

This announcement contains inside information for the purposes of the Market Abuse Regulation (EU No. 596/2014) ("MAR"). Upon the publication of this announcement, this inside information is now considered to be in the public domain and shall therefore cease to be inside information.

31 July 2020

First Sentinel Plc  
("First Sentinel" or the "Company")

### **Final results for the year ended 31 December 2019 and Notice of General Meeting**

First Sentinel announces that its audited Annual Report and Accounts for the year ended 31 December 2019 have been published and are being posted to Shareholders and are available on the Company's website, <https://first-sentinel.com>.

As announced on 24 June 2020, Resolution no. 1 (to receive the annual report and accounts for the year ended 31 December 2019) and Resolution no. 2 (to approve the Directors' remuneration report in the form set out in the Company's annual report and accounts for the year ended 31 December 2019) of the Notice of the Annual General Meeting ("AGM") were not submitted to vote at the AGM held on 30 June 2020. This was because, in light of delays caused by COVID-19, the Company had been granted extensions by Companies House and by AQUIS Stock Exchange to publish and file its annual accounts for the year ended 31 December 2019. It was accorded that First Sentinel would convene a further general meeting as soon as the respective accounts were available.

Accordingly, the Company also announces that the General Meeting ("GM") will be held on 24 August 2020. The Board has continued to monitor the impact of coronavirus (COVID-19). As a result of the extraordinary circumstances worldwide and in accordance with the new regulations set out in Schedule 14 of the Corporate Insolvency and Governance Act 2020, we will be conducting our GM virtually; there will therefore be no place of meeting. Please refer to the Notice of GM for further details.

Copies of the Annual Report and Accounts, Notice of General Meeting and Proxy Form are available to view on the Company's website at <https://first-sentinel.com/financial-results-and-reports> and at <https://first-sentinel.com/circulars-and-notices/>

Extracts of the Accounts are set out at the end of this announcement. The Company clarifies that warrants were granted to Colin Maltby (an Executive Director of the Company) at the time of his appointment in 2018. The terms are set out in the accounts.

First Sentinel is an alternative investment company, registered with the FCA as a small authorised UK AIFM, which provides growth capital for public and private company investments. First Sentinel invests in a range of debt and equity instruments in target portfolio companies.

The Company's website is <https://first-sentinel.com>

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Extracts of the Accounts

### **Chairman's Statement:**

I present the results for First Sentinel plc, for the year ended 31 December 2019.

During 2019 the Company continued to focus on its invoice purchasing and supply chain finance activities. The Company listed a bond of up to £7m on Euronext Dublin and set up the systems, controls and procedures necessary to operate its UK supply chain finance business. During the year, the Company raised approximately £1.7m and deployed capital into its subsidiaries, Capable Finance Limited and Perennial Enterprise PTY Ltd.

We remain focused on creating long-term sustainable value for our shareholders through the provision of corporate lending, invoice purchasing and supply chain finance activities in Australia and in the UK, as well as equity investments.

### **OUTLOOK**

The twelve months to 31 December 2019 have seen the establishment of the Company's UK supply chain finance business via its subsidiary, Capable Finance Limited. A bond of up to £7m was successfully listed on Euronext Dublin to finance this activity. The challenge for the Company remains in achieving scale and the focus will be on increasing the supply chain finance customer base and on suitable corporate lending opportunities.

### **COVID-19**

Notwithstanding the current market developments in relation to the spread of COVID-19 and its impact on the global economy, the Group has confidence in its business continuity arrangements. Currently, staff are working remotely and where needed, all business meetings are held using video conferencing platforms. The Group sees that for the foreseeable future, this will now be standard operational practice. The Group does not believe that the COVID-19 outbreak or will have a significant impact on its business and that it does not represent a material uncertainty about the entity's ability to continue as a going concern

Brian Stockbridge  
30 July 2020

### **Key Performance Indicators**

	<b>Year to 31 December 2019 £'000</b>	<b>Year to 31 December 2018 £'000</b>
Revenue	<b>1,440</b>	1,453

Loss for the period	<b>767</b>	700
Cash as at 31 December 2019	<b>1,255</b>	826

The board recognises the importance of KPIs in driving appropriate behaviour and enabling of Group performance.

During the year to 31 December 2019 the company has achieved a number of key objectives which continue to build shareholder value. These include:-

- Listing bond of up to £7m on Euronext Dublin
- Raising approximately £1.7m and deploying this capital into the business activities of Perennial Enterprise PTY Ltd and Capable Finance Ltd.
- Increasing focus on invoice purchasing and supply chain finance activities

### Consolidated Statement of Comprehensive Income - For the period ended 31 December 2019

	Period ended 31 December 2019 £'000	Period ended 31 December 2018 £'000
Revenue	1,440	1,453
Cost of sales	(89)	(503)
<b>Gross profit</b>	<u>1,351</u>	<u>950</u>
Administrative expenses	(1,534)	(1,381)
Other operating income	33	134
<b>Operating loss</b>	<u>(150)</u>	<u>(297)</u>
Finance costs	(587)	(611)
Finance income	33	298
<b>Loss before tax</b>	<u>(704)</u>	<u>(610)</u>
Tax	(63)	(90)
<b>Loss for the period</b>	<u>(767)</u>	<u>(700)</u>
Other comprehensive income	-	-
<b>Total comprehensive loss for the period</b>	<u><u>(767)</u></u>	<u><u>(700)</u></u>
<b>Loss and total comprehensive loss attributable to:</b>		
- Owners of the company	(855)	(793)
- Non-controlling interests	88	93
	<u>(767)</u>	<u>(700)</u>

