

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 Capital Markets Rules issued by the Malta Financial Services Authority in accordance with the provisions of the Financial Markets Act (Chapter 345 of the laws of Malta), as amended from time to time.

Quote

Publication of Financial Analysis Summary

The Company's Financial Analysis Summary dated 14 March 2022 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



Dr Luca Vella
Company Secretary

14 March 2022

Company Announcement: 6PM181

Financial Analysis Summary

14 March 2022

Issuer

6PM Holdings p.l.c.

(C 41492)



MZ INVESTMENT SERVICES



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

14 March 2022

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 2019, 31 October 2020 and 31 October 2021) 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 2022 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 2019, 31 October 2020 and 31 October 2021) 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. The 6PM Group has no trading activities and is therefore fully reliant on the guaranteed support of Idox plc to honour all current and future liabilities.

Idox plc is established in the UK and its shares are quoted on the AIM market. The Idox Group is a supplier of specialist information management software and solutions to the public and asset intensive sectors.

2. DIRECTORS

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

Board of Directors

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

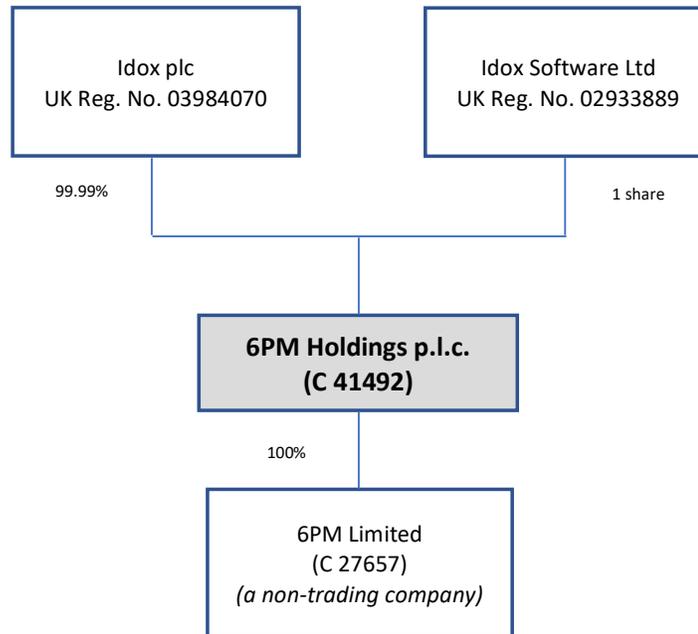
Audit Committee

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



4. 6PM GROUP BUSINESS OVERVIEW

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 as a holding and financing vehicle of the Idox Group.

In terms of a comfort letter dated 26 January 2022, Idox plc is committed to continue to provide the necessary financial assistance to 6PM Group. The main elements of said letter are included hereunder:

- 1) Idox plc agrees irrevocably and, subject to paragraph 2 below, unconditionally to provide 6PM Holdings plc (the 'Company') and its subsidiaries (the 'Group') with adequate financial support to enable the Group and the Company to meet their liabilities as they fall due in the ordinary course of business for the next 12 months.
- 2) Idox plc is at all times bound by the terms of its financing arrangement with its Lenders, National Westminster Bank plc, Silicon Valley Bank and Santander UK plc. In the event there is a conflict between the terms of Idox plc's financing arrangement with its Lenders and the commitments Idox plc has made to the Company pursuant to such letter dated 26 January 2022, the financing arrangements Idox plc has made with its Lenders will prevail.

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 Principal Activities

The Idox Group operates primarily in the United Kingdom, the United States of America, Europe and Australia and the average number of employees during FY2021 was 567 (FY2020: 637). In FY2021, the Idox Group was organised into three operating segments which are described below.

- (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), databases, 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) Consultancy: Dutch business providing expertise in grant funding applications; (b) Compliance: German & Belgian business providing e-learning and employee compliance training platform.

In March and April 2021, the CONT businesses were disposed of for a net consideration of £10.7 million. As such, the financial information relating to the CONT segment has been reclassified as 'discontinued operations'.

The amount of £10.5 million from said proceeds were reinvested in the acquisition of three companies - Aligned Assets, thinkWhere and exeGesIS – which will enhance the Idox Group's PSS segment. The integration of Aligned Assets and thinkWhere is well advanced, while the integration of exeGesIS has also begun but will accelerate from early 2022. This strategy mitigates against the risk of organisational overload due to multiple concurrent integrations.

