



Embargoed for 7:00am release

12 August 2016

cloudBuy plc
("cloudBuy" or the "Company")

Interim Results for the six months ended 30 June 2016

cloudBuy plc (AIM: CBUY), the global provider of cloud-based ecommerce marketplaces and B2B buyer and supplier solutions, today announces its unaudited interim results for the six months ended 30 June 2016.

Key Points

Operational

- Signed and launched 3 way memorandum of understanding with Visa and Efinance for Egypt
- PHB Choices now live for all 209 CCGs to use
- Won and delivering SpendInsight project for New South Wales Health Share
- Continuing cost reduction initiatives, Administrative expenses are down £1.0m (28%) on H1 2015

Financial

- Turnover decreased by 11% from H1 2015 to £0.785m
- Turnover decreased by 9% from H2 2015
- Operating loss excluding share based payments decreased £0.947m (32%) to £1.999m (2015 £2.946m) as a result of cost saving initiatives
- Cash and cash equivalents as at 30 June 2016 were £1.947m (30 June 2015: £1.917m)
- Financing to raise up to £5.75m completed with existing shareholder Roberto Sella
- Loss per Share reduced 1.9p (2.6p 2015)

Ronald Duncan, Executive Chairman of cloudBuy, commented, “During the first half of the year we continued to re-focus the business around our key accounts and near term opportunities in ecommerce and further restructure the cost base accordingly.

We have continued to make good progress in those accounts whilst also developing further opportunities, particularly in the Middle East and Asia Pacific. Our focus remains on closing prospects for ecommerce traditional licence revenue, whilst continuing to pursue the larger ecommerce opportunities for transactional revenue and whole country solutions that we have been developing.”

For further information, please contact:

cloudBuy plc
David Gibbon, CFO

Tel: 0118 963 7000

Arden Partners plc – NOMAD and broker
James Felix / Patrick Caulfield

Tel: 020 7614 5900

Alma PR

Josh Royston / Hilary Buchanan

Tel: 020 8004 4218

About cloudBuy plc

cloudBuy, (AIM: CBUY), provides cloud solutions for buyers and sellers – and brings them together to trade securely and ethically via an increasing number of public e-marketplaces and private purchasing portals around the world, powered by cloudBuy ecommerce technology.

cloudBuy solutions for buyers help B2B purchasers understand and control their spend, to reduce costs and increase value. Our cloudSell solutions enable sellers of all sizes, from startups to corporates, reach new customers and grow their business.

cloudBuy’s technology platform powers web sites, public marketplaces and private purchasing portals that enable all types of online interactions and relationships including, citizen and business to government; consumer to business; and business to business.

For more information visit: www.cloudbuy.com
Twitter: @cloudbuyplc

CHAIRMAN'S STATEMENT

Operational

We continue to focus on a small number of key accounts in order to drive revenues. Amongst these are PHB Choices and CII marketplace, both of which are in the onboarding phase for suppliers.

With PHB Choices we have had good uptake with CCG's to date, and are now working with them to ensure that their suppliers are live in order to bring on the personal budget holders. Whilst there is no mandate for the CCG's to use PHB Choices, it has been welcomed by the CCG's as it provides a scalable, transparent and auditable solution to the challenges posed by the roll out of PHB's. We have agreed to waive the fixed fees for the initial CCG's in order to encourage rapid adoption.

The CII marketplace is live and suppliers are gradually coming on board.

To date, there are over 400 suppliers registered with over 7,000 products able to be purchased. Once a critical mass of suppliers and products is achieved, CII and cloudBuy will increase marketing efforts to attract buyers to the marketplace.

We are pleased to have won new licenced based contracts with HealthShare NSW in April 2016 and, post period end, University of Exeter in July 2016.

The purchasing portal for the York Region District School Board in Canada is nearing pilot. This has progressed in line with management's expectations during the 6 month project to implement finance integration and develop new functionality for the wider Ontario schools market. This will be beneficial as we target other schools' boards in North America. To date, 22 boards have expressed an interest in our solution, out of a total addressable market of 72. Our experience with York Region will enable us to roll out future projects in a quicker time frame. A small amount of revenue was recognised in the first half with higher revenue expected to be recognised in the second half of 2016.

