



Interim Report

January 1 to March 31, 2024



Calligo Interim Report (Unaudited)

Foreword

This report includes the interim accounts of Calligo Holdings Limited and Calligo (UK) Limited for the period from 1 January 2024 to 31 March 2024.

CEO Q1, FY 24

Despite the challenging market conditions that we faced in the first quarter our sales performance indicators demonstrated encouraging signs. During this period, our net new pipeline grew by 13%, reflecting increased opportunities across the business. The EMEA region achieved an impressive 128% of the net new sales target. After a volatile January, customer churn has stabilised and returned to expected levels. Our client services continue to receive high marks, with customer satisfaction at an impressive 95%.

Our management team remain committed to cost controls across the business. During Q1, we conducted a thorough review of our business structures with the assistance of external consultants. This review, which concluded in March, now serves as the foundation for a rationalisation plan aimed at right-sizing the company moving forward. We anticipate finalising and implementing this plan by the end of Q2.

Finally, progress has also been made on refining our target operating model, which is now substantially complete. We have successfully recruited or extended offers to 14 sales and sales support roles, with the last of these recruits expected to start in late May.

Financial Discussion

Q1 FY24 revenues decreased by £1.0m or 15% year-on-year on a like for like basis with £0.55m attributable to the Cloud/Managed Services segment, £0.25m driven by the reduction in the Data/Privacy segment and £0.2m relating to product/other sales. Adj. EBITDA in Q1 FY24 was £0.03m (note 4).

Net cash movement from working capital over the quarter was a negative £0.57m driven mostly by a reduction in aged payables. DSO at 31 March 2024 were 35 days. Net Capex in the quarter was immaterial as expected.

Net debt at 31 March 2024 was £39.3m implying a net leverage ratio of 29.9x based on the Adj. EBITDA for the last twelve months of £1.3m. The net debt figure now includes the interest for Qtr 4, 2023 and Qtr 1, 2024 which has been capitalised in accordance with the written procedure approved by the bondholders in February 2024.

Calligo Holdings Limited
Condensed consolidated statement of profit or loss

£ '000	Notes	(Unaudited) 2024 Q1	(Unaudited) 2023 Q1	(Audited) FY 23
Revenue	2	5,579	6,568	24,515
		5,579	6,568	24,515
Costs of Material		(1,805)	(1,902)	(7,652)
Employee Benefits Expense		(2,909)	(3,195)	(11,102)
Depreciation, Amortisation and Impairment of Non-Financial Assets		(662)	(709)	(9,505)
Impairment of Financial Assets		(1)	–	(158)
Other Expenses		(1,371)	(1,028)	(4,738)
Operating (loss)/profit		(1,169)	(266)	(8,640)
Finance income		–	–	2
Finance costs		(209)	(977)	(4,436)
Other financial items		362	(74)	(37)
(Loss)/profit before tax		(1,016)	(1,317)	(13,111)
Tax expense		(18)	(20)	(247)
(Loss)/profit for the period/year from continuing operations		(1,034)	(1,337)	(13,358)
Profit for the period/year from discontinued operations		–	54	579
(Loss)/profit for the period/year		(1,034)	(1,283)	(12,779)
Profit/(loss) attributable to:				
Owners of the Group		(1,034)	(1,283)	(12,779)

Calligo Holdings Limited
Condensed consolidated statement of other comprehensive income

£ '000	(Unaudited) 2024 Q1	(Unaudited) 2023 Q1	(Audited) FY 23
Loss for the period/year	(1,034)	(1,283)	(12,779)
Foreign Exchange Differences on Retranslation	146	51	99
Total Comprehensive (loss)/income for the period/year	(888)	(1,232)	(12,680)
Total Comprehensive (loss)/income for the period/year attributable to:			
Owners of the Group	(888)	(1,232)	(12,680)