Idox Group is well placed in its markets, where Idox Group improves professional and expert processes and supports clients in their transition to becoming modern, agile organisations operating digitally and through the Cloud. Idox Group offers software for the built environment, modern transportation networks, digitisation, elections and facilities management. Idox Group empowers those that need extra support in special educational needs and disability and provide software that manages the sexual health of the nation. Furthermore, with the addition of Aligned Assets, thinkWhere and exeGesIS, Idox Group can improve client data quality and improve the accuracy, accessibility and presentation of their address and geo-spatial information.



5.2 Revenue Analysis

The segment revenues by type are as follows:

IDOX PLC			
Revenue Analysis			
for the year ended 31 October			
	2019	2020	2021
	Actual	Actual	Actual
	£'000	£'000	£'000
Public Sector Software (PSS)	44,925	48,426	54,114
Engineering Information Management (EIM)	9,170	8,858	8,071
Idox Software (continuing operations)	54,095	57,284	62,185
Content (CONT) - discontinued operations	11,397	10,733	3,897
Total revenue (note 1)	65,492	68,017	66,082
Recurring revenues	35,736	37,375	36,854
Non-recurring revenues	29,756	30,642	29,228
Total revenue	65,492	68,017	66,082

Note 1: Total revenue has been extracted from the Statements of Total Comprehensive Income (see section 5.3 below).

During the year, Idox Group improved revenues from continuing operations by 8.6% to £62.2 million including the acquisitions (5.5% excluding acquisitions). The CONT division recorded a revenue reduction of 64% to £3.9 million as a result of the businesses being disposed of in March and April 2021.

Recurring revenue is income generated from customers on an annual contractual basis. Recurring revenue amounts to approximately 56% (FY2020: 55%) of revenue, which is revenue generated annually from sales to existing customers.

5.3 Financial Highlights

The financial tables set out below provide information on Idox plc for the financial years ended 31 October 2019, 31 October 2020 and 31 October 2021. 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.



IDOX PLC**Consolidated Statement of Comprehensive Income
for the year ended 31 October**

	2019	2020	2021
	Actual	Restated	Actual
	£'000	£'000	£'000
Revenue	65,492	57,284	62,185
Net operating expenses	<u>(51,131)</u>	<u>(40,046)</u>	<u>(42,666)</u>
EBITDA	14,361	17,238	19,519
Depreciation and amortisation	(9,128)	(10,063)	(10,204)
Restructuring, acquisition and other costs	(3,556)	(3,183)	(1,675)
Net finance costs	<u>(1,702)</u>	<u>(2,177)</u>	<u>(372)</u>
Profit/(loss) before tax	(25)	1,815	7,268
Taxation	(1,192)	(1,338)	(1,237)
Profit/(loss) for the year from discontinued operations	(602)	799	5,918
Non-controlling interest	113	-	-
Profit/(loss) after tax	(1,706)	1,276	11,949
Other comprehensive income			
Exchange differences	<u>(180)</u>	<u>(97)</u>	<u>(108)</u>
Total comprehensive income/(loss)	<u>(1,886)</u>	<u>1,179</u>	<u>11,841</u>

FY2020 has been restated due to the Content business being reclassified as discontinued operations.

FY2019 has not been restated since the Content business was considered to be part of continuing operations at that time.

IDOX PLC**EBITDA (Earnings before interest, tax, depreciation,
amortisation, restructuring, acquisition and other costs)****for the year ended 31 October**

	2019	2020	2021
	Actual	Restated	Actual
	£'000	£'000	£'000
Operating profit (note 1)	1,677	3,992	7,640
<i>Adjustments:</i>			
Depreciation and amortisation	9,128	10,063	10,204
Restructuring, acquisition and other costs	<u>3,556</u>	<u>3,183</u>	<u>1,675</u>
EBITDA	<u>14,361</u>	<u>17,238</u>	<u>19,519</u>

