



Interim Report

January 1 to March 31, 2023



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 2023 to 31 March 2023.

Chairman Q1, FY 23

When I founded Calligo in 2012, my vision was to create a business that would help organisations drive real value through the proper use of data, with data privacy at its heart. Since then, a kaleidoscope of new technology has allowed Calligo to deliver on this vision of a complete data journey for our clients, underpinned by cloud, to turn complex data into the significant asset that it is.

At the beginning of May, I was delighted to announce my move from CEO of Calligo to the role of Chair of our Board. As Calligo continues to grow, this will allow me the time to focus on our strategic activities including future M&A opportunities.

It was also a pleasure to welcome Paul Comerford as Calligo's new CEO. He brings with him a wealth of experience in managed services businesses, having held senior executive positions at BT, Damovo and ZeroTouch.

Q1 saw our EBITDA grow broadly in line with our predictions as the transformation work of last year started to come through, our bookings for new business grew by 80% YoY with 90% being reoccurring. This gives us a solid platform for a good H1 performance. Monthly reoccurring has increased by 5% YoY in Q1 without any normalisation of the transformation changes and revenues per client has now increased approximately four-fold since 2020.

Financial Discussion

Q1 FY23 revenues decreased by 3.2% year-on-year driven mainly by our client rationalisation process, especially in Ireland and Canada. Full year revenue excluding Ireland and Canada increased 10.4% year-on-year. Adj. EBITDA in Q1 FY23 was £1.0m at a margin of 14.9% (note 5) representing a 20% increase on the equivalent period last year.

Net cash movement from working capital over the quarter was a positive £0.9m driven by a reduction in DSO to 32 days, the lowest level it has ever been at Calligo.

Net debt at 31 March 2023 was £36.1m implying a net leverage ratio of 13x based on the Adj. EBITDA for the last twelve months of £2.78m.

Calligo Holdings Limited

Condensed consolidated statement of profit or loss

£ '000	Notes	(Unaudited) 2023 Q1	(Unaudited) 2022 Q1	(Audited) FY 22
Revenue	2	6,841	7,065	29,752
		6,841	7,065	29,752
Costs of Material		(1,978)	(2,344)	(9,639)
Employee Benefits Expense		(3,257)	(3,415)	(14,810)
Depreciation, Amortisation and Impairment of Non-Financial Assets		(759)	(655)	(2,985)
Impairment of Financial Assets		–	–	(61)
Other Expenses		(1,057)	(1,405)	(5,323)
Operating (loss)/profit		(210)	(754)	(3,066)
Finance income		–	2	36
Finance costs		(978)	(974)	(3,890)
Other financial items		(74)	354	77
(Loss)/profit before tax		(1,262)	(1,372)	(6,843)
Tax expense		(28)	(26)	(304)
(Loss)/profit for the period/year		(1,290)	(1,398)	(7,147)
(Loss)/profit attributable to:				
Owners of the Group		(1,290)	(1,398)	(7,147)

Calligo Holdings Limited

Condensed consolidated statement of other comprehensive income

£ '000	(Unaudited) 2023 Q1	(Unaudited) 2022 Q1	(Audited) FY 22
Loss for the period/year	(1,290)	(1,398)	(7,147)
Foreign Exchange Differences on Retranslation	49	(6)	(245)
Total Comprehensive (loss)/income for the period/year	(1,241)	(1,404)	(7,392)
Total Comprehensive (loss)/income for the period/year attributable to:			
Owners of the Group	(1,241)	(1,404)	(7,392)

Calligo Holdings Limited

Condensed consolidated statement of changes in equity

£ '000	Share Capital	Share Premium	Retained earnings	Total equity
Balance at 1 Jan 2023	286	24,171	(42,082)	(17,625)
(Loss)/profit for the period	–	–	(1,290)	(1,290)
Other comprehensive (loss)/income	–	–	49	49
Balance at 31 March 2023 - unaudited	286	24,171	(43,323)	(18,866)
Balance at 1 Jan 2022	286	24,171	(34,546)	(10,089)
Employee share based compensation	–	–	(1,398)	(1,398)
Other comprehensive (loss)/income	–	–	(6)	(6)
Balance at 31 March 2022 - unaudited	286	24,171	(35,950)	(11,493)
Balance at 1 Jan 2022	286	24,171	(34,546)	(10,089)
Employee share based compensation	–	–	(144)	(144)
(Loss)/profit for the period	–	–	(7,147)	(7,147)
Other comprehensive (loss)/income	–	–	(245)	(245)
Balance at 31 December 2022 - audited	286	24,171	(42,082)	(17,625)

