

30 June 2020

Catena Innovation PLC
("Catena", the "Company" or the "Group")

Half-yearly report to 31 March 2020

Catena Innovation PLC (AIM: CTEA), the AIM quoted provider of digital media and technology, is pleased to announce its half-yearly report for the six months ended 31 March 2020.

Financial overview

- The results for the half year are set out in full below and show a loss of £364,013 (2018: £503,233) with revenues of £19,892 (2018: £68,857).
- Shareholders approved a consolidation of share capital which enabled a fund raise of £153,000 and conversion of £404,250 liabilities to shares resulting in an improved balance sheet with net liability position of £533,840 (2018: £399,980) compared to the year-end position of £727,077.

Operational overview

- Renewal of contract with Southend United Community and Educational Trust for "OnSide", Catena's centralised management tool specifically developed for sports organisations.

Post period end

- Development of the Cov-ID app, a joint initiative by a consortium of companies led by Z/Yen Group Limited to build a COVID-19 status verification passport.
- Partnership agreement with Newcastle Premier Health Limited, an occupational health and wellness business based in the North East of England, to pilot the Cov-ID app
- Kevin Everett stepped down as Interim Non-executive Chairman
- Appointment of Brian Thompson and John Farthing to the Board as Non-executive Chairman and Chief Financial Officer respectively
- Appointment of Brandon Hill Capital Limited as sole corporate broker
- As at 26 June 2020 the Company had cash balance of just over £1.0m

Guy Meyer, Interim Chief Executive Officer of Catena, said: "Significant progress has been made during the period under review towards implementing the Group's revised strategy following the corporate restructuring that took place in 2019, and we have seen this momentum continue to date.

"We are delighted that the Cov-ID app that Catena has developed as its commercial contribution to the consortium led by Z/Yen Group Limited completed the recent pilot trail with our clinical partner, Newcastle Premier Health Limited, as part of their Access Control Programme. The app should shortly be ready to be marketed for the benefit of businesses and organisations as Covid-19 restrictions begin to ease.

"Our recent fundraises have provided us with the funds required to continue to explore further opportunities. We look forward to keeping the market updated with our progress."

Chief Executive's Statement

Business and performance review

Following the successful corporate restructuring and business stabilisation process carried out by the Board in 2019, Catenae was able to focus its efforts on delivering on its new strategy in the six months to 31 March 2020, by innovating its products and exploring new opportunities for growth. This positive momentum has continued post period end, with two new Board appointments and a number of projects underway.

Catenae's principal trading activity is providing services to clients operating in the Facilities Management sector along with customers, partnered with football and rugby clubs, who offer local engagement services on behalf of local authorities. All the Company's products use Distributed Ledger Technology which provides clients with immutable audit trails providing evidence that contracted services are fulfilled. The Company's service mitigates risk as operative activities are geo-tagged and date and time stamped in an immutable form.

As announced on 19 December 2019, the Company renewed its contract with Southend United Community and Educational Trust for "OnSide", Catenae's centralised management tool specifically developed for sports organisations. The solution deals with all the key elements of community coaching from scheduling of staff and timesheet processing through to attendee management and reporting to internal and external stakeholders, all in a GDPR compliant platform.

COVID-19

Post period end, the Company has been exploring a number of opportunities across a range of sectors to leverage its technical solutions. Catenae joined a consortium led by Z/Yen Group Limited ("Z/Yen") with the objective of building a GDPR-compliant identity documentation exchange system, "Cov-ID", to record and share an individual's Covid-19 test status. Considerable progress has been made in the development of the app, which was recently trialled by the Group's occupational health and wellness partner in the North East of England, Newcastle Premier Health Limited, in its proof of concept pilot. Catenae expects the app to be ready to be rolled out commercially over the coming weeks as activity begins to return to a semblance of normality.

Notwithstanding the current market developments in relation to the COVID-19 pandemic, the Company has confidence in its business continuity arrangements. At the end of January 2020, the Company ceased to rent offices, with all employees working remotely. Currently, where needed, all business meetings are held using video conferencing platforms. The Company sees that for the foreseeable future, this will now be standard operational practice. Catenae's technical solutions continue to be used effectively with customers and partners, an approach which contributes to the Company's resilience in the current circumstances.

Board and management

Catenae welcomed Brian Thompson and John Farthing to the Board as Non-executive Chairman and Chief Financial Officer, respectively, on 24 April 2020. Their wealth of experience, expertise and business network will add considerable benefit to the Company as we execute our strategy going forward.

Kevin Everett, Interim Non-executive Chairman since 17 July 2019 and Non-executive Director since 16 May 2013, stepped down from his role on 24 April 2020 to pursue other business interests. On behalf of the Board, I would like to thank Kevin for his hard work and support during an important period.

