

RNS Number : 2406B  
RiverFort Global Opportunities PLC  
30 September 2022

## **RiverFort Global Opportunities plc**

**("RGO" or the "Company")**

### **Unaudited interim results for the 6 months ended 30 June 2022**

RiverFort Global Opportunities plc is pleased to announce its unaudited interim results for the six months to 30 June 2022.

#### **Highlights**

- Total NAV of £11.5 million and NAV per share of 1.46 pence
- Smarttech247 actively progressing its London listing
- Around £1.7 million of cash available for further investment
- Increasing demand for the Company's investment capital
- Declaration of a dividend for 2021 of 0.038p per share, thereby continuing its track record of dividend payments

Philip Haydn-Slater, Non-Executive Chairman, commented:

"RGO has continued to generate investment income during this period and demand for its capital is growing against the background of difficult stock market conditions. The Company has broadly maintained its NAV in the first half of 2022 such that the Company's current share price now represents a 55% discount to its underlying NAV. Going forward, we believe that the Company has an attractive portfolio of investments which not only has the scope to achieve income with downside protection but the significant upside potential to generate capital gains from appropriate pre-IPO investments. In particular, Smarttech247 is actively progressing a stock market listing in Q4 2022 which is expected to generate an attractive return on investment."

#### **Chairman's statement**

The analysis of income for the period is set out below:

	<b>Half year to 30 June 2022</b>	<b>Year to 31 December 2021</b>
	<b>£000</b>	<b>£000</b>
Investment income	417	1,801
Net income from financial instruments at FVTPL	(440)	680
Net foreign exchange gains/(losses) on financial instruments	104	(12)
<b>Total investment income</b>	<b>81</b>	<b>2,469</b>

During the period, the Company generated total investment income of £417,000 from its investment portfolio. The Company principally invests by way of debt and/or equity-linked debt instruments which provides equity upside with downside protection. Investment income is therefore principally generated from interest, fees, with additional income from equity conversion and warrants. Net income from financial instruments at FVTPL is derived from changes in the value of the Company's investment portfolio. An unrealised loss was recognised for the period due to the decrease in the share price of one of the Company's investments, Pires Investments plc ("Pires").

The Company's principal investment portfolio categories are summarised below:

<b>Category</b>	<b>Cost or valuation at 30 June 2022 (£)</b>
Debt and equity- linked debt investments	5,227,524
Pre IPO investments	2,703,465
Equity and other investments	1,960,469
Cash resources	1,718,844
<b>Total</b>	<b>11,610,302</b>

During the period, the Company has continued to develop its portfolio and, as at the period end, the value of these investments amounted to £5.2 million. The portfolio currently includes over 20 companies such as Jubilee Metals plc, Challenger Exploration Limited, Deepverge plc and Troy Resources Ltd.

The pre-IPO investment category principally comprises the Company's holdings in Smarttech247 and Pluto Digital plc.

Smarttech247 is a global artificial intelligence-based cyber security cloud business that protects enterprises from cyber-attacks. Smarttech247 has over 100 technology partners, including IBM and

Microsoft, and more than 50 clients based in Europe and the US. The company has recently won a number of new clients and has just launched a new MDR product, Vision X. It is also actively progressing a stock market listing and the likely market valuation is expected to deliver a significant uplift to RGO's NAV. The value of this holding is currently held at a cost of €1.4 million.

Pluto Digital is a Web3 technology company with a focus on the Metaverse, blockchain gaming and NFTs. During the period, Pluto has been working with Maze Theory Limited ("Maze Theory"), a London-based digital entertainment studio, with a view to developing high quality games that incorporate token economics. Pluto is working on a corporate transaction which will include Emergent Games, a new Web3 gaming studio which is a joint venture with Maze Theory. A further announcement on the progress of this transaction is expected in Q4 2022.

As at 30 June 2022, the Company's equity holding in Pluto was valued at circa £1.3 million based on a price of 6 pence per share, which is the price at which the company's most recent funding raising took place and the price at which the corporate transaction with Maze is expected to take place.

The equity and other investments category principally comprises the Company's holdings in Pires and its warrant portfolio. Pires, is an investment company listed on AIM that invests in next generation technology companies. Pires recently announced its interim results which included a significant profit of circa £1 million and growth in NAV, principally as a result of the increase in value of one of its investments, Getvisibility. Pires continues to build a very attractive portfolio of investments.

