



RNS Half-year/Interim Report



HALF YEAR RESULTS TO 31 MARCH 2021

[CATENAE INNOVATION PLC](#)

Released 07:00:05 30 June 2021

RNS Number : 5562D
Catenae Innovation PLC
30 June 2021

30 June 2021

Catenae Innovation PLC

("Catenae", the "Company" or the "Group")

Half Year Results to 31 March 2021

Catenae Innovation PLC (AIM: CTEA), the AIM quoted provider of digital media and technology, announces its half-yearly report for the six months ended 31 March 2021.

Financial overview

- Loss of £586,798 in the period under review (2020: £379,384) with revenues of £12,308 (2020: £4,521¹).
- Placing in January 2021 raised gross proceeds of £1.0m, improving Catenae's net asset position to £1,035,493 (2020 net liabilities: £549,212¹).

Operational overview

- Signed a 50/50 JV agreement with the UK and South African entities of the medical equipment and Covid-19 test kit supply company, Blackhive Africa Medical ("BHA-Medical"), to deliver an integrated COVID-19 'Test, Monitor & Manage Programme'. The JV company was renamed Synovate Global Limited ("Synovate").
- Entered into a Memorandum of Understanding ("MoU") with Afrik-ID to commercialise potential opportunities within Botswana and SADC (South Africa Development Community).
- Reached commercial agreements with Badminton England, Stone Bailey (for use at Lapland UK), a Fortune 500 American professional services and engineering company, a major UK mobile operator and a chain of 18 pharmacies for its COVID-19 testing platform, feeding results into Public Health England's (PHE) database.
- Enhanced the Company's IP through the development of bespoke mobile apps and dynamic dashboards for the visualisation of data sets.
- Awarded ISO 27001 accreditation following an audit on behalf of the International Standards Organisation (ISO), and a Cyber Essentials accreditation, a scheme that is operated on behalf of the National Cyber Security Centre (NCSC).
- Invited by the UK Government's Department for Digital, Culture, Media and Sport ("DCMS") to participate in the development of the Digital Identity and Trust Attributes Framework Policy.
- Appointed Nick Delacamp as Chief Commercial Officer (non-Board role) in December 2020.

Post period end

- Acquisition of 51% interest in Hyperneph Software Limited ("Hyperneph") in May 2021 to secure and enhance the Company's ability to deliver innovative software-based solutions.

Guy Meyer, Chief Executive Officer of Catenae, said:

"Notwithstanding Catenae's JV with BHA-Medical and its efforts to offer Onsite ID to organisations to securely record COVID-19 test and vaccine status and then pass this data onto PHE, as well as for users to be able to present their status via its GDPR compliant mobile app, short-notice changes to the UK Government's pandemic strategy meant that commercial traction was impeded, and the Company did not generate material revenues in the period.

"The Board believes that the Company's product set retains significant value and, with support from Nick Delacamp, our recently appointed Chief Commercial Officer, the Company has a healthy pipeline of non-COVID-19 related opportunities that will allow us to leverage our technology for use in other markets.

"Our acquisition of Hyperneph post period end also strengthens and expands the Group's product offering, positioning us in good stead for the remainder of the year as we look to broaden our network and reach a wider audience.

"Catenae's ongoing consultation with DCMS in the development of the Digital Identity and Trust Attributes Framework Policy reflects the Company's standing in the sector. Our investment in software IP development also contributes to the future-proofing of our competitive product set offerings.

"We look forward to keeping the market updated on how these opportunities progress."

For further information please contact:

Catenae Innovation PLC Guy Meyer, Chief Executive Officer	+44 (0)191 580 8545
Cairn Financial Advisers LLP (Nominated Adviser) Liam Murray / Jo Turner	+44(0)20 7213 0880
Brandon Hill Capital Limited, Broker Andy Gutmann	+44 (0)20 3463 5000 +44 (0)78796 8313
Yellow Jersey PR (PR & IR) Sarah Hollins / Annabel Atkins / Matthew McHale	+44 (0)20 3004 9512

This announcement contains inside information for the purposes of the UK Market Abuse Regulation. The person who arranged for release of this announcement on behalf of the Company was Guy Meyer, Chief Executive Officer of the Company and the Directors of the Company are responsible for the release of this announcement.

¹Following the audit the Board became aware of an error in the unaudited half year report for the 6-month period to 31 March 2020, notified on 30 June 2020, turnover was misstated as £19,892, the correct figure was £4,521. The 31 March 2020 comparatives have been restated accordingly.

Notes to Editors:

About Catenae Innovation PLC

Catenae Innovation is an AIM quoted provider of digital media and technology services. The Company specialises in Distributed Ledger Technology solutions that solve commercial challenges and create opportunities for its clients. The Company has an experienced IT team of project managers and integrators who have deployed systems across corporate, government and educational sectors.

www.catenaeinnovation.com

Chief Executive's Statement

Business and performance review

The Board acknowledges that the period under review has been frustrating for Catenae given the UK Government's decisions to offer free public testing and, more recently, not to pursue its vaccination passport initiative. As a result, commercial traction with the Onsite ID app has been impacted and revenues have been unsubstantial.

Catenae continues to manage its finances prudently and has healthy cash reserves, successfully raising gross proceeds of £1.0m in January 2021 to enhance its proprietary technology capabilities, build upon its business development strategy and for general working capital purposes.