**Loss per share attributable to the owners of the company:**

Basic &amp; Diluted loss per share - pence

(4.24)p

(4.71)p

**Consolidated Statement of Financial Position - For the period ended 31 December 2019**

	<b>As at 31 December 2019 £'000</b>	<b>As at 31 December 2018 £'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangibles	48	51
Goodwill	88	88
Property, plant & equipment	54	24
Right of use Asset	131	-
	<hr/> 321	<hr/> 163
<b>CURRENT ASSETS</b>		
Trade and other receivables	5,730	4,279
Other financial assets	242	584
Cash and cash equivalents	1,255	826
	<hr/> 7,228	<hr/> 5,689
<b>TOTAL ASSETS</b>	<hr/> <b>7,549</b> <hr/>	<hr/> <b>5,852</b> <hr/>
<b>EQUITY</b>		
<b>Shareholders' Equity</b>		
Called up share capital	213	152
Share premium	2,097	1,449
Share based payment reserve	131	26
Foreign exchange reserve	(245)	(111)
Accumulated deficit	(1,809)	(954)
Non-controlling interest	245	109
	<hr/> 632	<hr/> 671
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	2,259	459
	<hr/> 2,259	<hr/> 459
<b>Non - current liabilities</b>		
Financial liabilities	4,530	4,722
Other Payables	128	-
	<hr/> 4,658	<hr/> 4,722
<b>TOTAL LIABILITIES</b>	<hr/> <b>4,658</b> <hr/>	<hr/> <b>4,722</b> <hr/>

**TOTAL EQUITY AND LIABILITIES**

7,549

5,852

**Consolidated Statement of Changes in Equity - For the period ended 31 December 2019**

	Called up Share capital £'000	Accumulated deficit £'000	Share Premium £'000	Share based payment Reserve £'000	Foreign Exchange Reserve £'000	Non Controlling interest £'000	Total equity £'000
Balance at 31 December 2017	142	(161)	1,310	13	-	16	1,320
Loss for the period	-	(793)	-	-	-	93	(700)
Other comprehensive income	-	-	-	-	(111)	-	(111)
	-	(793)	-	-	(111)	93	(811)
Issue of shares	10	-	139	-	-	-	149
Credit relating to equity for equity settled	-	-	-	13	-	-	13
Balance at 31 December 2018	152	(954)	1,449	26	(111)	109	671
Loss for the period	-	(855)	-	-	-	88	(767)
Other comprehensive income	-	-	-	-	(134)	-	(134)
Total comprehensive income for the period	-	(855)	-	-	-	88	(901)
Issues of shares during the year	61	-	648	-	-	-	709
Non controlling Interest share of net assets on acquisition	-	-	-	-	-	48	48
Share based payments charge for the year	-	-	-	105	-	-	105
Balance at 31 December 2019	213	(1,809)	2,097	131	(245)	245	632

**Notes to the Consolidated Statement of Cash Flows - For the period ended 31 December 2019**

	Period ended 31 December 2019 £'000	Period ended 31 December 2018 £'000
<b>Cash flows from operating activities</b>		

Cash (utilised) / generated by operations	(1,433)	(3,445)
Interest paid	(577)	(611)
Interest elements of lease payments	(10)	
Interest Received	33	298
	<hr/>	<hr/>
<b>Net cash outflow from operating activities</b>	<b>(1,987)</b>	<b>(3,758)</b>
<b>Cash flows from investing activities</b>		
Net proceeds from transactions of financial assets at fair value through profit or loss	239	304
Purchases of property, plant and equipment	(41)	(2)
Acquisition of subsidiary	(50)	-
	<hr/>	<hr/>
<b>Net cash inflow from investing activities</b>	<b>148</b>	<b>302</b>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares	709	64
Net proceeds from issue of financial liabilities at amortised cost - loans	10	1,223
Net proceeds from issue of financial liabilities at amortised cost - bonds	1,742	2,788
Principal elements of lease payments	(97)	-
	<hr/>	<hr/>
<b>Net cash inflow from financing activities</b>	<b>2,364</b>	<b>4,075</b>
<b>Taxation</b>	<b>(96)</b>	<b>(90)</b>
<b>Increase/(decrease) in cash and equivalents</b>	<b>429</b>	<b>529</b>
Cash and cash equivalents at beginning of period	826	297
	<hr/>	<hr/>
Cash and cash equivalents at end of period	<u>1,255</u>	<u>826</u>

## Notes to the Consolidated Statement of Cash Flows - For the period ended 31 December 2019

### 1. Reconciliation of loss before income tax to cash outflow from operations

	Period ended 31 December 2019 £'000	Period ended 31 December 2018 £'000
Operating loss	(150)	(297)
Increase in trade and other receivables	(1,514)	(3,591)
Decrease / (Increase) in trade and other payables	(143)	58