Calligo Holdings Limited
Condensed consolidated statement of cash flows

£ '000	(Unaudited) 2023 Q1	(Unaudited) 2022 Q1	(Audited) FY 22
Operating activities			
(Loss)/profit before tax	(1,262)	(1,372)	(6,843)
Non cash adjustments	1,889	1,418	7,759
Net changes in working capital	885	(1,023)	(179)
Taxes paid	(78)	97	(2)
Net cash from operating activities	1,434	(880)	735
Investing activities			
Purchase of property, plant and equipment	(119)	(167)	(764)
Sale of fixed assets	20	–	164
Purchase of other intangible assets	(78)	–	(151)
Interest received	–	2	37
Net cash used in investing activities	(177)	(165)	(714)
Financing activities			
Interest paid	(936)	(906)	(3,774)
Acquisition finance - bond	–	–	(8,589)
(Repayments)/receipts of leases	(532)	(373)	(1,803)
Net cash (used in)/from financing activities	(1,468)	(1,279)	(14,166)
Net change in cash and cash equivalents	(211)	(2,324)	(14,145)
Cash and cash equivalent equivalents, beginning of period	1,350	15,495	15,495
Cash and cash equivalent equivalents, end of period	1,139	13,171	1,350
Cash and cash equivalents	1,103	4,527	1,315
Cash in escrow included in other debtors	36	8,644	35
Cash and cash equivalent equivalents, end of period	1,139	13,171	1,350

Calligo Holdings Limited
Consolidated statement of financial position

£ '000	Notes	(Unaudited) 2023 Q1	(Unaudited) 2022 Q1	(Audited) 31-Dec-22
Assets				
Non-current				
Goodwill		11,816	11,691	11,930
Other Intangible Assets		1,966	2,301	2,165
Other Long-Term Financial Assets		313	–	314
Property, Plant & Equipment		2,168	2,194	2,244
Right of Use Assets		2,724	3,337	3,168
Non-current assets		18,987	19,523	19,821
Inventory		42	40	42
Prepayments & Other Short-Term Assets		1,012	2,350	932
Trade & Other Receivables		2,300	12,774	3,235
Cash & Cash Equivalents		1,103	4,527	1,315
Current Assets		4,457	19,691	5,524
Total Assets		23,444	39,214	25,345
Equity and liabilities				
Equity				
Equity		286	286	286
Share premium		24,171	24,171	24,171
Retained earnings		(43,323)	(35,950)	(42,082)
Total equity		(18,866)	(11,493)	(17,625)
Non-current				
Borrowings		34,135	42,254	34,245
Lease Liabilities - LT		2,059	2,788	2,054
Other Liabilities		–	(22)	–
Non-current liabilities		36,194	45,020	36,299
Current				
Provisions		91	91	91
Trade & Other Payables		4,175	3,575	4,274
Lease Liabilities - ST		1,071	1,082	1,565
Contract and other liabilities		365	654	277
Tax Liabilities		414	285	464
Current liabilities		6,116	5,687	6,671
Total liabilities		42,310	50,707	42,970
Total Equity & liabilities		23,444	39,214	25,345

Calligo Holdings Limited – supplementary notes**Note 1: Accounting policies****Statement of compliance**

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

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 2022. There has been no change to these policies for Quarter 1, 2023.

Note 2: Revenue

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

Revenue £ '000	(Unaudited) 2023 Q1	(Unaudited) 2022 Q1	(Audited) FY 22
MMR	5,991	5,710	23,392
NRR	850	1,355	6,360
Total	6,841	7,065	29,752

Note 3: Share capital and dividends

There were no changes in issued share capital in Calligo Holdings Limited during the quarter ended 31 March 2023.

There were no dividends declared or paid by Calligo Holdings Limited during the quarter ended 31 March 2023.

Note 4: Equity raise

On 18 April 2023, the Company raised £3m from the issue of a new class of Preference Share. This was entirely from a new investor.

Note 5: Adjusted EBITDA

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

Adjusted EBITDA bridge £ '000	(Unaudited) 2023 Q1	(Unaudited) 2022 Q1	(Audited) FY22
Operating (loss)/profit	(210)	(754)	(3,066)
D&A, goodwill impairment provision	759	655	2,985
Exceptional items	483	743	2,522
Bank & credit card charges reclassified as other financial items	(9)	(13)	(50)
EBITDA	1,023	631	2,391
QoE and other adjustments	–	218	222
Adjusted EBITDA	1,023	849	2,613

Note 6: Exceptional items

A summary of exceptional items is as follows:

£ '000	(Unaudited) 2023 Q1	(Unaudited) 2022 Q1
Restructuring Expenses	218	254
Bond Issuance & debt raising Fees	30	219
Bond Arrangement Fees (Amortised, non cash item)	123	122
M&A Transaction Costs	53	122
Other items	59	26
	483	743

Note 7: Net leverage ratio

£ '000	2023 Q1
Senior debt (net of unamortised Prepayment fee)	34,135
Add: short & long term leases	3,130
Less: cash	(1,103)
Net debt	36,162
Last twelve months Adj EBITDA	2,788
Net leverage ratio	13.0

