

22 April 2025

The following amendment has been made to the 'Trading update and accounting policy review' announcement released today at 07:00 a.m. under RNS No 5594F.

'As a result, full year revenues for FY2026 are expected to be behind expectations' has been corrected to 'As a result, full year revenues for FY2025 are expected to be behind expectations'.

All other details remain unchanged.

The full amended text is shown below.

Celebrus Technologies plc

Trading update and accounting policy review

Celebrus Technologies plc (AIM: CLBS, the "Group", "Celebrus"), the AIM-listed data solutions provider, provides the following trading update for the year to 31 March 2025 ("FY2025").

As previously reported, there was some slowing down of customer decision making in the second half of our financial year reflecting the increasingly uncertain global geopolitical situation.

As a result, full year revenues for FY2025 are expected to be behind expectations², at approximately 38.6 million (FY24: 40.9 million) whilst adjusted profit before tax³ will be ahead at approximately 8.7 million (FY24: 7.6 million). The adjusted profit before tax has been achieved by continued growth in higher margin software revenues as well as tight management of the cost base.

The year-end cash balance was in the region of 31 million, and the Group remains debt-free. The cash balance was boosted by the sale in March 2025 of the company's freehold property in Sunbury-on-Thames for net proceeds at book value of 3.9 million.

Accounting policy review

Given the changes in the business over the last three years and the focus on Celebrus software revenues, the Board has carried out a review of the Group's existing contracts, terms and conditions and the support of the Celebrus software. Commercially, under the majority of the current contracts the risk passes to the customer on acceptance and/or deployment of the license. In the new contract under review it is likely the risk will be considered to pass to the customer evenly over the life of the contract. This will result in a change in the Group's accounting policies, specifically concerning the definition of Annual Recurring Revenue ("ARR") and the profile of its software license revenue recognition.

Annual Recurring Revenue

ARR is a key alternative performance measure and is generally used to provide assurance regarding the forward visibility of revenues and earnings. It has previously been provided as a single metric in relation to all of the Group's recurring activities. As such that metric has incorporated elements of recurring revenue not related to the Group's core Celebrus product offering. With a view to making this metric more meaningful and reflective of the Board's key strategic focus on growing Celebrus license and associated support revenues, the definition of ARR has been changed to include solely recurring revenues derived from Celebrus software licenses and managed services. ARR now excludes third-party software license income, which is an element of some of our legacy on-premises deployments.

Consistent with this change, the full year results will include a reframing of the Group's revenue breakdown to provide a fuller analysis of software license revenue, managed services revenue, and professional services revenue. This is to distinguish between those which are substantially Celebrus software and non-Celebrus software-related.

Revenue Recognition

The historic approach taken under IFRS 15 given the existing contracts, terms and conditions and support of the Celebrus software commonly resulted in the recognition of software license revenue annually in a single lump sum for each year of a term contract, initially upon acceptance and/or deployment of the license and then on each subsequent acceptance and/or deployment for multi-year contracts which include multiple installments usually on the anniversary of the contract. As a reminder, our standard contractual offer is a three-year commitment.

In light of the changes to contracts, terms and conditions as well as the support of the Celebrus software with the majority of Celebrus software proposals now including Celebrus Cloud hosting and services, the Board believes that a different recognition of revenue under IFRS 15 will result. In particular, it believes that a more standardized approach of monthly recognition, pro-rating such income across the relevant months of the license term, will result when compared to the approach previously applied to the existing contracts.

Managed services and support are currently recognized on a month-by-month basis and this approach will not change.

Impact and outlook

Looking ahead to FY2026, our focus remains on growing revenues associated with our proprietary products including Celebrus licenses, cloud services and support revenues.

Having been restated using the methodology outlined above, annual recurring revenue ("ARR") ended the year up 13.9% at 18.8 million (31 March 2024 restated: 16.5 million).

The Board believes that the redefinition of ARR gives investors a more meaningful view of the most valuable and significant part of the Group, and its growth trajectory, and that monthly software license revenue recognition will remove a seasonal pattern from the Group's results, in which first half revenues are much lower than second half revenues

In addition to the changes outlined above, and in particular the move to monthly software license recognition, FY2026 will also be impacted by the restructuring of a longstanding agreement with a large, partner-led, on-premises customer. As a result of this restructuring, the Group will move away from reselling non-Celebrus software to support the client environment (the Celebrus product forms only a small proportion of annual revenue for this client). The Board believes that the change is likely to result in lower non-Celebrus revenue in FY2026 and is in line with the increased focus on higher quality Celebrus software revenue.

The combined impact of these various factors on Group revenues for FY2026 and beyond is still to be determined. More details will be provided with the Group's full year results, due to be published on 8 July 2025.

The Board is pleased to be able to make the changes outlined above; it believes that the enhanced clarity of disclosure will assist investor understanding and the greater focus on the core Celebrus products and services. The changes will also allow the business to be focused solely on what we believe drives true shareholder value. The Board has continued confidence in the technical strength of the Celebrus product, and the associated go-to-market strategy.

¹ *The trading performance reported in this statement is based on unaudited management accounts*

² *For the purpose of this announcement, the Group believes market consensus for FY2025 to be revenue of 43.4 million, and adjusted profit before tax of 8.5 million.*

³ *Adjusted profit before tax is calculated before amortization of intangibles, foreign exchange gains/losses, share based payment charges and one-off reorganization costs.*

Bill Bruno, Chief Executive Officer commented:

"We continue to make the business easier to understand while ensuring that our team is focused on the right revenue components to drive shareholder value. Our launch of Celebrus Cloud a couple of years ago has become a focal point for all Celebrus software deployments and is proving to be a mutually beneficial option for both us and our customers. Adjusting our approach away from on-premises support has presented us with an opportunity to further simplify the business to more tightly focus on the strategic and operational needs of our core offering. We look forward to providing further information with our results in early July."

Inside Information: This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.

Enquiries

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About Celebrus Technologies plc

For over 25 years, Celebrus has set the gold standard globally for improving marketing effectiveness and preventing fraud across all industries. We are laser-focused on improving the relationships between brands and consumers via better data. This means innovating better ways to manage digital identity and know your consumers, even when they're not logged in. Celebrus provides frictionless data capture across all digital channels and devices, ensures compliance by design, and ultimately makes digital data instantly usable wherever required. We thrive on solving complex digital data challenges to help businesses succeed.

Celebrus Technologies Plc is a global business operating in over 30 countries today. We are quoted on the AIM Market of The London Stock Exchange (CLBS).

For more information, please see www.celebrus.com.

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