Other adjustments:		
Depreciation Charge	113	5
Share based payments expense	105	88
Fair value gains and losses	156	292
	<hr/>	<hr/>
Net cash outflow from operations	1,433	(3,445)
	<hr/> <hr/>	<hr/> <hr/>

## 2. Cash and Cash Equivalents

	Period ended 31 December 2019 £'000	Period ended 31 December 2018 £'000
Cash and cash equivalents	1,255	826
	<hr/> <hr/>	<hr/> <hr/>

## SELECTED NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019

- The financial information set out here does not constitute statutory accounts for the purpose of Section 434 of the Companies Act 2006. The financial information has been extracted from the statutory accounts of First Sentinel Plc and is presented using the same accounting policies, which have not yet been filed with the Registrar of companies, but on which the auditors gave an unqualified report on 30 July 2019. The Accounts have been prepared under International Accounting Standards.

The announcement of the results for the period ended 31 December 2019 was approved by the board of directors on 30 July 2019.

### Going concern

The financial statements have been prepared on the assumption that the company is a going concern. When assessing the foreseeable future, the directors have looked at the budget for the next 18 months from the date of this report, the cash at bank available as at the date of approval of this report and are satisfied that the group should be able to cover its operational costs, quoted maintenance costs and other administrative expenses.

The Directors note that the World Health Organisation declared a pandemic relating to COVID-19 on 11 March 2020, and social distancing measures were introduced in the UK during March 2020. The Directors have assessed the impact of incorporating additional COVID-19 risk factors in the Going Concern assessment over a period of 18 months after the signing of these financial statements.

Key assumptions considered by management when assessing going concern include adjusting managements best estimate of forecasted performance for factors including the length and extent of current lockdown restrictions, the resulting general business environment and the speed of recovery of trading after lockdown restrictions ease. These have been estimated for their

respective impacts on the Group's revenues, fixed and variable costs and resultant expected cash flow requirements.

The Group's forecasts and projections, taking into account a reasonable estimate of a possible downturn in trading performance arising from the COVID-19 outbreak, show that the Company has sufficient financial resources for the going concern period. The Company does not believe that the COVID-19 outbreak represents a material uncertainty about the entity's ability to continue as a going concern. Accordingly, the Directors have adopted the going concern basis in preparing these consolidated financial statements.

## 2. Earnings per Share

Basic earnings per share is calculated by dividing the earnings attributable shareholders by the weighted average number of ordinary shares outstanding during the period.

Reconciliations are set out below:

	Earnings £'000	Weighted average Number of shares	Loss per-share Pence
<b>2019</b>			
Basic and diluted EPS			
Earnings attributable to ordinary shareholders	(767)	18,073,929	4.24
	<u>          </u>	<u>          </u>	<u>          </u>
<b>2018</b>			
Basic and diluted EPS			
Earnings attributable to ordinary shareholders	(700)	14,876,326	4.71
	<u>          </u>	<u>          </u>	<u>          </u>

Basic and diluted earnings per share are different, since where a loss is incurred the effect of outstanding share options and warrants is considered anti-dilutive and is ignored for the purpose of the loss per share calculation. As at 31 December 2019 there were 10,254,237 (2018: 12,205,327) outstanding share warrants, which are potentially dilutive.

## 3. Company's result for the period

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent Company income statement account.

The loss for the parent Company for the period was £972,000 (2018: £953,000).

## 4. Post Balance Sheet Events

After the year the Company raised ordinary share capital of approximately:

- 1) 24/01/2020: £220,000
- 2) 05/03/2020: £183,000
- 3) 19/03/2020: £389,000
- 4) 16/04/2020: £152,000



5) 29/05/2020: £117,000

On 25 February 2020 the company raised £233,000 from the transfer of bonds held in treasury.

After the year end the Company has raised £396,000 from the initial tranches of Green Finance Preference Shares issued.

After the year end the Company has made the following investments:

- 1) Vulcan Industries Plc: £234,000 invested in equity and a loan facility provided of upto £500,000 at 12% interest per annum. They are a UK based company that consolidates traditional but historically profitable engineering, manufacturing and industrial SMEs for value and enhances this value through group scale synergies.
- 2) Stabilitech Biopharma Limited: £270,000 invested in equity. They are a UK based biotechnology company developing next generation vaccines and biopharmaceuticals.
- 3) Ridercam Systems Limited: loan facilities provided up to £660,000 at 12% interest per annum, with £315,000 advanced to them after the year end. They provide end-to-end video technology for the recording and distribution of experiences with a robust camera and seamless payment and distribution system.
- 4) Direct Energy Holdings Pty Ltd: loan facility provided of up to AUD 5,000,000 at 12% interest per annum. They are a global energy producer for homes and businesses.
- 5) Malaika Holdings Limited: £130,000 invested in equity. They are a private, sector agnostic investment company.
- 6) Vox Markets Limited: loan facilities provided up to £300,000 at 8% interest per annum, with £240,000 advanced to them after the year end.