



19 December 2023

CyanConnode Holdings plc
("CyanConnode" or the "Company")

Interim results for the six months ended 30 September 2023 (H1 FY 2024)

CyanConnode (AIM: CYAN), a world leader in narrowband radio frequency (RF) mesh networks, announces its unaudited interim results for the six months ended 30 September 2023 (H1 FY 2024).

John Cronin, CyanConnode Executive Chairman, commented:

"The Indian smart metering market and the Revamped Distribution Sector Scheme (RDSS) continues to gather momentum with tenders for more than 220 million smart meters having been sanctioned to date.

CyanConnode is experiencing a period of rapid growth and has won orders for a total of 5.3 million Omnimesh modules to date in India alone, with a significant portion of these (4 million) having been won during the past 18 months.

Orders have continued to be won in other territories too, such as the order announced in October from the MENA region, which was a follow-on order from the contract announced in April 2022.

We can confirm that revenue is expected to meet market expectations and look forward to updating on further progress in due course."

Financial Highlights

- Revenue of £5.8m (H1 FY 2023: £1.3m) which is in line with management's expectations
- Gross profit of £1.8m (H1 FY 2023: £0.7m)
- Operating loss of £2.2m (H1 FY 2023: £2.4m)
- Cash received from customers of £7.4m (H1 FY 2023: £4.5m)
- Cash and cash equivalents at end of period £0.9m (FY 2023: £4.1m)

Operational Highlights

- Three orders won from IntelliSmart Infrastructure Pvt Ltd (IntelliSmart) for a total of 1.4 million Omnimesh RF Modules and associated products, under the strategic agreement announced in February 2023, taking the total order book for India to 5 million Omnimesh modules
- CyanConnode India recognised as Dun and Bradstreet 'Start-Up 50 Trailblazer'
- Memorandum of Association (MOU) signed with Alfanar to explore opportunities in Advanced Metering Infrastructure (AMI) projects
- 503,000 modules shipped in H1 of FY24 vs 391,000 shipped in the whole of FY 2023
- Investment into recruitment, to scale up the business, and research and development to develop further products in response to market demand

Post-Period Highlights

- Order won for a further 300,000 Omnimesh modules and associated products from IntelliSmart, taking the Company's total order book for India to 5.3 million modules, of which 3.1 million are yet to be shipped
- Letter of award (LOA) received for a follow-on smart metering deployment in the Middle East and North Africa (MENA) region
- Cash collected from customers since the period end of £2.4m taking cash received for the financial year to date to £9.8m
- Cash at end of November 2023 of £1.1m, with a further £0.6m received from customers in December 2023
- £2.7m (before expenses) raised in November 2023 through an oversubscribed placing and subscription, together with the issue of warrants at an exercise price of 15.0 pence per ordinary share, which would provide a potential further £4.1m if fully exercised
- Current market share of installed smart metering base in India of approximately 25%
- Win ratio in India in terms of tenders to date of 40%, and 25% in terms of volumes

- CyanConnode India recognised as second fastest-growing UK company in India according to the prestigious Britain Meets India (BMI) 2023 report
- CyanConnode ranked as 12th fastest-growing business in the Midlands and East of England, according to the 2023 Fast Growth 50 index
- Indian smart metering market continues to gather momentum - current tenders for more than 220 million Smart Meters have been sanctioned to the end of November 2023, with almost 100 million being awarded to prime bidders, typically Advanced Metering Infrastructure Service Providers (AMISPs)
- Revenue for the financial year ending 31 March 2024 is forecast to meet market expectations

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About CyanConnode

CyanConnode (AIM:CYAN.L) is a world leader in Narrowband Radio Frequency (RF) Smart Mesh Networks, which are used for machine to machine (M2M) communication. As well as being self-forming and self-healing, CyanConnode's RF Smart Mesh Networks are designed for rapid deployment, whilst giving exceptional performance and competitive total cost of ownership.

In June 2018, CyanConnode launched its award-winning Omnimesh Advanced Metering Infrastructure (AMI) platform, which has already gained considerable commercial traction, especially in India which is a key market for the Company.

Through a Global partner eco-system, which is vendor agnostic, CyanConnode has several routes to market, therefore it is well positioned to capitalise upon increasing Global demand for smart metering solutions.