Note 1: Operating profit for each of the years FY2019 to FY2021 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	FY2019 Actual	FY2020 Actual	FY2021 Actual
Operating profit margin (EBITDA/revenue)	22%	30%	31%
Interest cover (times) (EBITDA/net finance cost)	8.44	7.92	52.47
Interest cover 2 (times) (EBITDA/finance cost)	7.66	7.31	16.40
Net profit margin (Profit after tax/revenue)	-3%	2%	19%
Earnings per shares (p) (Profit after tax/number of shares)	-0.41	0.29	2.71
Return on capital employed (EBITDA/total assets less current liabilities)	23%	17%	20%
Return on assets (Profit after tax/total assets)	-1%	1%	9%
Return on equity (Profit after tax/shareholders' equity)	-4%	3%	20%

Source: MZ Investment Services Limited

EBITDA increased in FY2021 by 13% to £19.5 million (FY2020: £17.2 million), delivering an improved operating profit margin of 31% (FY2020: 30%). The margin improvement has been driven by the increased revenues converting strongly to margin and has been boosted by the high margin acquisitions of Aligned Assets and exeGesIS that were made in the year.

Restructuring, acquisition & other costs decreased y-o-y by £1.5 million mainly on account of a reduction in acquisition costs which in the prior year related to the acquisition of Idox Cloud (formerly Tascomi) in August 2019.

Net finance costs decreased to £0.4 million (FY2020: £2.2 million) as a result of less interest being payable in respect of the Idox Group's decreased banking facilities which were fully drawn in the second half of the prior year as part of the Idox Group's COVID-19 pandemic defensive actions. Additionally, the effective interest rate accounting adjustments have decreased as a result of the change in drawn loan balances. The interest cover improved significantly in FY2021 to 52.47 times (FY2020: 7.92 times).

As a result of the above, profit before tax from continuing operations increased from £1.8 million in FY2020 to £7.3 million in FY2021.



Profit from discontinued operations amounted to £5.9 million compared to £0.8 million in the prior year. The FY2021 amount comprises gain on disposal of £6.2 million.

Overall, Idox Group recorded total comprehensive income for FY2021 of £11.8 million compared to £1.2 million in FY2020. As such, net profit margin improved from 2% in FY2020 to 19%.

IDOX PLC			
Consolidated Cash Flow Statement			
for the year ended 31 October			
	2019	2020	2021
	Actual	Actual	Actual
	£'000	£'000	£'000
Net cash from operating activities	12,382	21,349	16,554
Net cash from investing activities	(12,829)	(7,124)	(5,542)
Net cash from financing activities	1,807	9,458	(23,080)
Net movement in cash and cash equivalents	1,360	23,683	(12,068)
Cash and cash equivalents at beginning of year	5,534	7,023	30,812
Effect of foreign exchange rates	129	106	(461)
Cash and cash equivalents at end of year	7,023	30,812	18,283

Net cash inflow from operating activities in FY2021 was lower when compared to a year earlier by £7.0 million, mainly on account of adverse working capital movements of £8.4 million (primarily due to VAT liability deferrals the Idox Group took advantage of as part of its early COVID-19 pandemic defensive actions which are being settled in FY2021 and FY2022).

Net cash outflow from investing activities amounted to £5.5 million (FY2020: £7.1 million). During the year, the Idox Group utilised £10.5 million (FY2020: nil) to acquire three companies and £4.6 million (FY2020: £6.0 million) for intangible assets (comprising capitalised development and software license purchases). On the other hand, Idox Group received £10.7 million in consideration for the disposal of the CONT business.

Net cash outflow from financing activities in FY2021 comprised net loan repayments amounting to £19.4 million (FY2020: net loan drawdowns of £12.8 million), and payments of interest on outstanding bonds and bank facilities amounting to £1.0 million (FY2020: £1.6 million). The amount of £1.2 million (FY2020: £1.5 million) represented principal lease payments, while £1.3 million (FY2020: nil) were equity dividends paid.

Overall, cash and cash equivalents at end of FY2021 amounted to £18.3 million compared to £30.8 million at end of FY2020.



