



## **Interim Report**

**October 1 to December 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 October 2023 to 31 December 2023.

The terms of the renegotiated bond facility became effective on 5 February 2024. This is not considered to be an adjusting event under IFRS. As such, the Qtr 4 figures include an interest accrual at 12.47% and this will get adjusted to the new PIK rate in Quarter 1, 2024.

On 5 February 2024, the Group received further funding of £3m from the principal shareholder.

All numbers in this report are unaudited as the year-end financial audit has only just commenced. Full year audited figures for the 12 months to 31 December 2023 (including comparatives for the 12 months to 31 December 2022) will be published on 30 April 2024.

### **CEO Q4, FY 23**

In Q4 the management team were focussed on a couple of key deliverables namely supporting and securing the agreement with the bond holders and also obtaining regulatory agreement in Luxembourg for the disposal of that business. Both key initiatives were successfully executed.

During Q4 progress on the target operating model slowed a little but this continues to be implemented. The delay was due to unexpected staff churn in the commercial part of the business and challenges experienced in securing suitable positions for the new bid team and Project Management Office. We expect our plans to be back on track during Q1 FY24.

### **Financial Discussion**

Q4 FY23 revenues decreased by £0.9m or 13.1% year-on-year with £0.5m attributable to the Data segment and £0.4m driven by the reduction in Managed Services and the deliberate scaling back of product sales. Q4 MMR revenue excluding Ireland and Canada increased 4.8% year-on-year. Adj. EBITDA in Q4 FY23 was £0.3m (note 4). Adjusted EBITDA for the year to 31 December 2023 was £2.2m, the same level as the previous year.

The sale of the Luxembourg business was completed on 19 December 2023 with gross proceeds of £1.6m received on that date.

Net cash movement from working capital over the quarter was a negative £0.3m driven by a reduction in aged payables. DSO at 31 December 2023 were 31 days compared to 47 days last year. Net Capex in the quarter was £0.075m, in line with expectations.

Net debt at 31 December 2023 was £36.7m implying a net leverage ratio of 16.6x based on the Adj. EBITDA for the last twelve months of £2.2m.

## Calligo Holdings Limited

### Condensed consolidated statement of profit or loss

£ '000	Notes	(Unaudited) 2023 Q4	(Unaudited) 2022 Q4	(Unaudited) 2023 YTD	(Audited) 2022 YTD
Revenue	2	6,158	7,087	25,627	29,752
		<b>6,158</b>	<b>7,087</b>	<b>25,627</b>	<b>29,752</b>
Costs of Material		(2,025)	(2,154)	(7,975)	(9,639)
Employee Benefits Expense		(2,941)	(3,536)	(12,228)	(14,810)
Depreciation, Amortisation and Impairment of Non-Financial Assets		(788)	(1,027)	(3,150)	(2,985)
Impairment of Financial Assets		(0)	(56)	(0)	(61)
Other Expenses		(1,106)	(1,768)	(4,852)	(5,323)
<b>Operating (loss)/profit</b>		<b>(702)</b>	<b>(1,454)</b>	<b>(2,578)</b>	<b>(3,066)</b>
Finance income		–	5	1	36
Finance costs		(1,194)	(936)	(4,440)	(3,890)
Other financial items		(21)	(725)	395	77
<b>(Loss)/profit before tax</b>		<b>(1,917)</b>	<b>(3,110)</b>	<b>(6,622)</b>	<b>(6,843)</b>
Tax expense		(106)	(196)	(260)	(304)
<b>(Loss)/profit for the period/year</b>		<b>(2,023)</b>	<b>(3,306)</b>	<b>(6,882)</b>	<b>(7,147)</b>
<b>Profit/(loss) attributable to:</b>					
Owners of the Group		<b>(2,023)</b>	<b>(3,306)</b>	<b>(6,882)</b>	<b>(7,147)</b>

