

**Octagonal plc**  
("Octagonal" or the "Company")

**Interim Results**

Octagonal (AIM: OCT), announces its unaudited half-year results for the six months to 30 September 2020. These include the trading results for the Company's principal trading subsidiary Global Investment Strategy UK Ltd (GIS) which are being announced along with the consolidated figures for Octagonal's group.

**Summary of Octagonal PLC Financial highlights for the six months to 30 September 2020**

- Unaudited revenues for the six months to 30 September 2020 were £4.79 million ("m") (September 2019: £3.31m).
- Unaudited operating profit for the group for six months to 30 September 2020 was £1.86m (September 2019: £1.12m)
- Net Assets as at 30 September 2020 were £10.14m (September 2019: £10.19m)
- Group cash balance as at 30 September 2020 was £6.84m (September 2019: £6.08m)

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

For further information please visit [www.octagonalplc.com](http://www.octagonalplc.com) or contact:

**Octagonal Plc**

John Gunn, Chairman

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## **Chairman Statement and update on group activities**

### **Global Investment Strategy UK Ltd (GIS)**

GIS delivered strong earnings for the half year as markets remained active through the summer months against traditional trends, and our balanced business model continued to deliver consistent returns. GIS reported unaudited revenues of £4.79m and profit before taxation of £2.082m for the 6 months to 30 September 2020. This was an increase of 42.7% in revenue and 41.2% in profit compared with the corresponding period last year (revenue of £3.359m and profit before taxation of £1.475m for the 6 months to 30 September 2019).

### **Synergis Capital Plc (Synergis)**

Discussions continue with the FCA as regards Synergis' activity and the business is undergoing an evaluation process with our regulator and we believe we have made good progress in demonstrating the business' robust processes and controls that are essential for its intended specialist lending activity.

### **Global Investment Strategy HK Limited (GIS HK)**

Our Hong Kong subsidiary remains fully operational and continues to build on its network of Asia Pacific relationships to offer services to both its London based parent and regional clients. The HK office has contributed income to GIS, but we hope the year ahead will see it demonstrate its fiscal autonomy as a stand-alone entity, working in cooperation with its parent, but also servicing Asia based clients looking for a global service offering.

### **Outlook**

Whilst trading continues in line with the board's expectations, the result for the year may be impacted by any effect of the recently announced SEC complaint against GIS in the US, the outcome of which cannot yet be determined with any certainty.

### **Dividend**

On 17th December 2020, the Company declared a dividend of 0.1 pence per share which was paid on 12th January 2021.

John Gunn  
Chairman

**Unaudited Group Income Statement and statement of comprehensive income  
For the 6 months ended 30 September 2020**

	Unaudited 30-Sep-20 £'000	Unaudited 30-Sep-19 £'000	Audited 31-Mar-20 £'000
<b>Revenue</b>	4,796	3,315	5,752
<b>Cost of sales</b>	(1,131)	(710)	(1,447)
<b>Gross profit</b>	3,665	2,605	4,305
<b>Administrative expenses</b>	(1,809)	(1,482)	(3,576)
<b>Share based payment expense</b>			
<b>Operating profit</b>	1,856	1,123	729
<b>Other gains and losses</b>	-	-	(135)
<b>Profit before tax</b>	1,856	1,123	594
<b>Taxation</b>	-	82	(302)
<b>Profit for the year</b>	1,856	1,205	292
<b>Attributable to:</b>			
<b>Shareholders in the Parent Company</b>	1,862	1,220	343
<b>Non-controlling Interests</b>	(6)	(15)	(51)
	1,856	1,205	292
<b>Earnings per share attributable to owners of the parent company</b>			
<b>Basic and diluted (pence per share)</b>			
<b>From continuing and total operations</b>	0.328	0.215	0.060
<b>Fully diluted</b>	0.320	0.210	0.060