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

	2019	2020	2021
	Actual	Actual	Actual
	£'000	£'000	£'000
ASSETS			
Non-current assets			
Intangible assets	86,004	81,652	92,025
Property, plant and equipment	1,162	1,183	1,307
Right-of-use assets	-	3,726	2,363
Investments	18	18	-
Deferred tax assets	1,368	1,111	2,623
	<u>88,552</u>	<u>87,690</u>	<u>98,318</u>
Current assets			
Stock	77	-	-
Trade and other receivables	19,972	18,700	16,968
Current tax	251	1,117	-
Cash and cash equivalents	7,023	30,812	18,283
	<u>27,323</u>	<u>50,629</u>	<u>35,251</u>
Total assets	<u>115,875</u>	<u>138,319</u>	<u>133,569</u>
EQUITY			
Equity and reserves			
Share capital	4,446	4,450	4,469
Reserves	50,775	51,459	58,463
Retained earnings	(10,500)	(8,951)	(2,122)
Non-controlling interest	(110)	-	-
	<u>44,611</u>	<u>46,958</u>	<u>60,810</u>
LIABILITIES			
Non-current liabilities			
Bank loans and bonds	11,584	46,900	26,392
Lease liabilities	-	2,695	1,747
Other non-current liabilities	6,078	6,337	7,369
	<u>17,662</u>	<u>55,932</u>	<u>35,508</u>
Current liabilities			
Bank overdrafts and loans	21,809	-	-
Lease liabilities	-	1,188	727
Trade and other payables	31,793	34,241	36,524
	<u>53,602</u>	<u>35,429</u>	<u>37,251</u>
	<u>71,264</u>	<u>91,361</u>	<u>72,759</u>
Total equity and liabilities	<u>115,875</u>	<u>138,319</u>	<u>133,569</u>



Key Accounting Ratios	FY2019 Actual	FY2020 Actual	FY2021 Actual
Net debt to EBITDA (years) <i>(Total debt less cash balances/EBITDA)</i>	1.84	1.16	0.54
Liquidity ratio (times) <i>(Current assets/current liabilities)</i>	0.51	1.43	0.95
Gearing ratio <i>(Net debt/net debt and shareholders' equity)</i>	37%	30%	15%
Gearing ratio 2 (times) <i>(Net debt/shareholders' equity)</i>	0.59	0.37	0.15
Net asset value per share (£) <i>(Shareholders' equity/number of shares)</i>	0.10	0.11	0.14

Source: MZ Investment Services Limited

The Idox Group's net assets have increased to £60.8 million compared to £47.0 million at 31 October 2020. The said increase is principally due to the profit for the year, with a significant improvement in net debt in the year as the Idox Group continued to target cash generative revenues and margins across its business. This is bolstered by the increase of intangible assets due to the purchase of three acquisitions in the year, and partially offset by the increase in deferred consideration payable on these acquisitions.

The y-o-y adverse variance in cash and cash equivalents of £12.5 million was due in the main to net debt repayments during the year of £19.4 million. As a consequence, the liquidity ratio weakened from 1.43x in FY2020 to 0.95x in FY2021. On the other hand, Idox Group's gearing ratio decreased from 30% in FY2020 to 15% in FY2021. Furthermore, net debt to EBITDA improved from 1.16 year in FY2020 to 0.54 years.

In October 2021, the Idox Group extended its facility with the Royal Bank of Scotland, Silicon Valley Bank and Santander UK for an additional 18 months to June 2024. Idox Group's total signed debt facilities at 31 October 2021 consisting of a revolving credit facility of £35 million and £10 million accordion.

5.4 Impact of Covid-19 Pandemic and Outlook

Idox Group continues to see some impact on its markets of the COVID-19 pandemic, although retention rates for existing customers remains high as the Idox Group's systems are typically central to the processes they support.

Idox Group has seen a slowdown in some new business activity compared to pre-COVID-19 pandemic levels, particularly in the health and social care businesses as client resources have been diverted to directly support response to the COVID-19 pandemic, and in EIM where a slowdown in consumer and



industrial consumption generally in FY2020 and the first half of FY2021 has impacted the engineering projects the Idox Group's software supports.

Conversely, the Idox Group has seen high demand for its services across its portfolio, as clients look to the Idox Group as a trusted partner to maintain, maximise and extend existing deployed solutions.

FY2022 has started well and the Idox Group continues to trade in line with expectations. 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 digital transformation and Cloud provision, will underpin its future strategy and growth.

