CloudCoCo Group plc

Questions and Answers ahead of the 31 March 2022 AGM

Q1 I would like to know more about the management team structure post acquisitions, specifically:

      a) Is IDE Connect running autonomously and who are the management team?
      b) What areas of these acquisitions have been integrated?

Connect came with 85 staff members, including a fully operational management team. The four key functions of the business were Sales, Finance, Service and Technical. In order to maximise efficiencies, the plan was always to fully integrate the Connect staff into the existing CloudCoCo platform - so that we could operate as a single business. The integration is almost complete and staff are being deployed across the whole business - in line with our original goal. Sales and Finance are fully integrated. Service and Technical integration will be finalised by the end of May 2022.

From Day 1, the IDE Connect operational management team reported directly into the CloudCoCo Senior Management Team, who have been driving the "Get Well" phase of the business plan. The Connect staff have been very responsive and are fully on-board with the "Get-Well" actions.

Whilst Connect remains a separate legal entity at present, all Connect staff have been TUPE'd over to CloudCoCo and the Connect business operates solely on the CloudCoCo IT systems and business platform.

To help support the integration, we have recruited a new Finance Manager with responsibility for the Connect ledgers, who reports into the CFO. We have also recruited a Group Operations Director who is responsible for the Group Service and Technical functions, including Connect.

      c) Same question for Systems Assurance and Morecomputers?

Similarly, Systems Assurance and Morecomputers came with 11 staff members. Gary Saunders was appointed as Managing Director to run the Sales and Operational teams in Sheffield and he is also part of the CloudCoCo Senior Management Team. All staff have been TUPE'd over to CloudCoCo and where there is cross-over (such as finance, CRM and support) the staff operate from CloudCoCo Systems. The sale team from Systems Assurance are already engaged with CloudCoCo and Connect customers. The Finance function for Sheffield is delivered by existing CloudCoCo staff, based in Leeds.

Morecomputers' e-commerce platform is an exciting addition to the Group, and we are currently updating this platform to incorporate our existing business products.

Q2) Is the group planning to re-finance the MXC unsecured loan notes in the next 12 months or at the very least, prior to end maturity date?

We continue to review our options in relation to the MXC Loan Notes, which mature in October 2024. MXC are a very supportive shareholder and will work with us to ensure the right outcome for the business.

Q3) Can anything be done to narrow the bid-offer spread of the share price?

The bid offer spread is managed by the market makers. From a company perspective, we can focus on the underlying business performance for the medium and long term benefit of shareholders. This should in-turn increase trading volumes and improve liquidity in our stock. Improving these factors should make it easier for market makers to reduce the bid-offer spread over time.