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

£ '000	(Unaudited) 2023 Q1	(Unaudited) 2022 Q1	(Audited) FY 22
Revenue	4,759	5,272	22,377
	4,759	5,272	22,377
Costs of Material	(1,419)	(1,770)	(7,211)
Employee Benefits Expense	(2,609)	(2,798)	(12,560)
Depreciation, Amortisation and Impairment of Non-Financial Assets	(529)	(549)	(2,394)
Impairment of Financial Assets	–	(0)	(63)
Other Expenses	(665)	(783)	(3,419)
Operating (loss)/profit	(463)	(628)	(3,270)
Finance income	–	2	36
Finance costs	(959)	(961)	(4,028)
Other financial items	(75)	357	86
(Loss)/profit before tax	(1,497)	(1,230)	(7,176)
Tax expense	(20)	(15)	(178)
(Loss)/profit for the period/year	(1,517)	(1,245)	(7,354)
(Loss)/profit attributable to:			
Owners of the Group	(1,517)	(1,245)	(7,354)

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

£ '000	(Unaudited) 2023 Q1	(Unaudited) 2022 Q1	(Audited) FY 22
Loss for the period/year	(1,517)	(1,245)	(7,354)
Foreign Exchange Differences on Retranslation	55	(12)	(295)
Total Comprehensive (loss)/income for the period/year	(1,462)	(1,257)	(7,649)
Total Comprehensive (loss)/income for the period/year attributable to:			
Owners of the Group	(1,462)	(1,257)	(7,649)

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

£ '000	Share Capital	Retained earnings	Total equity
Balance at 1 Jan 2023	6,661	(34,796)	(28,135)
(Loss)/profit for the period	–	(1,517)	(1,517)
Other comprehensive (loss)/income	–	55	55
Balance at 31 March 2023 - unaudited	6,661	(36,258)	(29,597)
Balance at 1 Jan 2022	6,661	(27,147)	(20,486)
(Loss)/profit for the period	–	(1,245)	(1,245)
Other comprehensive (loss)/income	–	(12)	(12)
Balance at 31 March 2022 - unaudited	6,661	(28,404)	(21,743)
Balance at 1 Jan 2022	6,661	(27,147)	(20,486)
(Loss)/profit for the period	–	(7,354)	(7,354)
Other comprehensive (loss)/income	–	(295)	(295)
Balance at 31 December 2022 - audited	6,661	(34,796)	(28,135)

Calligo (UK) Limited
Condensed consolidated statement of cash flows

£ '000	Notes	(Unaudited) 2023 Q1	(Unaudited) 2022 Q1	(Audited) FY 22
Operating activities				
(Loss)/profit before tax		(1,497)	(1,230)	(7,176)
Non cash adjustments		1,641	1,544	6,586
Net changes in working capital		951	(1,133)	393
Taxes paid		(28)	172	229
Net cash from operating activities		1,067	(647)	32
Investing activities				
Purchase of property, plant and equipment		(54)	(166)	(713)
Sale of fixed assets		20	–	161
Purchase of other intangible assets		(78)	–	(159)
Interest received		–	2	37
Net cash used in investing activities		(112)	(164)	(674)
Financing activities				
Interest paid		(936)	(903)	(3,637)
Acquisition finance - bond		–	–	(8,589)
Receipt/(repayments) of leases		(315)	(562)	(1,329)
Net cash (used in)/from financing activities		(1,251)	(1,465)	(13,555)
Net change in cash and cash equivalents		(296)	(2,276)	(14,197)
Cash and cash equivalent equivalents, beginning of period		1,135	15,332	15,332
Cash and cash equivalent equivalents, end of period		839	13,056	1,135
Cash and cash equivalents		803	4,411	1,100
Cash in escrow included in other debtors		36	8,645	35
Cash and cash equivalent equivalents, end of period		839	13,056	1,135

Calligo (UK) Limited
Consolidated statement of financial position

£ '000	(Unaudited) 2023 Q1	(Unaudited) 2022 Q1	(Audited) 31-Dec-22
Assets			
Non-current			
Goodwill	11,130	11,005	11,243
Other Intangible Assets	1,966	2,301	2,165
Other Long-Term Financial Assets	313	–	314
Property, Plant & Equipment	1,869	1,834	1,952
Right of Use Assets	1,988	2,954	2,259
Non-current assets	17,266	18,094	17,933
Inventory	42	40	42
Prepayments & Other Short-Term Assets	476	1,876	546
Trade & Other Receivables	2,001	11,898	3,280
Cash & Cash Equivalents	803	4,411	1,100
Current Assets	3,322	18,225	4,968
Total Assets	20,588	36,319	22,901
Equity and liabilities			
Equity	6,661	6,661	6,661
Share premium	(0)	(0)	(0)
Retained earnings	(36,258)	(28,404)	(34,796)
Total equity	(29,597)	(21,743)	(28,135)
Non-current			
Borrowings	34,135	42,254	34,245
Lease Liabilities - LT	1,823	2,575	1,833
Other Liabilities	–	–	–
Non-current liabilities	35,958	44,829	36,078
Current			
Provisions	91	91	91
Trade & Other Payables	12,995	11,461	13,366
Lease Liabilities - ST	547	854	825
Contract and other liabilities	174	619	248
Tax Liabilities	420	208	428
Current liabilities	14,227	13,233	14,958
Total liabilities	50,185	58,062	51,036
Total Equity & liabilities	20,588	36,319	22,901