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 2019 to 31 October 2021. The forecasted financial information for the year ending 31 October 2022 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				
	2019	2020	2021	2022
	Actual	Actual	Actual	Forecast
	£'000	£'000	£'000	£'000
Revenue	6,564	-	-	-
Net operating income/(expenses)	<u>(4,122)</u>	<u>(206)</u>	<u>681</u>	<u>(69)</u>
EBITDA	2,442	(206)	681	(69)
Depreciation and amortisation	(543)	-	-	-
Gain (loss) on sale of investment	-	1,619	-	-
Net finance costs	<u>(606)</u>	<u>(596)</u>	<u>(556)</u>	<u>(656)</u>
(Loss)/profit before tax	1,293	817	125	(725)
Taxation	<u>(16)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(Loss)/profit after tax (continuing operations)	1,277	817	125	(725)
(Loss)/profit after tax from discontinued operations	<u>294</u>	<u>(935)</u>	<u>(109)</u>	<u>-</u>
(Loss)/profit after tax	1,571	(118)	16	(725)
Other comprehensive income				
Exchange differences	<u>(121)</u>	<u>(221)</u>	<u>727</u>	<u>18</u>
Total comprehensive (expense)/income	1,450	(339)	743	(707)

6PM Holdings p.l.c.				
EBITDA (Earnings before interest, tax, depreciation, amortisation,				
intercompany revenue, impairments and discontinued operations)				
for the year ended 31 October				
	2019	2020	2021	2022
	Actual	Actual	Actual	Forecast
	£'000	£'000	£'000	£'000
Operating (loss)/profit (note 1)	2,107	(1,313)	686	(69)
<i>Adjustments:</i>				
Depreciation and amortisation	548	-	-	-
Intercompany revenue	87	-	-	-
Discontinued operations	<u>(300)</u>	<u>1,107</u>	<u>(5)</u>	<u>-</u>
EBITDA	2,442	(206)	681	(69)

Note 1 : Operating (loss)/profit for each of the years FY2019 to FY2021 has been extracted from the statements of total comprehensive income which forms part of the audited financial statements of 6PM Group.



Key Accounting Ratios	FY2019	FY2020	FY2021	FY2022
	Actual	Actual	Actual	Forecast
Operating profit margin (EBITDA/revenue)	37%	n/a	n/a	n/a
Interest cover (times) (EBITDA/net finance cost)	4.03	-0.35	1.22	-0.11
Net profit margin (Profit after tax/revenue)	24%	n/a	n/a	n/a
Earnings per share (£) (Profit after tax/number of shares)	0.07	-0.01	0.00	-0.03

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.

The 6PM Group forms part of the wider Idox Group and during **FY2021** the Idox Group completed the final steps to consolidate and simplify its operations. On 31 December 2020, the non-trading entities of the 6PM Group merged into 6PM Limited. During the financial year, the 6PM Group reported a net profit of £16,000. Net operating income amounted to £681,000 which comprised a gain from exchange differences on receivables and translation of euro bond amounting to £773,000. Net finance costs amounted to £556,000 and mainly related to bond interest payable.

In **FY2022**, the 6PM Group is projected to report a loss after tax of £725,000, comprising bond interest and other charges amounting to £656,000 and administrative expenses of £69,000.



6PM Holdings p.l.c.				
Consolidated Statement of Financial Position				
as at 31 October				
	2019	2020	2021	2022
	Actual	Actual	Actual	Forecast
	£'000	£'000	£'000	£'000
ASSETS				
Non-current assets				
Intangible assets	928	2	-	-
Property, plant and equipment	46	15	-	-
Financial assets	19	19	-	-
Receivables	18	18	-	-
Deferred tax assets	8	-	-	-
	<u>1,019</u>	<u>54</u>	<u>-</u>	<u>-</u>
Current assets				
Inventories	77	-	-	-
Trade and other receivables	2,508	65	32	1
Cash and cash equivalents	462	354	53	17
	<u>3,047</u>	<u>419</u>	<u>85</u>	<u>18</u>
Total assets	<u>4,066</u>	<u>473</u>	<u>85</u>	<u>18</u>
EQUITY				
Equity and reserves				
Share capital	4,151	4,151	4,151	4,151
Reserves	(1,304)	(1,340)	(613)	-
Retained earnings	(21,642)	(22,085)	(22,069)	(23,347)
Non-controlling interest	(88)	-	-	-
	<u>(18,883)</u>	<u>(19,274)</u>	<u>(18,531)</u>	<u>(19,196)</u>
LIABILITIES				
Non-current liabilities				
Bank loans and bonds	11,584	11,848	10,998	11,112
	<u>11,584</u>	<u>11,848</u>	<u>10,998</u>	<u>11,112</u>
Current liabilities				
Bank overdrafts and loans	-	-	-	-
Trade and other payables	11,365	7,899	7,618	8,102
	<u>11,365</u>	<u>7,899</u>	<u>7,618</u>	<u>8,102</u>
	<u>22,949</u>	<u>19,747</u>	<u>18,616</u>	<u>19,214</u>
Total equity and liabilities	<u>4,066</u>	<u>473</u>	<u>85</u>	<u>18</u>



