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19 July 2023

Skillcast Group plc
("Skillcast", the "Group", or the "Company")

Half Year Trading Update and Notice of Interim Results

Skillcast Group plc (AIM: SKL), the provider of content and technology for digital compliance transformation, is pleased to announce a positive trading update for the six months ended 30 June 2023.

The Group expects to report revenues of £5.2 million for H1 2023, a 16% increase on the comparative period last year (H1 2022: £4.5 million). The growth was driven by a strong performance in recurring subscription revenues, which increased 23% on the same period last year, and a stable performance from professional services. The share of the revenue from subscriptions increased to 75% (H1 2022: 70%) of total Group revenues.

The Group's ARR* has increased by 26% over the 12 months to June 2023 to £8.0 million (June 2022 ARR: £6.3 million) and by 19% since the start of the year (December 2022 ARR: £6.8 million). ARR growth was driven by new clients at higher average transaction values and upsells of both new and existing products, combined with a 10% price rise that took effect on renewals from 1 January 2023.

In March 2023, the Company launched its Global Risk and Global Compliance libraries and, in April, it launched a Compliance Bites library of short, engaging videos on key compliance topics designed to improve employee knowledge retention. Two further exciting new product releases are scheduled for release in H2 2023.

As a result of the positive momentum achieved to date, the Group is on track to return to profitability in future periods. It has completed the hiring of key growth roles and expects future headcount growth to be focused on supporting volume growth. The Group develops all of its technology products in-house and is increasing its investment in AI technologies to improve its business processes and enhance its products.

The Group had no debt and cash in bank of £7.6 million on 30 June 2023 (31 December 2022: £7.7 million). This represents c. 8.5p per ordinary share in the Company.

Notice of Interim Results

The Group will announce its full interim results on 27 September 2023.

Vivek Dodd, Chief Executive Officer of Skillcast Group, commented:

"We are pleased with our revenue growth from subscriptions in H1 2023. More clients are becoming aware of the value of Skillcast's proven compliance learning and Regtech products. Our historic average contract value has been around £5,500, so we were particularly pleased to win two major clients in the period with annual revenues of over £70,000 each. We are also pleased with the launch of our new products in H1 2023 and are excited for the further launches scheduled for the second half of the year. We are cognisant of the challenging macro environment but remain confident about achieving our full-year growth expectations for 2023."

* ARR (Annualised Recurring Revenue) is calculated by annualising revenue recognised from all client subscriptions on annual contracts in a given month.

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About Skillcast Group plc

Skillcast helps companies build ethical, inclusive, and resilient workplaces. It provides content and technology to digitise and streamline compliance processes and manage them from a single compliance portal. Its product range includes a Learning management system with comprehensive off-the-shelf compliance course libraries, a Policy hub, Staff declarations, Anonymous surveys, CPD tracking, and compliance registers for gifts, expenses, PA dealing, whistleblowing.

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