On 1 June 2022, Tern plc ("Tern") announced a recommended share offer which valued each share in Pires at 8 pence based on the closing price of Tern shares on 31 May 2022 and represented a premium of 53.8% to the closing price of a Pires share on 31 May 2022. In July 2022, the recommended offer for Pires by Tern plc, whilst being supported by the majority of Pires shareholders voting both by number of shareholders and number of shares held, was not approved by the requisite number to effect a scheme of arrangement, and therefore lapsed.

During the period, the Pires share price decreased by 37% which is the principal reason for the small reduction in RGO's NAV.

As previously announced, as part of the Company's overall strategy when making investments, warrants or their equivalent are negotiated which can significantly increase the level of investment return. However, due to the inherent volatility associated with this form of instrument, the potential value of this warrant portfolio is not fully reflected in the Company's net asset value and a return is only crystallised when the respective warrants are exercised and resulting shares sold.

The key unaudited performance indicators are set out below:

<b>Performance indicator</b>	<b>30 June 2022</b>	<b>31 December 2021</b>	<b>Change</b>
Investment income	£80,705	£2,469,446	
Net asset value	£11,466,525	£11,748,821	-2.4%
Net asset value - fully diluted per share	1.46p	1.49p	-2.2%
Closing share price	0.91p	1.45p	-37.2%
Market capitalisation	£7,056,000	£11,243,000	-37.2%

The Company has continued to maintain a significant cash balance as at the end of the period for further investment and enabling the Company to pay a dividend for 2021 which was declared on 8 July 2021. The gross dividend amounted to 0.038 pence per share, equivalent to a gross yield of 5.8% at the current share price.

Philip Haydn-Slater  
Non-Executive Chairman  
29 September 2022

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

**For more information, please contact:**

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**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	<b>Unaudited 6 months ended 30 June 2022 £</b>	<b>Unaudited 6 months ended 30 June 2021 £</b>	<b>Audited Year ended 31 December 2021 £</b>
Investment income	417,476	909,485	1,801,432
Net (loss)/gain from financial instruments at FVTPL	(440,460)	1,115,767	680,286
Foreign exchange gains/(losses) on financial instruments	103,689	(12,160)	(12,272)
<b>Total income</b>	<b>80,705</b>	<b>2,013,092</b>	<b>2,469,446</b>
Administration expenses	(170,371)	(226,296)	(715,195)
Investment advisory fees	(214,879)	(367,357)	(593,990)
Exchange translation gains/(losses)	22,249	(38,836)	(120,249)
<b>(Loss)/profit before taxation</b>	<b>(282,296)</b>	<b>1,380,603</b>	<b>1,040,012</b>
Taxation	–	–	–
<b>(Loss)/profit for the period and total comprehensive (expense)/income</b>	<b>(282,296)</b>	<b>1,380,603</b>	<b>1,040,012</b>
<b>Basic (loss)/earnings per share</b>			
Continuing and total operations	(0.04p)	0.20p	0.14p
<b>Fully diluted (loss)/earnings per share</b>			
Continuing and total operations	(0.04p)	0.20p	0.14p

**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	Called up share capital £	Share premium account £	Share options reserve £	Retained earnings £	Total equity £
<b>Balance at 1 January 2021</b>	67,893	–	–	9,172,043	9,239,936
Profit for the year and total comprehensive income	–	–	–	1,040,012	1,040,012
Share issue	9,647	1,568,353	–	–	1,578,000
Grant of share options	–	–	201,034	–	201,034
Dividend payment	–	–	–	(310,161)	(310,161)
<b>Balance at 31 December 2021</b>	77,540	1,568,353	201,034	9,901,894	11,748,821
Loss for the period and total comprehensive expense	–	–	–	(282,296)	(282,296)
<b>Balance at 30 June 2022</b>	77,540	1,568,353	201,034	9,619,598	11,466,525

