

The following is a Company Announcement issued by 6PM HOLDINGS P.L.C., a company registered under the laws of Malta with company registration number C 41492 and having its registered office at 52, St. Christopher Street, Valletta VLT 1462, Malta (hereinafter the “Company”), pursuant to the Listing Rules issued by the Listing Authority.

Quote

Publication of Financial Analysis Summary

The Company's Financial Analysis Summary dated 15th April 2021 is available for viewing below as an attachment to this announcement and at the Company's registered office, and is also available for download from the following link on the Company's website: <https://health.idoxgroup.com/investor-information/bond-issue-information>.

Unquote

A handwritten signature in blue ink, appearing to be 'L. Vella', with a long horizontal stroke extending to the right.

Dr Luca Vella
Company Secretary

15th April 2021

Company Announcement: 6PM174

Financial Analysis Summary

15 April 2021

Issuer

6PM Holdings p.l.c.

(C 41492)



MZ INVESTMENT SERVICES



MZ INVESTMENT SERVICES

The Directors
6PM Holdings p.l.c.
52
St Christopher Street
Valletta VLT 1462, Malta

15 April 2021

Dear Sirs

Financial Analysis Summary

In accordance with your instructions, and in line with the requirements of the Listing Authority Policies, we have compiled the Financial Analysis Summary (the “**Analysis**”) set out on the following pages and which is being forwarded to you together with this letter.

The purpose of the financial analysis is that of summarising key financial data appertaining to 6PM Holdings p.l.c. (the “**Company**”, “**Issuer**” or “**6PM Group**”) and its parent company Idox plc (the “**Idox Group**”). The data is derived from various sources or is based on our own computations as follows:

- (a) Historical financial data for the latest three years (31 October 2018, 31 October 2019 and 31 October 2020) has been extracted from the audited consolidated financial statements of the Company.
- (b) The forecast data of the 6PM Group for the year ending 31 October 2021 has been provided by management of the Company.
- (c) Historical financial data relating to Idox plc for the latest three years (years ending 31 October 2018, 31 October 2019 and 31 October 2020) has been extracted from its audited consolidated annual financial statements.
- (d) Our commentary on the results of the 6PM Group and Idox Group and on their respective financial positions is based on the explanations provided by the Company.



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- (e) The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions set out in Part 4 of the Analysis.
- (f) Relevant financial data in respect of the companies included in Part 3 has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Registrar of Companies or websites providing financial data.

The Analysis is meant to assist current and potential investors in the Company's securities by summarising the more important financial data of the 6PM Group and its parent, Idox plc. The Analysis does not contain all data that is relevant to investors or potential investors. The Analysis does not constitute an endorsement by our firm of any securities of the Company and should not be interpreted as a recommendation to invest in any of the Company's securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis. As with all investments, potential investors are encouraged to seek professional advice before investing in the Company's securities.

Yours faithfully,

Evan Mohnani

Senior Financial Advisor

MZ Investment Services Ltd

63, St Rita Street,

Rabat RBT 1523,

Malta

Tel: 2145 3739

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PART 1 – INFORMATION ABOUT THE ISSUER

1. KEY ACTIVITIES

6PM Holdings p.l.c. is the parent company of the 6PM Group (the “**Company**”, “**Issuer**” or the “**6PM Group**”), and acts as a holding and finance company.

On 30 June 2020, the Company sold Idox Health Limited to its parent company, Idox plc (the “**Idox Group**”) and on 28 January 2021 transferred 6PM Nearshore DOOEL, the only remaining operating company, to the Idox Group. Accordingly, as of 1 February 2021, the 6PM Group has no trading activities and is therefore fully reliant on the guaranteed support of the Idox Group to honour all current and future liabilities.

Idox plc is established in the UK and its shares are quoted on the AIM market. Idox Group is involved in the provision of software and information management solutions for UK local government, health, engineering, transport and property.

2. DIRECTORS

The Company is managed by a Board consisting of five directors entrusted with its overall direction and management.

Board of Directors

Rob Grubb	Executive
David Meaden	Executive
Philip Kelly	Non-Executive
Alice Cummings	Independent, Non-Executive
Christopher Stone	Independent, Non-Executive

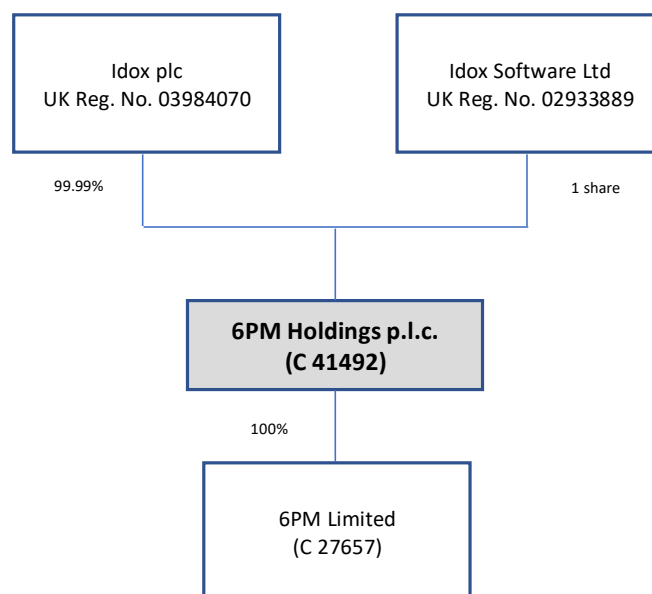
Audit Committee

Christopher Stone	Independent, Non-Executive
Philip Kelly	Non-Executive
Alice Cummings	Independent, Non-Executive



3. 6PM GROUP ORGANISATIONAL STRUCTURE

The organisational structure of the 6PM Group as at the date of this report is included hereunder.



6PM Limited - The assets and operating activities of 6PM Limited were novated to Idox Health Limited in FY2019. On 29 September 2020, 6PM Agencies Limited (C 51798), 6PM Infrastructure Ltd (C 51797), emCare360 Ltd (C 53050) and emCare Group Malta Limited (C 60683) were each merged into 6PM Limited (C 27657) by acquisition. For accounting purposes, the effective date of the afore-mentioned transactions is 31 December 2020. 6PM Limited is a non-trading company.

