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Eight Capital Partners PLC
30 June 2022

EIGHT CAPITAL PARTNERS PLC

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

Annual Report and Financial Statements

For the year ended 31 December 2021

Eight Capital (AQSE: ECP), the investing company whose investment strategy focuses on technology, media, telecoms and financial services businesses, including listed investing companies, is pleased to announce its final results for the year ended 31 December 2021. The Company's audited report and accounts can be found below. A copy of the final results will shortly be available from the Company's website and will be sent to all shareholders.

A separate announcement providing details of the 2021 Annual General Meeting will be made shortly.

The Directors of the Company accept responsibility for the content of this announcement.

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About Eight Capital Partners:

Eight Capital Partners plc is an international financial services operating company focused on owning and operating businesses engaged in "Fintech" operations, from the digitisation of banking services, through to blockchain-backed decentralised finance companies and "crypto banks."

ECP provides equity, debt, and equity-related investment capital to companies seeking capital for growth and development, consolidation or acquisition, or pre-IPO financing. The Company seeks to generate an attractive rate of return for shareholders, predominantly through capital appreciation, by maximising the revenues, profits and value of its operating subsidiaries, and taking advantage of the increasing number of acquisition opportunities within the continuously developing global technology, media, telecoms and financial services sectors.

www.eight.capital

Eight Capital Partners operates two subsidiary businesses:

Epsion Capital:

Epsion Capital is an independent corporate advisory firm based in London with an extensive experience in UK and European capital markets. The team of senior and experienced ECM and M&A professionals is specialised across multiple markets, sectors and geographies and it prides itself on a commercial approach that allows the clients to achieve their growth ambitions. www.epsioncapital.com

Innovative Finance:

Innovative Finance is a corporate finance advisory business that develops mergers and acquisitions and financing solutions across multiple sectors, primarily in Europe, with access to international transactions. It is currently working on transactions in the USA and Europe which are linked to technological developments in the financial services industry, AI, cybersecurity, e-commerce and cannabis. www.innovfinance.com

Chairman's Statement

Dear Shareholder,

I am pleased to report on the Company's financial results for the year ended 31 December 2021 and on a number of far-reaching corporate developments that have occurred during the year, particularly during the second half and which have continued into 2022.

Change of status to an Operating Group

The most important development during the period under review, and announced in an extensive market update on 27 September 2021, was the change in status from being an investing company to becoming an operating Group. This Report, therefore, for the first time, presents Eight Capital Partners Plc's ("ECP" or "Eight Capital") financial statements under IFRS reporting standards, consolidating the results and balance sheets of its wholly owned subsidiaries, Epsion Capital Limited ("Epsion"), and Innovative Finance Srl ("InnFin"), the latter acquired in May 2021 (together "the operating subsidiaries").

ECP has therefore evolved into an international financial services operating Group, whereby Epsion and InnFin source, advise on, finance, and deliver transactions, primarily involving SME businesses within the technology, media, telecoms and financial services sectors and in which ECP itself will potentially invest.

Results

Through its two subsidiaries, the Group recorded revenues for the year under review of £772,000 with a gross margin of over 70%. This income was further supplemented by ECP itself providing management services to certain investees and thereby recovering £128,000 of overhead costs. Interest income less expense was a net surplus of £41,000 and the net movement in fair value of both realised and unrealised gains and losses on investments at fair value (explained further below) was a gain of £314,000. Overheads were relatively high, at £1.1 million; partly a reflection of the substantial professional support for the change in status outlined in the September update, and the Group result for the year was a loss before tax of £98,000.

Subsidiary activities

Epsion, our wholly owned UK Corporate Finance subsidiary, advised on approximately seven bonds from January through to July, generating approximately £400,000 of revenue. During the rest of 2021, Epsion concentrated on two related companies, providing advice ahead of potential standard listings. If these companies are listed, there will be significant fee earnings derived from these clients.

Innovative Finance S.r.l our wholly owned unregulated Italian Corporate Finance subsidiary, acquired in May 2021, has concentrated in the second half of the year on providing advice to investors and companies ahead of listing on the Standard List of the LSE. Approximately €350,000 of the fees are from advising investors and the remaining €50,000 are fees for companies considering a listing. If these companies are listed InnFin will earn significant future fees.

