

**Octagonal Ltd (“Octagonal”)
Shareholder update and payment of interim dividends.**

02 December 2021

Dear Shareholder,

Octagonal is pleased to announce its unaudited half-year results for the six months to 30 September 2021.

These include the trading results for Octagonal’s principal trading subsidiary Global Investment Strategy UK Ltd (“GIS”).

Summary of Octagonal group’s consolidated financial highlights for the six months to 30 September 2021:

- Unaudited revenues for the six months to 30 September 2021 were £3.5m (September 2020: £4.79m)
- Unaudited operating profit for the group for the six months to 30 September 2021 was £0.47m (September 2020: £1.86m)
- The group cash balance as at 30 September 2021 was £7,113m (September 2020: £6.84m)

Earnings for the half year declined significantly as GIS exited certain client services following the complaint filed by the Securities and Exchange Commission (**SEC**) in December of last year. The past 6 months have been a period of transformation as GIS sought to strengthen its compliance function including engaging third-party compliance specialists to review the business’s current activities and client base, to identify any remaining material perimeter risks, particularly in connection with non-UK domiciled clients. GIS is confident that through that process it has addressed and mitigated those risks. GIS further undertook a cost cutting exercise to reduce operational overheads to compensate for the lower revenues.

The results represented in this update show the current known impact on revenue, but also reflect the considerable legal costs the business has had to meet in respect of the SEC’s complaint. Separately, we hope that we will be able to update you in the near future on the developments made with the SEC.

Our HK subsidiary has performed well during the first half of the financial year, and we are optimistic that the business will continue its trajectory. We have made a key appointment in sales and relocated staff from London to support the activity. The HK office made a profit of £127,000 for the 6 months to September 2021 (2020: loss of £155,000). Net cash in this division stands at £613,300 in line with business needs and regulatory obligations.

As regards to Synergis Capital plc, following the COVID 19 pandemic, where there had been a considerable amount of uncertainty in the financial markets. This caused depositors to become more risk adverse and revert placing their deposits back to financial institutions that have been around for years such as established mainstream banks. This potentially had a negative impact on the challenger banks and start-ups similar to Synergis. Additionally, the lending markets had also been challenging where we had seen increased amounts of defaults on commercial and property loans over the period of the pandemic.

GIS has further been working with its regulator, the Financial Conduct Authority, to ensure that it has all the competencies and has the necessary liquidity to launch and maintain such a business during both normal market conditions and periods of stress. Synergis is at present undertaking an evaluation of both market conditions and the requirements needed to launch and maintain this business. It is further reviewing opportunities to work in partnership with a larger financial institution or to license or sell its operating systems.

Octagonal has recently published its consolidated results for the years to March 2021. A dividend of 0.1p a share has also been declared, with a record date as 3 December 2021 and pay date 17 December 2021.

Thank you for your continued support and Octagonal will in due course provide further updates, including in relation to any implementation of the “Matched Bargain” share trading facility that may enable shareholders to trade their shares amongst themselves and external buyers.

Yours faithfully,

John Gunn
Chairman