## Calligo Holdings Limited

### Condensed consolidated statement of other comprehensive income

£ '000	(Unaudited) 2023 Q4	(Unaudited) 2022 Q4	(Unaudited) 2023 YTD	(Audited) 2022 YTD
Loss for the period/year	(2,023)	(3,306)	(6,882)	(7,147)
Foreign Exchange Differences on Retranslation	30	(151)	129	(245)
<b>Total Comprehensive (loss)/income for the period/year</b>	<b>(1,993)</b>	<b>(3,457)</b>	<b>(6,753)</b>	<b>(7,392)</b>
<b>Total Comprehensive (loss)/income for the period/year attributable to:</b>				
Owners of the Group	<b>(1,993)</b>	<b>(3,457)</b>	<b>(6,753)</b>	<b>(7,392)</b>

## Calligo Holdings Limited

### Condensed consolidated statement of changes in equity

£ '000	Share Capital	Share Premium	Retained earnings	Total equity
<b>Balance at 1 Jan 2023</b>	286	24,171	(42,082)	<b>(17,625)</b>
Issue of share capital	10	2,974	–	<b>2,984</b>
(Loss)/profit for the period	–	–	(6,882)	<b>(6,882)</b>
Other comprehensive (loss)/income	–	–	129	<b>129</b>
<b>Balance at 31 December 2023 - unaudited</b>	<b>296</b>	<b>27,145</b>	<b>(48,835)</b>	<b>(21,394)</b>
<b>Balance at 1 Jan 2022</b>	286	24,171	(34,546)	<b>(10,089)</b>
Employee share based compensation	–	–	(144)	<b>(144)</b>
(Loss)/profit for the period	–	–	(7,147)	<b>(7,147)</b>
Other comprehensive (loss)/income	–	–	(245)	<b>(245)</b>
<b>Balance at 31 December 2022 - audited</b>	<b>286</b>	<b>24,171</b>	<b>(42,082)</b>	<b>(17,625)</b>

## Calligo Holdings Limited

### Condensed consolidated statement of cash flows

£ '000	(Unaudited) 2023 Q4	(Unaudited) 2022 Q4	(Unaudited) 2023 YTD	(Audited) 2022 YTD
<b>Operating activities</b>				
(Loss)/profit before tax	(1,917)	(3,110)	(6,622)	(6,843)
Non cash adjustments	2,147	2,825	6,968	7,759
Net changes in working capital	(314)	1,265	445	(179)
Taxes paid	(125)	(96)	(253)	(2)
<b>Net cash from operating activities</b>	<b>(209)</b>	<b>884</b>	<b>538</b>	<b>735</b>
<b>Investing activities</b>				
Purchase of property, plant and equipment	(75)	—	(813)	(764)
Sale of business/fixed assets	1,305	164	1,365	164
Purchase of other intangible assets	(0)	35	(79)	(151)
Interest received	0	5	1	37
<b>Net cash used in investing activities</b>	<b>1,230</b>	<b>204</b>	<b>474</b>	<b>(714)</b>
<b>Financing activities</b>				
Net proceeds from issue of share capital	0	—	2,984	—
Interest paid	(1)	(1,021)	(2,998)	(3,774)
Acquisition finance - bond	(0)	(8,589)	(0)	(8,589)
(Repayments)/receipts of leases	(445)	(689)	(1,027)	(1,803)
<b>Net cash (used in)/from financing activities</b>	<b>(446)</b>	<b>(10,299)</b>	<b>(1,041)</b>	<b>(14,166)</b>
<b>Net change in cash and cash equivalents</b>	<b>575</b>	<b>(9,211)</b>	<b>(29)</b>	<b>(14,145)</b>
Cash and cash equivalent equivalents, beginning of period	746	10,561	1,350	15,495
<b>Cash and cash equivalent equivalents, end of period</b>	<b>1,321</b>	<b>1,350</b>	<b>1,321</b>	<b>1,350</b>
Cash and cash equivalents	1,284	1,315	1,284	1,315
Cash in escrow included in other debtors	37	35	37	35
<b>Cash and cash equivalent equivalents, end of period</b>	<b>1,321</b>	<b>1,350</b>	<b>1,321</b>	<b>1,350</b>

