



FOR IMMEDIATE RELEASE

PeopleCert announces Consolidated Financial Results for the year ended March 31, 2024

London: United Kingdom:

PeopleCert, the market leading differentiator within the assessment and certification industry, presents PeopleCert Wisdom Limited (Parent Guarantor) unaudited Consolidated Financial Results for the period ended March 31, 2024.

All amounts are presented in GBP.

Consolidated highlights for the period ended March 31, 2024 (compared to the period ended March 31, 2023):

- Revenue: £30.0 million (+6.4%, compared to £28.2 million at March 31, 2023);
- EBITDA: £19.0 million (+17.9%, compared to £16.1 million at March 31, 2023);
- Adjusted EBITDA: £19.2 million (+18.6%, compared to £16.1 million at March 31, 2023);¹
- EBIT: £15.3 million (+18.7% compared to £12.8 million at March 31, 2023);
- Adjusted EBIT: £15.4 million (+19.6% compared to £12.8 million at March 31, 2023);¹
- PBT: profit of £18.7 million compared to £11.6 million at March 31, 2023;
- Net Financial Indebtedness: +£179.3 million (compared to £182.4 million at December 31, 2023)².

¹ Adjusted EBITDA & EBIT figures exclude one – off transaction related expenses for the period.

² Net Financial Indebtedness is defined as Current and Non-current Borrowings less Cash and Cash Equivalents excluding accrued interest.

Review of performance of the Group, current position, and future developments

The results reflect a strong performance across the Group as well as the efforts on cost containment and competitiveness. Potential risks to the industry are closely monitored resulting in satisfying development to date. The Group's financial results and position, as presented in the consolidated financial statements, is tracking positively, as supported by the key parameters shown below:

Financial Key Performance Indicators

| <u>Ratio</u> | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
|------------------------------|-----------------------|---------------------------|
| <u>Gross margin</u> | | |
| Gross profit to Revenue | 82.8% | 85.6% |
| <u>Pretax margin</u> | | |
| Profit before tax to Revenue | 62.3% | 41.1% |



Gross margin (Gross profit to Revenue) decreased by 2.8 pp to 82.8% due to increase in direct expenses.

The increase in **Pretax margin** by 21.3 pp to 62.3% is primarily driven by the improvement of the finance result (period ended March 31, 2024: income of £3.5 million vs period ended March 31, 2023: expense of £1.3 million) that resulted from the fluctuation in foreign exchange rates during the same period.

PeopleCert Consolidated Results as of March 31, 2024

Total Revenue for the quarter ended March 31, 2024 grew by 6.4% to £30.0 million compared to £28.2 million in the quarter ended March 31, 2023, mainly due to introduction of new products and subsequent increase in volume of sales.

The observed growth is attributed to the creation of an IP Powerhouse following the completed merger with Axelos and Devops Institute. Further to this, PeopleCert adapted rapidly to the changing circumstances of the global market towards more digital delivery models and managed to retain its leadership position worldwide by promoting the digital transformation of its services.

Cost of Sales increased by 26.9% to £5.2 million for the quarter ended March 31, 2024 compared to £4.1 million for the quarter ended March 31, 2023 .

Operating expenditure decreased by 16.1% to £9.5 million compared to £11.3 million in the quarter ended March 31, 2023 as a result of cost containment.

As a result of the above, there was a favourable impact on both **EBITDA** and **adjusted EBITDA** for the period ended March 31, 2024 - an alternative performance measure and key indicator capturing the underlying business margin by excluding material charges - showing an increase of 17.9% to £19.0 million (period ended March 31, 2023: £16.1 million) for EBITDA and an increase of 18.6% to £19.2 million (period ended March 31, 2023: £16.1 million) for adjusted EBITDA as well.

EBIT increased by 18.7% to £15.3 million compared to £12.8 million for the period ended March 31, 2023, mainly due to the decreased operating expenditure as explained above.

Net finance income was £3.5 million, compared to net finance expense of £1.3 million for the period ended March 31, 2023, with the fluctuation being primarily due to the movement in FX rates. The comparative figures presented for period ended March 31, 2023, include a reclassification of FX differences between Finance income and Finance expense, compared to the published figures, for comparability purposes.

Net Financial Indebtedness as of March 31, 2024 was at £179.3 million (December 31, 2023: £182.4 million). This metric reflects the Eurobond that was issued in August 2021 in the context of Axelos acquisition. The Group's financial stability is also evidenced by other liquidity ratios analysed below.



