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30 April 2025

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

Results for the twelve months ended 31 December 2024. Strong growth in recurring revenues, return to profitability, dividend increased.

Skillcast (AIM: SKL), the Governance, Risk and Compliance ("GRC") software and e-learning provider, is pleased to announce its audited results for the twelve months ended 31 December 2024.

Highlights

| | 2024 | 2023 | Change (2024 v 2023) |
|-------------------------------------|--------|---------|-----------------------|
| Total Revenue | £13.2m | £11.3m | +17% |
| Subscription revenue | £11.0m | £8.6m | +29% |
| Gross margin (%) | 73.6% | 69.7% | +3.9 pps |
| Annualised recurring revenue (ARR)* | £11.6m | £9.3m | +25% |
| Overheads | £9.5m | £8.8m | +9% |
| EBITDA* | £0.5m | -£0.6m | n/a |
| Basic EPS | 0.572p | -0.733p | n/a |
| Total dividend per share | 0.517p | 0.447p | +16% |
| Cash in bank | £9.1m | £7.2m | +26% |
| Free cash flow* | £2.0m | -£0.3m | n/a |

- Total revenues up 17% at £13.2 million (2023: £11.3 million)
 - Revenue increase was all driven by strong growth in recurring subscription revenues, up 29% at £11.0 million (2023: £8.6 million).
 - Annualised recurring revenue (ARR)* up 25% to £11.6 million (December 2023: £9.3 million) predominantly from new client acquisitions.
 - Subscription revenues +110% in the three years since IPO in December 2021 and ARR has doubled.
 - Recurring subscriptions contributed to 83% of total revenues (2023: 76%).
 - Non-strategic professional services revenues declined 18% to £2.3 million (2023: £2.8 million).
- Gross margin increased by 3.9 ppts to 73.6% (2023: 69.7%).
- EBITDA of £0.5 million (2023: -£0.6 million)
 - Overhead growth rate continues to reduce, increasing by £0.7m/9% on the prior year (2023: £1.3 million/18%).
 - Headcount increased by 2% to 120 (2023: 118) at 31 December 2024.
 - Research and development is fully expensed.
- Strong net cash position at 31 December 2024: £9.1 million (31 December 2023: £7.2 million), representing c. 10 pence per ordinary share in the Company.
 - Up-front payments on increased subscription revenues and higher creditors.
 - Free cash flow* of £2.0 million (2023: -£0.3 million).
- Basic EPS 0.572 pence per share (2023: LPS -0.733 pence).
- Total dividend of 0.517 pence per share (2023: 0.447 pence).
 - Final dividend proposed: 0.349 pence (2023: 0.279 pence).
 - Interim dividend paid: 0.168 pence (2023: 0.168 pence).
- Operational highlights
 - Total client numbers grew 11% to 1,331 (2023: 1,249).
 - Net retention of 101% supported by price rises and two new subscription plans.
 - Premium offer representing 6% of ARR at December 2024.
 - Core compliance e-commerce self-serve offer, representing 1 % of ARR at December 2024.
 - Churn of 11% (2023: 7%).
 - AI digital assistant (Aida) developed in house for launch in 2025

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- Recruited Head of Marketing to drive marketing activity, rebrand and new website launched March 2025, Advisory Board launched.
- Maintained excellent customer service records (Feefo Platinum Service Award 4.9/5.0).
- Enhanced trust and security with SOC Type 2 and Cyber Essentials Plus accreditation achieved and Trustcentre launched.
- Professional services team reduced to reflect lower demand.
- Rolled out new standard terms of service incorporating auto-renewal.

Current trading and outlook

We have had a solid start to the new financial year and have continued to trade in line with expectations. Our ARR is up more than 20% year on year, rising above £12m by March 2025. Non-strategic Professional Services revenues have started well though continue to have limited visibility.

We continue to drive brand awareness and innovation. Our Annual Summit in January aimed at L&D managers and Compliance Officers was a sell-out. The event included a demonstration of our AI-powered compliance assistant trialled by 87 customers and due to be launched this year.

The market demand for our GRC content and software is resilient and growing, and we have not experienced any impact of the recent political and global economic events on demand for our services. We remain confident in our ability to continue to grow and enhance margins.

