The information contained within this announcement is deemed by CloudCoCo to constitute inside information pursuant to Article 7 of EU Regulation 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 as amended.

30 June 2025

CloudCoCo Group plc

("CloudCoCo", the "Company" or the "Group")

Interim Results

CloudCoCo (AIM: CLCO), an e-commerce and IT procurement business based in Sheffield, delivering tailored, next-day IT solutions through Systems Assurance and MoreCoCo, is pleased announce its interim results for the six months ended 31 March 2025 ("H1 2025").

These accounts reflect the performance of the continuing operations following the sale of CloudCoCo Limited and CloudCoCo Connect Limited on 31 October 2024.

Financial highlights:

- Revenue of £3.4 million (H1 2024: £4.3 million), with 89% generated from e-commerce sales (H1 2024: 83%). Q3 2025 has seen a rebound due to product range expansion.
- Gross profit stable at £228k for the period, with gross margin improving to 7% (H2 2024: 5%) due to better pricing and automation benefits.
- Trading Group EBITDA[1] of £26k (H1 2024: £21k), showing underlying profitability despite the smaller scale of the continuing business.
- PLC costs[2] reduced by 21% to £198k (H1 2024: £251k), with further savings of £100k p.a. in H2 2025 following elective Executive Director salary reductions.
- Administrative expenses reduced by 13% to £489k (H1 2024: £563k), reflecting ongoing efficiency improvements
- Completed £7.9 million sale of legacy businesses, enabling full repayment of £6.2 million MXC loan notes and strengthening the balance sheet.
- Cash balance of £818k at 31 March 2025 (FY 2024: £1.04 million), after repaying legacy debt and investing in core operations.
- Exploring new growth areas, particularly in consultancy and partnerships, to accelerate the path to sustainable profitability

Operational highlights:

- Added 10 new business customers to Systems Assurance Limited (H1 2024: 1 new customer), reflecting the success of increased sales and marketing efforts.
- Introduced enhanced automation, enabling faster fulfilment and improved customer experience — now over 7,000 orders processed monthly, a 20% increase since January 2025.
- Onboarded six new vendor distribution partners, strengthening the supply chain and expanding product availability.

- Formed new strategic partnerships with BoxPhish, Claritas, and ITXpress to enhance the direct Managed IT Services offering.

- Ongoing improvements in customer satisfaction, reflecting operational efficiencies and enhanced service delivery.

[1] profit or loss before net finance costs, tax, depreciation, amortisation, plc costs, exceptional costs and share-based payments

[2] PLC costs are non-trading costs relating to the Board of Directors of the Parent Company, its listing on the AIM Market of the London Stock Exchange and its associated professional advisors.

Simon Duckworth, Non-Executive Chairman, commented:

"Following the sale of our legacy businesses in late 2024, CloudCoCo is now a leaner organisation, free from long-term debt and with a clear strategic focus. Our immediate priority is to scale the trading business rapidly but sustainably, building consistent revenue streams that support monthly cash generation. We've laid strong operational foundations in this half-year and are confident that, with continued discipline and momentum, we can deliver long-term value for our shareholders"

Contacts:

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Simon Duckworth (Chairman)
Darron Giddens (CFO)
Peter Nailer (Managing Director)

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Jeremy Porter / Daniel Dearden-Williams – Corporate Finance
Tony Quirke / Amrit Nahal – Equity Sales

About CloudCoCo

CloudCoCo is a streamlined, growth-focused technology business e-commerce and IT procurement business based in Sheffield. Combining expert IT procurement solutions through Systems Assurance with the scalable e-commerce capabilities of MoreCoCo (www.morecoco.co.uk), helping organisations deliver enhanced efficiency, security, and agility. Backed by strong vendor partnerships and a team of industry specialists, we deliver tailored solutions and next-day access to hundreds of thousands of IT products.

www.cloudcoco.co.uk

CHAIRMAN'S STATEMENT

I am pleased to report our interim results for the six months ended 31 March 2025 — a pivotal period in the Group's transformation.

During the period, we completed the sale of CloudCoCo Limited and CloudCoCo Connect Limited for a final consideration of £7.9 million. This strategic decision allowed us to fully repay the £6.2 million MXC loan notes, avoid an associated £550,000 extension fee, and significantly strengthen our balance sheet. We now enter the second half of the year with minimal debt, a more focused business model, and the financial flexibility to invest in growth.

Post-sale, CloudCoCo is a leaner, more agile Group, centred around our e-commerce and IT procurement operations. Under the leadership of Peter Nailer, our trading businesses — MoreCoCo and Systems Assurance — are gaining momentum. Despite a slower start in Q1 due to temporary vendor issues, we have seen revenue rebound in Q3 2025, supported by an expanded product range and improved automation.

