Capital plc.

Nevertheless, some investments have been very successful. We invested £280,000 in Greencare Capital plc, also quoted on AQSE (GRE), in December 2019. This investment at 30 June 2020 had a quoted value of £704,000 and at the date of this report had a quoted value of £832,000. Greencare Capital is an investment vehicle seeking to identify investment opportunities in, and acquisitions of companies in the rapidly changing regulatory environment surrounding legal Medicinal Cannabis, as well as investment opportunities within the Hemp and CBD wellness sectors.

Epsion has also done well, with unaudited six-month revenues growing to £540,000, and a pre-tax profit of £155,000.

The other major development in the period under review was the reverse takeover (RTO) of Abal Group plc by Supply@Me S.r.l. (Supply@ME) in March 2020 and its move from AIM to the Standard

Segment of the Main Market of the London Stock Exchange. Supply@ME is an innovative international Fintech Platform which provides inventory monetisation services to European manufacturing and trading companies. This is a high-growth international sector with a multi-trillion-dollar market size. Since its readmission to the London Stock Exchange, Supply@ME's share price has been particularly volatile in the context of delays to its business plan and, on 30 June this year, being the end of the reporting period, there was an unfortunate dip in the share price, which then recovered. That dip in share price at the reporting date translated into a £158,000 unrealised loss being borne by the income statement. Nevertheless, this has not diminished the Board's belief in this stock and it continues to have high hopes for the growth of Supply@ME, particularly in light of recent funding partnership announcements.

The Company owns shares directly in Supply@ME and indirectly through its holding in Financial Partners Group (FPG), which is expected to make a cash and shares distribution to its shareholders in the next half year.

The Company also has an investment of €111,000 in a listed bond issued by FPG. Repayment of the bond is imminent and there will be a separate announcement in due course.

In May 2020, the Company agreed with IWEP Ltd that terms of a vendor loan, granted as part consideration for the Company's acquisition of the receivable due from FPG in August 2019, could be modified to allow IWEP to convert £100,000 of the loan into ordinary shares. Post period under review, the outstanding loan, which was due to mature in August 2020, was extended to August 2021.

We announced in July that we would be restructuring our investment in Finance Innovations Team (FIT). The restructuring, which was agreed after the period under review and announced on 27 July 2020, is now being implemented.

Foreign exchange has been an additional negative factor with the slump in the Pound against the Euro, causing us to record an unrealised loss of over £300,000 on our Euro financing liabilities. We would hope that some of the negative effect of this non-cash movement may correct itself by the year end.

In summary, I believe that with FPG about to release liquidity, Greencare's value moving very positively upwards, Epsion growing well and Supply@ME making positive announcements, the core of our portfolio is in good shape, despite the inevitable restrictions due to the pandemic. We have completed the majority of our first round of investment and are now beginning the phase of holding and progressive realisation.

Dominic White

Chairman

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

The directors of the Company take responsibility for this announcement.

For further information, please contact:

Eight Capital Partners plc +44 20 3808 0029

Dominic White info@eight.capital

AQSE Exchange Growth Market Corporate Adviser
Cairn Financial Advisers LLP +44 (0) 20 7213 0880
Jo Turner / James Lewis

Eight Capital Partners plc
Consolidated Statement of total comprehensive income
for the six months ended 30 June 2020

	Note	Six months ended 30 06 2020 Unaudited £'000	Six months ended 30 06 2019 Unaudited £'000	Year ended 31 12 2019 Company only Audited* £'000
Income				
Revenue	2	556	282	-
Other income		54	-	50
Total income		**610**	**282**	**50**
Cost of sales		(291)	(120)	-
Net change in unrealised gains/ (losses) on investments at fair value through profit and loss		88	(215)	164
Unrealised foreign exchange losses on financing		(312)	-	-
Loss on disposal of investments		-	(2)	-
Administrative expenses		(456)	(253)	(543)
Loss from operations		**(361)**	**(308)**	**(329)**
Interest income		4	4	7
Finance expense		(107)	(2)	(110)
Loss before tax		**(464)**	**(306)**	**(432)**
Tax expense	3	-	(12)	-
Loss for the period		**(464)**	**(318)**	**(432)**
Total comprehensive loss attributable to: Equity holders of the parent company		**(464)**	**(333)**	**(432)**
Non-controlling interests		**-**	**15**	**-**

		(464)	**(318)**	**(432)**
Loss per share attributable to the equity holders of the parent				
Basic and diluted (pence):	4	(0.06)	(0.06)	(0.07)

* The 2019 audited accounts related only to the Company and did not consolidate Epsion Capital (see note 5)