For more information, please visit www.cyanconnode.com.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018.

Chairman's Statement

Financial review

Key figures

| | H1 FY 2024 £'000 | H1 FY 2023 £'000 | % Change |
|----------------------------------|---------------------|---------------------|----------|
| Revenue | 5,775 | 1,347 | + 329% |
| Gross profit | 1,810 | 665 | + 172% |
| Operating costs | (3,987) | (3,043) | + 31% |
| Operating loss | (2,177) | (2,378) | - 8% |
| EBITDA | (2,008) | (2,135) | - 6% |
| Adjusted EBITDA | (1,916) | (2,128) | - 10% |
| Cash | 945 | 1,033 | - 9% |
| Basic and diluted loss per share | 0.72p | 0.94p | - 23% |

Revenue and Operating Costs

Revenue for the first six months of FY 2024 was in line with management's expectations, and 4.3 times the revenue for the same period of FY 2023. With orders having been won in India for 1.4 million Omnimesh modules during the period, and a further order for 0.3 million Omnimesh modules won since period end, as well as order backlog from projects won in FY 2023, the Company expects a significant increase in revenue during the second half of FY 2024. Gross margins are weaker than H1 FY 2023 as H1 FY 2024 has been hardware sales intensive, including lower margin sales of third-party hardware in territories outside India. Gross margins for hardware in India remain as expected. The increase in operating costs was largely due to increased headcount to meet the growth of the business.

Cash

During the period cash was utilised to both purchase stocks of long lead-time components to support delivery during the remainder of the financial year, (stock of 360,000 long lead-time components were held at period end to allow H2 FY24 deliveries to be met) and investing in recruitment to support growth.

Accounts receivable

A total of £7.4m cash was collected from customers during the period (compared to £4.5m for the entirety of FY 2023), and a further £2.4m since the period end. In the period, our contract assets, reported in the non-current assets part of the balance sheet, increased to £2.4m (FY 2023: £2.1m), where revenue has been recognised in accordance with IFRS 15, and will be paid for over the period of the contract. The remainder of trade receivables included in non-current assets related to accrued income from contracts. Approximately 44% of cash collection during H1 FY 2024 related to trade receivables from FY 2023 and a further 17% of FY 2023 trade receivables have been collected since period end.

£1,124k of trade receivables has been collected via invoice discounting and reflected as short-term borrowings in the balance sheet as required by IFRS. The net value of trade receivables in the current section of the balance sheet after taking this into account is therefore £8,056k less £1,124k = £6,932k (FY23 £7,224k less £426k = £6,798k) (see Note 4).

Operational Review

India

The Government of India plans to rollout 250 million smart meters through tenders for large volumes, of which tenders for more than 220 million smart meters had been sanctioned to the end of November 2023.

The table further below is a summary taken from <https://www.nsgm.gov.in/en/sm-stats-all> which lists all tenders sanctioned, along with the numbers of meters awarded and deployed to date. The highlighted sections in green show the utilities in which CyanConnode has deployed Omnimesh modules. While contracts for almost 100 million smart meters have been awarded to date, these awards have been to prime bidders who are typically AMISPs, and

there can be a delay of a few months between the award of the contract to the AMISP and the subsequent award to subcontractors such as CyanConnode.