Gross margin has increased to 7%, and over 50% of orders are now processed without human intervention. At the same time, we have reduced administrative costs by 13% and achieved a positive Trading Group EBITDA[1] of £26k.

While the current business is not yet large enough to cover plc-level costs, we have reduced these costs by 21%, and the Executive Directors have further committed to salary reductions from H2 2025. We remain focused on reaching a point where the Group generates cash consistently each month.

Our strategy remains clear:

- Drive top-line growth through expanded product offerings and vendor partnerships;
- Deliver excellent service to retain and grow our customer base;
- Maintain cost discipline and operational efficiency; and
- Explore complementary opportunities in consultancy and partnerships.

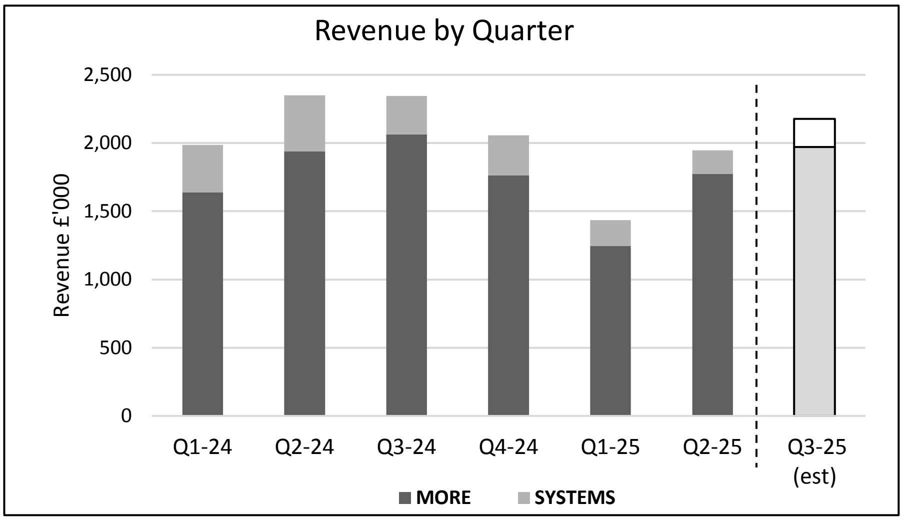
I would like to thank our talented team for their continued commitment, especially during this period of transition. With their support, and that of our customers and shareholders, we are building a sustainable and resilient business positioned for long-term value creation.

We are confident that the steps taken to restructure and refocus the Group will lay the foundations for long-term success. With the right team, a stronger financial footing, and a scalable trading model, CloudCoCo is well positioned for the next stage of growth.

Simon Duckworth
Chairman

BUSINESS REVIEW

The chart below shows the quarterly revenues for the trading businesses from October 2023 to March 2025. We have also included an estimate of the quarter to June 2025 revenues, which shows that we are starting to see some traction from the new initiatives that we have been working on.



The revenue performance in Q1-25 financial period, covering the period October 2024 to December 2024, was low and has negatively impacted these H1 2025 results.

This was as a result of some key issues with a number of vendors in October 2024 and early November 2024 meant that their product data feeds had to be withdrawn from the site.

While the economic environment remains challenging for many of our customers, we are seeing encouraging signs of progress — particularly within our e-commerce business. In the first half of the year, both MoreCoCo and Systems Assurance have built operational momentum, laying the groundwork for more consistent and sustainable performance across the Group.

Based on current trends, we believe there is a clear path to growing the business to £10 million in annual revenues at a 7% gross margin, which would enable the Group to generate positive cash flow each month.

	Unaudited 6 months to 31 March 2025 £'000	Unaudited 6 months to 30 September 2024 £'000	Unaudited 6 months to 31 March 2024 £'000	Audited Year to 30 September 2024 £'000
By revenue type				
More Computers (e-commerce)	**3,016**	3,827	3,579	7,406
Systems Assurance Limited (direct sales)	**367**	575	756	1,331
Total revenue	**3,383**	4,402	4,335	8,737

We have ambitious plans for both businesses, but we also recognise that meaningful growth in e-commerce requires strategic investment — in brand awareness, marketing, and platform capability. We are therefore focused on ensuring the right foundations are in place before committing to increased spend in these areas.

MoreCoCo has continued to perform well, with revenues growing, driven by a combination of product range expansion and greater operational efficiency. Each day, the MoreCoCo platform now offers over 190,000 products, and our investment in automation is delivering clear results — over 50% of orders are now processed without human intervention. This progress has been supported by the successful onboarding of six new distribution partners, reinforcing our supply chain and broadening customer choice.

