

RNS Number : 2996N  
Eight Capital Partners PLC  
29 September 2021

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## **EIGHT CAPITAL PARTNERS PLC**

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

### **UNAUDITED INTERIM REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2021**

Eight Capital Partners plc (AQSE: ECP), announces its interim results for the half year ending 30 June 2021.

#### **Chairman's Interim Report**

I report on the Company's interim results for the six months to 30 June 2021.

This report is being issued in the context of the Company's most recent announcement, released on 27 September, which highlights that it will henceforth change its status from being an investing company to being an operating group. In practical terms, this means that all future financial reporting will be made under IFRS reporting standards, consolidating the results and balance sheets of its 100% owned (and other future controlled) subsidiaries, rather than as a standalone company, applying the UK reporting standard FRS 102, which treats those subsidiaries as investments and incorporates the changes in their underlying value in the Company's income statement.

This report therefore, for the final time, presents Eight Capital as an investing company quoted on the AQSE Growth Market. Its stated objective has been to generate an attractive rate of return for shareholders, predominantly through capital appreciation, by taking advantage of opportunities principally to invest in the Technology, Media and Telecoms (TMT) and financial services sectors (including in other investment companies).

Since I last reported to you on the full year results to December 2020, the Company has continued to see the effects of the COVID-19 pandemic, however, a positive result for the period - an operating profit of £400,000 and a net profit after finance charges, of almost £300,000 - has been achieved. This was due to a number of factors, including the agreement reached to sell the Company's entire 28.7% holding in Finance Partners Group for €2.15 m (original investment €1.9 m), revenues from management services agreements and a reversal of some of the adverse currency movements that we suffered at the 2020 year-end.

We still expect our investments in Greencare Capital (CBD, wellness and medicinal cannabis) and Supply@ME Capital (monetisation of inventory) to give us a good return once they start fulfilling their business plans, at which point we will be seeking to exit. A similar strategy will be applied to Evrima plc (investor in mining operations - formerly Sports Capital Group) which reverted to mining following a foray into sports management, but whose shares are performing reasonably well.

Nevertheless, the immediate future will focus on deriving value from a) our two wholly-owned subsidiaries: Epsilon Capital Ltd and Innovative Finance Srl (acquired 10 May 2021), two boutique corporate finance advisories with very different, complementary skill sets, and b) other tech led financial services lines of business that may be developed in the future. That focus will be led by our new CEO, David Bull, leveraging the significant increase in the Group's balance sheet announced recently and the Company's absolute determination to be a strong player in the financial services technical revolution that we are now witnessing.

Dominic White

Chairman

The directors of the Company take responsibility for this announcement.

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**Eight Capital Partners plc**  
**Statement of Total Comprehensive Income**  
**for the six months ended 30 June 2021**

	Six months ended	Six months ended	Year ended
	30 June 2021	30 June 2020*	31 December 2020
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
	Note		
Administrative expenses	(174)	(363)	(537)
Foreign exchange gain/ (loss)	383	(116)	(180)

Net change in unrealised gains/ (losses) on investments at fair value through profit & loss		109	163	240
Other income		86	75	281
<b>Operating Profit/ (Loss)</b>		<b>404</b>	<b>(241)</b>	<b>(196)</b>
Interest income		-	4	22
Finance expense		(105)	(107)	(258)
<b>Profit/ (Loss) before tax</b>		<b>299</b>	<b>(344)</b>	<b>(432)</b>
Taxation		-	-	-
<b>Profit/ (Loss) for the period</b>		<b>299</b>	<b>(344)</b>	<b>(432)</b>
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive profit/ (loss)</b>		<b>299</b>	<b>(344)</b>	<b>(432)</b>
Basic earnings per share (pence):	2	0.02	(0.04)	(0.04)
Diluted earnings per share (pence):	2	0.02	-	-

\*The results for the six-month period ending 30 June 2020 were restated to correct the error of consolidating the accounts of the investment held in Epsion Capital Limited. The results are restated to that of Eight Capital Partners plc only.

**Eight Capital Partners plc**  
**Statement of Financial Position at 30 June 2021**

	As at	As at	As at
	30 June	30 June	31 December
	2021	2020*	2020
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
	Note		

**Current assets**

Trade and other receivables		164	158	153
Investments	3	5,091	4,143	3,179
Cash and cash equivalents		64	115	203
<b>Total current assets</b>		<b>5,319</b>	<b>4,416</b>	<b>3,535</b>
<b>Total assets</b>		<b>5,319</b>	<b>4,416</b>	<b>3,535</b>
<b>Current liabilities</b>				
Trade and other payables		123	140	120
Borrowings		391	363	436
<b>Total current liabilities</b>		<b>514</b>	<b>503</b>	<b>556</b>
<b>Non-current liabilities</b>				
Long term bond		4,381	3,742	2,945
<b>Total non-current liabilities</b>		<b>4,381</b>	<b>3,742</b>	<b>2,945</b>
<b>Total liabilities</b>		<b>4,895</b>	<b>4,245</b>	<b>3,501</b>
<b>Net assets</b>		<b>424</b>	<b>171</b>	<b>34</b>
<b>Equity</b>				
Share Capital	4	1,453	1,431	1,431
Share premium account		2,068	2,001	2,001
Convertible loan notes		84	84	84
Share option and warrant reserve		13	8	11
Retained earnings		(3,194)	(3,353)	(3,493)
<b>Total equity</b>		<b>424</b>	<b>171</b>	<b>34</b>

\*The results for the six-month period ending 30 June 2020 were restated to correct the error of consolidating the accounts of the investment held in Epsion Capital Limited. The results are restated to that of Eight Capital Partners plc only.

