



Interim Report

April 1 to June 30, 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 April 2024 to 30 June 2024.

CEO Q2, FY 24

As highlighted in the Q1 update, we have completed the onboarding of 14 new members to our sales and sales support team. They are currently undergoing training and getting acquainted with market conditions. Q2 sales performance was strong in North America but weaker in EMEA, a reversal from Q1 where EMEA excelled. North America achieved 169% of the net new business target and 226% of the renewals target in Q2. In contrast, EMEA reached only 25% of the net new business target due to the largest opportunity slipping to H2, with renewals at 67% of the target.

At the end of Q2, we completed the rationalisation plan developed in Q1, resulting in a 12% reduction of the workforce. We anticipate seeing the benefits of these changes in the second half of the year.

The market remains challenging for net new sales at Calligo. Despite having a £25m pipeline of opportunities, lead generation continues to be a challenge. An external review of our pipeline development revealed that our digital marketing spend has underperformed. Consequently, we have engaged external consultants to review our current marketing technology stack, website, and supporting processes. This review is expected to be completed during Qtr 3.

The management team remains committed to developing a state-of-the-art sales engine. The new sales organisation is in place and settling in. We expect H2 to continue being a steep learning curve for the organisation in terms of developing and closing net new business.

Financial Discussion

Q2 FY24 revenues decreased by £0.7m or 11.3% year-on-year on a like for like basis with £0.5m attributable to the Cloud/Managed Services segment and £0.2m driven by the reduction in the Data/Privacy segment. Adjusted EBITDA in Q2 FY24 was a negative £0.09m (note 4).

Net cash movement from working capital over the quarter was a negative £0.7m driven mostly by a reduction in aged payables. DSO at 30 June 2024 were 36 days. Net Capex in the quarter was insignificant as expected.

Net debt at 30 June 2024 was £40.2m implying a net leverage ratio of 60.2x based on the Adj. EBITDA for the last twelve months of £0.67m. The net debt figure includes all interest 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 Q2	(Unaudited) 2023 Q2	(Unaudited) 2024 YTD	(Unaudited) 2023 YTD	(Audited) FY 23
Revenue	2	5,472	6,169	11,052	12,737	24,515
		5,472	6,169	11,052	12,737	24,515
Costs of Material		(1,830)	(1,948)	(3,635)	(3,850)	(7,652)
Employee Benefits Expense		(3,029)	(3,020)	(5,936)	(6,215)	(11,102)
Depreciation, Amortisation and Impairment of Non-Financial Assets		(655)	(772)	(1,316)	(1,481)	(9,505)
Impairment of Financial Assets		(0)	–	(1)	–	(158)
Other Expenses		(1,032)	(1,496)	(2,407)	(2,524)	(4,738)
Operating (loss)/profit		(1,074)	(1,067)	(2,243)	(1,333)	(8,640)
Finance income		–	(0)	–	(0)	2
Finance costs		(746)	(1,112)	(956)	(2,089)	(4,436)
Other financial items		149	328	511	254	(37)
(Loss)/profit before tax		(1,671)	(1,851)	(2,688)	(3,168)	(13,111)
Tax expense		(15)	(17)	(31)	(37)	(247)
(Loss)/profit for the period/year from continuing operations		(1,686)	(1,868)	(2,719)	(3,205)	(13,358)
Profit for the period/year from discontinued operations		–	36	–	90	579
(Loss)/profit for the period/year		(1,686)	(1,832)	(2,719)	(3,115)	(12,779)
Profit/(loss) attributable to:						
Owners of the Group		(1,686)	(1,832)	(2,719)	(3,115)	(12,779)

Calligo Holdings Limited
Condensed consolidated statement of other comprehensive income