The Group's strategic and timely acquisition of Hyperneph in May 2021 has significantly enhanced Catenae's portfolio of products and services as it re-evaluates its strategy and switches its primary focus from COVID-19 related challenges to broader digital transformation opportunities. In particular, Catenae is focused on leveraging its capabilities in blockchain, scheduling, reporting, dashboarding, digital certificates and digital wallet services.

COVID-19

The Company continues to work primarily remotely, with meetings being held via unified collaboration and communication platforms. Catenae's technical solutions continue to be used effectively with customers and partners. The Group is closely monitoring UK Government guidance and continues to hold occasional in-person meetings at offices in Newcastle and London, with employee wellbeing and safety remaining the priority.

Management

Catenae welcomed Nick Delacamp as its Chief Commercial Officer in December 2020. Nick has over 25 years of experience delivering Information & Communications Technology services in many sectors including Financial Services, Airlines & Airports, Fixed and Mobile Network operators. He managed the delivery of backhaul networks into Goonhilly Satellite Earth Station for VISA and also held senior positions at BT Global Services, Openreach, Avaya and CafeX.

Upon acquiring a 51% interest in Hyperneph in May 2021, a new Hyperneph board was established comprising Nick Delacamp, Tony Sanders (a former director of Catenae and a director and shareholder of Hyperneph), and Michelle Guerney, currently Head of Customer Engineering, Retail at Google.

Outlook

Catenae has entered H2 2021 in a stable financial position with a renewed focus on identifying non-COVID-19 related opportunities. The Group is evaluating prospects in the regulated critical infrastructure industries (including rail and construction) where its proof of work and proof of service capabilities are paramount; as well as in the local government, policing and social care sectors where the same technology can bring better outcomes for individuals and society.

With the recent acquisition of Hyperneph and a renewed sales and marketing strategy in place, the Board is confident in Catenae's ability to provide its services to new audiences across a variety of new sectors, and looks forward to updating the market on its progress in due course.

Guy Meyer
Chief Executive Officer

Statement of Comprehensive Income

	Unaudited six months ended 31 March 2021 £	Unaudited six months ended 31 March 2020 Restated £	Audited year ended 30 Sept 2020 £
Revenue	12,308	4,521 ¹	14,948
Cost of sales	-	-	-
Gross profit	12,308	4,521	14,948
Administrative expenses	(599,116)	(360,615)	(759,108)
	<u>(586,808)</u>	<u>(356,094)</u>	<u>(744,160)</u>
Loss from operations	(586,808)	(356,094)	(744,160)
Net Finance income/(expense)	10	(23,290)	(25,026)
	<u>(586,798)</u>	<u>(379,384)</u>	<u>(769,186)</u>
Loss before taxation	(586,798)	(379,384)	(769,186)
Taxation credit	-	-	-
Total comprehensive loss for the year	(586,798)	(379,384)	(769,186)

Statement of Financial Position

	Unaudited six months ended 31 March 2021 £	Unaudited six months ended 31 March 2020 Restated £	Audited year ended 30 Sept 2020 £
Non-current assets			
Intangible assets	1	1	1
	1	1	1
Current assets			
Trade and other receivables	47,475	15,161	20,604
Cash and cash equivalents	1,254,445	910	714,043
	1,301,920	16,071	734,647
Current liabilities			
Trade and other payables	(248,428)	(565,283)	(214,221)
	(248,428)	(565,283)	(214,221)
Non current liabilities			
Interest-bearing loans	(18,000)	-	(18,000)
Total Liabilities	(266,428)	(565,283)	(232,221)
Net Assets/(Liabilities)	1,035,493	(549,212)	502,427
Capital and reserves attributable to equity holders of the company			
Ordinary share capital	551,773	3,373,601	442,183
Deferred share capital	3,159,130	-	3,159,130
Share premium account	19,663,223	17,439,221	18,652,949
Share reserve	(83,333)	(83,333)	(83,333)
Merger reserve	11,119,585	11,119,585	11,119,585
Capital Redemption Reserve	2,732,904	2,732,904	2,732,904
Retained losses	(36,107,789)	(35,131,190)	(35,520,991)
Total Equity	1,035,493	(549,212)	502,427

Statement of Cash Flows

	Unaudited six months ended 31 March 2021 £	Unaudited six months ended 31 March 2020 Restated £	Audited year ended 30 Sept 2020 £
Loss for the period	(586,798)	(379,384)	(769,186)
<i>Adjustments for:</i>			
Net bank and other interest (income) / charges	(10)	23,290	25,026
Issue of share options / warrant charge	-	-	-
Services settled by the issue of shares	48,000	-	-

Net (loss) before changes in working capital	(538,808)	(356,094)	(744,160)
(Increase) / decrease in trade and other receivables	(34,766)	23,158	(2,344)
(Decrease) / increase in trade and other payables	(5,898)	154,628	(62,210)
Cash from operations	(579,472)	(178,308)	(808,714)
Interest received	10	10	28
Interest paid	-	(23,300)	(25,054)
Net cash flows from operating activities	(579,462)	(201,598)	(833,740)
Investing activities			
Investment in joint venture	-	-	-
Net cash flows from investing activities	-	-	-
Financing Activities			
Issue of ordinary share capital	1,119,864	153,000	1,481,855
Repayment of loans	-	-	(96,580)
New loans raised	-	20,000	133,000
Net cash flows from financing activities	1,119,864	173,000	1,518,275
Net increase / (decrease) in cash	540,402	(28,598)	684,535
Cash and cash equivalents at beginning of period	714,043	29,508	29,508
Cash and cash equivalents at end of period	1,254,445	910	714,043

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@lseg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

IR DKCBPFBKDAAB

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.