| State | Total Sanctioned | Awarded | Deployed to date |
|---------------------|--------------------|-------------------|------------------|
| Andhra Pradesh | 5,610,846 | 5,400,139 | 12,414 |
| Andaman and Nicobar | 158,773 | 75,200 | 75,200 |
| Arunachal Pradesh | 287,446 | - | - |
| Assam | 6,735,074 | 6,830,374 | 886,907 |
| Bihar | 17,208,939 | 6,008,600 | 2,201,142 |
| Chandigarh | 29,433 | 29,433 | 24,214 |
| Chhattisgarh | 5,962,115 | 7,070,288 | - |
| Delhi | 260,000 | 260,000 | 260,000 |
| Goa | 741,160 | - | - |
| Gujarat | 16,510,860 | 10,794,960 | 23,760 |
| Haryana | 1,000,000 | 1,000,000 | 781,831 |
| Himachal Pradesh | 2,952,685 | 151,740 | 151,740 |
| Jammu and Kashmir | 2,134,095 | 1,387,063 | 411,060 |
| Jharkhand | 1,341,306 | - | - |
| Kerala | 13,290,166 | 805 | 805 |
| Ladakh | 58,930 | 58,930 | 14,440 |
| Madhya Pradesh | 13,444,401 | 3,195,997 | 516,867 |
| Maharashtra | 23,564,747 | 23,138,749 | - |
| Manipur | 154,400 | 154,400 | - |
| Meghalaya | 460,000 | - | - |
| Mizoram | 290,039 | 656 | 656 |
| Nagaland | 317,210 | - | - |
| Odisha | 4,500 | 4,500 | 4,500 |
| Puducherry | 403,767 | - | - |
| Punjab | 9,830,007 | 1,045,200 | 412,000 |
| Rajasthan | 14,900,527 | 625,571 | 613,579 |
| Sikkim | 144,680 | - | - |
| Tamil Nadu | 30,140,849 | 140,849 | 126,510 |
| Telangana | 8,882 | 8,882 | 8,882 |
| Tripura | 547,489 | - | - |
| Uttar Pradesh | 30,978,281 | 30,978,280 | 1,186,953 |
| Uttarakhand | 1,584,205 | - | - |
| West Bengal | 21,208,759 | 10,000 | 10,000 |
| | 222,264,571 | 98,370,616 | 7,723,460 |

CyanConnode has seen its strategic agreement with IntelliSmart (signed February 2023) begin to take effect, with three orders placed in H1 FY 2024 under the agreement, and a fourth placed following the end of the period as set out below. In addition to the modules, the orders include advanced metering infrastructure, standards-based hardware, services, Omnimesh head-end software, perpetual license, and annual maintenance contracts.

- In May 2023, an order was received for 600,000 Omnimesh RF Modules, for the Pachimanchal Vidyut Vitran Nigam Ltd (PVVNL) smart metering project in Uttar Pradesh
- In July 2023, an order was received for 300,000 Omnimesh RF Modules, for the Dakshin Gujarat Smart Metering Private Limited (DGVCL) smart metering project in Gujarat
- In August 2023, an order was received for 500,000 Omnimesh RF Modules, for the Power Grid Corporation of India Limited (PGCIL) smart metering project for Madhya Gujarat Vij Company Limited (MGVCL) in Gujarat
- In October 2023, an order was received for 300,000 Omnimesh RF Modules, for the South Bihar Power Distribution Company Ltd (SBPDCL) smart metering project

APAC and Middle East

The smart metering market in the APAC and Middle East continues to mature and presents a significant opportunity for CyanConnode.

During the period CyanConnode continued to deploy its contract for the MENA region which was announced in April 2022. In October 2023, the Company was pleased to announce a follow-on order for this project, and shipments for this order are now underway.

Additionally, the Metropolitan Electricity Authority (MEA) Smart Grid Project, won in December 2019 continues to roll out in Thailand. The Company has now also provided its Cellular Network Interface Cards (CNICs) which are successfully connecting to the network.

Post period end developments and outlook

Orders

In October 2023, an order for a further 300,000 Omnimesh modules and associated products was won from IntelliSmart, taking the Company's total order book for India to 5.3 million modules, of which 3.1 million are yet to be shipped. In addition, a letter of award was received for a follow-on smart metering deployment in the MENA region. This follow-on contract builds upon the first MENA order announced by the Company in April 2022 and is for CyanConnode's cellular communications product, which will be deployed to connect smart electricity and smart water meters. Under the LOA, CyanConnode will supply cellular hubs, with a capacity to connect 1.41 million devices. Delivery of the first hubs has now commenced, with the full contract expected to be delivered over the next 12 months.

As of the end of November 2023, CyanConnode has won orders for 5.3 million Omnimesh modules in India alone, with 2.2 million shipped to the end of November 2023, leaving a backlog still to be shipped of 3.1 million. CyanConnode's presence in the market represents 25% of the total installed base, and its win rate is 25% in terms of volumes and 40% in terms of tenders awarded.

