



Interim Report

April 1 to June 30, 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 April 2023 to 30 June 2023.

CEO Q2, FY 23

As outlined in the Q1 update I have now completed the handover of the CEO duties from Julian Box who is now Chair of the Board. Working with the excellent executive team already in place at Calligo, we have set about continuing to deliver on the original vision and, with Julian now focused on our strategic activities including future M&A opportunities, it allows myself and the leadership team to concentrate on the operational efficiencies of the business. One of the first changes we have made includes a greater emphasis on the existing customer base, as a result we are putting more resource into account management (sales) and service delivery management (post-sales support) across the organisation.

Q2 saw the opening of our state-of-the-art facility in Seattle which allows our data science team to bring our customer data to life. The facility includes a data immersion room allowing customers and Calligo staff to collaborate and problem solve in a more visual and tactile manner.

The second quarter saw the pipeline grow by 50% and all strategic contracts in the US were renewed.

Financial Discussion

Q2 FY23 revenues decreased by 19.5% year-on-year driven by the client rationalisation process in Ireland & Canada and the deliberate scaling back of product sales across all territories, the latter which reduced £0.7m year on year. Q2 MMR revenue excluding Ireland and Canada increased 7.3% year-on-year. Adj. EBITDA in Q2 FY23 was £0.65m at a margin of 10.1% (note 4) representing a 10% increase on the equivalent period last year.

Net cash movement from working capital over the quarter was neutral but was a positive £0.9m for the YTD driven by the reduction in DSO to 30 days. Capex in the quarter was £0.75m principally comprising the investment in the new USA office referred to above.

Net debt at 30 June 2023 was £36.6m implying a net leverage ratio of 12.9x based on the Adj. EBITDA for the last twelve months of £2.84m.

Calligo Holdings Limited

Condensed consolidated statement of profit or loss

£ '000	Notes	(Unaudited) 2023 Q2	(Unaudited) 2022 Q2	(Unaudited) 2023 YTD	(Unaudited) 2022 YTD	(Audited) FY 22
Revenue	2	6,436	7,996	13,277	15,060	29,752
		6,436	7,996	13,277	15,060	29,752
Costs of Material		(2,025)	(2,857)	(4,003)	(5,201)	(9,639)
Employee Benefits Expense		(3,087)	(3,955)	(6,344)	(7,369)	(14,810)
Depreciation, Amortisation and Impairment of Non-Financial Assets		(822)	(603)	(1,581)	(1,257)	(2,985)
Impairment of Financial Assets		–	(3)	–	(4)	(61)
Other Expenses		(1,528)	(1,043)	(2,585)	(2,448)	(5,323)
Operating (loss)/profit		(1,026)	(465)	(1,236)	(1,219)	(3,066)
Finance income		–	4	–	6	36
Finance costs		(1,113)	(991)	(2,091)	(1,966)	(3,890)
Other financial items		328	378	254	732	77
(Loss)/profit before tax		(1,811)	(1,074)	(3,073)	(2,447)	(6,843)
Tax expense		(28)	(38)	(56)	(63)	(304)
(Loss)/profit for the period/year		(1,839)	(1,112)	(3,129)	(2,510)	(7,147)
Profit/(loss) attributable to:						
Owners of the Group		(1,839)	(1,112)	(3,129)	(2,510)	(7,147)