Javali LLC - is a joint venture between the University of Utah, United States of America, the 6PM Group and other American entrepreneurs. The 22.5% shareholding held by the Issuer in Javali LLC was derecognised after 31 December 2020 and therefore has been excluded from the above organigram.

The following companies have been transferred to Idox plc and therefore are excluded from the above organisational structure:

Idox Health Limited – Ownership of Idox Health Limited was transferred to Idox plc for a consideration of £3 million on 30 June 2020. The company specialises in the provision of systems and solutions for the management of Electronic Patient Records (EPR) within the healthcare sector, particularly in relation to sexual health and substance misuse. It is compliant with the national and international ISO 9001:2008 and ISO/IEC 17799:2009.

6PM Nearshore DOOEL – Ownership of 6PM Nearshore DOOEL was transferred to Idox plc on 28 January 2021 and incurred a net loss on disposal of £0.1 million. The company is principally involved in the development and implementation of 6PM Group products and solutions. The company employs 30 IT professionals and complements the research & development and delivery teams of the Idox Group.



4. 6PM GROUP BUSINESS OVERVIEW

4.1 Principal Activities

Following the disposal of Idox Health Limited on 30 June 2020 and 6PM Nearshore DOOEL on 28 January 2021 to Idox plc, the 6PM Group has ceased to conduct any trading activities. Consequently, as of 1 February 2021, the 6PM Group acts a holding and financing vehicle of the Idox Group.

A brief description of the business activities and financial performance of the Idox Group is provided in section 5 below.

5. IDOX GROUP BUSINESS OVERVIEW

5.1 Introduction

The entire share capital of 6PM Holdings plc was acquired by Idox plc on 9 March 2017, and shortly thereafter, a restructuring exercise was initiated to integrate the 6PM Group into the Idox Group to form 'Idox Health', a sub-division of Public Sector Software (PSS), as further explained below.

As to the financial obligations of the 6PM Group, the Directors have obtained assurance that Idox plc, as the majority shareholder, will continue to provide the 6PM Group with adequate financial support to enable the 6PM Group to meet its liabilities as they fall due in the ordinary course of business for the foreseeable future.

A brief overview of the principal activities and financial results of the Idox Group is provided hereunder.

5.2 Principal Activities

The Idox Group is a supplier of specialist information management software and solutions to the public and asset intensive sectors. The average number of employees of the Idox Group during FY2020 was 622 (FY2019: 671) located in the UK, the USA, Europe, North Macedonia and India. Idox Group's revenue is organised into 3 operating divisions, as follows:

- (i) **Public Sector Software (PSS)** – specialist information management solutions and services to the public sector. This segment comprises several sub-divisions including health, computer aided facilities management (CAFM), social care, elections, local authority and transport.
- (ii) **Engineering Information Management (EIM)** – engineering document management and control solutions to asset intensive industry sectors, typically oil & gas and construction. Customers can be asset constructors (engineering, procurement, construction or EPC's) or asset owner-operators. Solutions are delivered from the UK to customers all over the world via sales teams in the UK, France and the US.
- (iii) **Content (CONT)** – funding and compliance solutions to corporate, public and commercial customers, comprising: (a) Databases: UK business, providing funding data to academic and other UK customers; (b) Consultancy: Dutch business providing expertise in grant funding applications; (c) Compliance: German & Belgian business providing e-learning and employee compliance training platform.



5.3 Revenue Analysis

IDOX PLC

Revenue Analysis

for the year ended 31 October

	2018	2019	2020
	Restated	Actual	Actual
	£'000	£'000	£'000
Public Sector Software (PSS)	42,539	44,925	48,426
Engineering Information Management (EIM)	10,003	9,170	8,858
Idox Software	52,542	54,095	57,284
Content (CONT)	13,604	11,397	10,733
Digital (DIG)	268	-	-
Total revenue (note 1)	66,414	65,492	68,017
Recurring revenues	30,583	35,736	37,375
Non-recurring revenues	35,831	29,756	30,642
Total revenue	66,414	65,492	68,017

Note 1: Total revenue has been extracted from the Statements of Total Comprehensive Income (see section 8.4 below).

As part of the Idox Group's continued work on corporate simplification, PSS and EIM have been combined into a single business unit named Idox Software during the latter part of the year ended 31 October 2020. Also, during FY2020, UK Databases businesses were transferred from CONT to PSS as the customers of these products are largely public sector. For year-on-year comparison purposes, CONT revenue amounting to €3.3 million in FY2019 was reclassified to PSS.

Recurring revenue is income generated from customers on an annual contractual basis. Recurring revenue amounts to approximately 55% (FY2019: 55%; FY2018: 46%) of revenue, which is revenue generated annually from sales to existing customers.

The Idox Group's total outstanding contracted performance obligations at 31 October 2020 was £60.5 million, and it is anticipated that 75% of this will be recognised as revenue in FY2021 and 15% in FY2022.

Idox Software

During FY2020, the Idox Group brought together the PSS and EIM divisions to form a new Idox Software division under a single operational management structure and shared technical resources. This Idox Software division, accounting for 84% of Idox Group revenues (FY2019: 83%), delivered revenues of £57.3 million (FY2019: £54.1 million).

Recurring revenues have increase due to the first full year of revenues from Tascomi Limited purchased in August 2019 (rebranded as 'Idox Cloud'), and improved sales governance and strategic focus on recurring and cloud revenues across the remainder of the Idox Software division.



Content (CONT)

The Content division recorded a revenue reduction of 6% to £10.7 million (FY2019: £11.4 million), due to lower revenues in the German and Belgium Compliance business due to the impact of the Covid-19 pandemic which lengthened buying cycles in this part of the Idox Group's business, and the general slow-down in the German economy which preceded it.

5.4 Financial Highlights

The financial tables set out below provide information on Idox plc for the financial years ended 31 October 2018, 31 October 2019 and 31 October 2020. The afore-mentioned financial data has been extracted from the audited annual consolidated financial statements of Idox plc for each of the stated financial years.

The financial statements for the year ended 31 October 2020 have been audited by Deloitte LLP who expressed an unqualified opinion on said financial statements (FY2019: Deloitte LLP, unqualified opinion; FY2018: Deloitte LLP, qualified opinion).