Cash

On 9 November 2023 CyanConnode Holdings plc raised £2.7 million (before expenses) through an oversubscribed placing of 19,188,500 ordinary shares of 2.0 pence each and a subscription for 8,000,000 New Ordinary Shares. In addition, each subscriber in the Placing and the Subscription has been issued one Investor Warrant (as defined in the placing announcement of 8 November 2023) for each new Ordinary Share subscribed for. Each Investor Warrant has an exercise price of 15.0 pence per ordinary share. If exercised in full, the Investor Warrants would result in the issue of a total of 27,188,500 further new Ordinary Shares, raising a further £4.1m.

Cash as at the end of November 2023 was £1.1m. Cash collected from customers since the period end was £2.4m taking cash received for the eight-month period to the end of November 2023 to £9.2m, plus £0.6m received from customers since the end of November 2023.

Awards and recognition

In November 2023, CyanConnode was pleased to announce that its subsidiary in India had been recognised as the second fastest-growing UK company in India according to the prestigious Britain Meets India (BMI) 2023 report. Additionally, the Company was ranked as 12th fastest-growing business in the Midlands and East of England, according to the 2023 Fast Growth 50 index.

Consolidated income statement

| | Note | Unaudited 6 months to 30 September 2023 £000 | Unaudited 6 months to 30 September 2022 £000 | Audited 12 months to 31 March 2023 £000 |
|---|------|--|--|---|
| Continuing operations | | | | |
| Revenue | | 5,775 | 1,347 | 11,732 |
| Cost of sales | | (3,965) | (682) | (7,518) |
| Gross profit | | 1,810 | 665 | 4,214 |
| Exceptional item: impairment of intangible assets | | - | - | (968) |
| Other operating costs | | (3,987) | (3,043) | (6,593) |
| Operating loss | | (2,177) | (2,378) | (3,347) |
| Amortisation and depreciation | | 169 | 243 | 489 |
| Share based payments | | 100 | 100 | 224 |
| Stock impairment | | - | - | 102 |
| Impairment of intangible assets | | - | - | 968 |
| Foreign exchange (gains)/losses | | (8) | (93) | 8 |
| Adjusted EBITDA | | (1,916) | (2,128) | (1,556) |
| Finance income | | 8 | 11 | 35 |
| Finance costs | | (72) | (49) | (136) |
| Loss before tax | | (2,241) | (2,416) | (3,448) |
| Tax credit | | 367 | 302 | 1,042 |
| Loss for the period | | (1,874) | (2,114) | (2,406) |
| Loss per share (pence) | | | | |
| Basic | 3 | (0.72) | (0.94) | (1.03) |
| Diluted | 3 | (0.72) | (0.94) | (1.03) |

Consolidated statement of comprehensive income

Derived from continuing operations and attributable to the equity owners of the Company

| | Unaudited 6 months to 30 September 2023 £000 | Unaudited 6 months to 30 September 2022 £000 | Audited 12 months to 31 March 2023 £000 |
|---|--|--|---|
| Loss for the period | (1,874) | (2,114) | (2,406) |
| Exchange differences on translation of foreign operations | 37 | 425 | 21 |
| Total comprehensive income for the year | (1,837) | (1,689) | (2,385) |