Eight Capital: update on prior year's investments

ECP's investment portfolio now and as at 31 December 2021 is comprised exclusively of quoted companies. The private investments included in last year's report have either been sold (FPG - see below) or integrated into the Group (Epsion and InnFin).

Finance Partners Group ("FPG") : Financial Services

This investment was disposed of during the year, originally consisting of a receivable of €2 million with an ability to convert into equity acquired for €1.9 million. The ability to convert was exercised and the resultant holding in FPG of 28.7% was sold for €2.15 million (equivalent to £1.83 million), of which €1.57 million (£1.34 million) was paid on closing and the balance of €580,000 (£487,000) payable in 2022. The gain on disposal figure included in these accounts is £130,000

Retained investments : combined loss in value recorded in these accounts: £116,000.

Supply@ME Capital Plc ("SYME): Inventory securitisation

SYME is an inventory monetisation business based on a novel asset securitisation concept, enabled by an innovative software platform. SYME is listed on the Standard List of the London Stock Exchange. SYME's share price has not performed well and ECP's £250,000 investment, acquired at a share price of £0.11 has seen a drop to £0.0017 at the year-end, with a total fall in value of over £200,000 since purchase. The movement during the year under review, included in the income statement, is a loss of £90,000. Although the share price reduction has been a source of concern, the Board recognises that the concept and possibilities for SYME were, and still are, interesting once a critical mass of investment capital to support securitisations can be delivered by SYME's management.

Evrima Plc ("EVA") : Mining and exploration investment

Evrima was formerly Sports Capital Group ("SCG") and ECP invested in a football related project from which SCG withdrew. They reverted to their previous sector of investment: mining and associated exploration and changed their name. The Company's investment was approximately £140,000 and is currently £131,000, based on its quote on AQSE Growth Market. We will dispose of this investment in due course.

Greencare Capital Plc ("GRE"): Investment in Cannabis health products and general wellness.

The Company invested both prior to and at IPO when GRE listed on the AQSE Growth Market in December 2019. The total investment was £280,000 and the average price paid per share was 10.9p. The shares at the year-end - and currently - were quoted at 30.5p, having fallen slightly since the end of 2020. It was recently announced that Dominic White, Chairman of ECP, has become chairman of GRE. We await positive developments.

Fair value adjustment on contingent liability

The terms of the acquisition of InnFin included an earn-out formula contingent upon the attainment of certain levels of profitability in future years, creating a contingent liability towards the vendor at the date of acquisition in May 2021. The fair-valuing of this liability at 31 December 2021 has resulted in a positive adjustment in the income statement of £300,000.

Refined Growth Strategy

As part of its transformation into an operating group, ECP has recently refined its growth strategy to focus increasingly on those businesses engaged in "Fintech" operations, including the digitisation of banking services and blockchain-backed decentralised finance and other disruptive financial services technologies, all of which seek to improve and automate the delivery and use of financial services. Your Board also considers there to be many value creation opportunities for shareholders from the further aligning and expansion of the activities of Epsion and InnFin.

By combining their advisory and transactional expertise with the strategic utilisation of ECP's growing in-house capital resources, ECP is able to provide significant support to the transactions managed by the operating subsidiaries through the provision of early-stage and growth co-investment capital to growing companies seeking finance for expansion, development, consolidation or acquisition, or as pre-IPO/RTO funding.

The competitive advantage of ECP's new operating structure is its flexibility in terms of where it invests in the "capital stack" pyramid, being equally comfortable with private or public debt and/or equity positions, convertibles and structured equity or debt facilities. Much of the financial services advisory market only delivers third party capital and advice, without direct access to supportive in-house capital, or having access to in-house capital lines with a less flexible mandate.

Corporate Transactions during the year

Eight Capital successfully completed a number of corporate transactions during the year, each one forming part of its strategic objective to grow the market capitalisation of the Company towards and beyond £50 million, and establishing a strong balance sheet base from which to significantly expand its operations and its own equity valuation.