Vivek Dodd, Chief Executive Officer of Skillcast, said:

"We are delighted with the continued growth in ARR to £11.6m at the end of FY 2024, +25% up on the prior year and double the pre-IPO level three years ago. This has led to higher subscription revenues of £11.0m, in line with the guidance given at IPO, and a return to profitability as expected.

"I am particularly pleased with the growth of our all-inclusive Premium plan, which reached 6% of total ARR within the first year of launch, and the take-up of CoreCompliance, our pre-configured, self-serve offering for small businesses. We are excited about the performance of Aida - our AI-powered compliance assistant launching this year, and how it has been received by clients and prospects. We expect it to support the sales of both Premium plan and CoreCompliance in the coming years.

"We are confident that our product and exceptional customer service will allow us to continue scaling up our ARR and revenues, and our operational gearing will allow us to continue improving our EBITDA margin."

*Further details on the calculation of adjusted EBITDA, ARR and free cash flow are set out in the Financial Review below

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Chairman's Statement

Introduction

This statement reports on the third full year of trading since Skillcast floated on the Stock Exchange in December 2021. I am pleased to report that not only is the Group reporting a strong set of results from the last twelve months, but when combined with the two previous years, it has delivered consistently on the plan that was set out to shareholders at the time of the IPO. The Board remains excited about the next stage in Skillcast's development, which we enter with an innovative GRC product portfolio, a proven business model and a talented and highly motivated team.

Results and Dividend

The business achieved a strong set of results for the year ended 31 December 2024, with progress made in key strategic areas. Most importantly, after two years of investment following the IPO, in 2024 the business returned to profitability, with adjusted EBITDA of £0.5 million (2023: loss of £0.6 million). This was achieved primarily through a growth in recurring subscription revenues of 29%. The results are a demonstration of the strength of our business model, as with a net retention of 101% of prior year subscriptions, a gross margin of around 75% and a relatively stable cost base following the expansion of 2022 and 2023, a very significant proportion of new sales revenue is now dropping straight through to the bottom line.

The Group retains a robust balance sheet, with net cash at 31 December 2024 of £9.1 million (2023: £7.2 million). Given this and the return to profitability, the Board has, as indicated previously, reviewed the dividend policy. We see dividends as an important financial discipline for a business with repeatable revenues that provide strong cash generation. Accordingly, at the AGM on 24 June 2025, the Board will propose a final dividend per share of 0.349p per share, up 25% on the 0.279p paid as the final dividend for 2023. Taken in combination with an interim dividend per share of 0.168p that was paid in October 2024, this will result in a full year dividend per share of 0.517p (2023: 0.447p) an increase of 16%. The Board's policy for the foreseeable future will be to increase dividends broadly in line with future increases in subscription revenue levels.

Strategy

Skillcast's overall strategy remains unchanged. Our purpose is to enable companies to build ethical and resilient workplaces and our vision is to be the leading provider of digital training and technology for workplace compliance. We are undertaking this against a market backdrop that is broadly helpful, with generally increasing regulation albeit macro-economic conditions are of course challenging and the attractions of our core market mean that it is increasingly competitive. Strategically we are focussed on the organic growth of our recurring subscription revenue stream and in ensuring that this delivers attractive margins and returns for shareholders.

Whilst we can reflect positively on the achievements against these goals over the last three years, the Board is very much aware of the challenges that face us moving forward and are adapting the strategy accordingly. As we grow bigger so maintaining the same percentage growth rate becomes an increasing challenge. Medium term, we are seeking to maintain growth rates of subscription revenues in the 20% range whilst driving margins to a similar level and hence achieve the "Rule of 40" (as explained in further detail below) by which world class SaaS businesses are measured. As set out in Vivek Dodd's CEO Report, we aim to achieve this through a mixture of on-going product innovations and efficiency initiatives and

Our CEO Report, we aim to achieve this through a mixture of on-going product innovations and efficiency initiatives and through targeting our marketing activities to areas and businesses where the simplicity of our offer and its ability to be customised to suit medium sized operations will most likely resonate.