**Calligo Holdings Limited**  
**Consolidated statement of financial position**

£ '000	Notes	(Unaudited) FY 23	(Audited) FY 22
<b>Assets</b>			
<b>Non-current</b>			
Goodwill		11,009	11,930
Other Intangible Assets		1,526	2,165
Other Long-Term Financial Assets		234	314
Property, Plant & Equipment		2,517	2,244
Right of Use Assets		3,040	3,168
<b>Non-current assets</b>		<b>18,326</b>	<b>19,821</b>
<b>Current Assets</b>			
Inventory		20	42
Prepayments & Other Short-Term Assets		975	932
Trade & Other Receivables		1,950	3,235
Cash & Cash Equivalents		1,284	1,315
<b>Current Assets</b>		<b>4,229</b>	<b>5,524</b>
<b>Total Assets</b>		<b>22,555</b>	<b>25,345</b>
<b>Equity and liabilities</b>			
Equity		296	286
Share premium		27,145	24,171
Retained earnings		(48,835)	(42,082)
<b>Total equity</b>		<b>(21,394)</b>	<b>(17,625)</b>
<b>Non-current liabilities</b>			
Borrowings		34,023	34,245
Lease Liabilities		2,935	2,054
<b>Non-current liabilities</b>		<b>36,958</b>	<b>36,299</b>
<b>Current liabilities</b>			
Provisions		104	91
Trade & Other Payables		5,229	4,274
Lease Liabilities		968	1,565
Contract and other liabilities		218	277
Tax Liabilities		472	464
<b>Current liabilities</b>		<b>6,991</b>	<b>6,671</b>
<b>Total liabilities</b>		<b>43,949</b>	<b>42,970</b>
<b>Total Equity &amp; liabilities</b>		<b>22,555</b>	<b>25,345</b>

## 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 4, 2023.

### Note 2: Revenue

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

Revenue £ '000	(Unaudited) 2023 Q4	(Unaudited) 2022 Q4	(Unaudited) 2023 YTD	(Audited) 2022 YTD
MMR	5,528	5,817	22,850	23,392
NRR	630	1,270	2,777	6,360
<b>Total</b>	<b>6,158</b>	<b>7,087</b>	<b>25,627</b>	<b>29,752</b>

### 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 31 December 2023.

### Note 4: Adjusted EBITDA

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

Adjusted EBITDA bridge £ '000	(Unaudited) 2023 Q4	(Unaudited) 2022 Q4	(Unaudited) 2023 YTD	(Audited) 2022 YTD
Operating (loss)/profit	(702)	(1,454)	(2,578)	(3,066)
D&A, goodwill impairment provision	788	1,027	3,150	2,985
Exceptional items	351	1,061	2,099	2,522
Bank & credit card charges reclassified as other financial items	(11)	(11)	(44)	(49)
<b>EBITDA</b>	<b>426</b>	<b>623</b>	<b>2,627</b>	<b>2,392</b>
Removal of Lux trading performance	(114)	(71)	(409)	(364)
QoE and other adjustments	–	–	–	222
<b>Adjusted EBITDA</b>	<b>312</b>	<b>552</b>	<b>2,218</b>	<b>2,250</b>

## Note 5: Exceptional items

A summary of exceptional items is as follows:

£ '000	(Unaudited) 2023 Q4	(Unaudited) 2022 Q4	(Unaudited) 2023 YTD	(Audited) 2022 YTD
Restructuring Expenses	151	308	1,214	837
Bond Issuance & debt raising Fees	2	362	5	585
Bond Arrangement Fees (Amortised, non cash item)	123	123	492	504
M&A Transaction Costs	19	99	147	377
Other items	56	169	241	219
	<b>351</b>	<b>1,061</b>	<b>2,099</b>	<b>2,522</b>