To this end, in May 2021, the Company acquired InnFin, based in Milan, which develops mergers and acquisitions and financing solutions across multiple sectors, primarily in Europe.

In August, ECP disposed of its investment in Finance Partners Group SPA ("FPG"), an Italian-based financial services business, realising €2.15million. The profitable sale of this minority stake has provided ECP with a better strategic alignment between the Company's two remaining wholly owned subsidiaries and its other activities with a primary focus on technological developments within the financial services industry, such as fintech SME funding solutions and digitisation of banking including decentralised finance technology, to be key growth areas.

As announced on 4 August 2021 the purchaser agreed to pay ECP a total of €2.15 million for the acquisition of FPG. The cash element of €1.57 million was paid immediately. Discussions are ongoing relating to the final part of the settlement €0.58 million, which remains due, and against which an extra amount of Euros 10,000 has been paid to ECP plus further asset security backing provided to support the receivable, to the benefit of the Company. The agreed latest date of payment is now 1 September 2022.

In addition to these corporate transactions, and as part of the Board's key strategic objective to build scale to the business by further strengthening the Balance Sheet, in August the Company purchased €40m 2.5% Fixed Rate Secured Bonds at Par from IWEP Limited, a company controlled by Dominic White, ECP's chairman and ECP's major shareholder, which significantly increased ECP's gross assets. Consideration for the acquisition of the Bonds was settled by a one-year vendor loan which was subsequently restructured into a €15 million 4.8% Bond described below and a €25 million interest-free vendor loan ("Vendor Loan").

In September, the Company launched a €25 million 4.8% Fixed Rate five-year Bond Programme, with an initial tranche, placed at launch and listed on The Vienna Stock Exchange. This Bond programme also provided a logical next step towards the continuing expansion of the Balance Sheet, whilst also providing better medium-term visibility for the refinancing of ECP's existing 7% listed bonds which mature in July of this year.

Corporate Transactions after the year end

On 23 May, the Company announced that it had issued a further €5 million tranche of its 7% Bond to a third party that had acquired €5 million of the Vendor Loan from IWEP. In that announcement, ECP also reinforced its commitment to a transformational strengthening of the Company's balance sheet through IWEP seeking to convert, subject to regulatory and shareholder consent, as much as possible of its debt with the Company into equity.

On 24 June, the company announced that at a Bondholder meeting held on the 23 June, an Extraordinary Resolution approved a proposal to modify the terms and conditions of the 7% Bond such that the terms align with the more recently issued €25m 4.8% Bond repayable on 3 September 2026.

These current and proposed balance sheet transactions are intended to consolidate and expand the Company's service offering as well as helping it to develop a platform from which it can develop as a multi-faceted financial services company, whilst also providing a stronger base from which it can raise third party capital.

Planned Placing and Open Offer

As announced in the Corporate Update in September 2021, it is the Company's intention to raise new equity capital via a placing once the restructuring of debt is completed. Your Board recognises that those who have already invested in the Company may wish to increase their investment and it is therefore anticipated that current shareholders will be invited to participate in the fundraise on the same terms as the debt conversions and equity placing. Further information will be given in due course.

The Company also intends to provide an opportunity for all debt investors to convert debt to equity on the same terms.

Strengthening of the Management Team

Integral to the success of the Company's transition to an operating business has been the strengthening of its senior management team, with the appointment to the Board in June 2021 of former Bank of England Chief Accountant, David Bull, who joined initially as a Non-Executive Director and then, following the Company's successful transition to operating group status, was appointed full-time Chief Executive Officer.

David has responsibility for leading the further development of ECP's financial services business, both organically and through acquisition, all within the context of fintech services. His knowledge and experience of technology and the way it relates to asset and commercial finance, international banking and the digitisation of banking services, combined with his strong risk management skills and proven business leadership qualities are already proving invaluable as we move towards more advanced technologies in the financial services sector. He will also be strengthening the operational management team with further additions in financial management and compliance, which will be at the heart of the Company's operating activities.