£ '000	(Unaudited) 2024 Q2	(Unaudited) 2023 Q2	(Unaudited) 2024 YTD	(Unaudited) 2023 YTD	(Audited) FY 23
Loss for the period/year	(1,686)	(1,832)	(2,719)	(3,115)	(12,779)
Foreign Exchange Differences on Retranslation	131	132	277	183	99
Total Comprehensive (loss)/income for the period/year	(1,555)	(1,700)	(2,442)	(2,932)	(12,680)
Total Comprehensive (loss)/income for the period/year attributable to:					
Owners of the Group	(1,555)	(1,700)	(2,442)	(2,932)	(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)
Issue of share capital	–	(17)	–	(17)
(Loss)/profit for the period	–	–	(2,719)	(2,719)
Other comprehensive (loss)/income	–	–	277	277
Balance at 30 June 2024 - unaudited	296	27,128	(58,224)	(30,800)
Balance at 1 Jan 2023 - restated	286	24,171	(42,224)	(17,767)
Transactions with owners	10	2,974	–	2,984
(Loss)/profit for the period	–	–	(3,115)	(3,115)
Other comprehensive (loss)/income	–	–	183	183
Balance at 30 June 2023 - unaudited	296	27,145	(45,156)	(17,715)
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 Q2	<i>(Unaudited)</i> 2023 Q2	<i>(Unaudited)</i> 2024 YTD	<i>(Unaudited)</i> 2023 YTD	<i>(Audited)</i> FY 23
Operating activities					
(Loss)/profit before tax	(1,671)	(1,804)	(2,688)	(3,059)	(12,477)
Non cash adjustments	1,946	1,379	2,777	3,261	12,076
Net changes in working capital	(717)	(187)	(1,287)	729	1,628
Taxes paid	(68)	(44)	(87)	(122)	(253)
Net cash from operating activities	(510)	(656)	(1,285)	809	974
Investing activities					
Purchase of property, plant and equipment	(75)	(747)	(85)	(866)	(813)
Sale of fixed assets	25	21	40	41	1,368
Purchase of other intangible assets	–	–	–	(79)	(79)
Interest received	–	0	–	1	2
Net cash used in investing activities	(50)	(726)	(45)	(903)	478
Financing activities					
Net proceeds from issue of share capital	–	2,984	–	2,984	2,984
Interest paid	(14)	(1,006)	(28)	(1,942)	(2,997)
Cost of equity raise	(17)	–	(17)	–	–
Shareholder Loan	–	–	3,000	–	–
(Repayments)/receipts of leases	(326)	(214)	(842)	(746)	(1,418)
Net cash (used in)/from financing activities	(357)	1,764	2,113	296	(1,431)
Net change in cash and cash equivalents	(917)	382	783	202	21
Cash and cash equivalents, beginning of period	3,071	1,170	1,371	1,350	1,350
Cash and cash equivalents, end of period	2,154	1,552	2,154	1,552	1,371
Cash and cash equivalents	2,154	1,516	2,154	1,516	1,335
Cash in escrow included in other debtors	–	36	–	36	36
Cash and cash equivalents, end of period	2,154	1,552	2,154	1,552	1,371

Calligo Holdings Limited
Consolidated statement of financial position

£ '000	(Unaudited) 2024 Q2	(Unaudited) 2023 Q2	(Audited) FY 23
Assets			
Non-Current			
Goodwill	4,684	11,630	4,653
Other Intangible Assets	1,221	1,758	1,526
Other Long-Term Assets	279	332	420
Property, Plant & Equipment	2,022	2,793	2,267
Right of Use Assets	2,776	3,759	2,961
Total Non-Current Assets	10,982	20,272	11,827
Current			
Inventory	19	41	20
Prepayments & Other Short-Term Assets	813	1,199	925
Trade & Other Receivables	2,258	2,662	2,014
Cash & Cash Equivalents	2,154	1,516	1,335
Total Current Assets	5,244	5,418	4,294
Total Assets	16,226	25,690	16,121
Equity & Liabilities			
Equity			
Share Capital	296	296	296
Share Premium	27,128	27,145	27,145
Retained Earnings	(58,224)	(45,156)	(55,782)
Total Equity	(30,800)	(17,715)	(28,341)
Non-Current			
Lease Liabilities - LT	2,981	4,012	3,111
Borrowings	38,379	33,458	34,023
Other Liabilities	-	-	-
Total Non-Current Liabilities	41,360	37,470	37,134
Current			
Provisions	137	-	183
Trade & Other Payables	3,785	4,288	5,245
Lease Liabilities - ST	975	1,100	1,169
Contract Liabilities	308	149	218
Tax Liabilities	461	398	513
Total Current Liabilities	5,666	5,935	7,328
Total Liabilities	47,026	43,405	44,462
Total Equity & liabilities	16,226	25,690	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 2, 2024.

