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3 March 2020

Catena Group PLC

("Catena" or the "Company")

Conditional agreement to acquire up to 30.2 per cent. of Insight Capital Partners Ltd, an artificial intelligence company

Catena Group plc (AIM: CTNA), a UK based venture capital company focused on acquiring or investing in companies operating in high growth industries, is pleased to announce that it has entered into a conditional investment agreement to acquire an initial 9.1 per cent. interest (on a fully diluted basis) in the ordinary share capital of Insight Capital Partners Limited ("Insight") for £1.5 million payable in cash (the "Investment"). The Company has also secured an option to increase its holding to 30.2 per cent. of Insight's fully diluted ordinary share capital, on the same terms as the Investment.

About Insight

Insight is an artificial intelligence ("AI") company that combines quantitative research, data engineering and machine learning to deliver bespoke analytical tools to financial services clients, enabling them to extract data from outdated platforms and improve the accessibility and insight locked within.

Insight's founders, Steve Cracknell and Warren Pearson, bring with them a wealth of success in delivering machine learning solutions to the financial services sector. Both gained their early experience as application developers and engineers at Goldman Sachs, followed by roles with Thomson Reuters, the London Stock Exchange and a Silicon Valley AI startup, before launching Insight two years ago.

Based on unaudited statutory accounts for the year ended 31 March 2019, Insight (including its wholly-owned subsidiary, Insight Capital Consulting Ltd) generated revenue of £0.7 million and a loss before tax of £1.1 million. The consolidated net assets of Insight at 31 March 2019 were £0.5 million. Insight has continued to gain commercial traction, generating revenue of £1.8 million and profit of £0.2 million for the nine months ended 31 December 2019 (source: Insight's unaudited management accounts).

Rationale for the Investment

This initial Investment is directly in line with Catena's refocused strategy of investing in quality fast growing companies. Machine learning is widely recognised as having the potential to fundamentally benefit performance and profitability in many, if not all, industries. Catena's investment today is a first step toward a broader strategy to capitalise on growth opportunities in AI and machine learning.

Insight has already built credibility by delivering business transformational solutions to top-tier asset managers in Europe and the United States. Catena's investment and growing partnership with Insight will enable it to accelerate the development of its proprietary technology and build out its capabilities to serve a wider range of clients with a broader set of solutions.

Option

On completion of the Investment, Catena will also have a six-month option to acquire further ordinary shares in the capital of Insight at the same subscription price as the initial investment announced today. If this option is exercised in full, Catena would increase its shareholding to 30.2 per cent. of Insight's ordinary share capital (on a fully diluted basis) for a further £5.0 million in cash.

Financial considerations

The Investment is based on a pre-money valuation of £15.0 million and is conditional upon certain standard commercial terms, including receipt of funds.

Matthew Farnum-Schneider, CEO of Catena, commented:

"We are delighted to have secured this investment in Insight. Machine learning is set to revolutionise the asset management and financial services industries and we believe that Insight is ideally placed to capitalise on the exponential growth in the sector. Insight's demonstrated performance of delivering near-term tangible commercial benefits via its machine learning solutions has already generated profitable growth. Today's investment should accelerate Insight's reach and is the first step in our growing alliance. We look forward to working with Steve Cracknell and his team in realising Insight's enormous potential."

Steve Cracknell, CEO and founder of Insight commented:

"The tools we are developing are designed to leverage the data analysis and insight advantages offered by machine learning, whilst giving users the flexibility to overlay their own expertise. This combined with the speed and scale that cloud computing and DevOps offers, will make the immense power of machine learning and AI more readily accessible to investment professionals and the broader financial services sector. Our partnership with Catena will allow us to accelerate the development of these tools and expand the reach of our business."

*** ENDS ***

This announcement has been released by Matthew Farnum-Schneider, Chief Executive, on behalf of the Group.

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