The Group is also delighted to have announced on 13 May 2022, the appointment of Richard Day to the Board of Epsion as its Non-Executive Chairman. Richard was co-founder of institutional stockbroker Arden Partners plc, where, from 2002 to when he left in 2015, he was head of corporate finance for much of that time, whilst playing an important role in building its sectoral and geographical presence. He currently holds chairmanships of two quoted companies: Pelatro plc, a "Big Data" analytics company on AIM and The British Honey Company plc, the premium British honey and craft spirits producer. He also chairs Eden Geothermal Limited, a private company drilling its first of two geothermal wells, adjacent to the Eden Project in Cornwall in the south-west of England. Richard's broad experience of public markets, corporate finance and corporate governance across diverse business sectors is already having a significant influence and will without doubt be a huge asset not only to Epsion, but to the Group as a whole.

Outlook

2021 was a watershed year for Eight Capital. It successfully transitioned into a financial service operating group, completing a number of complementary corporate and financial transactions, strengthening both the Company's operational capabilities and putting in place actions to radically strengthen its Balance Sheet. It has a clear strategy in place for the transformation of the business in terms of its size, market value and influence within the fintech sector of financial services and through our wholly-owned subsidiaries, Epsion and InnFin.

The Board's strategy is to grow the business both organically through the development of new financial, "fintech-led" services and by selective acquisitions to boost revenue and market presence, thereby significantly increasing shareholder returns.

The Group has made a good start to the current financial year. We are nurturing earnings potential and structuring the business and the Balance Sheet for future sustained growth, while building value for shareholders. We have a growing pipeline of opportunities that we intend to deliver through our business model and the management team in place to deliver growth over the next two years. The Board views the future with increasing confidence.

Dominic White

Chairman

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2021

	2021
	£'000
	GROUP
Revenue	772
Cost of Sales	(252)
Gross Profit	**520**
Administrative expenses	(1,101)
Net change in unrealised/realised gains and losses on investments at fair value through profit or loss	314

Other income	128
Operating loss	**(139)**
Interest income	418
Finance expense	(377)
Loss before tax	**(98)**
Taxation	-
Loss for the financial year	**(98)**
Other comprehensive income:	
Items that may be subsequently reclassified to profit or loss:	
Currency translation differences	(1)
Other comprehensive income/ (loss) for the year, net of tax	**(1)**
Total comprehensive income attributable to the owners of the Parent	**(99)**
Earnings per share (pence) from continuing operations attributable to owners of the Company - Basic & Diluted	(0.01)

Consolidated Statement of Financial Position

At 31 December 2021

GROUP	Note	2021 £'000
Non-current assets		
Goodwill	15	3,867
Intangible Assets	17	13
Property, plant & equipment	16	23
Total non-current assets		**3,903**
Current assets		
Investments	18	34,569
Trade and other receivables	19	1,270
Cash and cash equivalents		202
Total current assets		**36,041**
Current liabilities		
Trade and other payables	20	428
Borrowings	22	21,380
Total current liabilities		**21,808**
Non-current liabilities		
Long term bond	21	16,431
Liability for contingent consideration		1,311
Borrowings	22	203
Total non-current liabilities		**17,945**
Net assets		**191**

Capital and reserves		
Share capital	24	1,453
Share premium		2,068
Share option & warrant reserve	26	15
Convertible loan note	27	84
Currency translation reserve		(5)
Retained earnings		(3,424)
Total equity		**191**

Consolidated Statement of Changes in Equity

For the year ended 31 December 2021

	Share capital	Share premium	Share option & warrant reserve	Convertible loan note reserve	Currency translation reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 30 December 2020	**1,431**	**2,001**	**11**	**84**	**-**	**(3,326)**	**201**
Loss for the year	-	-	-	-		(98)	(98)
Other comprehensive income for the year	-	-	-	-	(1)	-	(1)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**(1)**	**(98)**	**(99)**
Movement in reserves	-	-	-	-	(4)	-	(4)

