



16 August 2017

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

Interim Results for the six months ended 30 June 2017

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 2017.

Key Points

Operational

- PHB Choices making positive progress with 25% of CCG's either contracted or in advanced discussions.
- Contracts won in 2016 continue to generate revenue.
- The impact of cost reductions made in 2016 and in 2017 have significantly reduced the cost base.

Financial

- Revenue increased by 4% from H1 2016 to £0.819m.
- Administrative expenses, excluding share based payments, decreased by 34% to £1.733m (2016: £2.643m).
- After a charge for share based payments of £0.248m (2016: £0.348m), the operating loss decreased by 45% to £1.296m (2016: £2.347m).
- Cash and cash equivalents as at 30 June 2017 were £1.469m (30 June 2016: £1.947m) reflecting the losses incurred, offset by the Roberto Sella financing.
- Management expectations are for revenue and operating profit, excluding share based payments, to be broadly in line with market expectations for 2017.

Ronald Duncan, Executive Chairman of cloudBuy, commented, "During the first half of the year we continued to make positive progress with PHBChoices through our customer, NHS SBS. This remains our main focus for growth, supplemented by contracts already won around the world and a limited number of new opportunities including in the Middle East.

The expected progress on these key contracts and cost reduction measures already taken will result in a significantly lower loss for 2017 compared to 2016."

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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

CHAIRMAN'S STATEMENT

Operational

We continue to focus on our key projects.

PHBChoices

Our Marketplace for Personal Health Budgets (PHB's) is showing considerable promise with around 25% of Clinical Commissioning Groups (CCG's) either contracted or engaged in advanced discussions and a strong pipeline across the remainder. Working with the early adopters, our customer, NHS Shared Business Services (NHS SBS) has developed a compelling business case for CCG's to use PHBChoices. PHB's are projected to represent £7bn of NHS Spend by 2020/21 with 100,000 budget holders planned. Working with our current CCG's, NHS SBS has identified significant efficiencies and savings when PHBChoices is deployed: the ratio of PHB's able to be managed by each CCG staff member increases fivefold and there are additional cash releasing savings of around 25% of amounts spent.

The majority of PHB's currently in place employ personal assistants (PA's) rather than using care suppliers. Recognising this and to increase the breadth of the offer, NHS SBS Employment Services have added a payroll solution to PHBChoices to include PA's alongside the 400,000 NHS staff members they currently pay. From a cloudBuy perspective we have developed a PA module which covers PA booking, time-sheets, time and attendance and feeds directly into the payroll service ensuring that we have a fully electronic solution. On average PHB holders employ 4 PA's, however this can increase to 10 or more for individuals with very complex health needs, making this a critical area for the success of PHBChoices.

During the first half we engaged with CCG's and their PHB holders on a pilot basis as it became clear that we would have to develop a fully functional solution to PA's for this phase of take-on to be successful. This is now largely complete and from September CCG's are going live with standard contracts.

NHS England has increased the pressure on CCG's to hit their PHB targets and has introduced 'Markers of Progress' to track the progress of each CCG against their expected PHB numbers. This information is available in the public domain.

United Overseas Bank in Singapore

We are providing a marketplace for the bank's SME customers, giving access to special offers and competitive pricing from a range of flagship suppliers. The initial suppliers are all large organisations with whom the bank has a strategic relationship. The marketplace is now live in Singapore, with a wider Asia Pacific roll out being considered for Q4 and 2018. The contract is revenue generating with set up fees, SaaS licence and transaction fees payable to cloudBuy. We are currently working with the suppliers to integrate their booking and inventory systems with the UOB marketplace.

Confederation of Indian Industry

The CII marketplace in India has continued to develop with approximately 55,000 products featured and available for purchase. The majority of the content is manufacturing based and early transactions are subject to a request for quote rather than an ecommerce basket purchase. These early suppliers are

receiving orders and a small number are interested in purchasing their own cloudBuy B2B websites as a consequence.

Egyptian Marketplace

We have started initial discovery work on our first project in Egypt with the Federation of Egyptian Chambers of Commerce under our MOU agreement with Visa and Efinance. Efinance, shares many of the characteristics of NHS SBS as it is a major supplier of outsourced services to the Egyptian government and private enterprises. This along with the involvement of Visa, gives additional confidence in the attractiveness of the prospect.