Consolidated statement of financial position

| As at | Unaudited 30 September 2023 £000 | Unaudited 30 September 2022 £000 | Audited 31 March 2023 £000 |
|--|---|---|-------------------------------------|
| Non-current assets | | | |
| Intangible assets | 3,798 | 3,988 | 3,433 |
| Goodwill | 1,930 | 1,930 | 1,930 |
| Other financial assets | 69 | 68 | 62 |
| Property, plant and equipment | 75 | 33 | 30 |
| Right of use asset | 108 | 152 | 122 |
| Trade and other receivables (note 4) | 2,456 | 520 | 2,076 |
| Total non-current assets | 8,436 | 6,691 | 7,653 |
| Current assets | | | |
| Inventories | 1,540 | 955 | 793 |
| Trade and other receivables (note 4) | 8,513 | 4,586 | 7,182 |
| R&D tax credit receivables | 374 | 884 | 748 |
| Cash and cash equivalents | 945 | 1,033 | 4,070 |
| Total current assets | 11,372 | 7,458 | 12,793 |
| Total assets | 19,808 | 14,149 | 20,446 |
| Current liabilities | | | |
| Short term borrowing | (1,424) | (800) | (1,226) |
| Trade and other payables | (4,734) | (2,362) | (3,833) |
| Corporation tax liabilities | - | (137) | - |
| Lease liabilities | (29) | (15) | (29) |
| Total current liabilities | (6,187) | (3,314) | (5,088) |
| Net current assets | 5,185 | 4,144 | 7,705 |
| Non-current liabilities | | | |
| Lease liabilities | (80) | (137) | (94) |
| Deferred tax liability | (465) | (745) | (452) |
| Other payables | (43) | (97) | (42) |
| Total non-current liabilities | (588) | (979) | (588) |
| Total liabilities | (6,775) | (4,293) | (5,676) |
| Net assets | 13,033 | 9,856 | 14,770 |
| Equity | | | |
| Share capital | 5,438 | 4,728 | 5,438 |
| Share premium account | 78,671 | 73,895 | 78,671 |
| Own shares held | (3,611) | (3,611) | (3,611) |
| Share option reserve | 904 | 1,168 | 804 |
| Translation reserve | 89 | 456 | 52 |
| Retained losses | (68,458) | (66,780) | (66,584) |
| Total equity being equity attributable to owners of the Company | 13,033 | 9,856 | 14,770 |

Consolidated statement of changes in equity

| | Share Capital £000 | Share Premium Account £000 | Own Shares Held £000 | Share Option Reserve £000 | Translation Reserve £000 | Retained Losses £000 | Total Equity £000 |
|--|--------------------------|-------------------------------------|-------------------------------|------------------------------------|--------------------------------|----------------------------|-------------------------|
| Balance at 31 March 2022 | 4,726 | 73,883 | (3,611) | 1,068 | 31 | (64,666) | 11,431 |
| Loss for the period | - | - | - | - | - | (2,114) | (2,114) |
| Other comprehensive income for the period | - | - | - | - | 425 | - | 425 |
| Total comprehensive income for the period | - | - | - | - | 425 | (2,114) | (1,689) |
| Issue of share capital | 2 | 12 | - | - | - | - | 14 |
| Credit to equity for share options | - | - | - | 100 | - | - | 100 |
| Total transactions with owners | 2 | 12 | - | 100 | - | - | 114 |
| Balance at 30 September 2022 | 4,728 | 73,895 | (3,611) | 1,168 | 456 | (66,780) | 9,856 |
| Loss for the period | - | - | - | - | - | (292) | (292) |
| Other comprehensive income for the period | - | - | - | - | (404) | - | (404) |
| Total comprehensive income for the period | - | - | - | - | (404) | (292) | (696) |
| Issue of share capital | 710 | 4,776 | - | - | - | - | 5,486 |
| Credit to equity for share options | - | - | - | 124 | - | - | 124 |
| Transfer | - | - | - | (488) | - | 488 | - |
| Total transactions with owners | 710 | 4,776 | - | (364) | - | 488 | 5,610 |
| Balance at 31 March 2023 | 5,438 | 78,671 | (3,611) | 804 | 52 | (66,584) | 14,770 |
| Loss for the period | - | - | - | - | - | (1,874) | (1,874) |
| Other comprehensive income for the period | - | - | - | - | 37 | - | 37 |
| Total comprehensive income for the period | - | - | - | - | 37 | (1,874) | (1,837) |
| Credit to equity for share options | - | - | - | 100 | - | - | 100 |
| Total transactions with owners | - | - | - | 100 | - | - | 100 |
| Balance at 30 September 2023 | 5,438 | 78,671 | (3,611) | 904 | 89 | (68,458) | 13,033 |