Calligo Holdings Limited
Condensed consolidated statement of changes in equity

£ '000	Share Capital	Share Premium	Retained earnings	Total equity
Balance at 1 Jan 2024	296	27,145	(55,782)	(28,341)
(Loss)/profit for the period	–	–	(1,034)	(1,034)
Other comprehensive (loss)/income	–	–	146	146
Balance at 31 March 2024 - unaudited	296	27,145	(56,670)	(29,229)
Balance at 1 Jan 2023 - restated	286	24,171	(42,224)	(17,767)
(Loss)/profit for the period	–	–	(1,283)	(1,283)
Other comprehensive (loss)/income	–	–	51	51
Balance at 31 March 2023 - unaudited	286	24,171	(43,456)	(18,999)
Balance at 1 Jan 2023 - restated	286	24,171	(42,224)	(17,767)
Employee share based compensation	–	–	(878)	(878)
Issue of share capital	10	2,974	–	2,984
(Loss)/profit for the period	–	–	(12,779)	(12,779)
Other comprehensive (loss)/income	–	–	99	99
Balance at 31 December 2023 - audited	296	27,145	(55,782)	(28,341)

Calligo Holdings Limited
Condensed consolidated statement of cash flows

£ '000	<i>(Unaudited)</i> 2024 Q1	<i>(Unaudited)</i> 2023 Q1	<i>(Audited)</i> FY 23
Operating activities			
(Loss)/profit before tax	(1,016)	(1,255)	(12,477)
Non cash adjustments	831	1,882	12,076
Net changes in working capital	(571)	916	1,628
Taxes paid	(19)	(78)	(253)
Net cash from operating activities	(775)	1,465	974
Investing activities			
Purchase of property, plant and equipment	(10)	(119)	(813)
Sale of fixed assets	15	20	1,368
Purchase of other intangible assets	0	(78)	(79)
Interest received	–	0	2
Net cash used in investing activities	5	(177)	478
Financing activities			
Net proceeds from issue of share capital	–	–	2,984
Interest paid	(14)	(936)	(2,997)
Shareholder Loan	3,000	–	–
(Repayments)/receipts of leases	(516)	(532)	(1,418)
Net cash (used in)/from financing activities	2,470	(1,468)	(1,431)
Net change in cash and cash equivalents	1,700	(180)	21
Cash and cash equivalent equivalents, beginning of period	1,371	1,350	1,350
Cash and cash equivalent equivalents, end of period	3,071	1,170	1,371
Cash and cash equivalents	3,071	1,134	1,335
Cash in escrow included in other debtors	–	36	36
Cash and cash equivalent equivalents, end of period	3,071	1,170	1,371

Calligo Holdings Limited
Consolidated statement of financial position

£ '000	<i>(Unaudited)</i> 2024 Q1	<i>(Unaudited)</i> 2023 Q1	<i>(Audited)</i> FY 23
Assets			
Non-Current			
Goodwill	4,691	11,816	4,653
Other Intangible Assets	1,379	1,966	1,526
Other Long-Term Assets	337	341	420
Property, Plant & Equipment	2,115	2,169	2,267
Right of Use Assets	3,134	2,608	2,961
Total Non-Current Assets	11,656	18,900	11,827
Current			
Inventory	19	42	20
Prepayments & Other Short-Term Assets	1,057	961	925
Trade & Other Receivables	2,072	2,856	2,014
Cash & Cash Equivalents	3,071	1,134	1,335
Total Current Assets	6,219	4,993	4,294
Total Assets	17,875	23,893	16,121
Equity & Liabilities			
Equity			
Share Capital	296	286	296
Share Premium	27,145	24,171	27,145
Retained Earnings	(56,670)	(43,456)	(55,782)
Total Equity	(29,229)	(18,999)	(28,341)
Non-Current			
Lease Liabilities - LT	3,188	2,414	3,111
Other Liabilities	4	0	0
Total Non-Current Liabilities	3,192	2,414	3,111
Current			
Borrowings	37,897	34,135	34,023
Provisions	182	–	183
Trade & Other Payables	3,872	4,309	5,245
Lease Liabilities - ST	1,227	1,255	1,169
Contract Liabilities	222	365	218
Tax Liabilities	512	414	513
Total Current Liabilities	43,912	40,478	41,351
Total Liabilities	47,104	42,892	44,462
Total Equity & liabilities	17,875	23,893	16,121

Calligo Holdings Limited – supplementary notes

Note 1: Accounting policies

Statement of compliance

The Group's consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis of preparation

The Group's consolidated financial statements have been prepared on an accruals basis. Monetary amounts are expressed in GBP sterling currency and are rounded to the nearest thousands.