IDOX PLC			
Consolidated Statement of Comprehensive Income			
for the year ended 31 October			
	2018	2019	2020
	Restated	Actual	Actual
	£'000	£'000	£'000
Revenue	66,414	65,492	68,017
Net operating expenses	(52,775)	(51,131)	(48,433)
EBITDA	13,639	14,361	19,584
Depreciation and amortisation	(9,319)	(9,128)	(11,339)
Restructuring, acquisition and other costs	34	(3,556)	(3,326)
Impairment	(33,255)	-	-
Net finance costs	(1,339)	(1,702)	(2,217)
Profit/(loss) before tax	(30,240)	(25)	2,702
Taxation	2,680	(1,192)	(1,426)
Loss for the year from discontinued operations	(9,067)	(602)	-
Non-controlling interest	6	113	-
Profit/(loss) after tax	(36,621)	(1,706)	1,276
Other comprehensive income			
Exchange differences	(133)	(180)	(97)
Total comprehensive income/(loss)	(36,754)	(1,886)	1,179



IDOX PLC

**EBITDA (Earnings before interest, tax, depreciation, amortisation,
restructuring, acquisition and other costs)**

for the year ended 31 October

	2018	2019	2020
	Restated	Actual	Actual
	£'000	£'000	£'000
Operating (loss)/profit (note 1)	(28,901)	1,677	4,919
<i>Adjustments:</i>			
Depreciation and amortisation	9,319	9,128	11,339
Restructuring, acquisition and other costs	(34)	3,556	3,326
Impairment	33,255	-	-
EBITDA	13,639	14,361	19,584

Note 1: Operating (loss)/profit for each of the years FY2018 to FY2020 has been extracted from the consolidated statement of total comprehensive income which forms part of the audited financial statements of Idox plc.

Key Accounting Ratios	FY2018	FY2019	FY2020
	Actual	Actual	Actual
Operating profit margin (EBITDA/revenue)	21%	22%	29%
Interest cover (times) (EBITDA/net finance cost)	10.19	8.44	8.83
Interest cover 2 (times) (EBITDA/finance cost)	7.63	7.66	8.17
Net profit margin (Profit after tax/revenue)	-55%	-3%	2%
Earnings per shares (p) (Profit after tax/number of shares)	-8.86	-0.41	0.29
Return on capital employed (EBITDA/total assets less current liabilities)	16%	23%	19%
Return on assets (Profit after tax/total assets)	-30%	-1%	1%
Return on equity (Profit after tax/shareholders' equity)	-77%	-4%	3%

Source: MZ Investment Services Limited



In **FY2018**, revenue decrease by £7.3 million (y-o-y) to £66.4 million (FY2017: £73.8 million), mainly due to a decline in PSS and EIM of £5.3 million and £2.9 million respectively, which was partly compensated for by an increase in revenue of £1.2 million generated from CONT. PSS decreased following revisions to revenue recognition policies so as to match relevant performance obligations, while EIM was lower y-o-y due to the transition from on-premise to SaaS (*Software as a Service is a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted*).

EBITDA from continuing operations decreased by 17% to £13.6 million (2017: £16.5 million) impacted by lower margin election revenue and losses incurred in the Health subdivision (both within PSS) and lower revenue in EIM. Depreciation & amortisation increased y-o-y by £0.6 million to £9.3 million in FY2018, whilst net finance costs decreased by £0.2 million. Restructuring, acquisition and other costs were positive at £34,000 (2017: expense of £0.7 million), mainly due to an acquisition credit of £0.9 million derived from the reduction of the contingent consideration on Open Objects Limited as a result of missing the revenue target as set out in the share purchase agreement. Impairments during FY2018 amounted to £33.3 million and mainly related to the fair value of the investment in 6PM Holdings p.l.c. Overall, total comprehensive income declined from £0.5 million in FY2017 to a £36.8 million comprehensive loss in FY2018, primarily due to the impairment charge stated above.

In **FY2019**, revenue decreased by £0.9 million (y-o-y) to £65.5 million (FY2018: £66.4 million), on account of a reset of revenue policies and the exiting of unattractive lower margin contracts in PSS, and the ongoing move from enterprise to SaaS model in EIM. During the financial year, there was a significant transformation within the management team to ensure more focus on governance and operational execution. EBITDA improved from a year earlier by £0.7 million or 5% to amount to £14.4 million in FY2019.

Depreciation & amortisation decreased y-o-y by £0.2 million, while net finance costs increased by £0.4 million to £1.7 million (FY2018: £1.3 million).

Restructuring, acquisition and other costs amounted to £3.6 million (FY2018: credit balance of £34,000) principally due to the organisational restructuring implemented during the initial half of FY2019, and included costs relating to settling people, surplus property and historic litigation. Overall, the Idox Group recorded total comprehensive loss for FY2019 of £1.9 million, compared to a loss of £36.8 million in FY2018.

During **FY2020**, revenues improved by 4% to £68.0 million. Order intake across the Idox Group grew significantly, which helped to support the in-year revenue growth and the development of the future orderbook for software and services which grew by over 31%. Some markets and business units were more impacted by the Covid-19 pandemic than others, but the Idox Software Local Government, Health and Elections businesses all had particularly strong performances that helped drive the overall Idox Group performance.

EBITDA increased by 36% to £19.6 million (FY2019: £14.4 million), delivering a significantly improved EBITDA margin of 29% (FY2019: 22%). Of this increase, £1.4 million was attributable to the adoption of IFRS 16 – Leases, which changed the accounting treatment of certain leases from operating expenses



to depreciation and interest associated with recognition of property assets and liabilities, thereby directly improving the EBITDA measure for FY2020, without a corresponding change required in FY2019. The higher EBITDA has improved the Idox Group's interest cover from 8.44 times in FY2019 to 8.83 times in FY2020, despite a 30% increase in net finance cost to £2.2 million (FY2019: £1.7 million).

The above-described positive operational performance enabled the Idox Group to convert a comprehensive loss of £1.9 million in FY2019 to a comprehensive income amounting to £1.2 million.

IDOX PLC

Consolidated Cash Flow Statement for the year ended 31 October

	2018	2019	2020
	Restated	Actual	Actual
	£'000	£'000	£'000
Net cash from operating activities	9,888	12,382	21,349
Net cash from investing activities	(4,472)	(12,829)	(7,124)
Net cash from financing activities	(3,212)	1,807	9,458
Net movement in cash and cash equivalents	2,204	1,360	23,683
Cash and cash equivalents at beginning of year	3,248	5,534	7,023
Effect of foreign exchange rates	82	129	106
Cash and cash equivalents at end of year	5,534	7,023	30,812

Net cash inflow from operating activities in FY2020 was higher when compared to a year earlier by £9.0 million, mainly on account of improved operational performance (+£8.0 million) and favourable working capital movements of £4.2 million (primarily due to VAT liability deferrals the Idox Group took advantage of as part of its early Covid-19 pandemic defensive actions which will be settled in FY2021 and FY2022) partly mitigated by a £3.2 million adverse movement in taxation.

