30 January 2025

Rosslyn Data Technologies plc
("Rosslyn", the "Group" or the "Company")

Interim Results

Rosslyn (AIM: RDT), the provider of a leading cloud-based enterprise spend intelligence platform, announces its interim results for the six months ended 31 October 2024.

Financial summary

- Revenue increased to £1.5m (H1 2024: £1.4m)
- Gross margin improved to 40.0% (H1 2024: 35.5%)
- Administrative expenses reduced to £1.6m (H1 2024: £2.2m)
- Adj. EBITDA* loss reduced to £1.0m (H1 2024: £1.5m loss)
- Net cash used in operating activities significantly reduced to £357k (H1 2024: £1.2m used in)
- Cash burn rate was reduced to £125k per month (H1 2024: £276k per month)
- Cash and cash equivalents of £3.0m as at 31 October 2024 (30 April 2024: £646k), following the Company raising gross proceeds of £3.3m through the issue of new ordinary shares and convertible loan notes

*A reconciliation of adjusted EBITDA can be found in the Financial Review

Operational summary

- Performance against operational key performance indicators ("KPIs"):
  - Annual recurring revenue ("ARR") of £2.4m (H1 2024: £2.5m), representing ARR reduction of -4% (H1 2024: 1% growth) reflecting the strategic decision to prioritise quality of revenues and not renewing certain low-value/low-margin contracts
  - Increase in total and weighted pipeline as at 31 October 2024 to £5.5m (30 April 2024: £3.3m) and £1.6m (30 April 2024: £1.3m) respectively
- Secured a major new client that is a leading global technology company and household name (the "Major New Client")
- Selected by a top 5 global consulting firm (the "Consulting Partner")
- Won first contract via the Consulting Partner, which is with a leading manufacturer of roofing and waterproofing solutions with operations in c. 40 countries
- Signed, post period, first commercial customer for Rosslyn's new AI-powered classification solution, following live testing with four customers during the period
- New contract won, post period, with a Fortune 500 global healthcare solutions company

Paul Watts, CEO of Rosslyn, said: "*This has been a landmark period for Rosslyn where a number of the initiatives that we have been working on over the past 12-18 months have come to fruition. We are delighted to have secured contracts with our Major New Client and Consulting Partner, both of which were the culmination of extensive tender processes and the calibre of these organisations is testament to the strength of Rosslyn's platform and offer. A key element of this is our AI solution and its ability to provide visibility of spend that was previously unobtainable. While we are still at the early stages of our AI journey, it is great to have signed our first commercial contract for our AiCE solution and commence generating revenue. Alongside this, we have continued to take actions to improve our operations and increase efficiency, which, combined with our fundraising, has put us on a much stronger footing. As a result, and with an expanded pipeline, we look to the future with confidence and we look forward to reporting on our progress.*"

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About Rosslyn

Rosslyn (AIM: RDT) provides an award-winning spend intelligence platform. The Rosslyn Platform helps organizations with diverse supply chains mitigate risk and make informed strategic decisions. It leverages automated workflows, artificial intelligence and machine learning to extract and consolidate procurement data providing visibility of complex supplier data, enabling supplier spend savings and delivering rapid ROI. For more information visit www.rosslyn.ai. Investors wishing to contact the Company should email investors@rosslyn.ai.

Operational Review

The six months to 31 October 2024 was a milestone period for Rosslyn. The Group secured one of its most strategically and commercially valuable customers after a prolonged tender process as well as solidifying a partnership with a major consulting firm. Rosslyn's new generative AI-powered solution, the Artificial Intelligence Classification Engine ("AiCE"), was commercially launched with a first contract being awarded post period. Alongside this, the Group undertook platform improvements that will contribute to an increase in efficiency going forward and completed a fundraising that enables the Group to ramp up its sales & marketing activities and, the Board believes, positions the Group for sustainable growth.

Customer wins

Rosslyn secured a major new client during the period following an extensive nine-month competitive tender~~ (the "Major New Client")~~. The Major New Client, headquartered in the US, is one of the world's largest technology companies, a global household name and one of the top 10 Fortune 100 companies. To be appointed by an organisation of this magnitude is, the Board believes, a significant endorsement of Rosslyn's offering. The initial three-year contract brings further possible growth opportunities through expansion into the Major New Client's other divisions and operations beyond the central procurement department.