Within Systems Assurance, we have taken decisive steps to refocus the business on its core strengths as a specialist IT Value-Added Reseller. As part of this strategic realignment, we have established partnerships with BoxPhish, Claritas, and ITXpress — alliances that are already opening up new opportunities and expanding our service offering. This sharpened market positioning and proactive engagement strategy have contributed to 10 new customer wins during the period.

To support long-term growth and scalability, we have also implemented a programme aimed at strengthening relationships with our vendor and distribution partners and enhancing operational coordination between the businesses.

Looking ahead to the second half, our priorities are clear: we remain focused on improving profitability, growing recurring revenues, and continuing to identify opportunities to accelerate progress — both organically and through new customer acquisition.

Organic Growth

On the organic growth front, we are actively exploring the use of new technologies, including AI, to improve efficiency and enhance the value of the services we deliver. These innovations are being developed in collaboration with our strategic partners to ensure they align with real-world customer needs.

We have been looking for ways to introduce new technology and drive efficiencies into the services we provide to our customers. We are also continuing to work with our strategic partners to identify areas where AI can play an increasing role in improving the way technology services are delivered.

We believe there are clear synergies between our trading businesses. By combining our internal web development capabilities with the strength of our e-commerce platform, we are now offering our expanding IT product range to businesses in both white-label format and as bespoke internal procurement applications. These solutions enable organisations to manage IT hardware procurement across multiple sites, benefit from credit account terms, and implement internal approval workflows — all while maintaining access to next-day delivery on a wide range of hardware.

People

At the heart of our business are our people. With a team of 10 experienced employees, many of whom have been part of the Sheffield business for nearly two decades, we benefit from deep domain knowledge and a strong commitment to customer success. Their dedication during this period of transition has been exceptional, and we thank them for their continued focus on delivering excellent service and supporting our growth ambitions.

Results

Revenue for H1 FY2025 was £3.4 million, a 21% reduction compared to H1 2024 (£4.3 million). This decline was primarily due to some temporary commercial constraints with key vendor data feeds in October and November 2024, which prevented us from offering the full range of products for sale on our platform.

Our business model is predominantly focused on the procurement and resale of IT hardware, which accounts for approximately 96% of total sales. These sales are delivered either via our e-commerce platform, morecoco.co.uk, or directly through our IT procurement team at Systems Assurance. Over the period, the proportion of revenue generated via the e-commerce platform increased to 89% (H1 2024: 83%), reflecting the success of our ongoing shift to digital channels.

While gross margins on e-commerce transactions are lower than those on direct sales, they benefit from a significantly lower operational delivery cost. In a price-sensitive market, we continue to work closely with our vendor partners to ensure customers benefit from live stock inventory feeds, competitive pricing, and next-day delivery from leading UK suppliers. As a result of these efforts, and improved terms with our payment processing partners, gross profit margins increased to 7% (H1 2024: 6%).

Despite the lower revenue, gross profit remained stable at £228k (H2 2024: £233k), demonstrating improved commercial efficiency.

We also continued to implement cost-saving initiatives across the business. Administrative expenses fell by 13% to £489k (H1 2024: £563k), contributing to an improvement in Trading Group EBITDA[1] to £26k (H1 2024: £21k). We remain focused on balancing cost control with targeted investment to support future sustainable growth.

The Group incurred a net cash outflow during the period of £0.2 million (H1 2024: £0.2 million), compared to the balance reported at 30 September 2024. The main components being:

- Net cash outflow of £224k during the period (H1 2024: £188k outflow), reflecting a transitional phase following the business sale;

- Net £7.4 million of cash inflow (after costs) from the sale of CloudCoCo Limited and CloudCoCo Connect Limited;

- £6.2 million repayment of MXC loan notes, eliminating a significant debt burden and associated interest costs;

- Administrative and operating cash outflows of £0.9 million, driven by trading activity and working capital movements and £0.5 million cash outflows from discontinued operations; and

- Cash balance of £818k at 31 March 2025 (30 Sept 2024: £1.04 million), with no material debt other than residual deferred consideration and minor COVID-related loans.

Outlook

Following the successful sale of a significant portion of our legacy operations in late 2024, CloudCoCo enters the new financial year with a strengthened balance sheet, a streamlined business model, and a renewed focus on long-term value creation. The divestment not only enabled the repayment of the long-term loan notes but also allowed the Group to concentrate fully on its core strengths in e-commerce and IT procurement.

Under the leadership of Peter Nailer, our trading business is gaining momentum. However, we recognise that the business must scale quickly to cover plc-level costs and avoid future cash burn. Our immediate priority is therefore to drive sustainable and consistent revenue growth, supported by operational efficiency and a disciplined approach to investment. To help support this objective, the Executive Directors have elected to temporarily reduce salaries and additional costs by £100,000 per annum from 1 April 2025 onwards.