More generally we have an active pipeline of eProcurement prospects across the UK, USA, Canada, Australia, India and the Middle East. This is our traditional business and these are licence revenue opportunities, as opposed to transactional revenue from the new marketplaces.

In Egypt we have progressed rapidly from an introduction by Visa in February to signing a 3 way memorandum of understanding between cloudBuy, Visa and Efinance. The whole country initiative for all cloudBuy technologies was launched by UK Trade Envoy, Sir Jeffrey Donaldson MP and Yasser ElKady, Egyptian Minister of Communications and Information Technology on 26th July. The initiative is supported by the Federation of Egyptian Chambers of Commerce and the Union of African Chambers of Commerce.

The cost control initiatives are continuing, as part of these, we are restructuring the Coding International Limited subsidiary which has resulted in the redundancy of 4 of the 7 employees. Revenue from this business is down by nearly 50% in H1.

Funding

We are delighted to have agreed the financing package with Roberto Sella and associates totalling £5.75m which was approved in a shareholders meeting on 26 April 2016. To date, £3.274m has been utilised.

Financial Results

Turnover decreased by 11% from H1 2015 to £0.785m, turnover decreased by 9% from H2 2015.

Administrative expenses, excluding share based payments, decreased to £2.643m (2015: £3.658m).

After a charge for share based payments of £0.348m (2015 £0.217m), the operating loss decreased to £2.347m (2015 £3.163m).

Cash and cash equivalents as at 30 June 2016 were £1.947m (30 June 2015: £1.917m) reflecting the losses incurred, offset by the Roberto Sella financing

Net assets as at 30 June 2016 were £(0.497m) compared to £2.025m at 30 June 2015.

Outlook

The Company's realignment of its cost base will continue throughout the remainder of the year.

Revenue from projects already won should result in an increase in revenue in the second half of the year compared to the first and deliver a full year performance in line with last year, as well as providing contribution in the coming years.

Going forward, we believe that the current contracted mix of licenced business together with larger transaction based revenue projects will enable us to grow revenues in the medium term, whilst also developing further opportunities.

Contribution from new wins in the year should result in some increase in revenue in H2 over H1.

Ronald Duncan
Executive Chairman
12 August 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

		<i>6 months to 30 June 2016 £'000</i>	<i>6 months to 30 June 2015 £'000</i>	<i>Year ended 31 Dec 2015 £'000</i>
Revenue	2	785	887	1,748
Cost of sales		(141)	(175)	(349)
Gross profit		644	712	1,399
Administrative expenses		(2,643)	(3,658)	(6,882)
Share based payments		(348)	(217)	(591)
Operating loss		(2,347)	(3,163)	(6,074)
Finance income		-	-	12
Finance Cost		(53)	-	(2)
Loss on ordinary activities before taxation		(2,400)	(3,163)	(6,064)
Income tax expense		-	-	91
Loss for the year attributable to equity shareholders of the parent		(2,400)	(3,163)	(5,973)
Other comprehensive income – item which will or may be reclassified to profit and loss				
Exchange gain arising on translation of foreign operations		11	60	17
Total comprehensive income		(2,389)	(3,103)	(5,956)
Loss per share – basic and diluted	3	(1.9)p	(2.6)p	(4.8)p

Revenue and operating loss all derive from continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	30 June 2016 £'000	30 June 2015 £'000	31 Dec 2015 £'000
Assets			
Non-current assets			
Other intangible assets	27	5	4
Property, plant and equipment	172	200	195
	199	205	199
Current assets			
Trade and other receivables	287	567	432
Taxes recoverable	50	60	50
Cash and cash equivalents	1,947	1,917	754
	2,284	2,544	1,236
Total assets	2,483	2,749	1,435
Liabilities			
Current liabilities			
Trade and other payables	(846)	(724)	(889)
	(846)	(724)	(889)
Non-current liabilities			
Financial liabilities - borrowings	(2,134)	-	-
	(2,134)	-	-
Total liabilities	(2,980)	(724)	(889)
Net Assets/(liabilities)	(497)	2,025	546
Shareholders' equity			
Called up share capital	1,304	1,234	1284
Share premium	5,534	4,472	5422
Other reserve	1,496	630	630
Share based payment reserve	640	(82)	292
Currency translation	61	93	50
Accumulated profit/(losses)	(9,532)	(4,322)	(7,132)
Total equity attributable to equity shareholders of the parent	(497)	2,025	546