The Group was awarded a contract from a leading manufacturer of roofing and waterproofing solutions. Headquartered in the UK, the customer has operations in c. 40 countries with over 120 production facilities across Europe, Africa and Asia, and is part of a global industrial company that operates in over 80 countries with over 20,000 employees across its 10 holding companies. This new customer was won via the Group's new Consulting Partner. Rosslyn also received a contract directly from this Consulting Partner as described below.

Post period, the Group has won a new contract worth £220k over a three-year period and equating to an additional £60k in ARR. The contract, which was awarded to Rosslyn under a competitive tender and introduced via a further partnership, is with a Fortune 500 healthcare solutions company that has over 400 facilities worldwide.

Partnerships

Rosslyn significantly enhanced its relationship with a Consulting Partner that is one of the world's five largest consulting firms and part of a professional services network of independent firms that provide audit and assurance, consulting, financial advisory, risk advisory and tax and related services with a presence in more than 150 countries. The US-based entity of the Consulting Partner awarded a contract to Rosslyn following a rigorous and lengthy competitive tender process to select an advanced, enterprise-grade solution to replace the Consulting Partner's in-house system and deliver greater value for customers. In addition, the Consulting Partner intends to recommend Rosslyn as its preferred supplier, with the Group already securing its first customer via the partnership as noted above.

The Consulting Partner is conducting a three-month internal spend visibility project for its operations based in the US, which will be utilised to embed the Rosslyn solution within the Consulting Partner's operations and establish a centre of excellence in North America. The project will be providing spend intelligence visibility on more than $20bn of spend across almost 23,000 suppliers over a three-year period. Rosslyn and the Consulting Partner will also develop a joint go-to-market strategy for the combined offering.

Rosslyn is also in the process of reviewing the establishment a new type of partnership that will allow it to offer strategic procurement consulting services, focusing on matters such as tail spend management, maverick spend management and vendor consolidation. This would be a value-add service for Rosslyn customers that the Group would deliver via partnership with best-of-breed boutique consulting practices.

Platform – first commercial customer for new AI classification solution

Rosslyn's new AI solution, AiCE, became operational with a first customer at the end of the prior year, in April 2024, which, during H1 2025, was expanded to four customers. Thanks to the calibre of Rosslyn's client base, the solution has been stress tested and proven by substantial enterprises – attesting to its strength. Towards the end of the first half it was made commercially available as an additional classification-as-a-service module, and, post period, the Group has signed its first commercial contract for AiCE, which has commenced generating revenue. The contract has been awarded by one of the Group's long-standing customers (the "Customer") that participated in the development and trialling phase of AiCE. The Customer, headquartered in the US, is one of the world's leading media and entertainment companies that owns and operates a global portfolio of news, television and streaming networks, content production operations, and theme parks and attractions. In addition, the development work being undertaken, based on Rosslyn's AI solution, to automate the data classification process and to establish an enterprise-grade procurement data lake was an important factor in Rosslyn securing the Major New Client.

AiCE utilises AI technology to automate the data classification process, which expands the volume of data that can be analysed, shortens the time to insight and increases accuracy. By using AiCE, the Customer can categorise – and therefore analyse – spend data that was previously unable to be categorised. As a result, the Customer is gaining greater visibility of its spend and is able to make better informed decisions.

Looking further ahead, the Group's plan is to innovate on top of this architecture with next-generation AI technology that can generate intelligent – or predictive – insights. By building an enterprise-grade procurement data lake and integrating with third-party sources, Rosslyn will be able to provide a far more interactive, data-led means of driving procurement strategy and unlock insights extending beyond pure savings – looking at sustainability, diversity and, ultimately, supply chain transformation.

The Group provides AiCE as an additional classification-as-a-service module. Customers are charged an annual fee for an estimated number of transactions based on their annual spend under management, with top-up fees being applied if this number of transactions is exceeded.