Net cash outflow from investing activities amounted to £7.1 million, a decrease of £5.7 million from FY2019. During the year, the Idox Group utilised £6.9 million to acquire tangible and intangible assets (comprising capitalised development and software license purchases) compared to £6.7 million in FY2019. In the prior year the Idox Group settled the amount of £6.4 million in relation to acquisition of subsidiaries (FY2020: nil).

Net cash outflow from financing activities in FY2020 comprised net loan drawdowns amounting to £12.8 million (FY2019: net loan repayments of £4.1 million), and payments of interest on outstanding bonds and bank facilities amounting to £1.6 million (FY2019: £1.4 million). In FY2020, pursuant to the adoption of IFRS 16, lease payments of £1.5 million were recognised in financing activities rather than in operating activities. No dividends were paid in FY2019 and FY2020. In FY2019, the Idox Group issued own shares amounting to £7.4 million in consideration for the acquisition of Tascomi Limited (FY2020: nil).

Overall, cash and cash equivalents at end of FY2020 amounted to £30.8 million compared to £7.0 million at end of FY2019.



IDOX PLC**Consolidated Balance Sheet
as at 31 October**

	2018	2019	2020
	Restated	Actual	Actual
	£'000	£'000	£'000
ASSETS			
Non-current assets			
Intangible assets	78,787	86,004	81,652
Property, plant and equipment	1,211	1,162	1,183
Right-of-use assets	-	-	3,726
Investments	18	18	18
Deferred tax assets	1,107	1,368	1,111
	<u>81,123</u>	<u>88,552</u>	<u>87,690</u>
Current assets			
Stock	115	77	-
Held for sale assets	1,114	-	-
Trade and other receivables	32,502	19,972	18,700
Current tax	1,382	251	1,117
Cash and cash equivalents	5,534	7,023	30,812
	<u>40,647</u>	<u>27,323</u>	<u>50,629</u>
Total assets	<u>121,770</u>	<u>115,875</u>	<u>138,319</u>
EQUITY			
Equity and reserves			
Share capital	4,169	4,446	4,450
Reserves	43,156	50,775	51,459
Retained earnings	540	(10,500)	(8,951)
Non-controlling interest	3	(110)	-
	<u>47,868</u>	<u>44,611</u>	<u>46,958</u>
LIABILITIES			
Non-current liabilities			
Bank loans and bonds	33,996	11,584	46,900
Other non-current liabilities	5,390	6,078	9,032
	<u>39,386</u>	<u>17,662</u>	<u>55,932</u>
Current liabilities			
Bank overdrafts and loans	3,289	21,809	-
Lease liabilities	-	-	1,188
Trade and other payables	31,227	31,793	34,241
	<u>34,516</u>	<u>53,602</u>	<u>35,429</u>
	<u>73,902</u>	<u>71,264</u>	<u>91,361</u>
Total equity and liabilities	<u>121,770</u>	<u>115,875</u>	<u>138,319</u>



Key Accounting Ratios	FY2018 Actual	FY2019 Actual	FY2020 Actual
Net debt to EBITDA (years) (Total debt less cash balances/EBITDA)	2.33	1.84	0.88
Liquidity ratio (times) (Current assets/current liabilities)	1.18	0.51	1.43
Gearing ratio (Net debt/net debt and shareholders' equity)	40%	37%	27%
Gearing ratio 2 (times) (Net debt/shareholders' equity)	0.66	0.59	0.37
Net asset value per share (£) (Shareholders' equity/number of shares)	0.11	0.10	0.11

Source: MZ Investment Services Limited

Total assets as at 31 October 2020 increased by £22.4 million to £138.3 million (FY2019: £115.9 million) principally due to an increase of £23.8 million in cash and cash equivalents. Other significant movements include a net reduction of £4.4 million in intangible assets due to in year amortisation and the first time recognition of right-of-use assets amounting to £3.7 million (adoption of IFRS 16 – Leases).

In FY2020, total liabilities amounted to £91.4 million, an increase of £20.1 million from a year earlier. Total debt (bank loans, bonds and lease liabilities) was higher on a y-o-y basis by £16.5 million to £49.9 million (FY2019: £33.4 million). During the year, the Idox Group refinanced its bank loan facilities with the Royal Bank of Scotland, Silicon Valley Bank and Santander UK. The new facilities comprise a revolving credit facility of £35 million and a £10 million accordion facility, and expire in December 2022 with an option to extend this commitment for a further two years.

The gearing ratio of the Idox Group improved from 37% in FY2019 to 27% in FY2020, which shows better cash management undertaken by the Idox Group. Also, a significant portion of loan drawdowns were unutilised at year end and held as cash and cash equivalents. Same trend is reflected in net debt to EBITDA.

The liquidity ratio improved from 0.51x in FY2019 to 1.43x mainly due to the refinancing of bank loans in FY2020 (which were reclassified from current to non-current liabilities).

5.5 Outlook and Covid-19 Pandemic Impact

The Idox Group will continue to explore ways to accelerate its strategy and the Directors are confident that the Idox Group has the right team and engagement throughout the organisation to deliver improved value for all key stakeholders. A cloud-first approach across each of the business areas is a strategic necessity and the Idox Group will continue to invest selectively to grow its capabilities and



support its customers. The business has a strong foundation in property and asset-based solutions and this, along with the Idox Group's focus on a broader SaaS provision, will underpin its future strategy and growth.

The Idox Group sees no change in outlook for its core markets. The software solutions of the Idox Group remain core to its public sector markets and help drive improved processes, cost savings and efficiencies to its customers that are as important as ever with constrained public finances. Demand in both the markets that its EIM and CONT businesses operate in remains robust despite the shock from the Covid-19 pandemic, and the Directors are confident the operational improvements made by the Idox Group in FY2019 and continue to execute will allow the Idox Group to capitalise on re-emerging demand.