Calligo Holdings Limited

Condensed consolidated statement of other comprehensive income

£ '000	(Unaudited) 2023 Q2	(Unaudited) 2022 Q2	(Unaudited) 2023 YTD	(Unaudited) 2022 YTD	(Audited) FY 22
Loss for the period/year	(1,839)	(1,112)	(3,129)	(2,510)	(7,147)
Foreign Exchange Differences on Retranslation	128	(47)	177	(53)	(245)
Total Comprehensive (loss)/income for the period/year	(1,711)	(1,159)	(2,952)	(2,563)	(7,392)
Total Comprehensive (loss)/income for the period/year attributable to:					
Owners of the Group	(1,711)	(1,159)	(2,952)	(2,563)	(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)
Issue of share capital	10	2,974	–	2,984
(Loss)/profit for the period	–	–	(3,129)	(3,129)
Other comprehensive (loss)/income	–	–	177	177
Balance at 30 June 2023 - unaudited	296	27,145	(45,034)	(17,593)
Balance at 1 Jan 2022	286	24,171	(34,546)	(10,089)
(Loss)/profit for the period	–	–	(2,510)	(2,510)
Other comprehensive (loss)/income	–	–	(53)	(53)
Balance at 30 June 2022 - unaudited	286	24,171	(37,109)	(12,652)
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 Q2	(Unaudited) 2022 Q2	(Unaudited) 2023 YTD	(Unaudited) 2022 YTD	(Audited) FY 22
Operating activities					
(Loss)/profit before tax	(1,811)	(1,074)	(3,073)	(2,447)	(6,843)
Non cash adjustments	1,386	1,506	3,275	2,925	7,759
Net changes in working capital	(3)	42	882	(981)	(179)
Taxes paid	(44)	(31)	(122)	66	(2)
Net cash from operating activities	(472)	443	962	(437)	735
Investing activities					
Purchase of property, plant and equipment	(747)	(446)	(866)	(613)	(764)
Sale of fixed assets	21	–	41	–	164
Purchase of other intangible assets	(1)	–	(79)	–	(151)
Interest received	–	–	–	2	37
Net cash used in investing activities	(727)	(446)	(904)	(611)	(714)
Financing activities					
Net proceeds from issue of share capital	2,984	–	2,984	–	–
Interest paid	(1,006)	(937)	(1,942)	(1,843)	(3,774)
Acquisition finance - bond	–	–	–	–	(8,589)
(Repayments)/receipts of leases	(409)	(316)	(941)	(689)	(1,803)
Net cash (used in)/from financing activities	1,569	(1,253)	101	(2,532)	(14,166)
Net change in cash and cash equivalents	370	(1,256)	159	(3,580)	(14,145)
Cash and cash equivalent equivalents, beginning of period	1,139	13,171	1,350	15,495	15,495
Cash and cash equivalent equivalents, end of period	1,509	11,915	1,509	11,915	1,350
Cash and cash equivalents	1,473	3,260	1,473	3,260	1,315
Cash in escrow included in other debtors	36	8,655	36	8,655	35
Cash and cash equivalent equivalents, end of period	1,509	11,915	1,509	11,915	1,350

Calligo Holdings Limited
Consolidated statement of financial position

£ '000	(Unaudited) 2023 Q2	(Unaudited) 2022 Q2	(Audited) FY 22
Assets			
Non-current			
Goodwill	11,630	12,328	11,930
Other Intangible Assets	1,758	2,327	2,165
Other Long-Term Financial Assets	310	—	314
Property, Plant & Equipment	2,793	2,575	2,244
Right of Use Assets	3,860	3,101	3,168
Non-current assets	20,351	20,331	19,821
Current Assets			
Inventory	41	66	42
Prepayments & Other Short-Term Assets	1,248	2,529	932
Trade & Other Receivables	2,170	12,449	3,235
Cash & Cash Equivalents	1,473	3,260	1,315
Current Assets	4,932	18,304	5,524
Total Assets	25,283	38,635	25,345
Equity and liabilities			
Equity			
Equity	296	286	286
Share premium	27,145	24,171	24,171
Retained earnings	(45,034)	(37,109)	(42,082)
Total equity	(17,593)	(12,652)	(17,625)
Non-current			
Borrowings	33,458	42,968	34,245
Lease Liabilities - LT	3,718	2,638	2,054
Other Liabilities	—	—	—
Non-current liabilities	37,176	45,606	36,299
Current			
Provisions	105	64	91
Trade & Other Payables	4,129	3,817	4,274
Lease Liabilities - ST	919	1,016	1,565
Contract and other liabilities	149	492	277
Tax Liabilities	398	292	464
Current liabilities	5,700	5,681	6,671
Total liabilities	42,876	51,287	42,970
Total Equity & liabilities	25,283	38,635	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 2, 2023.