## Note 6: Net leverage ratio

	2023 Q4	2022 Q4
Senior debt (net of unamortised Prepayment fee)	34,023	34,245
Add: short & long term leases	3,903	3,619
Less: cash (net of £76k restricted elements)	(1,208)	(1,202)
<b>Net debt</b>	<b>36,718</b>	<b>36,662</b>
Last twelve months Adj EBITDA	2,218	2,250
<b>Net leverage ratio</b>	<b>16.6</b>	<b>16.3</b>

## Calligo (UK) Limited

### Condensed consolidated statement of profit or loss

£ '000	(Unaudited) 2023 Q4	(Unaudited) 2022 Q4	(Unaudited) 2023 YTD	(Audited) 2022 YTD
Revenue	4,138	5,143	17,554	22,377
	<b>4,138</b>	<b>5,143</b>	<b>17,554</b>	<b>22,377</b>
Costs of Material	(1,463)	(1,508)	(5,680)	(7,211)
Employee Benefits Expense	(2,472)	(3,100)	(10,043)	(12,560)
Depreciation, Amortisation and Impairment of Non-Financial Assets	(554)	(799)	(2,215)	(2,394)
Impairment of Financial Assets	(0)	(58)	(0)	(63)
Other Expenses	(692)	(1,343)	(2,669)	(3,419)
<b>Operating (loss)/profit</b>	<b>(1,043)</b>	<b>(1,665)</b>	<b>(3,053)</b>	<b>(3,270)</b>
Finance income	1	5	1	36
Finance costs	(1,183)	(915)	(4,378)	(4,028)
Other financial items	(452)	(715)	(30)	86
<b>(Loss)/profit before tax</b>	<b>(2,677)</b>	<b>(3,290)</b>	<b>(7,460)</b>	<b>(7,176)</b>
Tax expense	(78)	(122)	(205)	(178)
<b>(Loss)/profit for the period/year</b>	<b>(2,755)</b>	<b>(3,412)</b>	<b>(7,665)</b>	<b>(7,354)</b>
<b>(Loss)/profit attributable to:</b>				
Owners of the Group	<b>(2,755)</b>	<b>(3,412)</b>	<b>(7,665)</b>	<b>(7,354)</b>

## Calligo (UK) Limited

### Condensed consolidated statement of other comprehensive income

£ '000	(Unaudited) 2023 Q4	(Unaudited) 2022 Q4	(Unaudited) 2023 YTD	(Audited) 2022 YTD
Loss for the period/year	(2,755)	(3,412)	(7,665)	(7,354)
Foreign Exchange Differences on Retranslation	33	(159)	153	(295)
<b>Total Comprehensive (loss)/income for the period/year</b>	<b>(2,722)</b>	<b>(3,571)</b>	<b>(7,512)</b>	<b>(7,649)</b>
<b>Total Comprehensive (loss)/income for the period/year attributable to:</b>				
Owners of the Group	<b>(2,722)</b>	<b>(3,571)</b>	<b>(7,512)</b>	<b>(7,649)</b>

## Calligo (UK) Limited

### Condensed consolidated statement of changes in equity

£ '000	Share Capital	Share Premium	Retained earnings	Total equity
<b>Balance at 1 Jan 2023</b>	6,661	(0)	(34,796)	(28,135)
(Loss)/profit for the period	–	–	(7,665)	(7,665)
Other comprehensive (loss)/income	–	–	153	153
<b>Balance at 31 December 2023 - unaudited</b>	<b>6,661</b>	<b>(0)</b>	<b>(42,308)</b>	<b>(35,647)</b>
<b>Balance at 1 Jan 2022</b>	6,661	(0)	(27,147)	(20,486)
(Loss)/profit for the period	–	–	(7,354)	(7,354)
Other comprehensive (loss)/income	–	–	(295)	(295)
<b>Balance at 31 December 2022 - audited</b>	<b>6,661</b>	<b>(0)</b>	<b>(34,796)</b>	<b>(28,135)</b>