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022**

	Unaudited 6 months ended 30 June 2022 £	Unaudited 6 months ended 30 June 2021 £	Audited Year ended 31 December 2021 £
<b>ASSETS</b>			
<b>Non-current investments</b>			
Financial asset investments	7,434,772	8,608,261	8,105,633
<b>Total non-current assets</b>	7,434,772	8,608,261	8,105,633
<b>Current assets</b>			
Financial asset investments	2,456,686	2,987,433	2,966,515
Trade and other receivables	299,102	174,305	317,539
Cash and cash equivalents	1,718,844	1,919,017	2,012,483
<b>Total current assets</b>	4,474,632	5,080,755	5,296,537
<b>Total assets</b>	11,909,404	13,689,016	13,402,170
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	442,879	1,490,477	1,653,349
<b>Total current liabilities</b>	442,879	1,490,477	1,653,349

<b>Net assets</b>	11,466,525	12,198,539	11,748,821
<b>EQUITY</b>			
Share capital	77,540	77,540	77,540
Share premium account	1,568,353	1,568,353	1,568,353
Share options reserve	201,034	–	201,034
Retained earnings	9,619,598	10,552,646	9,901,894
<b>Total equity</b>	11,466,525	12,198,539	11,748,821

**UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	Unaudited 6 months ended 30 June 2022 £	Unaudited 6 months ended 30 June 2021 £	Audited Year ended 31 December 2021 £
<b>Cash flows from operating activities</b>			
Investment income received	43,938	999,097	1,195,653
Operating expenses paid	(244,386)	(674,447)	(1,091,429)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(200,448)</b>	<b>324,650</b>	<b>104,224</b>
<b>Cash flows from investing activities</b>			
Purchase of investments	(2,807,144)	(6,369,758)	(9,618,440)
Proceeds from disposal of investments	27,316	472,664	493,332
Debt instrument repayments	2,582,948	1,878,765	5,730,944
<b>Net cash used in investing activities</b>	<b>(196,880)</b>	<b>(4,018,329)</b>	<b>(3,394,164)</b>
<b>FINANCING ACTIVITIES</b>			
Net proceeds from share issues	–	1,578,000	1,578,000
Dividend payment	–	–	(310,161)
<b>Net cash from financing activities</b>	<b>–</b>	<b>1,578,000</b>	<b>1,267,839</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(397,328)</b>	<b>(2,115,679)</b>	<b>(2,022,101)</b>
Cash and cash equivalents at beginning of period	2,012,483	4,046,856	4,046,856
Effect of foreign currency exchange on cash	103,689	(12,160)	(12,272)
<b>Cash and cash equivalents at end of period</b>	<b>1,718,844</b>	<b>1,919,017</b>	<b>2,012,483</b>

## NOTES TO THE INTERIM REPORT

1. The financial information set out in this interim report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The group's statutory financial statements for the period ended 31 December 2021, prepared under International Financial Reporting Standards (IFRS), have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The interim financial information has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) and on the same basis and using the same accounting policies as used in the financial statements for the year ended 31 December 2021. The interim financial statements have not been audited or reviewed in accordance with the International Standard on Review Engagement 2410 issued by the Auditing Practices Board.

The financial statements have been prepared on a going concern basis under the historical cost convention.

The Directors believe that the going concern basis is appropriate for the preparation of the financial statements as the Company is in a position to meet all its liabilities as they fall due.

### 2. Earnings per share

Earnings per share is calculated by dividing the profit/(loss) attributable to equity shareholders by the weighted average number of shares in issue.

	Six months ended 30 June 2022 (unaudited)	Six months ended 30 June 2021 (unaudited)	Year ended 31 December 2021 (audited)
(Loss)/profit from continuing and total operations	(£282,296)	£1,380,603	£1,040,012
Weighted average number of shares in the period for basic earnings	775,404,187	706,115,920	741,044,800
Weighted average number of shares in the period for fully diluted earnings	775,404,187	706,115,920	751,278,700



**Basic and fully diluted (loss)/earnings per share:**

Basic (loss)/earnings per share from continuing and total operations	(0.04p)	0.20p	0.14p
Fully diluted (loss)/earnings per share from continuing and total operations	(0.04p)	0.20p	0.14p

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For the current period exercise of the outstanding warrants would be anti-dilutive for earnings per share, so the weighted average number of shares in issue is the same for both basic and fully diluted earnings per share calculations.

3. Copies of the interim report can be obtained from: The Company Secretary, RiverFort Global Opportunities plc, Suite 39, 18 High Street, High Wycombe, Buckinghamshire, HP10 8NJ and are available to view and download from the Company's website : [www.riverfortglobalopportunities.com](http://www.riverfortglobalopportunities.com)

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