Alongside the development of AiCE, Rosslyn progressed work that had begun in the previous year to modernise the Group's technology platform architecture and to make it as AI-ready as possible. This has included, for example, transitioning to running on more scalable serverless platforms rather than traditional virtual machines. Through this exercise, Rosslyn has increased platform efficiency, which will reduce operating costs while enhancing reliability and robustness. It is also what enabled the Group to launch and bring to market its first generation of AI solutions.

Financial Review

Revenue

Revenue for the period was £1.5m (H1 2024: £1.4m) and ARR was £2.4m (H1 2024: £2.5m). The slight reduction in ARR reflects the Group's strategic decision to prioritise quality of revenues and, accordingly, not renewing certain low-value contracts.

The Group's revenue comprises the annual licence fee – software revenue – that customers are charged for having access to the Rosslyn platform and professional services fees for work undertaken to tailor the Group's solution to align with customers' infrastructure or meet specific additional solution requirements. Software revenue continued to be the main contributor to total revenue, accounting for 68% in H1 2025. However, this was lower than the amount in the first half of the previous year of 81%, reflecting a slight increase in professional services revenue to £0.4m (H1 2024: £0.3m), due to the Group commencing the onboarding of the Major New Client, and a slight decrease in software revenue to £1.0m (H1 2024: £1.1m).

Gross profit

Gross margin improved significantly to 40.0% (H1 2024: 35.5%), primarily reflecting the higher professional services fees. Gross profit increased to £597k compared with £498k for H1 2024.

Operating expenses

Operating costs were £1.9m for the period (H1 2024: £2.5m). This reflects a significant reduction in administrative expenses to £1.6m (H1 2024: £2.2m) due to lower employee-related costs following a restructuring in the prior year and lower rent costs following the Group closing its Portsmouth office.

Profitability measures

As a result of the decreased expenses, operating loss was reduced to £1.3m (H1 2024: £2.0m loss) and adjusted EBITDA loss was reduced to £1.0m (H1 2024: £1.5m loss). A reconciliation of adjusted EBITDA is set out in the table below:

	H1 2025	**H1 2024**
	£'000	**£'000**
Revenue	1,491	1,402
Gross profit	597	498
Operating loss	(1,325)	(2,025)
EBITDA Adjustments:		
Depreciation and amortisation	261	208
Share-based payments	20	67
Exceptional items	2	244
Adjusted EBITDA*	**(1,042)**	**(1,506)**

**Adjusted EBITDA is defined as earnings before interest, taxation, depreciation, amortisation, exceptional items and share-based payments. The change in the value of share-based payments is adjusted when calculating the Group's adjusted EBITDA as it has no direct cash impact on financial performance. Adjusted EBITDA is considered a key metric to the users of the financial statements as it represents a useful milestone that is reflective of the performance of the business resulting from movements in revenue, gross margin and the costs of the business removing exceptional items, which are believed to be not representative of the ongoing business.*

The loss before tax for the period was reduced to £1.4m (H1 2024: £2.0m loss). The Group accrued £120k (H1 2024: £120k) in tax credits for the period. As a result, net loss for H1 2025 was £1.2m (H1 2024: £1.9m loss).

Cash flow and liquidity

Net cash used in operating activities was reduced to £0.4m (H1 2024: £1.2m), which primarily reflects the lower operating loss. Net cash used in investing activities was £0.3m (H1 2024: £0.3m). The Group generated net cash from financing activities of £3.0m (H1 2024: £2.9m), which primarily reflects the net proceeds from the issue of new ordinary shares (£2.2m) and convertible loan notes (£1.2m). As a result, there was a net increase in cash and cash equivalents of £2.3m (H1 2024: £1.4m).

Monthly cash burn in the period was significantly reduced to £125k (H1 2024: £276k), which reflects the lower operating costs and greater utilisation of professional service personnel.

As at 31 October 2024, the Group had cash and cash equivalents of £3.0m (30 April 2024: £646k; 31 October 2023: £2.2m).