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

	6 months to 30 June 2016 £'000	6 months to 30 June 2015 £'000	Year ended 31 Dec 2015 £'000
Cash flows from operating activities			
Loss before tax	(2,400)	(3,163)	(6,064)
Adjustments for:			
Finance (income)/cost	53	-	(10)
Depreciation of property, plant & equipment	28	42	82
Amortisation of other intangible assets	1	38	39
Share based payments	348	217	591
Changes in working capital			
Trade and other receivables	145	597	732
Trade and other payables	(97)	(382)	(217)
Currency translation	11	60	17
Net cash used by operations	(1,911)	(2,591)	(4,830)
Tax received	-	59	161
Net cash outflow from operating activities	(1,911)	(2,532)	(4,669)
Cash flows from investing activities			
Interest received/(paid)	-	-	(2)
Purchase of other intangible assets	(24)	(5)	(6)
Purchase of property, plant and equipment	(5)	(120)	(155)
Net cash used in investing activities	(29)	(125)	(163)
Cash flows from financing activities			
Issue of ordinary shares	133	28	1,028
Issue of convertible loan note (net of costs)	3,000	-	-
Interest received	-	-	12
Net cash generated from financing	3,133	28	1,040
Net increase/(decrease) in cash and cash equivalents	1,193	(2,629)	(3,792)
Cash and cash equivalents at beginning of period	754	4,546	4,546
Cash and cash equivalents at end of period	1,947	1,917	754

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

	<i>Share capital</i>	<i>Share premium</i>	<i>Other reserve</i>	<i>Share based payment reserve</i>	<i>Currency trans- lation</i>	<i>Accumul- ated profit and loss</i>	<i>Total</i>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 January 2015	1,212	3,972	630	95	33	(1,159)	4,883
Shares issued in the period	22	500	-	-	-	-	522
Share premium cancellation (note 4)	-	-	-	-	-	-	-
Share based payments	-	-	-	(277)	-	-	(277)
Exchange in period	-	-	-	-	60	-	60
Loss for the period	-	-	-	-	-	(3,163)	(3,163)
Balance as at 30 June 2015	1,234	4,472	630	(82)	93	(4,322)	2,025
Shares issued in the period	50	950	-	-	-	-	1,000
Share based payments	-	-	-	374	-	-	374
Exchange in period	-	-	-	-	(43)	-	(43)
Loss for the period	-	-	-	-	-	(2,810)	(2,810)
Balance as at 31 December 2015	1,284	5,422	630	292	50	(7,132)	546
Shares issued in the period	20	112	-	-	-	-	132
Equity attributed to convertible loan note	-	-	866	-	-	-	866
Share based payments	-	-	-	348	-	-	348
Exchange in period	-	-	-	-	11	-	11
Loss for the period	-	-	-	-	-	(2,400)	(2,400)
Balance as at 30 June 2016	1,304	5,534	1,496	640	61	(9,532)	(497)

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

These interim financial statements have been prepared in accordance with the accounting policies set out in the Annual Report and Accounts for the year ended 31 December 2015 and the interpretation of those accounting standards underlying the accounting policies. IAS 34, Interim Financial Reporting, has not been applied. The interim financial statements have been issued in accordance with the AIM Rules of the London Stock Exchange and are unaudited. The financial information set out does not constitute statutory accounts for the purposes of section 434 of the Companies Act 2006. The auditors' report on the statutory accounts for the year ended 31 December 2015 which have been filed with the Registrar of Companies was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The preparation of financial statements requires estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although the estimates are based on management's best knowledge of the amounts, events or actions, actual results may differ from those estimates.