Given the growth in our cash reserves, we continue to view bolt-on acquisitions as an important potential accelerator of growth and strategy. We seek content-based acquisitions where we can leverage our existing technology stack to offer the wider content to our existing customers and conversely offer our technology and existing content to the acquired customers. In this regard, progress in 2024 has been challenging. We have found, unsurprisingly, that price expectations amongst private companies are considerably in excess of those we are experiencing in the public markets. We are mindful of our growing cash balance and will continue to seek ways to deploy the capital, albeit will only do so when we are comfortable with the returns it will offer to our shareholders.

Shareholder Engagement

I would like to thank investors for their support over the last twelve months. The fact that the business has doubled in size since we came to Market but that our valuation remains the same is a matter of frustration for both the Board and, we know, our shareholders. The Board recognises that this frustration is not confined to Skillcast but reflects challenges generally with the small cap London market. We continue to follow shareholders' advice to focus on running the business although we plan to be more proactive in the coming year with investor relations activity.

We have enjoyed meeting with investors over the last twelve months at both formal meetings and investor conferences and events and have had wide ranging discussions on product development, M&A plans and dividend policy. We welcome the opportunity to speak with existing and prospective investors and look forward to welcoming shareholders to our AGM on 24 June.

People and Organisation

During the year, James Saralis joined us an independent NED and Chair of the Remuneration Committee. We are delighted to have him on board and are benefiting from his counsel as an incumbent CEO of another listed business.

In line with our previously set out plans, headcount growth over the last twelve months has slowed, as we essentially completed the expansion investment in 2023. However, it is worth noting that headcount is now around 50% higher than it was when we floated. But importantly, despite that growth, the culture of the organisation has not changed, and it is to the credit of the senior team that they have managed to maintain that during the period of expansion. The results that have been delivered over the last twelve months are testament to the efforts of the whole staff and I want to express the thanks of the Board for their achievements in this regard.

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We continue to drive brand awareness and innovation. Our Annual Summit in January aimed at L&D managers and Compliance Officers was a sell-out. The event included a demonstration of our AI-powered compliance assistant trialled by 87 customers and due to be launched this year.

The market demand for our GRC content and software is resilient and growing, and we have not experienced any impact of the recent political and global economic events on demand for our services. We remain confident in our ability to continue to grow and enhance margins.

Richard Amos

Non-Executive Chairman
29 April 2025

CEO's Review

I am pleased to report another successful year for Skillcast in 2024. This year, we can see the results of a disciplined programme of investment in our talent, product and marketing we undertook following our IPO in December 2021. Our subscription revenues have more than doubled over three years since the IPO, and we've returned to profitability. The ARR at the end of the year was £11.6 million, +25% up on the year. Total revenue grew 18% and overheads by 9%, generating £0.5m of EBITDA, a £1.1 million improvement over 2023. Our EBITDA margin should continue to grow further in the coming periods due to our operational gearing.

However, the financials only tell a part of our story. Even more encouraging are the teams we've built at all levels in the Company, the robust procedures we've put in place for performance, financial control and governance, and the product and service improvements we've made for our customers. All of these should support our goal to sustain our ARR and revenue growth in the future.

Purpose and vision

Skillcast has supported businesses in the UK and beyond to build ethical and resilient workplaces and **make compliance simple**. Our comprehensive GRC solutions equip companies with the tools to strengthen their team and protect their reputation.

We are a leading provider of corporate compliance portals and digital courseware in the UK. This gives us access to a growing market with resilient demand. Our critical mass of over 1,300 clients gives us insights into compliance challenges and emerging needs that feed into our product development. Our experienced workforce and passion for customer service result in long-lasting relationships with clients, enabling us to innovate and drive down their compliance costs.

Our values and culture

We prioritise developing and promoting our existing talent to build knowledge and experience within our organisation. In 2024, we revisited our four values and strive to achieve our purpose by embedding and living them across the organisation:

- **Care**: we pay attention to detail, act responsibly, and truly care for our customers
- **Collaboration**: we're supportive, helpful, and respectful, working with businesses to achieve a common goal
- **Transparency**: we're open and honest and offer full transparency to everyone we work with
- **Continuous Improvement**: we're curious about new ideas and are always looking for ways to do things better

Our Chief People Officer leads our people and culture initiatives within our Executive Management Committee. All employees are eligible to receive additional remuneration above their base pay linked to their performance and demonstrating our values. Employees use Skillcast's compliance portal and tools to read and attest to policies and receive compliance training.