Balance sheet

As at 31 October 2024, the Group had net assets and total equity of £2.2m compared with £1.3m at 30 April 2024. The main movements in the balance sheet during the period were:

- the increase in cash and cash equivalents, as described above;
- current trade and other payables increasing to £2.8m (30 April 2024: £2.0m);
- non-current liabilities of~~are~~ £1.2m (30 April 2024: £0.3m) reflecting the convertible loan notes described above; resulting in
- an increase in total assets to £6.1m (30 April 2024: £3.6m) and total liabilities to £3.9m (30 April 2024: £2.4m).

Outlook

The Group entered the second half of FY 2025 in a stronger position than at the same point of the prior year. The completion of the fundraise towards the end of the first half strengthened the Group's balance sheet and positioned it for sustainable growth. The initial results of the actions that the Group has taken to focus on quality of revenue and increase operational efficiency are beginning to be recognised. The Group's pipeline also expanded significantly over the first half of the year. Post period, the Group has signed a number of contract renewals with existing customers, which have been renewed at a higher value, and the Group has driven increased utilisation of its professional services function.

Whilst the Major New Client is expected to make a meaningful contribution to second-half revenue, meeting management's expectations for the year is sensitive to the successful deployment of the initial contract as well as the ability to expand into further departments and further co-development work within the Major New Client. The Board is mindful that whilst the Group's relationship with the Major New Client is strong, it is also nascent and that it may take time for the relationship to mature and unlock the potential upsell value across departments.

Looking further ahead, the Board believes the Major New Client and new Consulting Partner offer transformational growth potential for Rosslyn. The Group expects to receive further contracts for its AiCE solution, which could significantly accelerate growth in the medium-term and generate new revenue streams. As a result, the Board continues to look to the future with confidence.

Consolidated statement of comprehensive income

For the six months ended 31 October 2024

	Notes	**Six months ended 31 October 2024 Unaudited £'000**	Six months ended 31 October 2023 Unaudited £'000	Year ended 30 April 2024 Audited £'000
Revenue	3	**1,491**	1,402	2,854
Cost of sales		**(894)**	(904)	(1,746)
Gross profit		**597**	498	1,108
Administrative expenses		**(1,641)**	(2,248)	(4,124)
Depreciation and amortisation		**(261)**	(208)	(431)
Share-based payment		**(20)**	(67)	(96)
Operating loss		**(1,325)**	(2,025)	(3,543)
Finance income		**-**	2	2
Finance costs		**(40)**	(11)	(53)
Loss before income tax		**(1,365)**	(2,034)	(3,594)
Income tax credit		**120**	120	235
Loss for the period		**(1,245)**	(1,914)	(3,359)
Other comprehensive (loss)/income - translation differences		**(2)**	21	(16)
Total comprehensive loss		**(1,247)**	(1,893)	(3,375)

Loss per share				
Basic and diluted loss per share: ordinary shareholders (pence)	4	**(8.0)**	(26.9)	(25.1)

Consolidated balance sheet
As at 31 October 2024

	Notes	**31 October 2024 Unaudited £'000**	31 October 2023 Unaudited £'000	30 April 2024 Audited £'000
ASSETS				
Non-current assets				
Intangible assets		**1,667**	1,436	1,620
Property, plant and equipment		**17**	19	30
Right-of-use assets		**-**	136	-
		1,684	1,591	1,650
Current assets				
Trade and other receivables		**1,125**	1,213	854
Corporation tax receivable		**359**	360	475
Cash and cash equivalents		**2,955**	2,197	646
		4,439	3,770	1,975
Total assets		**6,123**	5,361	3,625
LIABILITIES				
Current liabilities				
Trade and other payables		**(2,764)**	(2,210)	(2,043)
Financial liabilities – borrowings		**-**	(43)	-
		(2,764)	(2,253)	(2,043)
Non-current liabilities				
Trade and other payables		**-**	(113)	-
Financial liabilities - derivative	5	**(784)**	-	-
Convertible loan	5	**(383)**	(600)	(327)
		(1,167)	(713)	(327)
Total liabilities		**(3,931)**	(2,966)	(2,370)
Net assets		**2,192**	2,395	1,255
Equity				
Called up share capital		**6,314**	4,415	4,415
Share premium		**19,277**	18,923	18,923
Shares to issue		**264**	-	-
Share-based payment reserve		**54**	322	34
Accumulated loss		**(28,757)**	(25,941)	(27,348)
Translation reserve		**(93)**	(75)	(91)
Share premium fundraise costs		**-**	(382)	-
Merger reserve		**5,133**	5,133	5,133
Total equity		**2,192**	2,395	1,255