Ratios on Financial Performance and Financial Position of the Group as of March 31, 2024

| A. <u>Liquidity Ratios</u> | <u>March 31,</u> <u>2024</u> | <u>December 31,</u> <u>2023</u> |
|---------------------------------------|---------------------------------|------------------------------------|
| <u>Cash Ratio</u> | | |
| Cash to Current Liabilities | 4.75 | 3.74 |
| <u>Working Capital Ratio</u> | | |
| Current Assets to Current Liabilities | 5.79 | 4.45 |

The cash ratio of 4.75 highlights the Group's ability to maintain adequate cash balances to pay off all of the current debts as they come due, while the high working capital ratio shows a great efficiency in the way that the Group is operating.

Attention to working capital and cash flow management remains a key priority for the Group's management.

PeopleCert Consolidated Financial Position as of March 31, 2024

The Group presents a robust Balance Sheet with strong equity position and liquidity levels supporting PeopleCert's readiness for the future as the Group enters into a new phase of brand engagement and business growth following a balanced and consistent approach to risk.

Assets

As of March 31, 2024, **Total Assets** were £492.7 million (December 31, 2023: £492.9 million).

Non-current assets amounted to £398.5 million compared to £399.7 million at year-end 2023.

The majority of the balance concerns **Goodwill** of total amount £321.1 million (December 31, 2023: £320.9 million) and **Intangible Assets** of amount £65.7 million (December 31, 2023: £67.9 million). Goodwill as of March 31, 2024 includes the goodwill recognised in relation to DP Cube Learning acquired in March 2024.

Current assets increased to £94.2 million as of March 31, 2024 from £93.3 million as of December 31, 2023.

This variation is mainly attributed to the increase in **Trade and other receivables** by £2.0 million to £16.5 million as of March 31, 2024, partially set off by the decrease in **Cash and cash equivalents** by £1.1 million.

Changes in cash and cash equivalents are analyzed in the accompanying consolidated statement of cash flow. At this point, it should be noted that protecting the Group's financial health continues to be primary objective.



As of March 31, 2024, the Group has positive net assets of £206.9 million (December 31, 2023: £197.5 million) remaining on track to building wealth.

Total liabilities decreased by £9.7 million (March 31, 2024: £285.8 million vs December 31, 2023: £295.4 million).

The aforementioned decrease is mainly driven by the decrease in **Borrowings** by £7.9 million (March 31, 2023: £257.2 million vs December 31, 2023: £265.1 million) due to the payment of the interest in March 2024 and the effect of the change in spot rates (March 31, 2024: 1.1695 vs December 31, 2023: 1.1507).

Trade & other payables remained constant at £10.7 million as of March 31, 2024 (December 31, 2023: £10.7 million).

Business highlights

Since its establishment, PeopleCert has always focused on developing and delivering globally, best-in-class Exam and Certification programs, that enhance the lives and careers of its candidates. Through the recent acquisitions, PeopleCert is even better positioned to do so, strengthening its capabilities while remaining committed to its Four (4) Core Values of Quality, Innovation, Passion, and Integrity. The acquisitions underline the Group's strategy to expand its presence and broaden its global offerings, support the vertical integration strategy of the Group and entail significant operational improvements, allowing PeopleCert to reach international best performance standards.

At the same time the below opportunities accelerate standalone strategies and innovation in the market, while adding value for all the Group's stakeholders:

- **Enhanced LanguageCert's presence in Asia, through the acquisition of DP Cube**
- **Secured a €60mn (€20+€40) revolving credit facility (RCF)**
- **Launch of PeopleCert Plus**
- **Rebranding and new products taxonomy**
- **Improved business operations through AI solutions**
- **Transformation continues across the organization**

From the above, it is evident that during the Q1 2024 transformation initiatives are on track. The Group remains committed to its expansion strategy with a strong pipeline of potential acquisitions.

For full details on PeopleCert's reported results, see the financial tables accompanying this release.

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About PeopleCert

PeopleCert is the global leader in the certification industry, with a product portfolio of global best practice frameworks and certifications including ITIL® and DevOps Institute for IT & Digital Transformation, and PRINCE2® for Project, Programme & Portfolio Management, as well as language qualifications through LanguageCert. Our certifications are delivered across the globe, empowering people and organisations to achieve what they are capable of, improving organisational efficiency and realising their life ambitions through learning.



