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6 February 2025

MALVERN INTERNATIONAL PLC

("Malvern", the "Company" or the "Group")

Trading update

Malvern International plc (AIM: MLVN), the global learning and skills development partner, is pleased to provide a trading update for the year ended 31 December 2024 ("FY24"), and current trading.

FY24 performance

The preliminary unaudited assessment of trading for FY24 indicates an increase in revenues, excluding agent commission, of approximately 38% to circa £14.74m (FY23: £10.65m). The Group is expected to report a small underlying loss before tax* from trading activities of circa £0.12m (FY23: Profit £0.15m). This is due to circa £0.53m forward investment in staffing, marketing, legal fees and admissions in line with the Group's strategy to secure new higher education partners, together with a weaker than expected performance from Adult English Language teaching (ELT).

Cash balances on 31 December 2024 were £1.39m (FY23: £2.20m), of which £0.90m is payable by the Company for summer accommodation costs due to late invoicing. The Group continues to pay down the BOOST&CO. term loan, which at the year end was £1.82m (FY23: £2.24m), while lease liabilities reduced to £2.10m (FY23: £2.70m). Consequently, unaudited net debt at 31 December 2024 was £2.40m (FY23: £2.62m). The Board believes it has sufficient working capital to meet all current obligations.

The student intake at the International Study Centre at the University of East London (UEL) for September 2024 was 489, a 9% increase from the previous year of 447. The centre continues to build its reputation for excellent student outcomes and satisfaction rates. In ELT, the Juniors division saw another strong summer season with circa £6.03m revenue from 3,405 students running across eight centres (FY23: 2,478 students, £3.72m revenue and five centres). Adult ELT tuition fee revenue, excluding agents' commission, decreased approximately 10% to circa £1.69m (FY23: £1.88m) as a result of price competition leading to a reduction in course fees and student weeks in its year-round schools.

**Underlying loss before tax excludes annual revaluations of warrants, share-based payments, and losses relating to discontinued operations from the Brighton School.*

Current trading and outlook

University Pathways

University Pathways continues to grow, with January's intake substantially higher than the previous year at over 500 students (2024: 319, January 2023: 245 students, January 2022: 80 students). As a result, we currently have circa 1,000 students studying on courses for the 2024/25 academic year, securing UEL's position as one of the largest international study centres in the UK.

Our strategic investments in 2024 to build on our success with UEL and secure new partnerships are now being rewarded. In January, we were delighted to announce a new five-year partnership with the University of Wolverhampton, followed shortly by a ten-year agreement with the University of Cumbria.

Both international centres are due to welcome students from September 2025. Given that a large proportion of course fees will be collected before course delivery each academic year, these partnerships are expected to be cash flow positive from the first year and contribute to group profits from FY2026. Our goal is to

to be cash flow positive from the first year and contribute to Group profits from FY2020. Our goal is to sustainably grow international student numbers at both universities to a combined total of over 650 annually within five years.

With strong internal recruitment and admissions capabilities, we are well-positioned to attract students and will continue investing in our support systems and teaching staff to service these new contracts.

Aligned with our strategy and expertise, the Group remains committed to pursuing further university pathway partnerships.

Additionally, discussions regarding a new contract remain ongoing with UEL, and the Board anticipates an update on this within the next two months.

Juniors and Adult ELT

The current pipeline for Juniors ELT is very positive. We expect revenues of circa £7.50m from 11 centres, including one Easter programme and one academic programme to be held at University College London during the summer. These two new programmes align with our strategy to build out of season revenues and extend our geographic reach. We continue to see growth from China and Taiwan following our sales and marketing investment in the region over the last two years. Consequently, we plan to increase the number of centres operating in FY26.

Despite investments in our sales function to increase student numbers and take market share, Adult ELT continues to face tough competition and a high fixed-cost base. In addition, the industry is still some way off recovering to the pre COVID levels. The increase in employers' national insurance contributions from April will further impact operating margins in the business. The Board remains committed to Adult ELT since it shares many resources and sales structures with Juniors and provides the education accreditations required for both Juniors and Pathways. However, the Board also recognises that it must operate from a lower cost base to remain viable. The Board is reviewing all options to restore profitability to Adult ELT operations.

Mark Elliott, Chairman, said: "Last year's forward investments in key individuals and sales support have been rewarded for both Pathways and Juniors. The Board is assessing the Group's fixed-cost base and the utilisation of year-round centres and staff for the ELT business. While we believe there is potential for moderate growth with Adult ELT, we must make adjustments to improve centre performance and ensure consistent profit levels.

Despite this setback, I am pleased with the progress being made by the management team in executing the Group strategy. I look forward to the material growth we anticipate, supported by our new partnerships with the University of Wolverhampton and the University of Cumbria. In the meantime, the partnership with UEL is going from strength to strength thanks to our quality of teaching and high student attainment levels. We have an exciting and busy year ahead of us."

Notes to Editors:

Malvern International Plc

www.malverninternational.com

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Via ZEUS

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Notes to Editors:

Malvern International is a learning and language skills development partner, offering international students essential academic and English language skills, cultural experiences and the support they need to thrive in their academic studies, daily life and career development.

University Pathways provides on- and off-campus in-sessional and pre-sessional programmes to support international students in progressing to a wide range of universities and undergraduate courses. Malvern assists its university partners with international student recruitment and conversion, admissions, fee collection, and course delivery, including teaching, orientation, and student support.

English Language teaching is provided to adults at Malvern House Schools, accredited by the British Council and registered in the UK, with centres in London and Manchester. For Juniors aged 13 to 18, fully immersive residential English language centres and customised language programmes are available at high-quality locations.

For further investor information go to www.malverninternational.com

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