York Schools

Our project with the York Region District School Board in Ontario is now live and our client is showcasing the system to the 72 other school boards that can join in under the contract, along with the municipal governments. The contract is revenue generating with set up fees, SaaS licence and transaction fees payable to cloudBuy.

HealthShare New South Wales

Our flagship Spend Analytics project in Australia is live and providing spend analysis to 33 hospitals and health organisations in the region. We have identified significant savings opportunities for our client during implementation and this has generated further interest from other Australian States in using the product. The contract is revenue generating with set up fees and SaaS licence fees payable to cloudBuy.

Funding

During the half year, the final tranche of the Roberto Sella funding of £1.476m was utilised.

Financial Results

Turnover showed a small increase on 2016 with increased project revenue partially offset by non renewal of contracts in H2 2016 and lower revenue in Company Formation Services. Operating losses were reduced by £1.051m to £1.048m as a result of the reduction in administrative expenses and share based payments.

Cash and cash equivalents as at 30 June 2017 were £1.469m (30 June 2016: £1.947m) reflecting the losses incurred, offset by the Roberto Sella financing.

Outlook

PHBChoices remains our key focus for future growth. Positive progress towards revenue growth from this contract has been made in H1 and is expected to continue for the remainder of 2017 and in future years. This will be supplemented with revenue from existing contracts and focussed new revenue opportunities.

Losses will continue to reduce through growth in revenue and the effect of costs reductions already implemented which will have a greater impact on the H2 cost base.

Ronald Duncan

Executive Chairman
15 August 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

<i>6 months to</i>	<i>6 months to</i>	<i>Year ended</i>
<i>30 June</i>	<i>30 June</i>	<i>31 Dec</i>
<i>2017</i>	<i>2016</i>	<i>2016</i>

	<i>Notes</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Revenue	2	819	785	1,714
Cost of sales		(134)	(141)	(298)
Gross profit		685	644	1,416
Administrative expenses		(1,733)	(2,643)	(4,778)
Share based payments		(248)	(348)	(694)
Operating loss		(1,296)	(2,347)	(4,056)
Finance income		-	-	-
Finance Cost		(184)	(53)	(216)
Loss on ordinary activities before taxation		(1,480)	(2,400)	(4,272)
Income tax expense		-	-	157
Loss for the year attributable to equity shareholders of the parent		(1,480)	(2,400)	(4,115)
Other comprehensive income – item which will or may be reclassified to profit and loss				
Exchange gain arising on translation of foreign operations		(9)	11	(359)
Total comprehensive income		(1,489)	(2,389)	(4,474)
Loss per share – basic and diluted	3	(1.1)p	(1.9)p	(3.2)p

Revenue and operating loss all derive from continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	<i>30 June</i>	<i>30 June</i>	<i>31 Dec</i>
	<i>2017</i>	<i>2016</i>	<i>2016</i>
<i>Notes</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>

Assets**Non-current assets**

Other intangible assets	7	27	9
Property, plant and equipment	152	172	182

	159	199	191
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Current assets

Trade and other receivables	562	287	522
Taxes recoverable	60	50	207
Cash and cash equivalents	1,469	1,947	1,036

	2,091	2,284	1,765
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Total assets

	2,250	2,483	1,956
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Liabilities**Current liabilities**

Trade and other payables	(1,029)	(846)	(1,019)
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	(1,029)	(846)	(1,019)
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Non-current liabilities

Financial liabilities – borrowings

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Non-convertible loan notes	(1,633)	-	(661)
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Convertible loan notes	(2,822)	(2,134)	(2,412)
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	(4,455)	(2,134)	(3,073)
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Total liabilities

	(5,484)	(2,980)	(4,092)
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Net Assets/(liabilities)

	(3,234)	(497)	(2,136)
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Shareholders' equity

Called up share capital	1,304	1,304	1,304
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Share premium	5,534	5,534	5,534
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Other reserve	1,737	1,496	1,594
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Share based payment reserve	1,235	640	987
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Currency translation	(318)	61	(309)
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Accumulated profit/(losses)	(12,726)	(9,532)	(11,246)
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Total equity attributable to equity shareholders of the parent