Consolidated statement of Financial Position of PeopleCert Wisdom Limited as of March 31, 2024

| amounts in £ | 31/3/2024 | 31/12/2023 |
|--|--------------------|--------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 6,097,824 | 5,623,042 |
| Right-of-use assets | 3,448,358 | 4,275,030 |
| Intangible Assets | 65,727,081 | 67,959,938 |
| Goodwill | 321,060,073 | 320,855,473 |
| Financial assets at fair value through profit and loss | 1,510,162 | 257,981 |
| Other Assets | 371,266 | 374,818 |
| Deferred tax assets | 303,865 | 337,962 |
| | 398,518,630 | 399,684,244 |
| Current assets | | |
| Trade and other receivables | 16,499,642 | 14,497,631 |
| Inventory | 316,412 | 260,288 |
| Current tax assets | 180,344 | 221,126 |
| Cash and cash equivalents | 77,199,694 | 78,284,655 |
| | 94,196,091 | 93,263,700 |
| Total Assets | 492,714,721 | 492,947,945 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 4 | 4 |
| Share premium | 140,058,339 | 140,058,339 |
| Other reserves | 3,051,730 | 6,183,980 |
| Retained earnings | 63,847,865 | 51,294,055 |
| Total Equity | 206,957,938 | 197,536,378 |
| Non-current liabilities | | |
| Borrowings | 256,519,880 | 260,710,872 |
| Lease liabilities | 3,309,338 | 3,476,008 |
| Deferred tax liabilities | 9,125,365 | 9,666,431 |
| Other non-current Liabilities | 422,389 | 505,894 |
| Employee benefits | 111,811 | 113,635 |
| | 269,488,783 | 274,472,840 |
| Current liabilities | | |
| Trade and other payables | 10,688,824 | 10,715,217 |
| Deferred income | 2,318,498 | 2,970,367 |
| Borrowings | 662,984 | 4,423,880 |
| Lease liabilities | 952,801 | 1,000,788 |
| Current tax liabilities | 1,644,892 | 1,828,475 |
| | 16,268,000 | 20,938,727 |
| Total Equity and Liabilities | 492,714,721 | 492,947,945 |



Consolidated Income Statement of PeopleCert Wisdom Limited as of March 31, 2024

| amounts in £ | 3M 2024 | 3M 2023 |
|-----------------------------------|-------------------|-------------------|
| Revenue | 30,028,891 | 28,231,699 |
| Cost of sales | (5,171,712) | (4,076,290) |
| Gross profit | 24,857,178 | 24,155,409 |
| Other income | 2,018 | 9,914 |
| Administrative expenses | (6,227,363) | (7,880,913) |
| Selling and distribution expenses | (3,267,098) | (3,441,275) |
| Other expenses | (113,600) | - |
| Operating profit | 15,251,135 | 12,843,135 |
| Finance income | 7,389,678 | 2,970,354 |
| Finance expense | (3,924,654) | (4,220,685) |
| Profit before tax | 18,716,159 | 11,592,804 |
| Taxation | 537,651 | 441,815 |
| Profit for the year | 19,253,810 | 12,034,619 |



Consolidated statement of Cash Flows of PeopleCert Wisdom Limited as of March 31, 2024

| amounts in £ | 31/3/2024 | 31/3/2023 |
|---|---------------------|---------------------|
| Cash flows from operating activities | | |
| Profit before tax | 18,716,159 | 11,592,803 |
| Adjustments: | | |
| Depreciation, amortisation and impairment | 3,792,201 | 3,302,626 |
| Exchange Rate differences | (6,859,644) | (3,128,914) |
| Interest expense | 3,659,458 | 3,877,644 |
| | 19,308,174 | 15,644,159 |
| Changes in: | | |
| Inventories | (60,298) | (85,612) |
| Trade and other receivables | (5,236,282) | 741,153 |
| Trade and other payables | 2,674,184 | 1,176,245 |
| Deferred income | (610,079) | (701,924) |
| Income taxes paid | (106,313) | (2,130,181) |
| | 15,969,386 | 14,643,841 |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (205,647) | (797,836) |
| Acquisition of intangible assets | (1,241,714) | (922,237) |
| Acquisition of other assets | - | 537 |
| Acquisition of subsidiary, net of cash acquired | (264,733) | (3,393,492) |
| | (1,712,095) | (5,113,029) |
| Cash flows from financing activities | | |
| Payment of lease liabilities | (188,751) | (204,124) |
| Interest paid | (7,370,535) | (7,594,435) |
| Dividends paid | (6,700,000) | (7,350,000) |
| | (14,259,286) | (15,148,560) |
| Net increase/(decrease) in cash and cash equivalents | (1,994) | (5,617,746) |
| Cash and cash equivalents: | | |
| Cash and cash equivalents at the beginning of the period | 78,284,655 | 51,433,660 |
| Effect of movements in exchange rates on cash held | (1,082,967) | (447,682) |
| | 77,199,694 | 45,368,232 |