Note 2: Revenue

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

Revenue £ '000	(Unaudited) 2024 Q2	(Unaudited) 2023 Q2	(Unaudited) 2024 YTD	(Unaudited) 2023 YTD	(Audited) FY 23
MMR	4,856	5,436	9,854	11,173	21,853
NRR	616	733	1,198	1,564	2,662
Total	5,472	6,169	11,052	12,737	24,515

Note 3: Share capital and dividends

There were no changes in issued share capital in Calligo Holdings Limited during the quarter ended 30 June 2024.

There were no dividends declared or paid by Calligo Holdings Limited during the quarter ended 30 June 2024.

Note 4: Adjusted EBITDA

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

Adjusted EBITDA bridge £ '000	(Unaudited) 2024 Q2	(Unaudited) 2023 Q2	(Unaudited) 2024 YTD	(Unaudited) 2023 YTD	(Audited) FY 23
Operating (loss)/profit (incl Lux)	(1,074)	(1,021)	(2,243)	(1,226)	(8,379)
D&A, goodwill impairment provision	655	811	1,317	1,559	9,654
Exceptional items	343	867	893	1,350	2,099
Bank & credit card charges reclassified as other financial items	(11)	(11)	(21)	(18)	(44)
EBITDA	(87)	646	(54)	1,665	3,330
Removal of Lux trading performance	–	(86)	–	(187)	(409)
QoE and other adjustments	–	–	–	–	(720)
Adjusted EBITDA	(87)	560	(54)	1,478	2,201

Note 5: Exceptional items

A summary of exceptional items is as follows:

£ '000	(Unaudited) 2024 Q2	(Unaudited) 2023 Q2
Restructuring Expenses	183	642
Bond Issuance & debt raising Fees	14	8
Bond Arrangement Fees (Amortised, non cash item)	126	123
M&A Transaction Costs	8	74
Other items	11	20
	342	867

Note 6: Net leverage ratio

£ '000	2024 Q2
Senior debt (net of unamortised Prepayment fee)	35,294
Shareholder loan	3,085
Add: short & long term leases	3,956
Less: cash (net of restricted elements)	(2,077)
Net debt	40,258
Last twelve months Adj EBITDA	669
Net leverage ratio	60.2

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

£ '000	(Unaudited) 2024 Q2	(Unaudited) 2023 Q2	(Unaudited) 2024 YTD	(Unaudited) 2023 YTD	(Audited) FY 23
Revenue	3,787	4,452	7,667	9,210	17,554
	3,787	4,452	7,667	9,210	17,554
Costs of Material	(1,311)	(1,454)	(2,617)	(2,874)	(5,680)
Employee Benefits Expense	(2,551)	(2,559)	(4,969)	(5,168)	(10,043)
Depreciation, Amortisation and Impairment of Non-Financial Assets	(476)	(580)	(983)	(1,097)	(8,717)
Impairment of Financial Assets	–	–	(1)	–	(148)
Other Expenses	(594)	(745)	(1,279)	(1,414)	(2,825)
Operating (loss)/profit	(1,145)	(886)	(2,182)	(1,343)	(9,859)
Finance income	–	–	–	–	2
Finance costs	(724)	(1,098)	(919)	(2,057)	(4,378)
Other financial items	153	331	523	257	(30)
(Loss)/profit before tax	(1,716)	(1,653)	(2,578)	(3,143)	(14,265)
Tax expense	(14)	(17)	(32)	(36)	(205)
(Loss)/profit for the period/year	(1,730)	(1,670)	(2,610)	(3,179)	(14,470)
(Loss)/profit attributable to:					
Owners of the Group	(1,730)	(1,670)	(2,610)	(3,179)	(14,470)

