

RNS Number : 0652A
Eight Capital Partners PLC
21 September 2022

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EIGHT CAPITAL PARTNERS PLC
("Eight Capital" "ECP" or the "Company")

UNAUDITED HALF-YEARLY REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2022

Eight Capital Partners plc (AQSE: ECP), announces its half-yearly results for the half year ending 30 June 2022.

Chairman's Half-Yearly Report

This report, covering the first six months of 2022, is the first half-yearly report that the Company has given the market since becoming an operating Group just over a year ago, and one aspect you will note is that there is no comparative Income Statement for the equivalent six months of 2021. This is because the two periods cannot be realistically compared. What you will see as a comparative, however, are the results for the 12 months to 31 December 2021 and these half-yearly results are presented using the same accounting principles, under IFRS. The only complex accounting issues surround the treatment of goodwill and the contingent liability for earn-out relating to the acquisition of Innovative Finance Srl. This matter is fully covered in the 2021 Annual Report and Accounts, available from the Company's website at www.eight.capital.

The other point you will note is that the £1 million of fees the Group earned during this third quarter, which we announced on 16 September, do not feature in the half-yearly numbers. Despite a great deal of vital work prior to 30 June being instrumental in earning those fees, the simple fact that they were success fees precluded them. Nevertheless, we now know that our 2022 revenues have already exceeded those of 2021 by at least 50% and I would like to thank our teams in our two operating subsidiaries: Innovative Finance Srl ("Innovative") and Epsilon Capital Ltd ("Epsilon") for their efforts.

We were pleased when Luciano Maranzana joined the board of Eight Capital in August 2022 as a Non-executive Director having become Managing Director of Innovative in July 2022. An extensive career in financial services and investment management provides additional breadth across the sector at board level. We are working on strengthening Eight Capital's board further, seeking even more experience from the fintech and banking sectors, which matches our core areas of operating focus.

Richard Day was also a great addition to Epsilon in May 2022. He is successfully growing the Epsilon team having engaged a compliance specialist to further enhance systems and processes, as well as being close to recruiting an additional senior member of the corporate finance team.

Although the wider markets are difficult, both Innovative and Epsilon continue to develop an interesting pipeline of transactions that include fintech acquisition opportunities for Eight Capital and transactions with third parties.

The third and, for the future, the most significant aspect of where we are today in the Group's development, is the progress we are making in completely re-shaping the Company's balance sheet. We are in the closing stages of finalising the Company's circular to shareholders in respect of seeking a waiver of obligations under Rule 9 of the City Code on Takeovers and Mergers to enable certain existing debts to be converted into equity in ECP.

This will open the door to creating a much larger and more robust balance sheet and a Company that we believe will quickly grow to be far more interesting to investors. We want to be, and expect to become, a significant player in our sphere of Fintech enablers and service providers.

Therefore, when you read below that revenues for the first six months are below £60,000 and the balance sheet is showing net liabilities, weighed down by large interest charges, please consider the transformational nature of what I have written above and you will appreciate why I and my colleagues on the Board are extremely optimistic about the future.

Dominic White

Chairman

The directors of the Company take responsibility for this announcement.

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Eight Capital Partners plc
Consolidated Statement of Comprehensive Income
for the six months ended 30 June 2022

	Six months ended 30 June 2022 Unaudited £'000	Year ended 31 December 2021 Audited £'000
Note		
Revenue	58	772
Cost of sales	(9)	(252)
Gross profit	49	520
Administrative expenses	(440)	(1,101)
Net change in unrealised/realised gains and losses on investments at fair value through profit or loss	(46)	314
Other income	10	128
Operating loss	(427)	(139)
Interest income	486	418
Finance expense	(565)	(377)
Loss before tax	(506)	(98)
Taxation	-	-

Loss for the period		(506)	(98)
Other comprehensive income for the year			
Currency translation differences		(2)	(1)
Total comprehensive loss		(508)	(99)
Basic and diluted earnings per share (pence):	2	(0.03)	(0.01)

Eight Capital Partners plc
Consolidated Statement of Financial Position at 30 June 2022

	Note	As at 30 June 2022 Unaudited £'000	As at 31 December 2021 Audited £'000
Non-current assets			
Goodwill		3,867	3,867
Intangible assets		11	13
Property, plant and equipment		17	23
Total non-current assets		3,895	3,903

Current assets

Investments	3	35,362	34,569
Trade and other receivables		1,349	1,270
Cash and cash equivalents		29	202
Total current assets		36,740	36,041

Current liabilities

Trade and other payables		723	428
Borrowings		17,593	21,380
Total current liabilities		18,316	21,808

Non-current liabilities

Long term bond		21,340	16,431
Liability for contingent consideration		1,305	1,311
Borrowings		-	203
Total non-current liabilities		22,645	17,945

Net assets /(liabilities)

		(326)	191
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Capital and reserves

Share Capital	4	1,453	1,453
Share premium account		2,068	2,068
Share option and warrant reserve		-	15
Convertible loan notes		84	84
Currency translation reserve		(16)	(5)
Retained earnings		(3,915)	(3,424)
Total equity		(326)	191

Eight Capital Partners plc

**Consolidated Statement of Changes in Equity
for the six months ended 30 June 2022**

	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 31 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	-	(5)	-	93
As at 31 December 2021	1,453	2,068	15	84	(5)	(3,424)	191
Profit for the period	-	-	-	-	-	(506)	(506)
Other comprehensive income for the year	-	-	-	-	(2)	-	(2)
Total Comprehensive Income	-	-	-	-	(2)	(506)	(508)
Movement in reserves	-	-	(15)	-	(9)	15	(9)
Share based payment	-	-	-	-	-	-	-
Issue of shares	-	-	-	-	-	-	-
Total Transactions with Owners	-	-	-	-	(11)	(491)	(517)
As at 30 June 2022	1,453	2,068	-	84	(16)	(3,915)	(326)

Notes to the Half-Yearly Financial Statements For the six months ended 30 June 2022

1. Accounting policies

Basis of preparation

These half-yearly financial statements have been prepared in accordance with UK-adopted international accounting standards.

The Company was classified as an investment vehicle in the prior year 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.

The interim financial statements 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 2021 audited annual report. The statutory financial statements for the year ended 31 December 2021 were prepared in accordance with UK-adopted international accounting standards. 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 20 September 2022.

Going concern

As at the date of this report, the Group had short term receivables of over £850,000, listed securities of similar value, fee- earnings from its subsidiaries activities, income from Management Services agreements, tacit financial support from its main shareholder and a stated intention to do a placing in the near future.

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.

2. Profit or loss per share

	Six months ended 30 June 2022 £'000	Year ended 31 December 2021 £'000
Basic and diluted		
Loss for the period attributable to owners of the Company	(506)	(98)
Weighted average number of shares:	1,564,315,462	1,479,362,244
Basic loss per share (pence):	(0.03)	(0.01)

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

	Unlisted investments £'000	Listed investments £'000	Total £'000
Fair value at 1 January 2021:	2,004	1,175	3,179
Investment disposal	(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 adjustments	110	(110)	-
Fair value at 31 December 2021:	-	34,569	34,569
Fair value loss on listed investments	-	(22)	(22)
Foreign exchange adjustments	-	815	815
Fair value at 30 June 2022:	-	35,362	35,362

4. 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 2021 and 30 June 22	1,564,315,462	157

Movements in Deferred share capital are summarised below:

	Number of Deferred Shares of 0.24p	Nominal value £'000
As at 31 December 2021 and 30 June 2022	540,166,760	1,296

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