Consolidated cash flow statement

| | Unaudited 6 months to 30 September 2023 £000 | Unaudited 6 months to 30 September 2022 £000 | Audited 12 months to 31 March 2023 £000 |
|---|--|--|---|
| Net cash outflow from operating activities (Note 5) | (2,714) | (143) | (2,217) |
| Investing activities | | | |
| Interest received | 8 | 11 | 3 |
| Purchases of property, plant and equipment | (23) | (6) | (31) |
| Capitalisation of software development | (498) | (109) | (734) |
| Purchase of investments | (7) | (10) | (4) |
| Net cash used in investing activities | (520) | (114) | (766) |
| Financing activities | | | |
| Interest paid on borrowings | (67) | (43) | (125) |
| Cash inflow from borrowing | - | - | 500 |
| Cash net inflow/(outflow) from debt factoring | 698 | (967) | (541) |
| Cash outflow from Directors' loan | - | (100) | - |
| Loan repayment | (500) | - | (600) |
| Capital repayments of lease liabilities | (14) | (15) | (30) |
| Interest paid on lease liabilities | (5) | (6) | (11) |
| Proceeds on issue of shares | - | - | 5,844 |
| Share issue costs | - | - | (344) |
| Net cash from financing activities | 112 | (1,131) | 4,693 |
| Net (decrease)/increase in cash and cash equivalents | (3,122) | (1,388) | 1,710 |
| Effects of exchange rate changes on cash and cash equivalents | (3) | 66 | 5 |
| Cash and cash equivalents at beginning of period | 4,070 | 2,355 | 2,355 |
| Cash and cash equivalents at end of period | 945 | 1,033 | 4,070 |

Notes to the Accounts

1. Basis of Preparation

The interim financial statements are for the six months ended 30 September 2023. They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2023, which have been filed at Companies House. The Group's auditor issued a report on those financial statements that was unqualified and did not contain a statement under section 498(2) or section 498(3) of the Companies Act 2006, however, the auditor's report emphasized the uncertainty around the Group's ability to continue as a going concern.

These interim financial statements have been prepared in accordance with UK-adopted International Accounting Standards. These financial statements have been prepared under the historical cost convention.

These interim financial statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 31 March 2023. The accounting policies have been applied consistently throughout the group for the purpose of preparation of these interim financial statements and are expected to be followed throughout the year ending 31 March 2024.

2. Going Concern

To assess the ability of the Group to continue as a going concern, the Directors have prepared a business plan and cash flow forecast for the period to 31 March 2025 which, together, represent the Directors' best estimate of the future development of the Group. The forecast contains certain assumptions, the most significant of which are the level and timing of sales and the timing of customer payments. These detailed cashflow scenarios include Letters of Credit which have been secured from the customers against contracts recently won.

The Group's business activities, together with the factors likely to affect its future development, performance and position, have been considered in depth as part of the Directors' assessment of the Group's ability to continue as a going concern. The Directors have reviewed detailed trading forecasts for H2 of FY24. An upturn in business activities and revenue is expected during this period, which will ensure the Group's ability to meet market expectations for the full financial year. At 30 September 2023 the Group had cash reserves of £0.9 million (31 March 2023: £4.1 million) and completed a fundraise in November 2023, raising £2.7 million before expenses. In addition to the funds raised, warrants were issued to each investor in the fundraise, which if exercised in full during the exercise period of eighteen months, would raise a further £4.1 million. Based on detailed cash flow provided to the Board to 31 March 2025, there is sufficient cash for a period of at least 12 months from the date of approval of this report, with forecasts prepared in line with its standard operating model. However, should the Company require additional cash to cover working capital as a result of rapid growth, there could be a requirement for additional funding for this purpose. The Company continues to discuss working capital funding solutions with banks, particularly in India. The Company has been approached with alternative sources of finance, to support growth, such as secured loans, which it could accept should such a requirement arise.

The Company received a R&D tax credit of £747,154 from HMRC in August 2023. An advance loan of £500,000, received in November 2022 was in place against this R&D tax credit, and was repaid out of the proceeds of the tax credit received in August 2023. The Company intends to secure an advance against its R&D tax credit for the current financial year, anticipated to be for a minimum of £0.5 million, in the coming months.

Notwithstanding the material uncertainties described above, which may cast significant doubt on the ability of the Group to continue as a going concern, on the basis of sensitivities applied to the cash flow forecast, the directors have a reasonable expectation that the company can continue to meet its liabilities as they fall due, for a period of at least 12 months from the date of approval of this report.