To accelerate this progress, we are actively exploring opportunities to broaden our revenue base — particularly in consultancy and partnerships, value-added services, and adjacent markets that align with our capabilities. At the same time, we remain focused on deepening customer relationships, enhancing service delivery, and expanding our vendor network to improve margins and resilience.

Despite wider economic headwinds, we are confident in our ability to execute our strategy and build a cash-generative business capable of supporting its long-term ambitions. During the period, we made meaningful progress in sales acceleration, customer service improvements, and cost efficiencies — initiatives that are already delivering positive impact.

We will continue to build on this foundation in the second half of the year, and on behalf of the Board, I would like to thank our shareholders, customers, and employees for their continued support as we pursue our growth strategy with focus and discipline.

Darron Giddens
29 June 2025

Consolidated income statement

for the six-month period ended 31 March 2024

	Note	**Unaudited 6 months to 31 March 2025**	Unaudited 6 months to 30 September 2024	Unaudited 6 months to 31 March 2024	Audited Year to 30 September 2024
		£'000	£'000	£'000	£'000
Continuing operations					
Revenue	3	**3,383**	4,402	4,335	8,737
Cost of sales		**(3,155)**	(4,168)	(4,069)	(8,238)
Gross profit		**228**	233	266	499
GP%		**7%**	5%	6%	6%
Administrative expenses		**(489)**	(476)	(563)	(1,039)
Trading Group EBITDA[1]		**26**	42	21	63
Amortisation of intangible assets	6	**(40)**	(52)	(53)	(105)
Plc costs[2]		**(198)**	(221)	(251)	(472)
Depreciation of tangible assets and other right of use assets		**(34)**	(7)	(8)	(15)
Share-based payments		**(15)**	(5)	(6)	(11)
Operating loss		**(261)**	(243)	(297)	(540)
Interest receivable		**5**	—	1	1
Interest payable		**(63)**	(7)	(7)	(14)
Profit/(loss) before taxation		**(319)**	(250)	(303)	(553)
Taxation		**10**	10	10	20
Profit/(loss) from continuing operations		**(309)**	(240)	(293)	(533)
Gain on disposal of subsidiaries	4	**3,553**	—	—	—
Loss from discontinued operations (net of tax)		**(479)**	(1,832)	(788)	(2,620)
Profit / (loss) and total comprehensive profit/ (loss) for the year attributable to owners of the parent		**2,765**	(2,072)	(1,081)	(3,153)
Profit(loss) per share					
Basic and fully diluted	5	**0.39p**	(0.30)p	(0.15)p	(0.45)p

In accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the comparative figures have been restated to reflect continuing operations. The revenue, expenses, and post-tax loss associated with the discontinued operations are presented as a single amount on the face of the income statement.

[1] Profit or loss before net finance costs, tax, depreciation, amortisation, plc costs, exceptional items and share-based payments.

[2] Plc costs are non-trading costs relating to the Board of Directors of the Parent Company, its listing on the AIM Market of the London Stock Exchange and its associated professional advisors.

Consolidated statement of financial position

as at 31 March 2024

	Note	**Unaudited 31 March 2025 £'000**	Unaudited 31 March 2024 £'000	Audited 30 September 2024 £'000
Non-current assets				
Intangible assets	6	**760**	10,865	799
Property, plant and equipment		**69**	259	85
Right of Use assets		**9**	1,429	3
Total non-current assets		**838**	12,553	887
Current assets				
Inventories		**64**	153	76
Trade and other receivables	7	**738**	4,280	516
Cash and cash equivalents		**818**	606	1,042
Current assets excluding assets held for sale		**1,620**	5,589	1,634
Assets classified as held for sale		**—**	—	14,976
Total current assets		**1,620**	5,589	16,610
Total assets		**2,458**	18,142	17,497
Current liabilities				
Trade and other payables	8	**(1,515)**	(7,518)	(1,690)
Borrowings	9	**(69)**	(69)	(6,085)
Lease liability		**(9)**	(1,082)	(3)
Current liabilities excluding those associated with assets held for sale		**(1,593)**	(10,233)	(7,778)
Liabilities associated with assets held for sale		**—**	—	(11,575)
Total current liabilities		**(1,593)**	(10,233)	(19,353)
Non-current liabilities				
Borrowings	9	**(50)**	(5,629)	(100)
Deferred tax liability		**(127)**	(844)	(136)
Total non-current liabilities		**(177)**	(7,879)	(236)
Total liabilities		**(1,770)**	(18,112)	(19,589)
Net assets		**688**	30	(2,092)
Equity				
Share capital		**7,062**	7,062	7,062
Share premium account		**17,630**	17,630	17,630
Capital redemption reserve		**6,489**	6,489	6,489
Merger reserve		**1,997**	1,997	1,997
Other reserve		**290**	446	341
Retained earnings		**(32,860)**	(33,594)	(35,611)
Total equity		**688**	30	(2,092)