	(3,234)	(497)	(2,136)
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CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

6 months to 30 June 2017 £'000	6 months to 30 June 2016 £'000	Year ended 31 Dec 2016 £'000
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Cash flows from operating activities			
Loss before tax	(1,480)	(2,400)	(4,272)
Adjustments for:			
Finance (income)/cost	184	53	216
Depreciation of property, plant & equipment	38	28	91
Amortisation of other intangible assets	3	1	18
Share based payments	248	348	694
Changes in working capital			
Trade and other receivables	(40)	145	(90)
Trade and other payables	(125)	(97)	(44)
Currency translation	(9)	11	(369)
Net cash used by operations	(1,181)	(1,911)	(3,756)
Tax received	147	-	-
Net cash outflow from operating activities	(1,034)	(1,911)	(3,756)
Cash flows from investing activities			
Interest received/(paid)	-	-	(4)
Purchase of other intangible assets	(1)	(24)	(23)
Purchase of property, plant and equipment	(8)	(5)	(68)
Net cash used in investing activities	(9)	(29)	(95)
Cash flows from financing activities			
Issue of ordinary shares	-	133	133
Issue of convertible loan note (net of costs)	1,476	3,000	4,000
Interest received	-	-	-
Net cash generated from financing	1,476	3,133	4,133
Net increase in cash and cash equivalents	433	1,193	282
Cash and cash equivalents at beginning of period	1,036	754	754
Cash and cash equivalents at end of period	1,469	1,947	1,036

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 translation</i>	<i>Accumulated profit and loss</i>	<i>Total</i>
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	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 January 2016	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)
Shares issued in the period	-	-	-	-	-	-	-
Equity attributed to convertible loan note	-	-	98	-	-	-	98
Share based payments	-	-	-	347	-	-	347
Exchange in period	-	-	-	-	(370)	-	(370)
Loss for the period	-	-	-	-	-	(1,714)	(1,714)
Balance as at 31 December 2016	1,304	5,534	1,594	987	(309)	(11,246)	(2,136)
Equity attributed to convertible loan note	-	-	143	-	-	-	143
Share based payments	-	-	-	248	-	-	248
Exchange in period	-	-	-	-	(9)	-	(9)
Loss for the period	-	-	-	-	-	(1,480)	(1,479)
Balance as at 30 June 2017	1,304	5,534	1,737	1,235	(318)	(12,726)	(3,234)

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 2016 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 2016 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 15 August 2017 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 2017 £'000</i>	<i>6 months to 30 June 2016 £'000</i>	<i>Year ended 31 Dec 2016 £'000</i>
<i>Revenue</i>			
Company formation services	209	267	492
Web and ecommerce services	579	489	1,166
Coding International Limited	31	29	56
	<u>819</u>	<u>785</u>	<u>1714</u>
<i>Gross Profit</i>			
Company formation services	112	143	265
Web and ecommerce services	542	472	1,095
Coding International Limited	31	29	56
	<u>685</u>	<u>644</u>	<u>1,416</u>

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 130,432,664 (6 months to 30 June 2016: 129,499,528; year ended 31 December 2016: 129,968,645) and the following losses:

	<i>6 months to 30 June 2017 £'000</i>	<i>6 months to 30 June 2016 £'000</i>	<i>Year ended 31 Dec 2016 £'000</i>
<i>Unadjusted earnings:</i>			
Loss on ordinary activities after tax	(1,480)	(2,400)	(4115)
<i>Add back:</i>			
Share based payments	248	348	694
<i>Adjusted earnings:</i>	<u>(1232)</u>	<u>(2,052)</u>	<u>(3,421)</u>

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 unadjusted earnings is 1.1p (6 months to 30 June 2016: 1.9p; year ended 31 December 2016: 3.2p).

The basic and diluted loss per share calculated on the adjusted earnings is 0.9p (6 months to 30 June 2016: 1.6p; year ended 31 December 2016: 2.6p).

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%	86,911,877	42.89%
Mike Pasternak	2,150,000	1.65%	2,150,000	1.06%
Total	16,850,000	12.92%	89,061,877	43.95%