We undertake several initiatives to promote our values and culture, including quarterly virtual town halls, employee surveys, and various employee-led initiatives.

Our market

Skillcast serves companies predominantly in the UK that face an increasingly complex regulatory environment. To meet their obligations, companies must educate staff, maintain accurate records, and monitor and analyse employee conduct. As a result, many are turning to digital platforms like Skillcast to manage compliance efficiently and demonstrate

accountability to regulators, customers, and stakeholders.

We estimate the Total Addressable Market (TAM) in the UK for platforms such as the Skillcast Portal to exceed £1.6 billion. This estimate is based on company size data from the UK Department for Business and Trade and Skillcast's pricing across relevant business segments. The current serviceable market is estimated at £0.5 billion by the global market research and advisory firm, Technavio (Corporate Compliance Training Market Analysis, Size and Forecast 2024-2028 by Technavio).

Around half of this market consists of small businesses (fewer than 50 employees), which Skillcast serves with our CoreCompliance solution. The remainder comprises mid-sized and large enterprises, which Skillcast serves with various plans for Managed Portal Services and Remote Services.

Business model

Skillcast offers innovative GRC solutions to make compliance simple. We enable companies to digitise and automate their compliance training, record-keeping, monitoring and other processes. By consolidating these functions onto a single platform, Skillcast streamlines operations and minimises the risk of compliance oversights, ensuring our clients have a more efficient and secure compliance framework. We aim to reduce operational costs while enhancing employees' compliance experience.

We are the sector leaders in staff compliance training with comprehensive coverage of corporate regulations. Our Essentials and Compliance Bites libraries cover all the key topics for general compliance in the UK. Our FCA Compliance and Insurance Compliance libraries cover all the key topics in the FCA Handbook for UK financial services firms. Our Global Compliance and Global Risk libraries cater to the needs of multinational corporations that need jurisdiction-neutral, multilingual training. Our off-the-shelf courses can be customised easily to meet every client's unique needs and risk perceptions.

Skillcast Portal is our technology platform, which features a learning management system (LMS) and various tools designed to facilitate compliance management. These tools include a Policy Hub for delivering corporate policies and gathering employee attestations, Anonymous Surveys for honest employee feedback, Staff Declarations for self-reported disclosures, Compliance Registers for documenting various compliance-related activities such as gifts & hospitality, and other features for managing and recording in-person training and events. This integrated platform ensures a uniform user and administrator experience, consolidates data by breaking down silos, and reduces the risk of compliance failures.

We offer three plan levels for our Managed Portal Services: Standard, Enhanced and Premium. All these plans are available through annual subscriptions, simplifying procurement and allowing businesses to deploy training and compliance resources on time and with minimal effort.

Skillcast **Standard** suits companies of all sizes that are getting started with staff compliance and want to build a compliance portal for their staff. Although this is the least expensive plan, it still comes with full corporate branding, dashboard reporting, and platinum-rated customer service with a designated Customer Success Manager (CSM). Additionally, clients can choose the e-learning libraries they need and additional tools for their compliance programme.

Skillcast **Enhanced** includes all the features of Standard and our innovative learning features: Aida - our AI compliance assistant, fast track completion options for experienced employees, diagnostics for automatic competency-based assignments, and nudge learning - combining our microlearning library with the question-of-the-day to make compliance programmes more effective.

Skillcast **Premium** includes all the features of Enhanced plus our suite of tools to make compliance management simple, including staff declarations, compliance registers, anonymous surveys, Policy Hub and Training 360 to track offline training and other activities.

We also provide e-learning courses for our customers to deploy on third-party portals. We now have an improved offering for such clients, called **Skillcast Remote Services**, which can enhance the functionality of the customers' portals along with the content provision. For small businesses, we offer **CoreCompliance**, a preconfigured, self-serve, e-commerce staff compliance e-learning solution. Clients can effortlessly set up their employees with access to 150+ engaging compliance courses, assign mandatory training and monitor all activity from intuitive administrator dashboards.

High-quality recurring subscription revenues

Staff compliance is a non-discretionary cost for many companies, especially in regulated sectors like financial services. This provides Skillcast with the potential to grow in even stagnant economic environments.