The Idox Group along with most companies has been impacted by the Covid-19 pandemic and recurring national lockdowns, however the impact on Idox Group has in the main been limited to the initial disruption of the early stages of the emerging challenges, including restrictions on physical movement. The Idox Group has largely seen its operations return to their pre-Covid-19 pandemic levels across the Idox Group.

The Directors remain cautious in respect of the ongoing impact of the Covid-19 pandemic and the recurring national lockdowns. From their experience of the impact of the Covid-19 pandemic since March 2020, the Directors are confident the Idox Group is fundamentally resilient to the challenges of the Covid-19 pandemic due to the Idox Group's high recurring revenue base, its focus on public sector markets and the high proportion of staff that routinely work from home. The Idox Group retains significant liquidity with cash and available committed bank facilities, and has significant projected headroom on financial covenants which has improved considerably throughout FY2020 and the duration of the Covid-19 pandemic as anticipated.

The senior management team shall continue to assess the impact of the Covid-19 pandemic on the business, taking actions to mitigate or limit the impacts on the organisation where it can and supporting the Idox Group's staff, customers and partners in dealing with the ongoing impacts.



PART 2 – 6PM GROUP PERFORMANCE REVIEW

6. FINANCIAL HIGHLIGHTS

The financial information provided hereunder is extracted from the audited consolidated financial statements of 6PM Holdings p.l.c. for the financial years ended 31 October 2018 to 31 October 2020. The forecasted financial information for the year ending 31 October 2021 has been provided by management of the Company.

Results of operations relating to businesses disposed of by the Company have been reclassified in the statements of total comprehensive income under line item “(Loss)/profit after tax from discontinued operations”.

The projected financial statements relate to events in the future and are based on assumptions which the Company believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results may be material.

6PM Holdings p.l.c.				
Statements of Total Comprehensive Income				
for the year ended 31 October				
	2018	2019	2020	2021
	Actual	Actual	Actual	Forecast
	£'000	£'000	£'000	£'000
Revenue	8,251	6,564	-	-
Net operating expenses	(6,690)	(4,122)	(206)	(117)
EBITDA	1,561	2,442	(206)	(117)
Depreciation and amortisation	(627)	(543)	-	-
Gain (loss) on sale of investment	-	-	1,619	(121)
Finance costs	(917)	(606)	(596)	(596)
(Loss)/profit before tax	17	1,293	817	(834)
Taxation	(145)	(16)	-	-
(Loss)/profit after tax (continuing operations)	(128)	1,277	817	(834)
(Loss)/profit after tax from discontinued operations	335	294	(935)	7
(Loss)/profit after tax	207	1,571	(118)	(827)
Other comprehensive income				
Exchange differences	(52)	(121)	(221)	17
Total comprehensive (expense)/income	155	1,450	(339)	(810)



6PM Holdings p.l.c.**EBITDA (Earnings before interest, tax, depreciation, amortisation, intercompany revenue, impairments and discontinued operations)****for the year ended 31 October**

	2018	2019	2020	2021
	Actual	Actual	Actual	Forecast
	£'000	£'000	£'000	£'000
Operating (loss)/profit (note 1)	1,263	2,107	(1,313)	(106)
<i>Adjustments:</i>				
Depreciation and amortisation	652	548	-	-
Intercompany revenue	-	87	-	-
Discontinued operations	(354)	(300)	1,107	(11)
EBITDA	1,561	2,442	(206)	(117)

Note 1 : Operating (loss)/profit for each of the years FY2018 to FY2020 has been extracted from the statements of total comprehensive income which forms part of the audited financial statements of 6PM Group.

Key Accounting Ratios	FY2018	FY2019	FY2020	FY2021
	Actual	Actual	Actual	Forecast
Operating profit margin (EBITDA/revenue)	19%	37%	n/a	n/a
Interest cover (times) (EBITDA/net finance cost)	1.70	4.03	-0.35	-0.20
Net profit margin (Profit after tax/revenue)	3%	24%	n/a	n/a
Earnings per share (£) (Profit after tax/number of shares)	0.01	0.07	-0.01	-0.04

In **FY2018**, total revenue increased by £2.3 million to £8.3 million (FP2017: £5.9 million) primarily due to the fact that FP2017 covered only 10 months as compared to a full financial year in 2018. During the year, management initiated a review of the pricing model with regard to the 6PM Group's offerings. In addition, revised budgeting and bid processes were implemented to improve efficiency and profitability. Both have contributed to converting a negative EBITDA of £2.9 million in FP2017 to a positive EBITDA of £1.6 million in FY2018.

Depreciation and amortisation was lower in FY2018 by £0.7 million to £0.6 million (FP2017: £1.4 million). Net finance costs were comparable to the prior period at £0.9 million, while no impairments were accounted for in FY2018 (2017: £0.4 million). The 6PM Group registered a profit after tax in FY2018 of £0.2 million compared to a loss after tax of £5.8 million in the prior financial period.



In **FY2019**, total revenue declined by £1.7 million (-20%) to £6.6 million (FY2018: £8.3 million) as the 6PM Group sought to improve or exit low-earning or loss-making activities. During the financial year, the 6PM Group signed a deal with Virgin Care Services to provide the Lillie software in support of Cheshire West and Chester Council as well as Bolton NHS Foundation Trust. The 6PM Group also secured a long-term five-year extension for iFIT across 3 sites within the Betsi Cadwaladr Health Board, along with continued commitments from Gloucester, North Devon and Cumbria.

Notwithstanding the reduction in revenue, the 6PM Group reported a notable increase in EBITDA from £1.6 million in FY2018 to £2.4 million (+64%). This improved performance had a positive impact on total comprehensive income, which increased by £1.3 million, from £0.2 million in FY2018 to £1.5 million in FY2019. However, it is to be noted that an amount of £0.3 million of total comprehensive income is attributable to assets sold shortly after year-end (Six-PM Health Solutions (Ireland) Ltd and the business of emCare360 Ltd)

During the initial part of **FY2020**, the 6PM Group disposed of Six-PM Health Solutions (Ireland) Ltd and the business of emCare360 Ltd, and on 30 June 2020 transferred Idox Health Limited to Idox plc. As such, the remaining subsidiaries of the 6PM Group are non-revenue generating entities. In FY2020, 6PM Group incurred a loss after tax of £118,000, which comprises a one-off gain on sale of investments amounting to £1.6 million.