Consolidated cash flow statement

For the six months ended 31 October 2024

	Six months ended 31 October 2024 Unaudited £'000	Six months ended 31 October 2023 Unaudited £'000	Year ended 30 April 2024 Audited £'000
Cash flows from operating activities			
Loss before income tax	**(1,365)**	(2,034)	(3,594)
Adjustments for:			
– depreciation, amortisation	**261**	208	431
– share-based payments	**20**	67	96
– Disposal of leases	**-**	-	(6)
– Finance income	**-**	(2)	(2)
– Finance costs	**40**	11	53
Net cash flows from operating activities	**(1,044)**	(1,750)	(3,022)
(Increase)/decrease in receivables	**(269)**	(244)	115
Increase in payables	**761**	211	97
Cash used in operations	**(552)**	(1,783)	(2,810)
Finance income	**-**	2	2
Finance costs	**(40)**	(11)	(9)
Corporation tax received	**235**	612	612
Net cash used in operating activities	**(357)**	(1,180)	(2,205)
Cash flows used in investing activities			
Purchase of property, plant and equipment	**-**	(19)	(39)
Acquisition of software	**(296)**	(245)	(644)
Net cash used in investing activities	**(296)**	(264)	(683)
Cash flows from/(used in) financing activities			
Proceeds from share capital issued (net)	**2,150**	2,715	2716
Costs of share issue	**(353)**	(382)	(282)
Convertible loan issue costs	**(33)**	-	(128)
New loans in period	**1,200**	600	600
Repayment of bank and other borrowings	**-**	(53)	(96)
Repayment of capital element of obligation under leases	**-**	(27)	(27)
Net cash generated from financing activities	**2,964**	2,853	2,783
Net increase/(decrease) in cash and cash equivalents	**2,311**	1,409	(105)
Cash and cash equivalents at beginning of period	**646**	767	767
Foreign exchange (loss)/gains	**(2)**	21	(16)
Cash and cash equivalents at end of period	**2,955**	2,197	646

Notes to the unaudited interim statements

For the six months ended 31 October 2024

1. Basis of preparation

This interim report has been prepared in accordance with the accounting policies disclosed in the full statutory accounts for the year ended 30 April 2024.

These policies are in accordance with UK-adopted international accounting standards that are expected to be applicable for the year ending 30 April 2025.

The Group has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing the interim consolidated financial information.

The financial information in this statement relating to the six months ended 31 October 2024 and the six months ended 31 October 2023 has not been audited.

The financial information for the year ended 30 April 2024 does not constitute the full statutory accounts for that period. The annual report and financial statements for the year ended 30 April 2024 has been filed with the Registrar of Companies.

The Independent Auditor's Report on the annual report and financial statements for the year ended 30 April 2024 was unqualified and did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006. The audit report drew attention by way of emphasis to a material uncertainty relating to going concern and the recoverability of intangible assets and parent company inter-company receivables.

The interim report for the period ended 31 October 2024 was approved by the Board of Directors on 29 January 2025.

2. Segmental reporting

Management has determined the operating segments based on the operating reports reviewed by the Executive Director that are used to assess both performance and strategic decisions. Management has identified that the Executive Director is the Chief Operating Decision-Maker in accordance with the requirements of IFRS 8 Operating segments.

The determination is that the Group operates as a single segment, as no internal reporting is produced either by geography or division. The Group does view performance on the basis of the type of revenue, and the end destination of the client as shown below.