Share based payment	-	-	4	-	-	-	4
Issue of shares	22	67	-	-	-	-	89
Total Transactions with Owners	**22**	**67**	**4**	**-**	**-**	**-**	**93**
As at 31 December 2021	**1,453**	**2,068**	**15**	**84**	**(5)**	**(3,424)**	**191**

Consolidated Statement of Cash Flows

For the year ended 31 December 2021

	2021
	£'000
Cash from operating activities	
Loss before tax	(98)
Adjustments for:	
Net interest expense /(income)	41
Net change in unrealised gains on investments at fair value through profit and loss	(314)
Share based payment expense	4
Provisions	-
Foreign exchange	(205)
Increase in trade and other receivables	(1,117)
Increase/(decrease) in trade and other payables	308
Net cash used in operating activities	**(1,381)**

Cash flow from investing activities	
Purchase of investments	(33,620)
Proceeds on disposal of investments	1,830
Acquisition of subsidiary, net of cash acquired (InnFin)	(902)
Acquisition of subsidiary, net of cash acquired (Epsion)	(120)
Purchase of property, plant and equipment	(3)
Interest income	418
Net cash used in investing activities	**(32,397)**
Cash flows from financing activities	
Proceeds from issue of shares (net of issue costs)	-
Loans received/(cancelled)	20,969
(Repayment)/Proceeds from bond issue	13,185
Finance charges	(377)
Net cash from financing activities	**33,777**
Net cash flow for the year	**(1)**
Cash and cash equivalents at beginning of year	203
Cash and cash equivalents at end of year	**202**
Net change in cash and cash equivalents	**(1)**

EIGHT CAPITAL PARTNERS PLC

Notes to the consolidated financial statements

For the year ended 31 December 2021

1. General information

Eight Capital Partners Plc ("the Company") is a public limited company limited by shares and incorporated in England. Its registered office is Kemp House, 160 City Road, London, EC1V 2NX.

The Company's shares are traded on the Aquis Stock Exchange Growth Market under ticker ECP and ISIN number GB00BYT56612.

The consolidated financial statements of the Company consist of the following companies (together "the Group"):

Eight Capital Partners plc	UK registered company
Epsion Capital Limited	UK registered company
Innovative Finance srl ("InnFin")	Italian registered company

The Group's objective is to generate an attractive rate of return for shareholders, predominantly through capital appreciation, by taking advantage of opportunities to invest in the financial services and technology, media, and telecoms (TMT) sectors.

The information contained in this announcement has been extracted from the full report and accounts and, as such, references, notes and page numbers may be incorrect. Shareholders should read the full report and accounts, a copy of which is available on the Company's website.

2. Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

Basis of preparation

These consolidated financial statements have been prepared and approved by the Directors in accordance with the UK-adopted international accounting standards. These are the Group's first financial statements prepared in accordance with the UK-adopted international accounting standards. (see note 4).

The Company was classified as an investment vehicle in the prior years ending 31 December 2021. On 1 July 2021 Eight Capital Plc changed its status from an investment vehicle to an operating company. As a result, and in accordance with IFRS 10, some of the Company's investments have been consolidated from this date. No consolidated comparative information has been disclosed as the Company was an investment vehicle and none of its investments met the requirements of IFRS 10 for an investment company.

These consolidated financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of listed investments at fair value.

These consolidated financial statements are presented in Pounds Sterling, rounded to the nearest thousand (£'000), which is the Company's presentation and functional currency.

The presentational currency for Epsion Limited is Pounds Sterling and for InnFin is Euro as the subsidiary is registered in Italy.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and all its subsidiaries ("the Group").

Subsidiaries include all entities over which the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control commences until the date that control ceases. Intra-group balances and any unrealised gains and losses on income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

The acquisition method of accounting is used to account for business combinations. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange, and the equity interests issued. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. Acquisition related costs are expensed as incurred. Where necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Going concern

As at 31 December 2021, the Group had cash of £202,000 and current investments of £34,569,000.