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

£ '000	(Unaudited) 2024 Q2	(Unaudited) 2023 Q2	(Unaudited) 2024 YTD	(Unaudited) 2023 YTD	(Audited) FY 23
Loss for the period/year	(1,730)	(1,670)	(2,610)	(3,179)	(14,470)
Foreign Exchange Differences on Retranslation	135	155	285	213	123
Total Comprehensive (loss)/income for the period/year	(1,595)	(1,515)	(2,325)	(2,966)	(14,347)
Total Comprehensive (loss)/income for the period/year attributable to:					
Owners of the Group	(1,595)	(1,515)	(2,325)	(2,966)	(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	–	(2,610)	(2,610)
Other comprehensive (loss)/income	–	285	285
Balance at 30 June 2024 - unaudited	6,661	(51,611)	(44,950)
Balance at 1 Jan 2023 - restated	6,661	(34,939)	(28,278)
(Loss)/profit for the period	–	(3,179)	(3,179)
Other comprehensive (loss)/income	–	213	213
Balance at 30 June 2023 - unaudited	6,661	(37,905)	(31,244)
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 Q2	<i>(Unaudited)</i> 2023 Q2	<i>(Unaudited)</i> 2024 YTD	<i>(Unaudited)</i> 2023 YTD	<i>(Audited)</i> FY 23
Operating activities					
(Loss)/profit before tax	(1,716)	(1,653)	(2,578)	(3,143)	(14,265)
Non cash adjustments	1,601	1,118	2,000	2,752	13,136
Net changes in working capital	(310)	2,346	(594)	3,328	5,629
Taxes paid	(60)	(23)	(79)	(51)	(120)
Net cash from operating activities	(485)	1,788	(1,251)	2,886	4,380
Investing activities					
Purchase of property, plant and equipment	(15)	(720)	(25)	(774)	(709)
Sale of fixed assets	36	21	51	41	81
Purchase of other intangible assets	–	(1)	–	(79)	(79)
Interest received	–	–	–	0	2
Net cash used in investing activities	21	(700)	26	(812)	(705)
Financing activities					
Interest paid	(13)	(1,013)	(26)	(1,949)	(2,998)
Shareholder Loan	–	–	3,000	–	–
Receipt/(repayments) of leases	(445)	(226)	(678)	(541)	(1,204)
Net cash (used in)/from financing activities	(458)	(1,239)	2,296	(2,490)	(4,202)
Net change in cash and cash equivalents	(922)	(151)	1,071	(416)	(527)
Cash and cash equivalents, beginning of period	2,601	870	608	1,135	1,135
Cash and cash equivalents, end of period	1,679	719	1,679	676	608
Cash and cash equivalents	1,679	683	1,679	683	572
Cash in escrow included in other debtors	–	36	–	36	36
Cash and cash equivalents, end of period	1,679	719	1,679	719	608

Calligo (UK) Limited
Consolidated statement of financial position

£ '000	(Unaudited) 2024 Q2	(Unaudited) 2023 Q2	(Audited) FY 23
Assets			
Non-current			
Goodwill	4,541	10,943	4,510
Other Intangible Assets	1,221	1,758	1,526
Other Long-Term Assets	279	332	420
Property, Plant & Equipment	1,960	2,581	2,177
Right of Use Assets	2,184	3,030	2,583
Non-current assets	10,185	18,644	11,216
Current Assets			
Inventory	19	41	20
Prepayments & Other Short-Term Assets	528	685	469
Trade & Other Receivables	2,193	2,445	16,483
Cash & Cash Equivalents	1,679	683	572
Current Assets	4,419	3,854	17,544
Total Assets	14,604	22,498	28,760
Equity & Liabilities			
Equity			
Share Capital	6,661	6,661	6,661
Retained Earnings	(51,611)	(37,906)	(49,286)
Total equity	(44,950)	(31,245)	(42,625)
Non-current			
Lease Liabilities - LT	2,797	3,685	3,098
Borrowings	38,379	33,458	34,023
Other Liabilities	–	–	–
Non-current liabilities	41,176	37,143	37,121
Current			
Provisions	127	–	173
Trade & Other Payables	16,986	15,344	32,589
Lease Liabilities - ST	571	708	813
Contract Liabilities	233	135	176
Tax Liabilities	461	413	513
Current liabilities	18,378	16,600	34,264
Total liabilities	59,554	53,743	71,385
Total Equity & liabilities	14,604	22,498	28,760