Key Accounting Ratios	FY2019	FY2020	FY2021	FY2022
	Actual	Actual	Actual	Forecast
Net debt to EBITDA (years) <i>(Total debt less cash balances/EBITDA)</i>	4.55	-55.80	16.07	-160.80
Liquidity ratio <i>(Current assets/current liabilities)</i>	0.27	0.05	0.01	0.00
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>	39%	-25%	19%	-4028%
Net asset value per share <i>(Shareholders' equity/number of shares)</i>	-0.90	-0.92	-0.88	-0.91

Trade and other payables as at 31 October 2021 include related party payables amounting to £6.9 million (2020: £6.9 million).

Net liabilities as at 31 October 2021 amount to £18.5 million (FY2020: net liabilities of £19.3 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.

The financial position of the 6PM Group is not expected to change materially during the current financial year ending 31 October 2022. Related party payables are expected to increase by *circa* £386,000 for the purposes of part financing annual administrative expenses and bond interest payable.



6PM Holdings p.l.c.				
Statements of Cash Flows				
for the year ended 31 October				
	2019	2020	2021	2022
	Actual	Actual	Actual	Forecast
	£'000	£'000	£'000	£'000
Net cash from operating activities	1,223	(1,604)	486	446
Net cash from investing activities	(434)	3,073	(464)	-
Net cash from financing activities	(681)	(1,537)	(855)	(656)
Net movement in cash and cash equivalents	108	(68)	(833)	(210)
Cash and cash equivalents at beginning of year	307	462	354	53
Effect of foreign exchange rates	47	(40)	532	174
Cash and cash equivalents at end of year	462	354	53	17

Net cash from operating activities in FY2021 amounted to £486,000 compared to a net outflow of £1.6 million in the prior year. In FY2020, the net outflow was mainly in consequence of an adverse movement in working capital.

Net cash used in investing activities amounted to £464,000 and mainly comprised losses on sales of investments (FY2020: net cash inflows of £3.1 million which amount was generated principally from disposal of investments to Idox Group).

Net cash outflow from financing activities in FY2021 amounted to £855,000 (FY2020: £1.5 million) and primarily included net payments of interest on outstanding bonds and other borrowings.

Net movement in cash and cash equivalents for FY2022 is expected to amount to £210,000 (outflow) compared to £833,000 (outflow) in FY2021.



7. VARIANCE ANALYSIS

The following financial information relates to the variance analysis between the forecasted financial information for the year ended 31 October 2021 included in the prior year's Financial Analysis Summary dated 15 April 2021 and the audited consolidated financial statements for the year ended 31 October 2021.

6PM Holdings p.l.c.			
Statements of Total Comprehensive Income			
for the year ended 31 October 2021			
	Actual	Forecast	Variance
	£'000	£'000	£'000
Revenue	-	-	-
Net operating income/(expenses)	681	(117)	798
EBITDA	681	(117)	798
Depreciation and amortisation	-	-	-
Gain (loss) on sale of investment	-	(121)	121
Net finance costs	(556)	(596)	40
Profit (loss) before tax	125	(834)	959
Taxation	-	-	-
Profit (loss) after tax (continuing operations)	125	(834)	959
Profit (loss) after tax from discontinued operations	(109)	7	(116)
Profit (loss) after tax	16	(827)	843
Other comprehensive income			
Exchange differences	727	17	710
Total comprehensive income (expense)	743	(810)	1,553

As presented in the above table, the 6PM Group reported a profit after tax of £16,000 compared to a projected loss of £827,000, principally on account of a gain from exchange differences on receivables and translation of euro bond amounting to £773,000 which was not anticipated in the last published financial analysis summary.

Overall, 6PM Group registered total comprehensive income of £743,000 compared to a projected loss of £810,000. The movement in other comprehensive income reflects foreign exchange gain on consolidation.