This announcement which was approved by the board of cloudBuy plc on 11 August 2016 will be published on the company's website at www.cloudbuy.com.

2. Revenue (unaudited)

Set out below is an analysis of revenue recognised and gross profit attributable between reportable segments:

	<i>6 months to 30 June 2016 £'000</i>	<i>6 months to 30 June 2015 £'000</i>	<i>Year ended 31 Dec 2015 £'000</i>
<i>Revenue</i>			
Company formation services	267	313	617
Web and ecommerce services	489	519	1,039
Coding International Limited	29	55	92
	<hr/> 785	<hr/> 887	<hr/> 1,748
<i>Gross Profit</i>			
Company formation services	143	158	316
Web and ecommerce services	472	499	991
Coding International Limited	29	55	92
	<hr/> 644	<hr/> 712	<hr/> 1,399

3. Loss per share (unaudited)

The calculations for loss per share are based on the weighted average number of shares in issue during the period 129,499,528 (6 months to 30 June 2015: 121,442,045; year ended 31 December 2015: 124,641,446) and the following losses:

	<i>6 months to 30 June 2016 £'000</i>	<i>6 months to 30 June 2015 £'000</i>	<i>Year ended 31 Dec 2015 £'000</i>
<i>Unadjusted earnings:</i>			
Loss on ordinary activities after tax	(2,400)	(3,163)	(5,973)
<i>Add back:</i>			
Share based payments	348	217	591
<i>Adjusted earnings:</i>	<hr/> (2,052)	<hr/> (2,946)	<hr/> (5,382)

The share options and warrants are not dilutive as they would not increase the loss per share in the year.

The basic and diluted loss per share calculated on the adjusted earnings is 1.6p (6 months to 30 June 2015: 2.4p; year ended 31 December 2015: 4.3p).

4. Convertible Loan Stock and Loan Stock

The principal terms of the loan instruments are as follows :

Instrument (the "Instrument")	Interest bearing loan note instrument constituting 4,172,562 £1.00 secured convertible loan notes and 1,577,438 £1.00 secured non-convertible loan notes
Amount	Up to £5,750,000
Term	10 year term with an early repayment option on 5th anniversary
Drawdown	Minimum of £3,274,300 in first draw down then in increments of a minimum of £1 million in size
Interest	2.33%
Borrower Covenants	cloudBuy plc cannot issue any instrument that is pari passu or senior to the Instrument and/or the Loan Notes without the consent of the holder of the Loan Notes
Lender Covenants	None
Conversion price	6.5 pence (conversion at any time in full or in part at the election of loan note holder) or 1 penny (in the event that the outstanding amount of the Convertible Loan Notes (including principal and interest) has not been repaid or converted by the Final redemption Date)
Security	The Loan Notes will be secured, by way of a secondary charge over the Company's assets, with the charge ranking behind the Company's clearing bank facility provider from time to time where the priority charge over the Company assets will be limited to £300,000 in value
Future Investment	Mr. Roberto Sella to have the right, but not the obligation, to participate in future equity fundraising by the Company at 80% of the price of other investors up to the end of the Term

5. Disclosure of Concert Party Shareholdings

The following details are required to be disclosed in this report to comply with the conditions of The Takeover Code. Mike Pasternak who is a director of cloudBuy is deemed to be acting in concert with Roberto Sella for the purposes of the Takeover Code. The holdings of Roberto Sella and Mike Pasternak are as follows:

Shareholder	Interest in issued share capital on 11 August 2016	Percentage interest in issued share capital on 11 August 2016	Total interest on the basis that the full £5,750,000 loan is utilised and all potential Convertible Loan Securities are converted	Percentage total interest on the basis that the full £5,750,000 loan is utilised and all potential Convertible Loan Securities are converted
Roberto Sella	14,700,000	11.27%	88,521,777	42.74%
Mike Pasternak	2,150,000	1.65%	2,150,000	1.06%
Total	16,850,000	12.92%	90,671,777	43.80%