

24 June 2024

TPXimpact Holdings PLC
("TPX", or the "Group", or the "Company")
Update on financing arrangements

The Board of TPXimpact Holdings plc is pleased to provide an update on the Company's financing arrangements.

As previously announced, net debt (excluding lease liabilities) at 31 March 2024 was just over £7 million, the lowest level in over three years. Gross borrowings under the Revolving Credit Facility ("RCF") at the same date were £16.2 million and have since reduced to £12.2 million, compared with £24.5 million a year ago, a 50% reduction.

Given the significant improvement in the Group's debt position, the Board and the Company's bankers have agreed to extend the maturity of the RCF by one year to July 2026 while reducing the amount of the facility from £30 million to £25 million effective from 21 June 2024 to better reflect the ongoing needs of the business. The accordion of £15 million will continue to be available, if required.

In addition, the borrowing conditions ("covenants") of the RCF have been eased, one quarter ahead of schedule. These covenants now comprise two measures, to be assessed at each quarter end: (i) a leverage ratio¹ of no more than 2.5x; and (ii) an interest cover ratio² of no less than 3.0x for the periods ending 30 September and 31 December 2024 and 3.5x for the year to 31 March 2025 and thereafter.

Steve Winters, Group CFO, commented:

"We have made significant progress in reducing debt over the last twelve months. The favourable amendments to our financing arrangements announced today represent a return to a more normal framework for debt and cash management and will allow us greater freedom to manage and invest in the business effectively.

"With a strong balance sheet, we continue to be well-positioned to achieve our targets for top-line growth and margin improvement, in line with our three-year plan, as well as manage interest costs more efficiently."

¹Leverage ratio: net debt (excluding lease liabilities) to rolling 12MAdjusted EBITDA

²Interest cover ratio: rolling 12MAdjusted EBITDA/net finance costs

This announcement contains inside information under the UK Market Abuse Regulation. The person responsible for arranging for the release of this announcement on behalf of the Company is Steve Winters, CFO.

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About TPXimpact

We believe in a world enriched by people-powered digital transformation. Working in collaboration with organisations, we're on a mission to accelerate positive change and build a future where people, places and the planet are supported to thrive.

Led by passionate people, TPXimpact works closely with its clients in agile, multidisciplinary teams; challenging assumptions, testing new approaches and building confidence and capabilities. Combining our rich heritage with expertise in human-centred design, data, experience and technology, we work to create sustainable solutions with the flexibility to learn, evolve and change.

The business is being increasingly recognised as a leading alternative digital transformation provider to the UK public services sector, with over 90% of its client base representing public services.

More information is available at www.tpximpact.com.

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