6PM Holdings p.l.c.			
Statements of Cash Flows			
for the year ended 31 October 2021			
	Actual	Forecast	Variance
	£'000	£'000	£'000
Net cash from operating activities	486	306	180
Net cash from investing activities	(464)	(111)	(353)
Net cash from financing activities	<u>(855)</u>	<u>(606)</u>	<u>(249)</u>
Net movement in cash and cash equivalents	(833)	(411)	(422)
Cash and cash equivalents at beginning of year	354	354	-
Effect of foreign exchange rates	<u>532</u>	<u>124</u>	<u>408</u>
Cash and cash equivalents at end of year	<u>53</u>	<u>67</u>	<u>(14)</u>

Net adverse movement in cash and cash equivalents was higher than expected by €422,000. Net outflows from investing activities amounted to £464,000 compared to the forecasted figure of £111,000 due to higher than projected losses on sales of investments. In financing activities, net interest paid and other charges were higher than projected by £249,000 and amounted to £855,000. The aggregate adverse movement amounting to £602,000 was partly offset by a positive movement in cash from operating activities of £180,000.



6PM Holdings p.l.c.			
Consolidated Statement of Financial Position			
as at 31 October 2021			
	Actual	Forecast	Variance
	£'000	£'000	£'000
ASSETS			
Current assets			
Inventories	-	-	-
Trade and other receivables	32	3	29
Cash and cash equivalents	53	67	(14)
Total assets	85	70	15
EQUITY			
Equity and reserves			
Share capital	4,151	4,151	-
Reserves	(613)	-	(613)
Retained earnings	(22,069)	(24,212)	2,143
Non-controlling interest	-	-	-
	(18,531)	(20,061)	1,530
LIABILITIES			
Non-current liabilities			
Bank loans and bonds	10,998	11,846	(848)
	10,998	11,846	(848)
Current liabilities			
Bank overdrafts and loans	-	-	-
Trade and other payables	7,618	8,285	(667)
	7,618	8,285	(667)
	18,616	20,131	(1,515)
Total equity and liabilities	85	70	15

The accumulated losses (in equity and reserves) was lower than expected by £2.1 million mainly reflective of a favourable movement in the £:€ exchange rate (see commentary relating to Statements of Total Comprehensive Income above). In liabilities, borrowings and trade & other payables were lower than expected by £848,000 and £667,000 respectively.