In **FY2021**, the 6PM Group is projected to report a loss after tax of £834,000, comprising mainly bond interest and other charges amounting to £596,000 and loss on disposal of 6PM Nearshore DOOEL of £121,000.



6PM Holdings p.l.c.**Consolidated Statement of Financial Position**

as at 31 October

	2018	2019	2020	2021
	Actual	Actual	Actual	Forecast
	£'000	£'000	£'000	£'000
ASSETS				
Non-current assets				
Intangible assets	1,042	928	2	-
Property, plant and equipment	121	46	15	-
Financial assets	19	19	19	-
Receivables	36	18	18	-
Deferred tax assets	15	8	-	-
	<u>1,233</u>	<u>1,019</u>	<u>54</u>	<u>-</u>
Current assets				
Inventories	107	77	-	-
Trade and other receivables	3,059	2,508	65	3
Cash and cash equivalents	1,100	462	354	67
	<u>4,266</u>	<u>3,047</u>	<u>419</u>	<u>70</u>
Total assets	<u>5,499</u>	<u>4,066</u>	<u>473</u>	<u>70</u>
EQUITY				
Equity and reserves				
Share capital	4,151	4,151	4,151	4,151
Reserves	(1,183)	(1,304)	(1,340)	-
Retained earnings	(22,737)	(21,642)	(22,085)	(24,212)
Non-controlling interest	28	(88)	-	-
	<u>(19,741)</u>	<u>(18,883)</u>	<u>(19,274)</u>	<u>(20,061)</u>
LIABILITIES				
Non-current liabilities				
Bank loans and bonds	11,491	11,584	11,848	11,846
	<u>11,491</u>	<u>11,584</u>	<u>11,848</u>	<u>11,846</u>
Current liabilities				
Bank overdrafts and loans	793	-	-	-
Trade and other payables	12,956	11,365	7,899	8,285
	<u>13,749</u>	<u>11,365</u>	<u>7,899</u>	<u>8,285</u>
	<u>25,240</u>	<u>22,949</u>	<u>19,747</u>	<u>20,131</u>
Total equity and liabilities	<u>5,499</u>	<u>4,066</u>	<u>473</u>	<u>70</u>



Key Accounting Ratios	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Forecast
Net debt to EBITDA (years) <i>(Total debt less cash balances/EBITDA)</i>	7.16	4.55	-55.80	-100.68
Liquidity ratio <i>(Current assets/current liabilities)</i>	0.31	0.27	0.05	0.01
Gearing <i>(Net debt/net debt and shareholders' equity)</i>	n/a	n/a	n/a	n/a
Return on assets <i>(Profit after tax/total assets)</i>	4%	39%	-25%	-1181%
Net asset value per share <i>(Shareholders' equity/number of shares)</i>	-0.94	-0.90	-0.92	-0.96

Trade and other payables as at 31 October 2020 include related party payables amounting to £6.9 million (2019: £7.0 million).

Net liabilities as at 31 October 2020 amount to £19.3 million (FY2019: net liabilities of £18.9 million). Despite this adverse balance sheet position, the Directors are of the view that the 6PM Group has adequate access to resources to continue to operate as a going concern for the foreseeable future. This statement by the Directors has been made after taking into consideration the 6PM Group's profitability, statement of financial position, capital adequacy, solvency and guarantee of support from Idox Group.

The 6PM Group has negative net shareholders' funds and as such, the gearing ratio cannot be computed.

Following the disposal and, or transfer of 6PM Group's operating subsidiaries to the Idox Group, the 6PM Group does not expect to have any assets as at 31 October 2021. Furthermore, net liabilities is expected to increase from £19.3 million to £20.1 million and shall mainly comprise outstanding bonds of £11.8 million and amounts payable to Idox Group of £8.3 million.



6PM Holdings p.l.c.
Statements of Cash Flows
for the year ended 31 October

	2018	2019	2020	2021
	Actual	Actual	Actual	Forecast
	£'000	£'000	£'000	£'000
Net cash from operating activities	1,498	1,223	(1,604)	306
Net cash from investing activities	(321)	(434)	3,073	(111)
Net cash from financing activities	(795)	(681)	(1,537)	(606)
Net movement in cash and cash equivalents	382	108	(68)	(411)
Cash and cash equivalents at beginning of year	(23)	307	462	354
Effect of foreign exchange rates	(52)	47	(40)	124
Cash and cash equivalents at end of year	307	462	354	67

Net cash used in operating activities in FY2020 amounted to £1.6 million compared to cash inflows of £1.2 million in the prior year (adverse variance of £2.8 million), mainly on account of a decline in profitability particularly following the disposal of 6PM Group's operating businesses and an adverse movement in working capital.

Net cash inflow from investing activities amounted to £3.1 million (FY2019: cash outflow of £0.4 million), which amount was generated from disposal of investments to Idox Group.

Net cash outflow from financing activities in FY2020 amounted to £1.5 million (FY2019: £0.7 million) and principally included payments of interest on outstanding bonds and other borrowings.

Net movement in cash and cash equivalents for FY2021 is expected to amount to -£411,000 compared to -£68,000 in FY2020.



7. VARIANCE ANALYSIS

The following financial information relates to the variance analysis between the forecasted financial information for the year ended 31 October 2020 included in the prior year's Financial Analysis Summary dated 30 April 2020 and the audited consolidated financial statements for the year ended 31 October 2020.

6PM Holdings p.l.c. Statements of Total Comprehensive Income for the year ended 31 October 2020			
	Actual £'000	Forecast £'000	Variance £'000
Revenue	3,831	5,682	(1,851)
Net operating expenses	(4,834)	(3,174)	(1,660)
EBITDA	(1,003)	2,508	(3,511)
Depreciation and amortisation	(310)	(491)	181
Finance income	3,064	-	3,064
Finance costs	(1,564)	(663)	(901)
Profit before tax	187	1,354	(1,167)
Taxation	(305)	(332)	27
(Loss)/profit after tax	(118)	1,022	(1,140)
Other comprehensive income			
Exchange differences	(221)	-	(221)
Total comprehensive (expense)/income	(339)	1,022	(1,361)

As presented in the above table, 6PM Group's revenue for FY2020 was lower than forecasted by £1.8 million, principally due to the transfer to Idox plc of Idox Health Limited on 30 June 2020 (reflecting 8 months of operations rather than a full year). The said transfer generated a £3.0 million gain on disposal which was not anticipated in the last published financial analysis summary. On the other hand, finance costs were higher than projected by £0.9 million. Overall, 6PM Group registered total comprehensive expense of £339,000 compared to a forecast income of £1.0 million.