Basis of consolidation

The Group's financial statements consolidate those of the parent company and all of its subsidiaries at the relevant reporting date. All subsidiaries have a statutory reporting date of 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out in the audited financial statements for the year ended 31 December 2023. There has been no change to these policies for Quarter 1, 2024.

Note 2: Revenue

A summary of revenue for the reporting period is as follows:

Revenue £ '000	(Unaudited) 2024 Q1	(Unaudited) 2023 Q1	(Audited) FY 23
MMR	4,997	5,737	21,853
NRR	582	831	2,662
Total	5,579	6,568	24,515

Note 3: Share capital and dividends

There were no changes in issued share capital in Calligo Holdings Limited during the quarter ended 31 March 2024.

There were no dividends declared or paid by Calligo Holdings Limited during the quarter ended 31 March 2024.

Note 4: Adjusted EBITDA

A reconciliation of operating (loss)/profit to Adjusted EBITDA is as follows:

Adjusted EBITDA bridge £ '000	(Unaudited) 2024 Q1	(Unaudited) 2023 Q1	(Audited) FY 23
Operating (loss)/profit (incl Lux)	(1,169)	(203)	(8,379)
D&A, goodwill impairment provision	662	748	9,654
Exceptional items	549	483	2,099
Bank & credit card charges reclassified as other financial items	(9)	(10)	(44)
EBITDA	33	1,018	3,330
Removal of Lux trading performance	–	(101)	(409)
QoE and other adjustments	–	–	(720)
Adjusted EBITDA	33	917	2,201

Note 5: Exceptional items

A summary of exceptional items is as follows:

£ '000	<i>(Unaudited)</i> 2024 Q1	<i>(Unaudited)</i> 2023 Q1	<i>(Audited)</i> FY 23
Restructuring Expenses	139	218	1,214
Bond Issuance & debt raising Fees	227	30	6
Bond Arrangement Fees (Amortised, non cash item)	126	123	492
M&A Transaction Costs	13	53	147
Other items	44	59	240
	549	483	2,099

Note 6: Net leverage ratio

£ '000	<i>(Unaudited)</i> 2024 Q1
Senior debt (net of unamortised Prepayment fee)	37,897
Add: short & long term leases	4,415
Less: cash (net of restricted elements)	(2,995)
Net debt	39,317
Last twelve months Adj EBITDA	1,316
Net leverage ratio	29.9

Calligo (UK) Limited
Condensed consolidated statement of profit or loss

£ '000	(Unaudited) 2024 Q1	(Unaudited) 2023 Q1	(Audited) FY 23
Revenue	3,880	4,759	17,554
	3,880	4,759	17,554
Costs of Material	(1,306)	(1,419)	(5,680)
Employee Benefits Expense	(2,418)	(2,609)	(10,043)
Depreciation, Amortisation and Impairment of Non-Financial Assets	(507)	(518)	(8,717)
Impairment of Financial Assets	(1)	–	(148)
Other Expenses	(685)	(669)	(2,825)
Operating (loss)/profit	(1,037)	(456)	(9,859)
Finance income	–	–	2
Finance costs	(195)	(959)	(4,378)
Other financial items	371	(75)	(30)
(Loss)/profit before tax	(861)	(1,490)	(14,265)
Tax expense	(17)	(20)	(205)
(Loss)/profit for the period/year	(878)	(1,510)	(14,470)
(Loss)/profit attributable to:			
Owners of the Group	(878)	(1,510)	(14,470)

Calligo (UK) Limited
Condensed consolidated statement of other comprehensive income

£ '000	(Unaudited) 2024 Q1	(Unaudited) 2023 Q1	(Audited) FY 23
Loss for the period/year	(878)	(1,510)	(14,470)
Foreign Exchange Differences on Retranslation	150	59	123
Total Comprehensive (loss)/income for the period/year	(728)	(1,451)	(14,347)
Total Comprehensive (loss)/income for the period/year attributable to:			
Owners of the Group	(728)	(1,451)	(14,347)