Eight Capital Partners plc
Consolidated Statement of financial position at 30 June 2020

	Note	As at 30 06 2020 Unaudited £'000	As at 30 06 2019 Unaudited £'000	As at 31 12 2019 Audited* £'000 Company only
Current assets				
Trade and other receivables		482	232	73
Investments	6	3,778	425	3,790
Cash and cash equivalents		287	18	420
Total current assets		**4,547**	**675**	**4,283**
Total assets		**4,547**	**675**	**4,283**
Current liabilities				
Trade and other payables		336	261	135
Borrowings		363	-	338
Provisions		32	12	11
Total current liabilities		**731**	**273**	**484**
Non-current liabilities				
Long term bond		3,300	-	3,005
Borrowings		442	-	508
Total non-current liabilities		**3,742**	**-**	**3,513**
Total liabilities		**4,473**	**273**	**3,997**
Net assets		**74**	**402**	**286**

Equity

Share Capital	7	1,430	1,360	1,360
Share premium account		2,001	1,894	1,895
Convertible loan notes	8	84	85	84
Share option and warrant reserve		8	8	8
Retained earnings		(3,449)	(2,962)	(3,061)
Non-controlling interests		-	17	-
Total equity		**74**	**402**	**286**

* The 2019 audited accounts related only to the Company and did not consolidate Epsion Capital (see note 5)

Eight Capital Partners plc
Notes to the Interim Consolidated Financial Statements
For the six months ended 30 June 2020

1. Accounting policies

Basis of preparation

These interim consolidated financial statements have been prepared in accordance with the principles of applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102').

They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2019 annual report. The statutory financial statements for the year ended 31 December 2019 were prepared in accordance with FRS 102 and in accordance with the requirements of the Companies Act 2006. The auditors reported on those financial statements; their Audit Report was unqualified.

The interim financial information is unaudited, has not been reviewed by the Company's auditors and does not constitute statutory accounts as defined in the Companies Act 2006.

The interim financial information was approved and authorised for issue by the board of directors on

22 September 2020.

Going concern

As an investment business, the Company has limited operating cash flow and is dependent on the performance of its investments and bond facilities for its working capital requirements. A number of its investments are either cash-generative or traded on liquid markets and it supports its cash flow by providing chargeable management services. As at the date of this report, the Company had in excess of £200,000 in cash reserves and approximately £100,000 of near term receivables. It is also anticipating a number of substantial cash-generative liquidity events in the near term.

The Directors are therefore of the opinion that the Company has adequate financial resources to enable it to continue in operation for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Basis of consolidation

The consolidated financial information incorporates the financial statements of the Company and its 100% owned investment, Epsion Capital Limited.

2. Revenue

	Six months ended 30 June 2020 £'000	Six months ended 30 June 2019 £'000	Year ended 31 December 2019 £'000
Product sales	541	246	-
Commission income	-	10	-
Services income	15	26	-
Total revenue	**556**	**282**	**-**

3. Income tax

	Six months ended 30 June 2020 £'000	Six months ended 30 June 2019 £'000	Year ended 31 December 2019 £'000
Current tax expense			
UK corporation tax at 19%	-	12	-
Total tax expense	**-**	**12**	**-**

4. Losses per share

	Six months ended 30 June 2020 £'000	Six months ended 30 June 2019 £'000	Year ended 31 December 2019 £'000
Loss for the year attributable to owners of the Company	(464)	(333)	(432)
Weighted average number of shares: Basic and diluted (number)	796,642,433	553,024,641	618,720,310
Loss per share (pence)	**(0.060)**	**(0.060)**	**(0.001)**

The basic and diluted earnings per share were determined by dividing the loss attributable to the equity holders of the Company by the weighted average number of shares outstanding during the periods. Dilutive instruments are ignored when the overall result is a loss and/or when such dilutive instruments were not operative.

5. Subsidiary investment

On 4 November 2019, further to an initial investment in March 2019, the Company acquired the entire share capital Epsion Capital Limited ("Epsion"), a boutique financial advisory and investment firm based in London. At 31 December 2019, the Board was holding Epsion for a partial sale that would have reduced its holding to below 50%. For this reason, and given the independence of Epsion's Board, the results of Epsion were not consolidated at 31.12.2019. This strategy has since been reconsidered and the activities of Epsion have been consolidated with effect from 1 January 2020.

Epsion contributed £540,000 of revenue for the period between the date of acquisition and the balance sheet date and £155,000 of profit before tax.