6PM Holdings p.l.c. Statements of Cash Flows for the year ended 31 October 2020			
	Actual £'000	Forecast £'000	Variance £'000
Net cash from operating activities	(1,604)	844	(2,448)
Net cash from investing activities	3,073	(203)	3,276
Net cash from financing activities	(1,537)	(663)	(874)
Net movement in cash and cash equivalents	(68)	(22)	(46)
Cash and cash equivalents at beginning of year	462	462	-
Effect of foreign exchange rates	(40)	58	(98)
Cash and cash equivalents at end of year	354	498	(144)

Actual 2019 net cash from operating activities was lower than forecast by £2.4 million, due to reduced profitability and an adverse movement in net working capital. Net variance in investing activities amounted to £3.3 million on account of the consideration received from sale of investments. The difference between actual and forecast net cash used in financing activities is a negative variance of £874,000 being higher interest paid and other charges than expected. The afore-mentioned variances resulted in a higher than expected adverse variance in net movement in cash and cash equivalents amounting to £46,000.



6PM Holdings p.l.c. Consolidated Statement of Financial Position as at 31 October 2020			
	Actual £'000	Forecast £'000	Variance £'000
ASSETS			
Non-current assets			
Intangible assets	2	541	(539)
Property, plant and equipment	15	56	(41)
Financial assets	19	19	-
Receivables	18	18	-
Deferred tax assets	-	7	(7)
	<u>54</u>	<u>641</u>	<u>(587)</u>
Current assets			
Inventories	-	57	(57)
Trade and other receivables	65	1,891	(1,826)
Cash and cash equivalents	354	498	(144)
	<u>419</u>	<u>2,446</u>	<u>(2,027)</u>
Total assets	<u>473</u>	<u>3,087</u>	<u>(2,614)</u>
EQUITY			
Equity and reserves			
Share capital	4,151	4,151	-
Reserves	(1,340)	-	(1,340)
Retained earnings	(22,085)	(22,069)	(16)
	<u>(19,274)</u>	<u>(17,918)</u>	<u>(1,356)</u>
LIABILITIES			
Non-current liabilities			
Bank loans and bonds	11,848	11,609	239
	<u>11,848</u>	<u>11,609</u>	<u>239</u>
Current liabilities			
Trade and other payables	7,899	9,396	(1,497)
	<u>7,899</u>	<u>9,396</u>	<u>(1,497)</u>
	<u>19,747</u>	<u>21,005</u>	<u>(1,258)</u>
Total equity and liabilities	<u>473</u>	<u>3,087</u>	<u>(2,614)</u>

The variances between actual and forecast amounts in the statement of financial position are a consequence of the transfer of assets and liabilities relating to Idox Health Limited following disposal thereof on 30 June 2020. Accordingly, total assets have been reduced by £2.6 million while net liabilities are higher by £1.4 million.



PART 3 - COMPARABLES

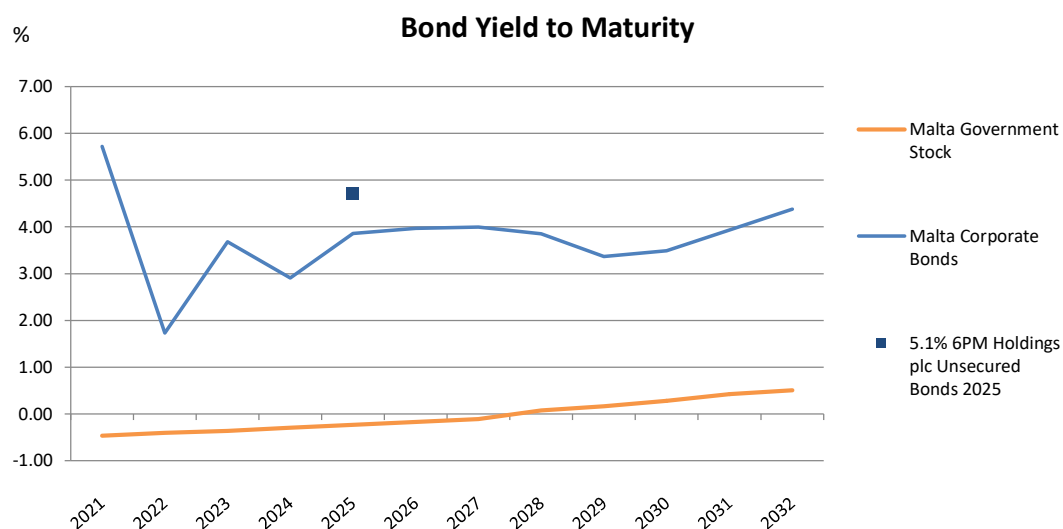
The table below compares the Company and its bond issue to other debt issuers listed on the Malta Stock Exchange and their respective debt securities. Although there are significant variances between the activities of the Company and other issuers (including different industries, principal markets, competition, capital requirements etc), and material differences between the risks associated with the Company's business and that of other issuers, the comparative analysis provides an indication of the financial performance and strength of the Company.