PART 3 - COMPARABLES

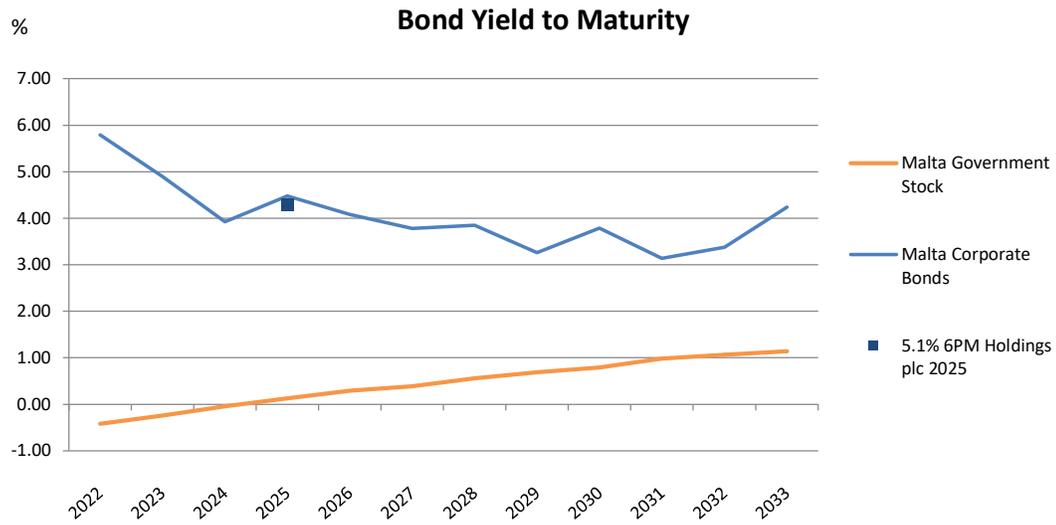
The table below compares the Company and its bond issue to other debt issuers listed on the Malta Stock Exchange and their respective debt securities. Although there are significant variances between the activities of the Company and other issuers (including different industries, principal markets, competition, 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 (%)
6.00% Pendergardens Developments plc Secured € 2022 Series	21,093,400	5.79	1.79	60,578	29,491	36.39
4.25% GAP Group plc Secured € 2023	8,367,900	5.62	2.24	103,895	15,134	73.44
5.30% United Finance Plc Unsecured € Bonds 2023	8,500,000	4.90	0.67	37,298	6,677	75.91
5.80% International Hotel Investments plc 2023	10,000,000	5.78	- 0.61	1,544,099	773,176	41.87
6.00% AX Investments Plc € 2024	40,000,000	3.88	2.95	374,099	237,143	25.10
6.00% International Hotel Investments plc € 2024	35,000,000	5.74	- 0.61	1,544,099	773,176	41.87
5.30% Mariner Finance plc Unsecured € 2024	35,000,000	3.92	3.66	100,350	50,297	48.12
5.00% Hal Mann Vella Group plc Secured € 2024	30,000,000	3.79	2.04	122,396	47,319	52.86
5.10% 1923 Investments plc Unsecured € 2024	36,000,000	4.50	3.09	135,492	45,574	27.66
4.25% Best Deal Properties Holding plc Secured € 2024	13,029,600	2.54	-	27,453	4,128	81.72
3.70% GAP Group plc Secured € 2023-2025 Series 1	21,000,000	3.40	2.24	103,895	15,134	73.44
5.75% International Hotel Investments plc Unsecured € 2025	45,000,000	5.39	- 0.61	1,544,099	773,176	41.87
5.10% GPM Holdings plc Unsecured € 2025	13,000,000	4.29	52.47	162,889	74,159	14.82
4.50% Hili Properties plc Unsecured € 2025	37,000,000	4.48	1.46	149,639	62,675	54.94
4.35% Hudson Malta plc Unsecured € 2026	12,000,000	4.08	3.16	43,383	5,522	81.61
4.25% Corinthia Finance plc Unsecured € 2026	40,000,000	4.12	- 0.51	1,717,057	828,470	42.64
4.00% International Hotel Investments plc Secured € 2026	55,000,000	3.87	- 0.61	1,544,099	773,176	41.87
3.75% Premier Capital plc Unsecured € 2026	65,000,000	3.51	7.39	278,759	53,003	75.22
4.00% International Hotel Investments plc Unsecured € 2026	60,000,000	4.00	- 0.61	1,544,099	773,176	41.87
3.25% AX Group plc Unsec Bds 2026 Series I	15,000,000	3.25	2.95	374,099	237,143	25.10
3.90% GAP Group plc Secured € 2024-2026	21,000,000	3.44	2.24	103,895	15,134	73.44
4.35% SD Finance plc Unsecured € 2027	65,000,000	4.08	0.88	328,464	131,504	30.32
4.00% Eden Finance plc Unsecured € 2027	40,000,000	3.78	- 0.50	190,466	108,369	31.32
4.00% Stivala Group Finance plc Secured € 2027	45,000,000	3.50	2.30	354,069	231,437	26.54
3.85% Hili Finance Company plc Unsecured € 2028	40,000,000	3.85	3.44	624,222	106,811	78.42
3.65% Stivala Group Finance plc Secured € 2029	15,000,000	3.26	2.30	354,069	231,437	26.54
3.80% Hili Finance Company plc Unsecured € 2029	80,000,000	3.80	3.44	624,222	106,811	78.42
3.75% AX Group plc Unsec Bds 2029 Series II	10,000,000	3.75	2.95	374,099	237,143	25.10
3.65% International Hotel Investments plc Unsecured € 2031	80,000,000	3.77	- 0.61	1,544,099	773,176	41.87
3.50% AX Real Estate plc Unsec Bds 2032	40,000,000	3.38	1.83	287,289	144,107	38.38

04-Mar-22

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

4 March 2022

To date, there are no corporate bonds which have a redemption date beyond 2033.

The 6PM Group Bonds yield 4.29%, which is *circa* 19 basis points lower when compared to other corporate bonds maturing in 2025. The premium over FY2025 Malta Government Stock is 416 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.
Net asset value per share	Total assets less total liabilities divided by the number of equity shares in issue.

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.