As an operating business, the Group has fee income from its corporate finance activities and the performance and income from its investments, supported by aggregate bond facilities of up to €35 million (of which €24 million has been utilised to date). Annualised normal running costs of the Company are circa £1.5 million including debt service, reduced by rebilling of shared services of approximately £120,000 and interest income of £860,000. As at the date of this report, the Company had approximately £100,000 cash at bank and anticipated near-term divesting revenues of up to £650,000, of which £500,000 is contractual for delivery in September 2022, and with a further £750,000 of investment assets at current market value earmarked for disinvestment in the second half of 2022. At Group level additional fee income of circa £1.2 million is expected.

The Directors are therefore of the opinion that the Group 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.

New standards, amendments and interpretations adopted by the Group and Company

The following IFRS or IFRIC interpretations were effective for the first time for the financial year beginning 1 January 2021.:

Standards /interpretations	**Application**
IAS 1 & IAS 8 amendments	Definition of Material
IFRS 3 amendments	Business Combinations
IFRS 16	Amendments to provide lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification

New standards, amendments and interpretations not yet adopted

Standards /interpretations	**Application**
IAS 1 amendments	Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current. Effective: Annual periods beginning on or after 1 January 2023
IFRS 3 amendments	Business Combinations - Reference to the Conceptual Framework. Effective: Annual periods beginning on or after 1 January 2022
IFRS 7, IFRS 9, IFRS 16	Amendments regarding replacement issues in the contract of IBOR reform. Effective: Annual periods beginning on or after 1 January 2021
IFRS 16	Amended by Covid-19 Related Rent Concessions beyond 30 June 2021 (amendment to IFRS 16) Effective: Annual periods beginning on or after 1 April 2021
IAS 1 amendments	Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current.

Effective: Annual periods beginning on or after 1 January 2023

There are no IFRS's or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company or Group.

3. First-time adoption of IFRS

These financial statements, for the year ended 31 December 2021, are the first the Group has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2020, the Parent Company prepared its financial statements in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102").

Accordingly, the Group has prepared financial statements that comply with UK-adopted international accounting standards as at 31 December 2021, as described in the summary of significant accounting policies. In preparing the financial statements, the Group's opening statement of financial position was prepared as at 1 January 2020, the Group's date of transition to IFRS.

There were no material adjustments applied to the Group financial statements during the transition to IFRS.

4. Earnings per share

	2021	**2020**	**2019**
Earnings (£)			
Loss used in calculating basic and diluted earnings:			
Loss for the year	(£98,000)	(£432,000)	(£432,000)
Number of shares			
Weighted average number of shares for the purposes of basic and diluted earnings per share	1,479,362,244	1,069,696,174	618,720,310
Loss per share (pence)	(0.01)	(0.04)	(0.07)

The calculation of basic earnings per share of (0.01) pence is based on the loss attributable to equity owners of the Company of £98,000 and on the weighted average number of ordinary shares of 1,479,362,244 in issue during the period. Dilutive instruments are ignored when the overall result is a loss.

5. Investments in subsidiaries

Company	Shares in group undertakings
	'000
Cost	
At 1 January 2021	**-**
Acquisition of Epsion Capital Limited (Note 11.1)	100
Acquisition of Innovative Finance S.r.l (Note 11.2)	3,710
At 31 December 2021	**3,810**

At 31 December 2021, the Group consisted of a parent company, Eight Capital Partners plc, registered in England and Wales and its two wholly owned subsidiaries.

Subsidiaries:

Epsion Capital Limited

Registered Office: 8-10 Hill Street, London, United Kingdom, W1J 5NG

Nature of business: Financial intermediation.

Class of share	*% Holding*
Ordinary shares	100

Innovative Finance S.r.l

Registered Office: Via Turati 26 20121 Milano Italy

Nature of business: Financial Advisory

Class of share	*% Holding*
Ordinary shares	100

6. Investments

The table below sets out the fair value measurements. Categorisation has been determined on the basis of listed or unlisted investments as follows:

Group	Unlisted Investments	Listed Investments	Total
	£'000	£'000	£'000
Fair value at 1 January 2020	**2,817**	**973**	**3,790**
Investment disposals	(854)	-	(854)
Fair value gain on investment	-	202	202
Effects of foreign exchange	41	-	41
Fair value at 31 December 2020	**2,004**	**1,175**	**3,179**
Investment disposals	(1,701)		(1,701)
Investment in subsidiaries	(413)		(413)
Investment additions: 1AF2 bond	-	33,620	33,620
Fair value (loss) on listed investments	-	(116)	(116)
Foreign exchange adjustment	110	(110)	-
Fair value at 31 December 2021	**-**	**34,569**	**34.569**