Comparative Analysis	Nominal Value (€)	Yield to Maturity (%)	Interest Cover (times)	Total Assets (€'000)	Net Asset Value (€'000)	Gearing Ratio (%)
5.80% International Hotel Investments plc 2021	20,000,000	5.72	3.01	1,687,198	897,147	37.31
3.65% GAP Group plc Secured € 2022	30,856,600	1.73	2.22	87,886	11,155	77.98
6.00% Pendergardens Developments plc Secured € 2022 Series	21,886,300	5.20	3.75	81,524	28,343	37.45
4.25% GAP Group plc Secured € 2023	19,292,300	2.63	2.22	87,886	11,155	77.98
5.30% United Finance Plc Unsecured € Bonds 2023	8,500,000	3.68	1.44	36,921	8,038	70.88
5.80% International Hotel Investments plc 2023	10,000,000	5.38	3.01	1,687,198	897,147	37.31
6.00% AX Investments Plc € 2024	40,000,000	4.18	0.76	348,657	217,449	25.57
6.00% International Hotel Investments plc € 2024	35,000,000	5.64	3.01	1,687,198	897,147	37.31
5.30% Mariner Finance plc Unsecured € 2024	35,000,000	2.91	4.81	95,310	47,100	48.85
5.00% Hal Mann Vella Group plc Secured € 2024	30,000,000	3.51	2.67	117,625	45,146	53.77
5.10% 1923 Investments plc Unsecured € 2024	36,000,000	4.66	3.30	137,275	45,063	30.57
4.25% Best Deal Properties Holding plc Secured € 2024	15,344,700	3.10	-	27,455	3,366	85.88
3.7% GAP Group plc Secured € 2023-2025 Series 1	21,000,000	3.24	2.22	87,886	11,155	77.98
5.75% International Hotel Investments plc Unsecured € 2025	45,000,000	5.47	3.01	1,687,198	897,147	37.31
5.10% 6PM Holdings plc Unsecured € 2025	13,000,000	4.71	7.33	160,836	54,602	29.84
4.50% Hili Properties plc Unsecured € 2025	37,000,000	3.86	1.65	150,478	57,635	56.47
4.35% Hudson Malta plc Unsecured € 2026	12,000,000	3.97	6.47	48,019	6,405	81.08
4.25% Corinthia Finance plc Unsecured € 2026	40,000,000	4.14	2.53	1,859	960,153	37.33
4.00% International Hotel Investments plc Secured € 2026	55,000,000	3.68	3.01	1,687,198	897,147	37.31
3.75% Premier Capital plc Unsecured € 2026	65,000,000	3.36	8.99	273,233	57,082	60.43
4.00% International Hotel Investments plc Unsecured € 2026	60,000,000	3.85	3.01	1,687,198	897,147	37.31
3.25% AX Group plc Unsec Bds 2026 Series I	15,000,000	2.87	0.76	348,657	217,449	25.57
4.35% SD Finance plc Unsecured € 2027	65,000,000	4.35	6.86	324,427	137,612	28.31
4.00% Eden Finance plc Unsecured € 2027	40,000,000	4.00	6.42	199,265	113,124	28.12
4.00% Stivala Group Finance plc Secured € 2027	45,000,000	3.44	4.92	225,284	123,107	38.32
3.85% Hili Finance Company plc Unsecured € 2028	40,000,000	3.85	3.87	628,916	110,128	77.11
3.65% Stivala Group Finance plc Secured € 2029	15,000,000	3.37	4.92	225,284	123,107	38.32
3.80% Hili Finance Company plc Unsecured € 2029	80,000,000	3.81	3.87	628,916	110,128	77.11
3.75% AX Group plc Unsec Bds 2029 Series II	10,000,000	3.35	0.76	348,657	217,449	25.57

12-Mar-21

Source: Malta Stock Exchange, Audited Accounts of Listed Companies, MZ Investment Services Ltd





Source: Malta Stock Exchange, Central Bank of Malta, MZ Investment Services Ltd

12 Mar 2021

To date, there are no corporate bonds which have a redemption date beyond 2032.

The 6PM Group Bonds yield 4.71%, which is *circa* 85 basis points higher when compared to other corporate bonds maturing in 2025. The premium over FY2025 Malta Government Stock is 494 basis points.



PART 4 – EXPLANATORY DEFINITIONS

Income Statement	
Revenue	Total revenue generated from business activities during the financial year, including licences, products, services and support & maintenance.
Net operating expenses	Net operating expenses include the cost of products, labour expenses, and all other direct expenses.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. EBITDA can be used to analyse and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.
Share of results of associates	The 6PM Group owns minority stakes in a number of companies (less than 50% plus one share of a company's share capital). The results of such companies are not consolidated with the subsidiaries of the 6PM Group, but the 6PM Group's share of profit is shown in the profit and loss account under the heading 'share of results of associates'.
Profit after tax	Profit after tax is the profit made during the financial year both from operating as well as non-operating activities.
Profitability Ratios	
Operating profit margin	Operating profit margin is operating income or EBITDA as a percentage of total revenue.
Net profit margin	Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue.
Efficiency Ratios	
Return on equity	Return on equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by shareholders' equity.
Return on capital employed	Return on capital employed (ROCE) indicates the efficiency and profitability of a company's capital investments, estimated by dividing operating profit by capital employed.
Return on Assets	Return on assets (ROA) is computed by dividing profit after tax by total assets.
Equity Ratios	
Earnings per share	Earnings per share (EPS) is the amount of earnings per outstanding share of a company's share capital. It is computed by dividing net income available to equity shareholders by total shares outstanding as at balance sheet date.



Cash Flow Statement

Cash flow from operating activities	Cash generated from the principal revenue-producing activities of the Company.
Cash flow from investing activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Company.
Cash flow from financing activities	Cash generated from the activities that result in change in share capital and borrowings of the Company.

Balance Sheet

Non-current assets	Non-current asset are long-term investments, which full value will not be realised within the accounting year. Non-current assets are capitalised rather than expensed, meaning that the cost of the asset is allocated over the number of years for which the asset will be in use, instead of allocating the entire cost to the accounting year in which the asset was purchased. Such assets include goodwill and other intangible assets, property, plant & equipment and investments accounted for using the equity method.
Current assets	Current assets are all assets which are realisable within one year from the balance sheet date. Such amounts include inventory, accounts receivable, cash and bank balances.
Current liabilities	All liabilities payable within a period of one year from the balance sheet date, and include accounts payable and short-term debt.
Net debt	Borrowings before unamortised issue costs less cash and cash equivalents.
Non-current liabilities	Long-term financial obligations that are not due within the present accounting year, and include bank borrowings and bonds.
Total equity	Total equity includes share capital, reserves & other equity components, and retained earnings.

Financial Strength Ratios

Liquidity ratio	The liquidity ratio (also known as current ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares a company's current assets to its current liabilities.
Interest cover	The interest coverage ratio is calculated by dividing a company's EBITDA of one period by the company's interest expense of the same period.
Net debt to EBITDA	The net debt to EBITDA ratio is a measurement of leverage, calculated as a company's interest bearing liabilities minus cash or cash equivalents, divided by its EBITDA. This ratio shows how many years it would take for a company to pay back its debt if net debt and EBITDA are held constant.



Gearing ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance a company's assets, and is calculated by dividing a company's net debt by net debt plus shareholders' equity.
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