Consolidated statement of changes in equity

for the six-month period ended 31 March 2024

	Share capital	Share premium	Capital redemption reserve	Merger reserve	Other reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 October 2023	**7,062**	**17,630**	**6,489**	**1,997**	**370**	**(32,513)**	**1,035**
Loss and total comprehensive loss for the period	—	—	—	—	—	(1,081)	(1,081)
Share-based payments	—	—	—	—	76	—	76
Total movements	—	—	—	—	76	(1,081)	(1,005)
Equity at 31 March 2024	**7,062**	**17,630**	**6,489**	**1,997**	**446**	**(33,594)**	**30**

	Share capital	Share premium	Capital redemption reserve	Merger reserve	Other reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2024	**7,062**	**17,630**	**6,489**	**1,997**	**446**	**(33,594)**	**30**
Loss and total comprehensive loss for the period	—	—	—	—	—	(2,072)	(2,072)
Share-based payments (adjusted)	—	—	—	—	(50)	—	(50)
Share options lapsed	—	—	—	—	(55)	55	—
Total movements	—	—	—	—	(105)	(2,017)	(2,122)
Equity at 30 September 2024	**7,062**	**17,630**	**6,489**	**1,997**	**341**	**(35,611)**	**(2,092)**

	Share capital	Share premium	Capital redemption reserve	Merger reserve	Other reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 October 2024	**7,062**	**17,630**	**6,489**	**1,997**	**341**	**(35,611)**	**(2,092)**
Loss and total comprehensive loss for the period	—	—	—	—	—	2,765	2,765
Share-based payments	—	—	—	—	15	—	15
Share options lapsed	—	—	—	—	(66)	66	—
Total movements	—	—	—	—	(51)	2,831	2,780
Equity at 31 March 2025	**7,062**	**17,630**	**6,489**	**1,997**	**290**	**(32,780)**	**688**

Consolidated statement of cash flows

for the six-month period ended 31 March 2024

	Unaudited 6 months to 31 March 2025	Unaudited 6 months to 30 September 2024	Unaudited 6 months to 31 March 2024	Audited Year to 30 September 2024
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
Loss before taxation	**2,684**	(2,180)	(1,188)	(3,368)
Adjustments for:				
Gain on disposal of subsidiaries	**(3,553)**	—	—	—
Depreciation – IFRS16 data centre right of use assets	**—**	742	650	1,392
Depreciation – other right of use assets	**9**	63	77	140
Depreciation – owned assets	**25**	74	79	153
Amortisation	**40**	431	430	861
Share-based payments	**15**	(50)	76	26
Net finance expense	**100**	544	488	1,032
Movements in provisions	**—**	2	(135)	(133)
Decrease / (increase) in trade and other receivables	**(222)**	359	163	522
Decrease / (increase) in inventories	**32**	57	(77)	(20)
(Decrease) / increase in trade payables, accruals and contract liabilities	**(91)**	798	131	929
Net cash inflow from operating activities	**(891)**	840	694	1,534
Net cash inflow from discontinued operations	**(479)**	391	—	391
Cash flows from investing activities				
Proceeds from disposal of subsidiaries (net of expenses and cash disposed)	**7,365**	—	—	—
Purchase of property, plant and equipment	**—**	(30)	(27)	(57)
Payment of deferred consideration relating to acquisitions	**(25)**	(25)	(25)	(50)
Interest received	**5**	—	1	1
Net cash (outflow) / inflow from investing activities	**7,345**	(55)	(51)	(106)
Cash flows from financing activities				
Repayment of MXC Loan Notes	**(6,089)**	—	—	—
Repayment of COVID-19 bounce-back loan	**(10)**	(6)	(10)	(16)
Payment of lease liabilities	**—**	(691)	(813)	(1,504)
Interest paid	**(100)**	(43)	(8)	(51)
Net cash outflow from financing activities	**(6,199)**	(740)	(831)	(1,571)
Net (decrease) / increase in cash	**(224)**	436	(188)	248
Cash at bank and in hand at beginning of period	**1,042**	606	794	794
Cash at bank and in hand at end of period	**818**	1,042	606	1,042
Comprising:				
Cash at bank and in hand – assets held for sale	**—**	855	—	855
Cash at bank and in hand – continuing operations	**818**	187	—	187
Cash at bank and in hand at end of period	**818**	1,042	606	1,042

Notes to the consolidated interim financial statements

1. General information
CloudCoCo Group plc (the "Group") is a public limited company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is 5 Fleet Place, London, EC4M 7RD. The principal activity of the Group is the provision of IT Services to small and medium-sized enterprises in the UK. The financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which each of the Group's subsidiaries operates.