Subscriptions to our technology and content are the key drivers in our growth strategy. These subscriptions constitute a book of high-quality annual recurring revenues (ARR) contracts, which grew organically at 25% to £11.6 million in December 2024 (2023 growth 37% to £9.3 million in December 2023).

In 2024, 83% (2023: 76%) of our revenues came from such subscriptions, with the rest from professional services, which include bespoke content development and customisation of OTS courses and were lower at £2.3 million (2023: £2.8 million) as demand for large bespoke work fell. While not core to our growth strategy, we remain committed to our professional services, which are critical for helping our clients make compliance more relevant and engaging for their staff.

Our total revenue increased by 17% to £13.2 million (2023: £11.3 million), and EBITDA increased by £1.1 million to £0.5 million (2023: LBITDA of £0.6 million) as the benefits of our post-IPO investments started to become evident. With a break-even H1 2024, all our EBITDA was generated in H2 2024. Our free cash flow was £2.0 million (2023: £-0.3 million).

We typically enter into annual contracts for our subscriptions and invoice upfront. This gives us healthy cash flows from operations and high revenue visibility over the coming twelve months.

Strategic and operational progress in 2024

Our focus in 2024 remained on growing the subscription business, as measured by our ARR book, and on return to profitability as we neared the end of our post-IPO investment phase. We believe Skillcast has a tremendous growth opportunity to help companies simplify compliance as they seek to digitise their staff compliance to reduce costs, improve employee experience and reduce the risk of breaches in the face of ever-growing regulations.

Our business model of recurring annual subscriptions provides a stable base we can build upon with product upsells and new customer acquisitions.

Here are some of the highlights of the work done on our strategic objectives in 2024:

- Restructured the marketing team to drive data-driven decisions, refreshed the brand and rebuilt our website, which launched in March 2025.
- Attained Cyber Essentials Plus accreditation from the National Cyber Security Centre, achieved SOC 2 Type 2 compliance and launched our Trust Centre (trust.skillcast.com) to enhance our commitment to data security.
- Launched our Sandbox environment, which enables prospects to try out features in a live working environment to aid sales of our digital compliance solutions to clients.
- Launched our Advisory Board comprising pre-eminent compliance industry experts to provide strategic direction and endorse our proposition.
- Launched Skillcast Premium, our all-inclusive service product bundle that accounted for 6% of our total ARR by December 2024.
- Launched Skillcast CoreCompliance, our self-serve, cost-effective e-learning solution for small businesses, which accounted for 1% of ARR by December 2024.
- Rolled out new standard terms of service to our annual subscription contracts with automatic renewals, with nearly 95% acceptance of clients coming up for renewal accepting the new terms.

- Migrated customer support to a new platform to enable faster response times, chat-based support, as well as insights to drive further customer experience and productivity improvements.
- Developed Aida, the compliance assistant that helps employees engage with and clarify compliance concepts - undergone client trials in Q1 2025 with a launch planned for Q2.
- Started Partnership programmes to drive sales through referrals, resellers and platform integrations
- Improved employee benefits plan to sustain our high employee retention rate.
- Reduced the size of the professional services team in light of lower market demand for such services and implemented changes to refocus our bespoke development offering on areas of core strengths.

ESG

We are committed to promoting inclusivity, sustainability, and integrity, and fostering diversity, well-being, and personal growth within our organisation.

Environmental, Social, and Governance (ESG) is inherent in our products and services, not only in staff compliance that we promote but also in digitisation that helps lower waste and carbon footprint. We are equally focused on minimising our own environmental and social impact and reaching net-zero by 2050. In 2024, 100% renewable energy was sourced for our UK office. We also maintained our status as a Living Wage Employer, enhanced mental health and well-being and employee benefits. We continue to monitor risks and enhance our risk management framework. We have developed and reviewed all our policies and used our Policy Hub tool to raise staff awareness efficiently and effectively.

Vivek Dodd
Chief Executive Officer
29 April 2025

Financial Review

A third successful year post-IPO with revenues growing 17% on the year and overhead investment growth rate halving to 9% on the year. This has led to a return to profitability in the second half of the year as planned. By ending the year with a 25% increase in ARR, we remain well-placed for further revenue growth and improvement in profit margin growth in 2025.