Calligo (UK) Limited
Condensed consolidated statement of changes in equity

£ '000	Share Capital	Retained earnings	Total equity
Balance at 1 Jan 2024	6,661	(49,286)	(42,625)
(Loss)/profit for the period	–	(878)	(878)
Other comprehensive (loss)/income	–	150	150
Balance at 31 March 2024 - unaudited	6,661	(50,014)	(43,353)
Balance at 1 Jan 2023 - restated	6,661	(34,939)	(28,278)
(Loss)/profit for the period	–	(1,510)	(1,510)
Other comprehensive (loss)/income	–	59	59
Balance at 31 March 2023 - unaudited	6,661	(36,390)	(29,729)
Balance at 1 Jan 2023 - restated	6,661	(34,939)	(28,278)
(Loss)/profit for the period	–	(14,470)	(14,470)
Other comprehensive (loss)/income	–	123	123
Balance at 31 December 2023 - audited	6,661	(49,286)	(42,625)

Calligo (UK) Limited
Condensed consolidated statement of cash flows

£ '000	<i>(Unaudited)</i> 2024 Q1	<i>(Unaudited)</i> 2023 Q1	<i>(Audited)</i> FY 23
Operating activities			
(Loss)/profit before tax	(861)	(1,490)	(14,265)
Non cash adjustments	399	1,634	13,136
Net changes in working capital	(285)	982	5,629
Taxes paid	(19)	(28)	(120)
Net cash from operating activities	(766)	1,098	4,380
Investing activities			
Purchase of property, plant and equipment	(10)	(54)	(709)
Sale of fixed assets	15	20	81
Purchase of other intangible assets	0	(78)	(79)
Interest received	–	0	2
Net cash used in investing activities	5	(112)	(705)
Financing activities			
Interest paid	(13)	(936)	(2,998)
Shareholder Loan	3,000	–	–
Acquisition finance - bond	–	(0)	–
Receipt/(repayments) of leases	(233)	(315)	(1,204)
Net cash (used in)/from financing activities	2,754	(1,251)	(4,202)
Net change in cash and cash equivalents	1,993	(265)	(527)
Cash and cash equivalent equivalents, beginning of period	608	1,135	1,135
Cash and cash equivalent equivalents, end of period	2,601	870	608
Cash and cash equivalents	2,601	834	572
Cash in escrow included in other debtors	–	36	36
Cash and cash equivalent equivalents, end of period	2,601	870	608

Calligo (UK) Limited
Consolidated statement of financial position

£ '000	(Unaudited) 2024 Q1	(Unaudited) 2023 Q1	(Audited) FY 23
Assets			
Non-current			
Goodwill	4,547	11,130	4,510
Other Intangible Assets	1,379	1,966	1,526
Other Long-Term Assets	337	341	420
Property, Plant & Equipment	2,039	1,869	2,177
Right of Use Assets	2,373	1,872	2,583
Non-current assets	10,675	17,178	11,216
Current Assets			
Inventory	19	42	20
Prepayments & Other Short-Term Assets	681	369	469
Trade & Other Receivables	1,983	2,615	16,483
Cash & Cash Equivalents	2,601	834	572
Current Assets	5,284	3,860	17,544
Total Assets	15,959	21,038	28,760
Equity & Liabilities			
Equity			
Share Capital	6,661	6,661	6,661
Retained Earnings	(50,014)	(36,390)	(49,286)
Total equity	(43,353)	(29,729)	(42,625)
Non-current			
Lease Liabilities - LT	2,938	2,178	3,098
Other Liabilities	–	–	–
Non-current liabilities	2,938	2,178	3,098
Current			
Borrowings	37,897	34,135	34,023
Provisions	172	–	173
Trade & Other Payables	16,907	13,129	32,589
Lease Liabilities - ST	723	731	813
Contract Liabilities	163	174	176
Tax Liabilities	512	420	513
Current liabilities	56,374	48,589	68,287
Total liabilities	59,312	50,767	71,385
Total Equity & liabilities	15,959	21,038	28,760