2. Basis of Preparation

2.1 Accounting Policies

The accounting policies used in the presentation of the unaudited consolidated interim financial statements for the six months ended 31 March 2025 are in accordance with applicable International Financial Reporting Standards (IFRSs) as applied in accordance with provisions of the Companies Act 2006. The principal accounting policies of the Group have been consistently applied to all periods presented unless otherwise stated.

2.2 Going concern

The Directors have prepared the financial statements on a going concern basis which assumes that the Group will continue to meet liabilities as they fall due.

The Directors have reviewed the forecast sales growth, budgets and cash projections for the period to 30 June 2026, including sensitivity analysis on the key assumptions such as the potential impact of reduced sales or slower cash receipts for the next twelve months and the Directors have reasonable expectations that the Group and the Company have adequate resources to continue operations for the period of at least one year from the date of approval of these unaudited interim financial statements.

The Directors have not identified any material uncertainties that may cast doubt over the ability of the Group and Company to continue as a going concern and the Directors continue to adopt the going concern basis in preparing these unaudited interim financial statements.

3. Segment reporting

The executive directors of the Company and its subsidiaries review internal reporting to assess performance and allocate resources. Profit performance is primarily evaluated using adjusted profit measures consistent with those disclosed in the Annual Report and Accounts.

The Board considers the Group to operate as a single reporting segment: the provision of IT managed services to customers. While the Directors review revenue and gross profit across two distinct categories—Managed IT Services and Value-Added Resale—the underlying operating costs and asset base supporting these activities are shared, and are not separately allocated in internal reporting.

Accordingly, the segmental analysis below is presented at the revenue level only, reflecting the internal reporting structure and the Group's two reportable operating categories:

Managed IT Services	–	This category comprises the provision of recurring IT services which either have an ongoing billing and support element or utilise the technical expertise of our people.
Value added resale	–	This category comprises the resale of one-time solutions (hardware and software) from our leading technology partners, including revenues from the MoreCoCo e-commerce platform.

All revenues are derived from customers within the UK and no customer accounts for more than 10% of external revenues in both financial years. Inter-category transactions are accounted for using an arm's length commercial basis.

3.1 Analysis of continuing results

All revenues from continuing operations are derived from customers within the UK. In order to simplify our reporting of revenue, we have taken the decision to condense our reporting segments into two new categories – Managed IT Services and Value Added Resale. This analysis is consistent with that used internally by the CODM and, in the opinion of the Board, reflects the nature of the revenue. Trading Group EBITDA[1] is reported as a single segment.

3.1.1 Revenue	**Unaudited 6 months to 31 March 2025 £'000**	Unaudited 6 months to 30 September 2024 £'000	Unaudited 6 months to 31 March 2024 £'000	Audited Year to 30 September 2024 £'000
By operating segment				
Managed IT Services	**142**	215	205	420
Value Added Resale	**3,241**	4,187	4,130	8,317
Total revenue	**3,383**	4,402	4,335	8,737

3.1.2 Revenue

	Unaudited 6 months to 31 March 2025 £'000	Unaudited 6 months to 30 September 2024 £'000	Unaudited 6 months to 31 March 2024 £'000	Audited Year to 30 September 2024 £'000
By revenue type				
More Computers (e-commerce)	**3,016**	3,827	3,579	7,406
Systems Assurance Limited (direct sales)	**367**	575	756	1,331
Total revenue	**3,383**	4,402	4,335	8,737

4. Gain on disposal of subsidiaries

On 31 October 2024, the Company sold its interest in CloudCoCo Limited and CloudCoCo Connect Limited, ultimately raising £7.9 million of cash of which £6.2 million was immediately used to repay the MXCG loan notes in order to avoid further costs for extending the loan note term. Details of the disposals are set out below, including post completion receipts and payments, based on unaudited completion accounts.

	CloudCoCo Limited £'000	**CloudCoCo Connect Limited £'000**	**Total £'000**
Non-current assets			
Intangible assets	6,847	2,788	9,635
Property, plant and equipment	124	18	142
Right of Use assets	112	1,278	1,390
Total non-current assets	7,083	4,084	11,167
Current assets			
Inventories	37	—	37
Trade and other receivables	1,920	1,847	3,767
Contract assets	407	18	425
Cash and cash equivalents	16	102	118
Total current assets	2,380	1,967	4,347
Total assets	9,463	6,051	15,514
Liabilities			
Trade and other payables	(3,789)	(2,797)	(6,586)
Contract liabilities	(1,141)	(610)	(1,751)
Provision for onerous contracts	—	(790)	(790)
Lease liability	(152)	(1,278)	(1,430)
Deferred tax liability	(365)	(399)	(764)
Total Liabilities	(5,447)	(5,874)	(11,321)
Net assets at book value	**4,016**	**177**	**4,193**
Initial consideration	7,500	250	7,750
Post completion (payments) / receipts	(385)	558	173
Proceeds from Sale	**7,115**	**808**	**7,923**
Gain/(loss) on disposal of subsidiary before fees	**3,099**	**631**	**3,730**
Fees associated with the disposal			(177)
Gain/(loss) on disposal of subsidiary			**3,553**