Gains on investments held at fair value through profit or loss			
Fair value (loss) on listed investments		(116)	(116)
Fair value gain on contingent liability of InnFin acquisition	300	-	300
Realised gain on disposal of investments	130	-	130
Net gain on investments held at fair value through profit or loss	**430**	**(116)**	**314**

Further Information on each investment can be found in the Chairman's Statement on page 2.

There was no impact to the fair value of the investments held by the Group due to the transition from FRS 102 to IFRS.

7. Long-term bonds

Group	2021	2020	2020
	£'000	£'000	£'000
	IFRS	*Restated IFRS*	*FRS 102*
Opening balance at 1 January	2,945	3,005	3,005
Bonds issued	13,675	176	176
Bonds returned	-	(403)	(403)
Foreign exchange adjustment	(189)	167	167
Closing balance at 31 December	**16,431**	**2,945**	**2,945**

The Company launched 5,000 bonds of €1,000 each (the "7% Bonds") to raise up to €5 million on the Vienna Stock Exchange's multilateral trading facility ("MTF") on 26 July 2019. The principal terms of the Bonds are as follows: - Issue price and redemption at par; - Interest of 7% per annum paid semi-annually in arrears; - Issue date of 26 July 2019 with a redemption date of 26 July 2022.

Bonds that are not issued to third parties remain as issued to the Company for future trading and only those that are issued to third parties are recognised as liabilities. At 31 December 2021 a total of 3,990 (2020: 3,290) bonds representing a liability of €3,990,000 (2020: €3,290,000) had been issued to third parties and 1,010 (2020: 1,710) Bonds with a par value of €1,010,000 (2019: €1,710,000) were issued to the Company and available to be traded.

In September 2021, the Company launched a €25million 4.8% Fixed Rate five year Bond Programme, with two initial tranches, totalling €15,050,000 (equivalent to £13,675,000) placed at and shortly after launch and listed on The Vienna Stock Exchange.

On 19 May 2022, the Company issued a further 5,000 7% Bonds of €1,000 (New 7% Bonds) each to various Bondholders, within the same issuing structure and on the same terms as the original 7% Bonds

8. Related party transactions

Administrative services

During the year, the Company was invoiced £15,500 (2020: £31,400) for administrative services provided by Marker Management Services Ltd, a company controlled by Martin Groak, a director of Eight Capital.

Acquisition of a €2 million receivable from Finance Partners Group and conversion to equity

On 7 August 2019 the Company announced the acquisition from IWEP Ltd. ("IWEP") of a €2 million convertible receivable (the "Receivable") from Finance Partners Group SpA ("FPG"), an Italian financial services company that invests in private companies seeking future listings on public markets and whose principal investment was in The AvantGarde Group.

On 14 May 2021, the Company converted £27,000 of the loan with IWEP Ltd into 67,699,173 new ordinary shares at a price of £0.00039 per share.

IWEP is a company connected to Eight Capital Partners' Chairman Dominic White. In August 2019 Dominic White agreed to become a non-executive board member of The Avantgarde Group to monitor the Company's and IWEP's interests.

9. Post balance sheet events

On 23 May 2022, the Company announced that it had issued a further €5 million tranche of its 7% Bond to a third party that had acquired €5 million of the Vendor Loan from IWEP. In that announcement, ECP also reinforced its commitment to a transformational strengthening of the Company's balance sheet through IWEP seeking to convert, subject to regulatory and shareholder consent, as much as possible of its debt with the Company into equity.

On 24 June 2022, the company announced that at a Bondholder meeting held on 23 June, an Extraordinary Resolution approved a proposal to modify the terms and conditions of the 7% Bond such that the terms align with the more recently issued €25m 4.8% Bond repayable on 3 September 2026.