Unaudited Group Statement of Financial Position  
As at 30 September 2020

	Unaudited 30-Sep-20 £'000	Unaudited 30-Sep-19 £'000	Audited 31-Mar-20 £'000
<b>Non-Current assets</b>			
Goodwill	2,869	2,869	2,869
Other Intangibles	856	723	805
Property, plant and equipment	43	44	39
Deferred Tax asset			-
	<b>3,768</b>	<b>3,636</b>	<b>3,713</b>
<b>Current assets</b>			
Available for sale investments	225	266	225
Trade and other receivables	1,067	853	489
Cash and cash equivalents	6,838	6,076	5,463
	<b>8,130</b>	<b>7,195</b>	<b>6,177</b>
<b>TOTAL ASSETS</b>	<b>11,898</b>	<b>10,831</b>	<b>9,890</b>
<b>Current liabilities</b>			
Trade and other payables	1,123	457	942
Current tax liabilities	632	182	632
Borrowings	-	-	-
	<b>1,755</b>	<b>639</b>	<b>1,574</b>
<b>NET ASSETS/(LIABILITIES)</b>	<b>10,143</b>	<b>10,193</b>	<b>8,316</b>
<b>Equity</b>			
Share capital	285	285	285
Share premium account	171	171	171
Reverse acquisition reserve	679	679	679
Foreign currency reserve	16	-	45
Share option and warrant reserve	162	162	162
Retained earnings	8,841	8,814	6,979
Equity attributable to owners of the company	<b>10,154</b>	<b>10,111</b>	<b>8,321</b>
Non- Controlling interests	<b>(11)</b>	<b>81</b>	<b>(5)</b>
<b>Total Equity</b>	<b>10,143</b>	<b>10,193</b>	<b>8,316</b>

**Unaudited Group Statement of Changes in Equity  
For the 6 months ended 30 September 2020**

	Share capital	Share Premium	Reverse acquisition reserve	Share option reserve	Foreign Currency Reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 31 March 2018</b>	<b>284</b>	<b>171</b>	<b>679</b>	<b>99</b>	-	<b>6,972</b>	<b>8,205</b>	<b>208</b>	<b>8,413</b>
Total comprehensive income for the year	-	-	-	-	-	1,060	1,060	(134)	926
Dividend paid	-	-	-	-	-	(568)	(568)	-	(568)
Share issues	1	-	-	-	-	-	1	-	1
Share based payment expense	-	-	-	63	-	-	63	-	63
Adjustment arising from change in non-controlling interest	-	-	-	-	-	94	94	(16)	78
<b>Balance at 31 March 2019</b>	<b>285</b>	<b>171</b>	<b>679</b>	<b>162</b>	-	<b>7,558</b>	<b>8,855</b>	<b>58</b>	<b>8,913</b>
	-	-	-	-	-	(191)	(191)	-	(191)
	-	-	-	-	-	(162)	(162)	(12)	(174)
<b>Balance at 1 April 2019 restated *</b>	<b>285</b>	<b>171</b>	<b>679</b>	<b>162</b>	-	<b>7,205</b>	<b>8,502</b>	<b>46</b>	<b>8,548</b>
Profit for the year	-	-	-	-	-	343	343	(51)	292
Exchange differences on translation of foreign operations	-	-	-	-	45	-	45	-	45
Dividend paid	-	-	-	-	-	(569)	(569)	-	(569)
<b>Balance at 31 March 2020</b>	<b>285</b>	<b>171</b>	<b>679</b>	<b>162</b>	<b>45</b>	<b>6,979</b>	<b>8,321</b>	<b>(5)</b>	<b>8,316</b>
Profit for the year	-	-	-	-	-	1,862	1,862	(6)	1,856
Exchange differences on translation of foreign operations	-	-	-	-	(29)	-	(29)	-	(29)
	<b>285</b>	<b>171</b>	<b>679</b>	<b>162</b>	<b>16</b>	<b>8,841</b>	<b>10,154</b>	<b>(11)</b>	<b>10,143</b>

\*Please refer to Note 4 of the Company's audited financial statements for the period ended 31 March 2020

**Unaudited Group Statement of Cash flows**  
**For the 6 months ended 30 September 2020**

	Unaudited	Unaudited	Audited
	30-Sep-20	30-Sep-19	31-Mar-20
	£'000	£'000	.
<b>OPERATING ACTIVITIES</b>			
Profit/(loss) for the year before taxation	1,856	1,123	594
Adjusted for:			
Share based payment	-	-	-
Depreciation	7	7	14
Amortisation of intangibles			27
Investment impairment	-	-	135
Operating cash flows before movements in working capital	1,863	1,130	770
(Increase)/Decrease in trade and other receivables	(578)	(145)	44
Increase/(Decrease) in trade and other payables	181	(76)	407
Other movement			21
<b>Net cash from / (used in) operating activities</b>	<b>1,466</b>	<b>909</b>	<b>1,242</b>
Tax paid	(28)	(262)	(191)
<b>Net cash used in operating activities</b>	<b>1,438</b>	<b>647</b>	<b>1,051</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	(12)	(4)	(13)
Development costs	(51)	(66)	(174)
Purchase of investments	-	-	(302)
Related party repayment of loan			(9)
<b>Net cash from/(used in) investing activities</b>	<b>(63)</b>	<b>(70)</b>	<b>(498)</b>
<b>FINANCING ACTIVITIES</b>			
Non-controlling interest investment	-	33	14
Dividend paid	-	-	(569)
<b>Net cash from/ (used in) financing activities</b>	<b>-</b>	<b>33</b>	<b>(555)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>1,375</b>	<b>610</b>	<b>(3)</b>
Cash and cash equivalents at beginning of the period	5,463	5,466	5,466
<b>Cash and cash equivalents at end of the period</b>	<b>6,838</b>	<b>6,076</b>	<b>5,463</b>