## Calligo (UK) Limited

### Condensed consolidated statement of cash flows

£ '000	Notes	(Unaudited) 2023 Q4	(Unaudited) 2022 Q4	(Unaudited) 2023 YTD	(Audited) 2022 YTD
<b>Operating activities</b>					
(Loss)/profit before tax		(2,677)	(3,290)	(7,460)	(7,176)
Non cash adjustments		2,284	1,794	6,701	6,586
Net changes in working capital		802	1,961	4,864	393
Taxes paid		(101)	29	(338)	229
<b>Net cash from operating activities</b>		<b>308</b>	<b>494</b>	<b>3,767</b>	<b>32</b>
<b>Investing activities</b>					
Purchase of property, plant and equipment		(83)	(212)	(678)	(713)
Sale of fixed assets		19	161	78	161
Purchase of other intangible assets		(0)	0	(79)	(159)
Interest received		–	5	1	37
<b>Net cash used in investing activities</b>		<b>(64)</b>	<b>(46)</b>	<b>(678)</b>	<b>(674)</b>
<b>Financing activities</b>					
Interest paid		(2)	(889)	(3,005)	(3,637)
Acquisition finance - bond		(0)	(8,589)	(0)	(8,589)
Receipt/(repayments) of leases		(253)	(222)	(661)	(1,329)
<b>Net cash (used in)/from financing activities</b>		<b>(255)</b>	<b>(9,700)</b>	<b>(3,666)</b>	<b>(13,555)</b>
<b>Net change in cash and cash equivalents</b>		<b>(11)</b>	<b>(9,252)</b>	<b>(577)</b>	<b>(14,197)</b>
Cash and cash equivalent equivalents, beginning of period		569	10,387	1,135	15,332
<b>Cash and cash equivalent equivalents, end of period</b>		<b>558</b>	<b>1,135</b>	<b>558</b>	<b>1,135</b>
Cash and cash equivalents		521	1,100	521	1,100
Cash in escrow included in other debtors		37	35	37	35
<b>Cash and cash equivalent equivalents, end of period</b>		<b>558</b>	<b>1,135</b>	<b>558</b>	<b>1,135</b>

**Calligo (UK) Limited**  
**Consolidated statement of financial position**

£ '000	(Unaudited) FY23	(Audited) FY22
<b>Assets</b>		
<b>Non-current</b>		
Goodwill	10,847	11,243
Other Intangible Assets	1,526	2,165
Other Long-Term Financial Assets	234	314
Property, Plant & Equipment	2,427	1,952
Right of Use Assets	2,663	2,259
<b>Non-current assets</b>	<b>17,697</b>	<b>17,933</b>
<b>Current Assets</b>		
Inventory	20	42
Prepayments & Other Short-Term Assets	594	546
Trade & Other Receivables	1,787	3,280
Cash & Cash Equivalents	521	1,100
<b>Current Assets</b>	<b>2,922</b>	<b>4,968</b>
<b>Total Assets</b>	<b>20,619</b>	<b>22,901</b>
<b>Equity and liabilities</b>		
Equity	6,661	6,661
Retained earnings	(42,308)	(34,796)
<b>Total equity</b>	<b>(35,647)</b>	<b>(28,135)</b>
<b>Non-current</b>		
Borrowings	34,023	34,245
Lease Liabilities	2,923	1,833
<b>Non-current liabilities</b>	<b>36,946</b>	<b>36,078</b>
<b>Current</b>		
Provisions	104	91
Trade & Other Payables	17,957	13,366
Lease Liabilities	611	825
Contract and other liabilities	176	248
Tax Liabilities	472	428
<b>Current liabilities</b>	<b>19,320</b>	<b>14,958</b>
<b>Total liabilities</b>	<b>56,266</b>	<b>51,036</b>
<b>Total Equity &amp; liabilities</b>	<b>20,619</b>	<b>22,901</b>