Note 2: Revenue

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

Revenue £ '000	(Unaudited) 2023 Q2	(Unaudited) 2022 Q2	(Unaudited) 2023 YTD	(Unaudited) 2022 YTD	(Audited) FY 22
MMR	5,680	5,895	11,671	11,605	23,392
NRR	756	2,101	1,606	3,455	6,360
Total	6,436	7,996	13,277	15,060	29,752

Note 3: Share capital and dividends

On 18 April 2023, the Company raised £3m (gross) from the issue of a new class of Preference Share.

There were no dividends declared or paid by Calligo Holdings Limited during the quarter ended 30 June 2023.

Note 4: Adjusted EBITDA

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

Adjusted EBITDA bridge £ '000	(Unaudited) 2023 Q2	(Unaudited) 2022 Q2	(Unaudited) 2023 YTD	(Unaudited) 2022 YTD	(Audited) FY 22
Operating (loss)/profit	(1,026)	(465)	(1,236)	(1,219)	(3,066)
D&A, goodwill impairment provision	822	603	1,581	1,257	2,985
Exceptional items	867	359	1,350	1,103	2,522
Bank & credit card charges reclassified as other financial items	(13)	(13)	(22)	(26)	(50)
EBITDA	650	484	1,673	1,115	2,391
QoE and other adjustments	–	108	–	326	222
Adjusted EBITDA	650	592	1,673	1,441	2,613

Note 5: Exceptional items

A summary of exceptional items is as follows:

£ '000	(Unaudited) 2023 Q2	(Unaudited) 2022 Q2
Restructuring Expenses	642	155
Bond Issuance & debt raising Fees	8	13
Bond Arrangement Fees (Amortised, non cash item)	123	122
M&A Transaction Costs	74	63
Other items	20	6
	867	359

Note 6: Net leverage ratio

£ '000	2023 Q2
Senior debt (net of unamortised Prepayment fee)	33,458
Add: short & long term leases	4,638
Less: cash	(1,473)
Net debt	36,623
Last twelve months Adj EBITDA	2,847
Net leverage ratio	12.9

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

£ '000	(Unaudited) 2023 Q2	(Unaudited) 2022 Q2	(Unaudited) 2023 YTD	(Unaudited) 2022 YTD	(Audited) FY 22
Revenue	4,452	6,199	9,210	11,471	22,377
	4,452	6,199	9,210	11,471	22,377
Costs of Material	(1,454)	(2,263)	(2,874)	(4,033)	(7,211)
Employee Benefits Expense	(2,559)	(3,335)	(5,168)	(6,134)	(12,560)
Depreciation, Amortisation and Impairment of Non-Financial Assets	(591)	(500)	(1,120)	(1,049)	(2,394)
Impairment of Financial Assets	–	(3)	–	(4)	(63)
Other Expenses	(741)	(635)	(1,404)	(1,418)	(3,419)
Operating (loss)/profit	(893)	(537)	(1,356)	(1,167)	(3,270)
Finance income	–	4	–	6	36
Finance costs	(1,098)	(981)	(2,057)	(1,942)	(4,028)
Other financial items	331	362	257	721	86
(Loss)/profit before tax	(1,660)	(1,152)	(3,156)	(2,382)	(7,176)
Tax expense	(16)	(19)	(37)	(34)	(178)
(Loss)/profit for the period/year	(1,676)	(1,171)	(3,193)	(2,416)	(7,354)
(Loss)/profit attributable to:					
Owners of the Group	(1,676)	(1,171)	(3,193)	(2,416)	(7,354)

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

£ '000	(Unaudited) 2023 Q2	(Unaudited) 2022 Q2	(Unaudited) 2023 YTD	(Unaudited) 2022 YTD	(Audited) FY 22
Loss for the period/year	(1,676)	(1,171)	(3,193)	(2,416)	(7,354)
Foreign Exchange Differences on Retranslation	151	(61)	206	(74)	(295)
Total Comprehensive (loss)/income for the period/year	(1,525)	(1,232)	(2,987)	(2,490)	(7,649)
Total Comprehensive (loss)/income for the period/year attributable to:					
Owners of the Group	(1,525)	(1,232)	(2,987)	(2,490)	(7,649)