Revenues for the year ended 31 December 2024 increased by 17% to £13.2 million (2023: £11.3 million), driven by new subscription customers, with ARR* growing 25% on the year to £11.6 million (2023: £9.3 million). In contrast, overheads increased by £0.7m/9% as the post-IPO investment phase ended and the Group returned to profitability. EBITDA increased £1.1m on the year to £0.5m (2023 LBITDA: £0.6m). Net cash at year-end of £9.1 million was 26% above last year (2023: £7.2 million), with free cash flow of £2.0 million (2023: -£0.3million).

Key Performance Indicators

Key performance indicators (KPIs) tracked through monthly reviews against targets approved by the Board

| | 2024 | 2023 | % change |
|--|---------------|--------|----------|
| | £'000 | £'000 | |
| Revenue | 13,240 | 11,302 | +17% |
| Software-as-a-service revenue (SaaS revenue) | 10,987 | 8,547 | +29% |
| Gross Margin | 73.6% | 69.7% | +3.9 pts |
| Overheads | 9,505 | 8,759 | +9% |
| EBITDA / (LBITDA) | 500 | -625 | n/a |
| *Annual recurring (SaaS) revenue (ARR) as at 31 December | 11,640 | 9,311 | +25% |
| Net retention rate | 101% | 105% | -4 pts |
| Churn (as a percentage of ARR) | 11% | 7% | +4pts |
| Deferred revenue from subscriptions as at 31 December | 5,345 | 4,276 | +25% |
| Cash at 31 December | 9,115 | 7,222 | +26% |
| Free cash flow ** | 1,965 | -341 | n/a |
| Number of employees at 31 December | 120 | 118 | +2% |
| Rule of 40 *** | 29% | 32% | -3% |

** defined later in the financial report in Alternative Performance Measures section*

Revenue

61% of total revenue were derived from clients in the financial services industries, consistent with the previous year. 78% of total revenues were derived from the UK (2023: 79%), 11% from the EU (2023: 9%) and 11% from elsewhere (2023: 13%). The top 10 customers accounted for 15% of total revenues (2023: 23%).

Subscription revenues typically accrue from twelve-month contracts, invoiced up front, for our compliance e-learning libraries and compliance technology. During 2024, subscription revenue growth helped grow the proportion of revenues from subscriptions to 83% (2023: 76%) of total revenues.

Subscription ("SaaS") revenues grew 29% to £11.0 million (2023: £8.5 million). The growth was driven by a combination of new clients, product upsells and increased users at existing clients.

Subscription revenue growth was supported by the launch of several new products. In January 2024, Skillcast Premium was launched, an all-inclusive service bundle that includes e-learning and all our compliance management "regtech" products to support upsells. Customers on our Premium Plan accounted for 6% of our ARR by the end of December 2024.

In December 2023, we released Skillcast Core Compliance, our self-serve, cost-effective compliance e-learning solution for small businesses with up to 50 users. We started marketing this product in February 2024 and by December 2024 it accounted for 1% of ARR.

Annual recurring revenue (ARR*), our key performance indicator to measure subscription sales progress, grew by 25% to £11.6 million over the past 12 months (December 2023: £9.3 million). Average ARR per client increased 10% on the previous year and the number of subscription clients increased 14% to 1,328 (2023: 1,168). New sales lifted ARR by 23% from December 2023 and net retention rate was 101% (2023: 105%), which included 11% churn (2023: 7%). 2023 net retention was boosted by a standard 7% price rise on new business and renewals throughout the year. Since the IPO in December 2021, ARR has doubled to £11.6m at 31 December 2024 (31 December 2021: £5.8m).

Revenue from Professional Services was £2.3 million, which was 18% below the same period last year (2023: £2.8 million). The reduction reflected a lower 1% average spend per client and 15% fewer clients as increased economic uncertainty.

The reduction reflected a lower 4% average spend per client and 15% fewer clients as increased economic uncertainty impacted client budgets for bespoke e-learning solutions.

Gross profit

Gross Profit Margin increased by 3.9 percentage points to 73.6% (2023: 69.7%). The increase was primarily due to greater productivity within the content team and a reduction in the Professional Services team in response to falling demand for bespoke Professional Services.

In addition, the prior year included one-off transitional higher cloud computing costs incurred during the migration of all clients to Microsoft Azure, which was completed in March 2023.