**Notes to the interim statement  
For the 6 months ended 30 September 2020**

**1. General information**

Octagonal plc is a company incorporated in the England and Wales with number 6214926, and whose registered office is: 2<sup>nd</sup> Floor, 2 London Wall Buildings, London EC2M 5PP, under the Companies Act 2006. The Company's main activity is that of a financial services business offering a wide range of services to institutional, family office and high net worth clients.

The Company's functional currency is Sterling. The Company's financial statements are presented in Sterling, which is the Company's presentational currency.

**2. Basis of preparation**

The financial information set out in this interim report for the six months ended 30 September 2020 is unaudited and does not constitute statutory accounts as defined in Section 434 of Companies Act (2006).

The Company's statutory financial statements for the period ended 31 March 2020, prepared under 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.

These 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 these interim financial statements as the Company is in a position to meet all its liabilities as they fall due. These interim financial statements for the six months to 30 September 2020 were approved by the Board on 11 January 2020.

**3. Earnings per share**

The basic earnings per share is based on the profit for the year divided by the weighted average number of shares in issue during the year. The weighted average number of ordinary shares for the period ended year ended 30 September 2020 assumes that all shares have been included in the computation based on the weighted average number of days since issue.

	<b>Unaudited</b>	Unaudited	Audited
	<b>30-Sep-20</b>	<b>30-Sep-19</b>	31-Mar-20
	£	£	£
Profit attributable to owners of the Group	<b>1,862,332</b>	<b>1,220,000</b>	343,000
Weighted average number of ordinary shares in issue for basic	<b>568,576,886</b>	<b>568,576,886</b>	568,576,886
Weighted average number of ordinary shares in issue for fully diluted earnings	<b>581,880,940</b>	<b>582,326,886</b>	581,880,940

Earnings per share (pence per share)			
Basic	<b>0.328</b>	<b>0.215</b>	<b>0.06</b>
Fully diluted	<b>0.320</b>	<b>0.210</b>	<b>0.06</b>

#### 4. Dividend and post balance sheet events

Post year-end GIS, has seen increased market volatility and uncertainty as a result of the impact of Covid-19. This has been the greatest challenge to the financial service industry since the financial crisis of 2008. During these periods of increased volatility, the board of GIS took steps to limit client exposure to riskier assets and strengthen our liquidity resources. The strategy in which we chose to navigate the period, given the conditions, is a testament to the strength of our business model. Our investments in technology has enabled us to continue to serve our clients around the World, with all employees working from home, offering clients a seamless 24-hour 5 day a week service from London, Mumbai and Hong Kong. The Board is proud of the hard work and conscientiousness of the team, with many facing personal challenges given the impact of the Covid-19 lockdown. Whilst largely relating to the pre-crisis period, the 2020 results demonstrate the stability of our business model and protection of our stakeholders' interests. Our balance sheet, capital and liquidity position remain strong and we remain well positioned to facilitate client activity during these uncertain times. For now, our focus remains on the welfare of our employees and the financial soundness of the business.

In December 2020, GIS declared and paid a dividend of £1,200,000 to its parent Company Octagonal plc. This dividend received by Octagonal plc created sufficient distributable reserves for Octagonal Plc to pay the interim dividend to its members on 12 January 2021.

The Board concluded that there is no need to continue with the cost, management time and the legal and regulatory obligations associated with maintaining the Company's listing as long as Shareholders interests are protected and that there is no risk of Shareholders losing any tax advantages. The Company has not raised any funds since the listing in 2015. Should the Company need to raise funds in the future, the Board believe that the Private Equity market would value the Company based on enterprise value.

The Company published an announcement on 17<sup>th</sup> December 2020 stating that it will distribute to shareholders a circular containing details of the proposed cancellation and to seek the approval of shareholders to the proposed cancellation of the admission of its ordinary shares to trading on AIM at a General Meeting.

#### 5. Distribution

The half yearly report for the six-month period ended 30 September 2020 will shortly be available on the Company's website ([www.octagonalplc.com](http://www.octagonalplc.com)) or directly from the Company at its registered address.

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