Notes to the Accounts *continued*

3. Loss per Share

The calculation of the basic and diluted loss per share is based on the following data:

| | Unaudited 6 months to 30 September 2023 | Unaudited 6 months to 30 September 2022 | Audited 12 months to 31 March 2023 |
|--|--|--|---|
| Loss for the purposes of basic loss per share being net loss attributable to equity holders of the parent (£000) | (1,874) | (2,114) | (2,406) |
| Weighted average number of ordinary shares for the purposes of basic and diluted loss per share | 260,581,840 | 225,033,577 | 232,763,664 |
| Loss per share (pence) | (0.72) | (0.94) | (1.03) |

The denominations used are the same as those detailed above for both basic and diluted earnings per share from continuing operations. However, in accordance with IAS 33 "Earnings Per Share", potential ordinary shares are only considered dilutive when their conversion would decrease the profit per share or increase the loss per share from continuing operations attributable to the equity shareholders.

4 Trade and Other Receivables

| | Unaudited 6 months to 30 September 2023 | Unaudited 6 months to 30 September 2022 | Audited 12 months to 31 March 2023 |
|--|--|--|---|
| Non-current | | | |
| Contract assets | 2,141 | - | 1,784 |
| Other non-current assets | 315 | 520 | 292 |
| Trade and other receivables | 2,456 | 520 | 2,076 |
| Current | | | |
| Trade receivables: amount receivable for the sale of goods and services ¹ | 8,056 | 3,708 | 7,224 |
| Allowance for expected credit losses | (275) | (193) | (274) |
| | 7,781 | 3,515 | 6,950 |
| Contract assets | 374 | 648 | 24 |
| Other debtors | 274 | 253 | 52 |
| Prepayments | 84 | 170 | 156 |
| Trade and other receivables | 8,513 | 4,586 | 7,182 |

¹ £1,124k of trade receivables has been collected via invoice discounting and reflected as short-term borrowings in the balance sheet as required by IFRS. The net value of trade receivables in the current section of the balance sheet after taking this into account is therefore £8,056k less £1,124k = £6,932k (FY23 £7,224k less £426k = £6,798k)

Notes to the Accounts *continued*

5. Reconciliation of Operating Loss to Operating Cash Flows

| | Unaudited 6 months to 30 September 2023 £000 | Unaudited 6 months to 30 September 2022 £000 | Audited 12 months to 31 March 2023 £000 |
|--|--|--|---|
| Operating loss for the period | (2,177) | (2,378) | (3,347) |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | 22 | 15 | 32 |
| Amortisation of intangible assets | 133 | 214 | 426 |
| Depreciation on right of use assets | 14 | 14 | 31 |
| Impairment of intangible assets | - | - | 968 |
| Interest received on contract assets | - | - | 32 |
| Foreign exchange | (8) | 334 | 8 |
| Share issued in lieu of service/bonus | - | 14 | 24 |
| Share-option payment expense | 100 | 100 | 224 |
| Operating cash flows before movements in working capital | (1,916) | (1,687) | (1,602) |
| Increase in inventories | (747) | (796) | (634) |
| (Increase)/decrease in receivables | (1,711) | 2,410 | (1,827) |
| (Decrease)/increase in payables | 901 | (2) | 1,475 |
| Cash outflows from operating activities | (3,473) | (75) | (2,588) |
| Income taxes received/(paid) | 759 | (68) | 371 |
| Net cash outflow from operating activities | (2,714) | (143) | (2,217) |

6. Post Balance Sheet Event

On 9 November 2023 CyanConnode Holdings plc raised £2.7 million (before expenses) through a placing of 19,188,500 ordinary shares of 2.0 pence each and a subscription for 8,000,000 New Ordinary Shares. In addition, each subscriber in the Placing and the Subscription has been issued one Investor Warrant, as defined in the placing announcement of 8 November 2023, for each new Ordinary Share subscribed for by it in the Placing or the Subscription. Each Investor Warrant has an exercise price of 15.0 pence per ordinary share. If exercised in full, the Investor Warrants would result in the issue of a total of 27,188,500 further new Ordinary Shares, raising a further £4.1 million.

7. Interim Results

The Group's Interim Results report is available for download on the Group's website, www.cyanconnode.com. The report will not be posted to shareholders.