Gross Margin from our SaaS revenues increased to 80.1% (2023: 73.9%) through operational gearing while in our Professional Services business Gross Margins fell to 41.7% (2023: 56.5%).

Overheads

The rate of overhead growth reduced to 9% (2023: 18%) as the planned post-IPO investment phase was largely complete.

In absolute terms, overheads were £9.5 million in the period, an increase on the prior year of £0.7 million (2023: £1.3 million). 74% of overheads are employee-related (2023: 78%), and £0.2 million of the increase in the year was from higher employee costs. A further £0.2 million was incurred in consultancy costs as we switched to outsourcing our sales operations function. Marketing activity increased by £0.2 million on the prior year following the hire of our first Head of Marketing in January 2024. The remaining increase was derived from £0.1 million higher subscription costs and professional fees.

Overheads excluding depreciation and amortisation as a percentage of ARR fell during the year and represented 40% of ARR in H2 2024, 4 percentage points below H2 2021 (excluding IPO costs). The graph below demonstrates how this measure temporarily increased due to planned investments primarily in the commercial and organisational infrastructure to support ARR growth and is now falling back to lower than pre-IPO levels.

Headcount

On 31 December 2024, the total headcount had increased to 120 (31 December 2023: 118). Total average headcount increased in 2024 by 5% to 121 (2023: 115). The largest growth area was in the client services function, with an increase of seven heads during the period. Total staff costs increased 5% to £9.5 million (2023: £9.0 million), with average salary increases of 5% awarded in January 2024. In April 2024, the Company offered all employees private medical insurance, life assurance and employer pension contributions of 4% of basic salary. Prior to this time only UK employees benefitted from a stakeholder pension plan.

EBITDA

As a consequence of operational gearing in the business, increasing gross margin and slower overhead growth, the Group returned to sustained profitability and delivered a £1.1 million improvement in EBITDA* to £0.5 million for FY 2024 (2023: -£0.6 million).

The Rule of 40*** was 29% in the period, 3 percentage points below the prior year (2023: 32%).

Depreciation and amortisation

The Group incurred £0.3 million in depreciation and amortisation (December 2023: £0.3 million) relating to office and IT equipment and leases for its two offices in London and Malta. The Group does not capitalise any research or development costs.

Interest receivable

£0.3 million of bank interest was received on cash balances during the year (2023: £0.3 million) as the Group benefited from the interest rates and putting surplus cash on deposit.

Tax

The Group reported a profit before tax of £0.5 million (2023: loss of £0.6 million).

The taxation charge for the Group in 2024 was £0.1 million. No taxes are due in the UK for the current year as the Group intends to utilise losses from prior years.

Corporation tax of £0.1 million was paid during the year in relation to prior year UK corporation tax liabilities. This was an effective tax rate of 7% reduced by losses brought from previous years and the recognition of a deferred tax asset. Now the Group has returned to profitability it expects to be able to utilise this asset in future years.

Earnings per share (EPS)

The basic earnings per share for the period was 0.572 pence on 89.5 million shares (2023: -0.733 pence). On a diluted basis, on 89.7 million shares EPS was 0.570 pence (2023: not applicable).

Dividends

With a business backed by strong ARR growth supporting future recurring revenues that provide strong cash generation, the Board is committed to paying dividends. In light of the return to profitability the Board has updated its dividend policy and for the foreseeable future will increase dividends broadly in line with future increases in subscription revenue levels.

Accordingly, at the AGM on 24 June 2025, the Board will propose a final dividend per share of 0.349p up 25% on the 0.279p paid as the final dividend for 2023. Taken in combination with an interim dividend per share of 0.168p that was paid in October 2024 this will result in a full year dividend per share of 0.517p (2023: 0.447p) an increase of 16%. The final dividend will be paid on 25 July 2025 to shareholders on the register on 4 July 2025.

Balance sheet and cash flow

Net assets at 31 December 2024 were £5.8 million (31 December 2023: £5.7 million). The £0.1 million increase in the year was due to the £0.5 million in comprehensive income in the year less £0.4 million of dividend payments.

Non-current assets of £0.7 million at 31 December 2024 (31 December 2023: £0.8 million) reduced by a net £0.1 million as reducing office lease liabilities in accordance with IFRS 16. The Group does not capitalise any intellectual property additions to its products' content or technology, and costs are expensed as they are incurred.