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

£ '000	Share Capital	Share Premium	Retained earnings	Total equity
Balance at 1 Jan 2023	6,661	(0)	(34,796)	(28,135)
(Loss)/profit for the period	–	–	(3,193)	(3,193)
Other comprehensive (loss)/income	–	–	206	206
Balance at 30 June 2023 - unaudited	6,661	(0)	(37,783)	(31,122)
Balance at 1 Jan 2022	6,661	(0)	(27,147)	(20,486)
(Loss)/profit for the period	–	–	(2,416)	(2,416)
Other comprehensive (loss)/income	–	–	(74)	(74)
Balance at 30 June 2022 - unaudited	6,661	(0)	(29,637)	(22,976)
Balance at 1 Jan 2022	6,661	(0)	(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	(0)	(34,796)	(28,135)

Calligo (UK) Limited

Condensed consolidated statement of cash flows

£ '000	(Unaudited) 2023 Q2	(Unaudited) 2022 Q2	(Unaudited) 2023 YTD	(Unaudited) 2022 YTD	(Audited) FY 22
Operating activities					
(Loss)/profit before tax	(1,660)	(1,152)	(3,156)	(2,382)	(7,176)
Non cash adjustments	1,124	1,376	2,765	2,920	6,586
Net changes in working capital	2,335	(17)	3,285	(1,149)	393
Taxes paid	(24)	(7)	(52)	165	229
Net cash from operating activities	1,775	200	2,842	(446)	32
Investing activities					
Purchase of property, plant and equipment	(720)	(284)	(774)	(450)	(713)
Sale of fixed assets	21	–	41	–	161
Purchase of other intangible assets	(1)	0	(79)	0	(159)
Interest received	0	8	0	10	37
Net cash used in investing activities	(700)	(276)	(812)	(440)	(674)
Financing activities					
Interest paid	(1,013)	(935)	(1,949)	(1,837)	(3,637)
Acquisition finance - bond	(0)	0	(0)	0	(8,589)
Receipt/(repayments) of leases	(225)	(282)	(540)	(846)	(1,329)
Net cash (used in)/from financing activities	(1,238)	(1,217)	(2,489)	(2,683)	(13,555)
Net change in cash and cash equivalents	(163)	(1,293)	(459)	(3,569)	(14,197)
Cash and cash equivalent equivalents, beginning of period	839	13,056	1,135	15,332	15,332
Cash and cash equivalent equivalents, end of period	676	11,763	676	11,763	1,135
Cash and cash equivalents	640	3,108	640	3,108	1,100
Cash in escrow included in other debtors	36	8,655	36	8,655	35
Cash and cash equivalent equivalents, end of period	676	11,763	676	11,763	1,135

Calligo (UK) Limited
Consolidated statement of financial position

£ '000	(Unaudited) 2023 Q2	(Unaudited) 2022 Q2	(Audited) FY 22
Assets			
Non-current			
Goodwill	10,943	11,642	11,243
Other Intangible Assets	1,758	2,327	2,165
Other Long-Term Financial Assets	310	—	314
Property, Plant & Equipment	2,581	2,105	1,952
Right of Use Assets	3,131	2,793	2,259
Non-current assets	18,723	18,867	17,933
Current Assets			
Inventory	41	66	42
Prepayments & Other Short-Term Assets	772	1,819	546
Trade & Other Receivables	1,915	12,093	3,280
Cash & Cash Equivalents	640	3,108	1,100
Current Assets	3,368	17,086	4,968
Total Assets	22,091	35,953	22,901
Equity and liabilities			
Equity			
Share premium	(0)	(0)	(0)
Retained earnings	(37,783)	(29,637)	(34,796)
Total equity	(31,122)	(22,976)	(28,135)
Non-current			
Borrowings	33,458	42,968	34,245
Lease Liabilities - LT	3,391	2,424	1,833
Other Liabilities	—	—	—
Non-current liabilities	36,849	45,392	36,078
Current			
Provisions	105	64	91
Trade & Other Payables	15,183	12,016	13,366
Lease Liabilities - ST	527	820	825
Contract and other liabilities	136	417	248
Tax Liabilities	413	220	428
Current liabilities	16,364	13,537	14,958
Total liabilities	53,213	58,929	51,036
Total Equity & liabilities	22,091	35,953	22,901