5. Profit/(loss) per share

	Unaudited 6 months to 31 March 2025 £’000	Unaudited 6 months to 30 September 2024 £’000	Unaudited 6 months to 31 March 2024 £’000	Audited Year to 30 September 2024 £’000
Profit/(loss) attributable to ordinary shareholders	**2,765**	(2,072)	(1,081)	(3,153)
	Number	Number	Number	Number
Weighted average number of Ordinary Shares in issue, basic and diluted	**706,215,686**	706,215,686	706,215,686	706,215,686
Basic and diluted profit/(loss) per share	**0.39p**	(0.30)p	(0.15)p	(0.45)p

6. Intangible assets

Intangible assets are non-physical assets which have been obtained as part of an acquisition or research and development activities, such as innovations, introduction and improvement of products and procedures to improve existing or new products. All intangible assets have an identifiable future economic benefit to the Group at the point the costs are incurred. The amortisation expense is recorded in administrative expenses in the Consolidated Income Statement

Intangible assets	Goodwill £’000	IT, billing and website systems £’000	Brand £’000	Customer lists £’000	Total £’000
Cost					
At 1 October 2023 and 31 March 2024	**11,281**	**361**	**2,383**	**11,445**	**25,470**
Re-classified as assets held for sale	(11,028)	(182)	(1,913)	(11,304)	(24,427)
At 30 September 2024 and 31 March 2025	**253**	**179**	**470**	**141**	**1,043**
Accumulated amortisation					
At 1 October 2023	**—**	**(220)**	**(1,277)**	**(6,813)**	**(8,310)**
Charge for the period	—	(9)	(61)	(360)	(430)
At 31 March 2024	**—**	**(229)**	**(1,338)**	**(7,173)**	**(8,740)**
Charge for the period	—	(9)	(61)	(361)	(431)
Re-classified as assets held for sale	—	183	1,254	7,490	8,927
At 30 September 2024	**—**	**(55)**	**(145)**	**(44)**	**(244)**
Charge for the period	—	(9)	(24)	(7)	(40)
At 31 March 2025	**—**	**(64)**	**(169)**	**(51)**	**(284)**
Impairment					
At 1 October 2023 and 31 March 2024	**(4,447)**	**—**	**(225)**	**(1,193)**	**(5,865)**
Re-classified as assets held for sale	4,447	—	225	1,193	5,865
At 30 September 2024 and 31 March 2025	**—**	**—**	**—**	**—**	**—**
Carrying amount					
At 31 March 2025	**253**	**115**	**301**	**90**	**759**
At 30 September 2024	253	124	325	97	799
At 31 March 2024	6,834	132	820	3,079	10,865
Average remaining amortisation period	**6.3 years for each category of intangible asset**				

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are independent cash inflows (cash generating units). Goodwill is allocated to those assets that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors the related cash inflows. The directors concluded that at 31 March 2025, there were two CGUs being Systems Assurance Limited and More Computers Limited following the sale of CloudCoCo Limited and CloudCoCo Connect Limited.

Each year, management prepares the resulting cash flow projections using a value in use approach to compare the recoverable amount of the CGU to the carrying value of goodwill and allocated assets and liabilities. Any material variance in this calculation results in an impairment charge to the Consolidated Income Statement.

The calculations used to compute cash flows for the CGU level are based on the Group's Board approved budget for the next twelve months, and business plan, growth rates as below, the weighted average cost of capital ("WACC") and other known variables. The calculations are sensitive to movements in both WACC and the revenue growth projections. The impairment calculations were performed using post-tax cash flows at post-tax WACC of 13.25% (FY23: 13.25%) for each CGU. The pre-tax discount rate (weighted average cost of capital) was calculated at 18% per annum (FY23:18%) and the revenue growth rate is 5% per annum (FY23: 5%) for each CGU for 5 years and a terminal growth rate of 2.3% (FY23: 2.0%).

Sensitivities have been run on cash flow forecasts for each CGU. Revenue growth rates are considered to be the most sensitive assumption in determining future cash flows for each CGU. Management is satisfied that the key assumptions of revenue growth rates should be achievable and that reasonably possible changes to those key assumptions would not lead to the carrying amount exceeding the recoverable amount. Sensitivity analyses have been performed and the table below summarises the effects of changing certain other key assumptions and the resultant excess (or shortfall) of discounted cash flows against the aggregate of goodwill and intangible assets.