Analysis of Revenue by Product	**Six months ended 31 October 2024 Unaudited £'000**	Six months ended 31 October 2023 Unaudited £'000	Year ended 30 April 2024 Audited £'000
Annual licence fees	**1,020**	1,139	2,252
Professional services	**371**	263	602
Other	**100**	-	-
Total revenue	**1,491**	1,402	2,854

Analysis of Revenue by Country	**Six months ended 31 October 2024 Unaudited £'000**	Six months ended 31 October 2023 Unaudited £'000	Year ended 30 April 2024 Audited £'000
United Kingdom	**426**	679	1,163
Europe	**480**	356	880
North America	**585**	367	811
Total revenue	**1,491**	1,402	2,854

Analysis of Future Obligations	**Six months ended 31 October 2024 Unaudited £'000**	Six months ended 31 October 2023 Unaudited £'000	Year ended 30 April 2024 Audited £'000
Performance obligations to be satisfied in the next year	**2,452**	2,892	2,005
Performance obligations to be satisfied after 31 October 2025	**2,191**	2,984	1,152
Total future performance obligations	**4,643**	5,876	3,157

Analysis of Largest Customer	**Six months ended 31 October 2024 Unaudited £'000**	Six months ended 31 October 2023 Unaudited £'000	Year ended 30 April 2024 Audited £'000
Annual licence fees	**150**	97	209
Professional services	**49**	43	119
Total revenue of largest customer	**199**	140	328

3. Operating EBITDA

Operating EBITDA is calculated from operating loss as shown below.

	Six months ended 31 October 2024 Unaudited £'000	Six months ended 31 October 2023 Unaudited £'000	Year ended 30 April 2024 Audited £'000
Operating loss	**(1,325)**	(2,025)	(3,543)
Depreciation and amortisation	**261**	208	431
Share-based payments	**20**	67	96
Exceptional costs	**2**	244	499
Operating EBITDA	**(1,042)**	(1,506)	(2,517)

4. Earnings per share

Basic earnings per share is calculated by dividing the net loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by dividing net loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion into ordinary shares of all potentially dilutive instruments. In the periods ended 31 October 2024, 31 October 2023 and 30 April 2024 there were share options in issue which could potentially have a dilutive impact, but as the Group was lossmaking, they were anti-dilutive for each period and therefore the weighted average number of ordinary shares for the purpose of the basic and dilutive loss per share were the same.

	Six months ended 31 October 2024 Unaudited	Six months ended 31 October 2023 Unaudited	Year ended 30 April 2024 Audited
~~Profit/(~~L~~l~~oss~~)~~ for the period attributable to the owners of the parent	**(£1,247,000)**	(£1,893,000)	(£3,375,000)

	Six months ended 31 October 2024 Unaudited	Six months ended 31 October 2023 Unaudited	Year ended 30 April 2024 Audited
Weighted average number of ordinary shares	**15,568,802**	7,037,679	13,904,188

	Pence	Pence	Pence
Basic and diluted loss per share: ordinary shareholders	**(8.0)**	(26.9)	(25.10)

5. Borrowings

	Six months ended 31 October 2024 Unaudited £'000	Six months ended 31 October 2023 Unaudited £'000	Year ended 30 April 2024 Audited £'000
Convertible loan	**383**	600	327
Derivative	**784**	-	-

Reconciliation of financing liabilities

	Convertible loan £'000
At 1 May 2024	**327**
Additions	**1,167**
Interest	**40**
Conversion to equity	**(367)**
At 31 October 2024	**1,167**

In October 2024, the Group converted the 2023 convertible loan notes into new o~~O~~rdinary s~~S~~hares at the issue price. The Group issued convertible loan notes of £1,200,000. The total balance may convert into a variable amount of equity at an eligible conversion date or will be paid as cash.

6. Dividends

No interim dividend (H1 2024: nil) will be paid to shareholders.

7. Principal risks and uncertainties

The principal risks and uncertainties for this six-month period remain broadly consistent with those set out in the Strategic Report section of the financial statements of the Group for the year ended 30 April 2024.

8. Interim report

Copies of the interim report are available to the public on the Group's website at https://www.rosslyn.ai/, and from the registered offices of Rosslyn Data Technologies plc at 6th Floor, 60 Gracechurch Street, London, EC3V 0HR or by email to investors@rosslyn.ai