Outlook

Catenaes has entered H2 2020 in a stable position and with a streamlined and resilient business model to capitalise on the opportunities that are presenting themselves. The COVID-19 pandemic presents us all with an unprecedented challenge, however the Group is confident in its ability to continue to provide its customers and partners with its technical solutions in an efficient manner.

The Company has a pipeline of opportunities ahead to expand its network of clients and to provide its technical solutions to a wider audience, and the Board looks forward to updating the market on its progress in due course.

Guy Meyer
Interim Chief Executive Officer

STATEMENT OF COMPREHENSIVE INCOME

	Unaudited six months ended 31 March 2020	Unaudited six months ended 31 March 2019	Audited year ended 30 Sept 2019
	£	£	£
Revenue	19,892	68,857	102,549
Cost of sales	-	-	-
Gross profit	19,892	68,857	102,549
Administrative expenses	(360,615)	(572,134)	(1,072,233)
	<u>(340,723)</u>	<u>(503,277)</u>	<u>(969,684)</u>
Loss from operations	(340,723)	(503,277)	(969,684)
Net Finance income/(expense)	(23,290)	44	(1,412)
	<u>(364,013)</u>	<u>(503,233)</u>	<u>(971,096)</u>
Loss before taxation	(364,013)	(503,233)	(971,096)
Taxation credit	-	-	145,866
Total comprehensive loss for the year	(364,013)	(503,233)	(825,230)

STATEMENT OF FINANCIAL POSITION

	Unaudited	Unaudited	Audited
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	six months ended 31 March 2020	six months ended 31 March 2019	year ended 30 Sept 2019
	£	£	£
Non-current assets			
Intangible assets	1	1	1
	1	1	1
Current assets			
Trade and other receivables	15,161	101,394	22,948
Cash and cash equivalents	910	319,146	29,508
	16,071	420,540	52,456
Current liabilities			
Trade and other payables	(549,912)	(651,530)	(555,629)
Interest-bearing loans	-	(169,001)	(223,905)
	(549,912)	(820,531)	(779,534)
Net Liabilities	(533,840)	(399,980)	(727,077)

Capital and reserves attributable to equity holders of the company

Share capital	3,373,601	3,173,601	3,223,601
Share premium account	17,439,221	17,068,371	17,031,971
Shares to be issued	-	18,7000	-
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	(35,115,818)	(34,429,808)	(34,751,805)
Total Equity	(533,840)	(399,980)	(727,077)

STATEMENT OF CASH FLOWS

	Unaudited six months ended 31 March 2020	Unaudited six months ended 31 March 2019	Audited year ended 30 Sept 2019
	£	£	£
Loss for the period	(364,013)	(503,233)	(825,230)
<i>Adjustments for:</i>			
Net bank and other interest (income) / charges	23,290	(44)	1,412
Issue of share options / warrant charge	-	-	-
Services settled by the issue of shares	-	63,782	120,055
Net (loss) before changes in working capital	(340,723)	(439,495)	(703,763)
(Increase) / decrease in trade and other receivables	7,787	(52,530)	(6,000)
(Decrease) / increase in trade and other payables	154,628	(22,720)	(182,976)

Cash from operations	(178,308)	(514,745)	(892,739)
Interest received	10	44	88
Interest paid	(23,300)	-	(1,500)
Net cash flows from operating activities	(201,598)	(514,701)	(894,151)
Investing activities			
Investment in joint venture	-	-	-
Net cash flows from investing activities	-	-	-
Financing Activities			
Issue of ordinary share capital	153,000	931,403	967,810
Repayment of loans	-	(210,842)	(245,937)
New loans raised	20,000	64,181	152,681
Net cash flows from financing activities	173,000	784,742	874,554
Net increase / (decrease) in cash	(28,598)	270,041	(19,597)
Cash and cash equivalents at beginning of period	29,508	49,105	49,105
Cash and cash equivalents at end of period	910	319,146	29,508

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014. The person who arranged for release of this announcement on behalf of the Company was Guy Meyer, Interim Chief Executive Officer of the Company.

- Ends -

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Forward-Looking Statements

Certain statements made in this announcement are forward-looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates, and projections about its industry; its beliefs; and assumptions. Words such as 'anticipates,' 'expects,' 'intends,' 'plans,' 'believes,' 'seeks,' 'estimates,' and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the Company's control, are difficult to predict, and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions security holders and prospective security holders not to place undue reliance on these forward-looking statements, which reflect the view of the Company only as of the date of this announcement. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. The Company will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances, or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

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.catenaeninnovation.com