Sensitivity analysis £'000	Systems Assurance Limited	More Computers Limited
Excess of recoverable amount over carrying value:		
Base case – headroom	176	259
Pre-tax discount rate increased by 1% - resulting headroom	158	233
Revenue growth rate reduced in years 2 to 5 by 1% per annum – resulting headroom	126	162

Base case calculations highlight that the impairment review in respect of More Computers Limited is most sensitive to the discount rate and growth rate.

7. Trade and other receivables

	Unaudited 31 March 2025 £'000	Unaudited 31 March 2024 £'000	Audited 30 September 2024 £'000
Trade receivables	**632**	2,581	482
Other debtors	**—**	105	—
Prepayments	**106**	1,594	34
Trade and other receivables	**738**	4,280	516

The Group reviews the amount of expected credit loss associated with its trade receivables and contract assets under IFRS 9 based on forward looking estimates that take into account current and forecast credit conditions as opposed to relying on past historical default rates. In adopting IFRS 9 the Group applied the Simplified Approach applying a provision matrix based on number of days past due to measure lifetime expected credit losses and after taking into account customers with different credit risk profiles and current and forecast trading conditions.

8. Trade and other payables

	Unaudited 31 March 2024 £'000	Unaudited 31 March 2023 £'000	Audited 30 September 2023 £'000
Trade payables	**6,047**	5,325	1,466
Accruals	**636**	1,424	155
Other taxes and social security costs	**835**	657	69
Trade and other payables	**1,515**	7,518	1,690

9. Borrowings

9.1 Current

	Unaudited 31 March 2025 £'000	Unaudited 31 March 2024 £'000	Audited 30 September 2024 £'000
Loan notes repayable in August 2026 (repaid 31 October 2024)	**—**	—	6,016
COVID-19 Bounce-back loan repayable – short-term element	**19**	19	19
Deferred consideration relating to the acquisition of CloudCoCo Connect Limited - short term element at Fair Value	**50**	50	50
	69	69	6,085

9.2 Non-current	**Unaudited 31 March 2025 £'000**	Unaudited 31 March 2024 £'000	Audited 30 September 2024 £'000
Loan notes repayable in August 2026 (repaid 31 October 2024)	**—**	5,498	—
COVID-19 Business Bounce-back loan repayable – long-term element	**9**	35	25
Deferred consideration relating to the acquisition of CloudCoCo Connect Limited - long term element at Fair Value	**41**	96	75
	50	5,629	100

On 29 April 2024, MXC Guernsey Limited ("MXCG") agreed to extend the redemption date of the loan notes from 21 October 2024 to 31 August 2026. As consideration for the extension, a fee of £550,000 would have become payable from 22 October 2024. Had the extension been taken up, MXCG would also have secured the right to appoint a consultant to, or an Executive Director of, the Company's Board, and to increase its loan security to a full debenture over all Group Companies. The loan notes would have continued to accrue interest at the existing rate, with all amounts due on redemption.

However, the loan notes were fully repaid on 31 October 2024, and as a result, the £550,000 extension fee was not incurred. All obligations under the loan notes, including interest and security arrangements, were discharged in full upon repayment.

On 10 May 2020, the Company borrowed £50,000 from HSBC Bank UK Plc, under the COVID-19 Business Bounce-back loan scheme. In accordance with the UK Government's Business Interruption Payment scheme, the interest on the loan for the first 12 months is covered by the UK Government and the Company will repay the loan in 59 equal monthly instalments, commencing June 2021.

As part of the acquisition of More Computers Limited on 6 September 2021, the Company inherited a COVID-19 Business Bounce-back loan of £50,000 between More Computers Limited and NatWest Bank Plc. In accordance with the UK Government's Business Interruption Payment scheme, the interest on the loan for the first 12 months is covered by the UK Government and the Company will repay the loan in 59 equal monthly instalments, commencing March 2022.

9.3 Net debt – net debt comprises:	**31 March 2025 £'000**	Cash movements £'000	Other movements £'000	31 March 2024 £'000
Loan notes	**—**	(6,186)	688	5,498
COVID-19 Bounce-back loans	**35**	(19)	—	54
Deferred consideration relating to the acquisition of CloudCoCo Connect Limited (formerly IDE Group Connect Limited) - Fair Value	**96**	(50)	—	146
Lease liabilities	**9**	(1,498)	15	1,492
Cash and cash equivalents	**(818)**	(212)	—	(606)
Total	**(678)**	(7,965)	703	6,584

END