**Eight Capital Partners plc**  
**Statement of Changes in Equity**  
**for the six months ended 30 June 2021**

	Share capital	Share premium	Share option & Warrant reserve	Convertible loan note reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>As at 1 January 2019</b>	<b>1,350</b>	<b>1,891</b>	<b>8</b>	<b>48</b>	<b>(2,629)</b>	<b>668</b>
Loss for the year	-	-	-	-	(432)	(432)
Other comprehensive income for the year	-	-	-	-	-	-
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(432)</b>	<b>(432)</b>
Issue of shares	10	4	-	(14)	-	-
Issue of convertible loan notes	-	-	-	50	-	50
<b>Total Transactions with Owners</b>	<b>10</b>	<b>4</b>	<b>-</b>	<b>36</b>	<b>-</b>	<b>50</b>
<b>As at 31 December 2019</b>	<b>1,360</b>	<b>1,895</b>	<b>8</b>	<b>84</b>	<b>(3,061)</b>	<b>286</b>
Loss for the year	-	-	-	-	(432)	(432)
Other comprehensive income for the year	-	-	-	-	-	-
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(432)</b>	<b>(432)</b>
Share based payment	-	-	3	-	-	3
Issue of shares	71	106	-	-	-	177
<b>Total Transactions with Owners</b>	<b>71</b>	<b>106</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>180</b>
<b>As at 31 December 2020</b>	<b>1,431</b>	<b>2,001</b>	<b>11</b>	<b>84</b>	<b>(3,493)</b>	<b>34</b>
Profit for the period	-	-	-	-	299	299
Other comprehensive income for the year	-	-	-	-	-	-
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>299</b>	<b>299</b>
Share based payment	-	-	2	-	-	2
Issue of shares	22	67	-	-	-	89
<b>Total Transactions with Owners</b>	<b>22</b>	<b>67</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>91</b>
<b>As at 30 June 2021</b>	<b>1,453</b>	<b>2,068</b>	<b>13</b>	<b>84</b>	<b>(3,194)</b>	<b>424</b>

**Eight Capital Partners plc**  
**Notes to the Interim Financial Statements**  
**For the six months ended 30 June 2021**

**1. Accounting policies**

*Basis of preparation*

These interim 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 2020 audited annual report. The statutory financial statements for the year ended 31 December 2020 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 28 September 2021.

*Going concern*

As at the date of this report the Company had £420,000 of cash at bank and in transit after repaying a sizeable tranche of its short-term debt. It has revenues from management service agreements and interest income, a planned share placing in the 4<sup>th</sup> quarter and a significant liquidity event in the first quarter of 2022. It also has tacit financial support from its chairman.

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.

*Prior period correction*

The results for the six-month period ending 30 June 2020 have been restated such that the accounts of the investment held in Epsion Capital Limited are not consolidated, and are therefore comparable with the current period results. The results are restated to that of Eight Capital Partners plc only.

## 2. Profit or loss per share

	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
	£'000	£'000	£'000
<b>Basic</b>			
Profit/ (Loss) for the period attributable to owners of the Company	299	(344)	(432)
Weighted average number of shares:	1,400,739,856	796,642,433	1,069,696,174
<b>Basic earnings/(loss) per share (pence):</b>	<b>0.02</b>	<b>(0.04)</b>	<b>(0.04)</b>
<b>Diluted</b>			
Profit/ (Loss) for the period attributable to owners of the Company	299	(344)	(432)
Weighted average number of shares:	1,674,978,200	796,642,433	1,069,696,174
<b>Diluted earnings/(loss) per share (pence):</b>	<b>0.02</b>	<b>(0.04)</b>	<b>(0.04)</b>

The basic and diluted earnings per share were determined by dividing the profit or loss attributable to the equity holders of the Company by the weighted average number of shares outstanding during the periods.

## 3. Investments

	Fair value at 31 December 2020 £'000	Investment during the period £'000	Net change in unrealised gains/ (losses) £'000	Fair value at 30 June 2021 £'000
<b>Quoted equity securities:</b>				
Supply@Me Capital plc	128	-	(43)	85
Greencare Capital plc	806	-	(25)	781
Evrima plc ( <i>formerly Sports Capital Group plc</i> )	131	-	50	181
	<b>1,065</b>	<b>-</b>	<b>(18)</b>	<b>1,047</b>
<b>Unquoted equity securities:</b>				
Finance Partners Group SPA	1,701	-	142	1,843

Epsilon Capital Limited	100	-	-	100
Innovative Finance Srl	313	1,803	(15)	2,101
	<b>2,114</b>	<b>1,803</b>	<b>127</b>	<b>4,044</b>
<b>Total investments</b>	<b>3,179</b>	<b>1,803</b>	<b>109</b>	<b>5,091</b>

#### 4. Share capital

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

	<b>Number of Ordinary Shares of 0.01p</b>	<b>Nominal value '000</b>
As at 31 December 2020	<b>1,341,257,818</b>	135
Issued during the period	223,057,644	22
<b>As at 30 June 2021</b>	<b>1,564,315,462</b>	<b>157</b>

In May 2021, 223,057,644 new ordinary shares were issued at 0.039p per share and admitted to trading on the AQSE Growth Market on 14 May 2021.

Movements in Deferred share capital are summarised below:

	<b>Number of Deferred Shares of 0.24p</b>	<b>Nominal value '000</b>
<b>As at 31 December 2020 and 30 June 2021</b>	<b>540,166,760</b>	<b>1,296</b>

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