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30 April 2024

CloudCoCo Group plc
(“CloudCoCo”, the “Company” or the “Group”)

Board Change, Extension of Loan Notes and Lifting of Temporary Suspension of Trading on AIM

CloudCoCo (AIM: CLCO), a leading UK provider of managed IT services and communications solutions to private and public sector organisations, today announces that Mark Halpin has stepped down from the Board and his position as Chief Executive Officer with immediate effect.

The Company also announces it has reached agreement with its loan note holder, MXC Guernsey Limited (“MXCG”), to extend the redemption date of the loan notes from 21 October 2024 to 31 August 2026 (the “Loan Note Extension”). Interest will continue to accrue on the loan notes at the current rate of 12 per cent until redemption. All other terms of the loan notes remain the same.

As consideration for the extension, effective from 22 October 2024, MXCG will charge the Company a fee of £550,000. Payment of this fee will be deferred until the redemption of the loan notes and it will accrue interest at the same rate as the loan notes. MXCG will also have the right to appoint a consultant to, or an Executive Director of, the Company’s Board in addition to its current non-executive representative and will have the right at any time to increase its loan security in the form of a full debenture over all Group Companies. The loan notes are currently unsecured and the amount outstanding is £5.85 million, including accrued interest.

Accordingly therefore, Ian Smith (CEO of MXC Capital Limited, the parent of MXCG) will join CloudCoCo, initially as a consultant to the Board, acting as Interim CEO of the Group’s trading entities. The Board will seek to appoint a new CEO of the Group as soon as possible.

As MXC Capital Limited is a shareholder of 10.63% of CloudCoCo, the Loan Note Extension is a related party transaction pursuant to the AIM Rules for Companies. The directors of CloudCoCo who are independent of the transaction, being all the directors save for Jill Collighan, consider, having consulted with the Company’s Nominated Adviser, Allenby Capital Limited, that the terms of the Loan Note Extension are fair and reasonable insofar as shareholders are concerned.

Lifting of Temporary Suspension of Trading on AIM

Following the publication this morning of the Company’s results for the year ended 30 September 2023, the temporary suspension of the Company’s securities from trading on AIM is expected to be lifted at 07.30 a.m. today, 30 April 2024.

Simon Duckworth, Non-Executive Chair, commented:

“We thank Mark for his service to the business during a period of both organic and acquisitive growth and wish him well with his future endeavours.

“We are pleased that we have been able to secure an extension to the loan notes with MXCG. This, together with the publication this morning of a solid set of results for FY23, will give our staff, customers and suppliers confidence over the immediate future of the business. We look forward to working with Ian and utilising his vast experience in the IT services market as we review the Company’s strategy for its next phase of development”.

Contacts:

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Via Alma

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About CloudCoCo

Supported by a team of industry experts and harnessing a diverse ecosystem of partnerships with blue-chip technology vendors, CloudCoCo makes it easy for private and public sector organisations to work smarter, faster and more securely by providing a single point of purchase for their Connectivity, Multi-Cloud, Collaboration, Cyber Security, IT Hardware, Licencing, Support and Professional Services.

CloudCoCo has headquarters in Leeds and regional offices in Warrington, Sheffield and Bournemouth.

www.cloudcoco.co.uk