6. Investments

	Fair value at 31 12 2019	Net change in unrealised gains/ (losses)	Fair value at 30 06 2020
	£'000	**£'000**	**£'000**
Quoted equity securities:			
Supply@Me Capital plc	189	(158)	31
Greencare Capital plc	653	51	704
Sport Capital Group plc	132	1	133
	974	**(106)**	**868**
Unquoted equity securities:			
Finance Partners Group SPA	1,608	115	1,723
Finance Innovations Team	1,015	73	1,088
	2,623	**188**	**2,811**
Quoted debt securities:			
Finance Partners Group: S.p.A. corporate bonds	93	6	99
	93	**6**	**99**
Total investments	**3,690**	**88**	**3,778**

7. Share capital

Movements in Ordinary share capital during the period are summarised below:

	Number of Ordinary Shares of 0.01p	Nominal value '000
As at 31 December 2019	633,257,818	64
Issued during the period	708,000,000	71
As at 30 June 2019	**1,341,257,818**	**135**

In June 2019, Cosmos SICAV plc Value Added Fund converted £13,155.83 of the Convertible Bond facility (see Note 7 below) announced on 26 October 2018 into 93,091,058 ordinary shares in the Company.

Movements in Deferred share capital are summarised below:

	Number of Deferred Shares of 0.24p	Nominal value '000
As at 1 January 2019	-	-
Sub-division of Ordinary Shares	540,166,760	1,296
As at 31 December 2019 and 30 June 2020	**540,166,760**	**1,296**

8. Convertible Loan Notes

	Convertible bonds £'000
As at 1 January 2020	84
Issued in the year	-
As at 30 June 2020	**84**

This facility expires on 26 October 2020. The bonds, interest and attached warrants are redeemable against equity in the Company at the Company's option, subject to certain maximum shareholding criteria and are therefore treated as quasi-equity in the balance sheet.

9. Related party transactions
Further to the reverse takeover of Abal plc by Supply@ME S.r.l. (SYME) in March 2020, Dominic White, who is a director of Eight Capital, also became a non-executive director of SYME, which has therefore become a Related Party in accordance with AQSE Growth Market Rules for Issuers.

In May 2020, the Company amended terms of a loan with IWEP Limited such that part of the loan may be converted. Further, the Company granted options to directors. These transactions constitute related party transactions pursuant to Rule 52 of the AQSE Growth Market Rules for Issuers.

10. Subsequent events
Investment in Financial Innovations Team srl

On 27 July, the Company announced it had completed the restructuring of its investment in Financial Innovations Team Srl ("FIT"). On 2 December 2019, the Company announced that it had acquired 59.9% of FIT, a financial services business operating in Europe. The aggregate consideration of €1.2 million for the acquisition was satisfied by way of €350,000 of cash, €450,000 of Eight Capital's bonds and a short-term vendor loan of €400,000. In its report and accounts for the year to 31 December 2019, which was notified on 6 July 2020, the Company advised that FIT had been impacted negatively by the COVID-19 pandemic in terms of advisory revenues and potential M&A fees.

In light of this, Eight Capital renegotiated its investment pursuant to the terms of the original share purchase agreement and enforced its rights against the vendors of the interest in FIT ("Vendors") to unwind its investment and seek recovery of the funds invested. The shares of FIT have been returned to the Vendors and an initial reimbursement of €750,000 of the investment cost is being effected through the cancellation of the €400,000 vendor loan and the return of €350,000 of Eight Capital's bonds, both issued as part consideration for the acquisition.

Following completion of the restructuring, the Company will recognise a reimbursement of €750,000 and it expects that the reimbursement should increase to at least €850,000 as the remainder of the Eight Capital bond held by the Vendor becomes unencumbered, representing approximately 70 per cent of the initial investment, within the next 12 months.

As further potential compensation, Eight Capital has paid £1 to secure an eighteen month option from the Vendors to acquire 60 per cent. of the issued share capital of Innovative Finance Srl ("InnFin"), an early stage Italian financial services business which is unrelated to FIT. The Board will be monitoring InnFin's pipeline of M&A transactions, revenue stream and value closely in the coming months Should Eight Capital exercise the option, a valuation will be provided by a jointly appointed independent valuer and, if acceptable to Eight Capital, settlement would be offset against any outstanding balance owed to it.

Further to signing the commitment letter of 22 June 2020 to extend a vendor loan note with IWEP Ltd, In July 2020, the Company completed this agreement and the outstanding loan notes with IWEP Ltd that were due to mature on 6 August 2020 have been extended to 7 August 2021 on the same terms. IWEP Ltd is classified as a related party due to sharing a common director, Dominic White and, therefore, entering the agreement to extend the loans is a related party transaction pursuant to Rule 52 of the AQSE Rules for Issuers.

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[1] Technology Media and Telecoms