Current assets, excluding cash, were £4.3 million at 31 December 2024 (31 December 2023: £4.2 million). This predominantly includes trade receivables which grew only 3% to £3.1 million at 31 December 2024 (31 December 2023: £3.0 million) despite the 17% growth in revenue on the year through improved cash collection. As a consequence, debtor days at 31 December 2024 were 54 (31 December 2023: 67). Debtors more than 60 days overdue represented 11% of trade receivables at 31 December 2024 (31 December 2023: 14%). There was small immaterial reduction in the allowance for expected credit losses in the year. A further £0.6 million of trade receivables is due from the Maltese tax authorities relating to withholding tax rebates on dividends declared from subsidiary companies.

Total liabilities at 31 December 2024 of £8.3 million increased by £1.7 million on the year (31 December 2023: £6.6 million). The biggest contributor to the increase was a £1.2 million increase in unrecognised revenue from subscription revenue signed contracts, representing a 27% increase on the year.

The Group has no bank debt and at 31 December 2024 held cash of £9.1 million (31 December 2023: £7.2 million). Free cash flow** during the year was £2.0 million (2023: -£0.3 million) as the Group generated cash from a return to

Cash flow during the year was £2.0 million (2023: -£0.5 million) as the Group generated cash from a return to profitability of £0.5 million (2023: -0.6 million), and up front payments from a growing contractual book of £1.8 million (2023: £1.4 million).

Alternative Performance Measures

The Group elects to report certain financial measures not defined or recognised under IFRS, including EBITDA. See note 3 of the Group Consolidated Accounts, Annual Recurring Revenue (ARR) and Free Cash Flow defined below.

*Annual Recurring Revenue (ARR)

ARR is also used to assess the performance and the trend of subscription revenue. ARR is calculated by multiplying the Monthly Recurring Revenue ("MRR") by twelve. MRR is defined as the subscription revenue recognised in a month, excluding any retrospective upward adjustments arising at the end of the contract where there have been more subscribers than a client originally contracted for, less any contract losses (Churn) or downward adjustments arising on contract renewal. The Directors consider that the ARR, derived from software-as-a-service (SaaS) sales, is a key measure of the performance of the business. The ARR increased by 37% in the year to £9.3 million at 31 December 2024.

** Free cash flow

Free Cash Flow is calculated as net cash flows from operations less capital expenditure and lease costs.

*** Rule of 40

The Rule of 40 is a defined as the addition of the EBITDA percentage margin in the year and the ARR percentage growth on the previous year.

Richard Steele

Chief Financial Officer

29 April 2025

Skillcast Group PLC

Company statement of financial position

As at 31 December 2024

For the year ended 31 December 2024

| | Note | 2024 | 2023 |
|---|------|-------------------|-------------------|
| | | £ | £ |
| Revenue | 4 | 13,240,009 | 11,301,700 |
| Cost of sales | | (3,495,768) | (3,429,372) |
| Gross profit | 4 | 9,744,241 | 7,872,328 |
| Administrative expenses | | (9,499,526) | (8,759,363) |
| Operating profit | | 244,715 | (887,035) |
| Profit/ (Loss) before interest, tax, depreciation & amortisation | 3 | 499,958 | (625,325) |
| Other Income | | 400 | - |
| Finance income | | 328,330 | 258,752 |
| Finance expense | | (24,806) | (19,680) |
| Profit/ (loss) before taxes | 5 | 548,639 | (647,963) |
| Income tax | 7 | (37,270) | (7,473) |
| Profit/(loss) after tax and total comprehensive income | | 511,369 | (655,436) |
| Earnings/(loss) per share: | | | |
| Basic | 17 | 0.572p | (0.733)p |
| Diluted | 17 | 0.570p | - |

Skillcast Group PLC

Consolidated statement of financial position
As at 31 December

| | Note | 2024 £ | 2023 £ |
|---|-------------|--------------------------|--------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 10 | 265,146 | 323,762 |
| Right-of-use assets | 11 | 309,196 | 459,923 |
| Deferred tax assets | 15 | 84,611 | 11,999 |
| | | <hr/> | <hr/> |
| | | 658,953 | 795,684 |
| Current assets | | | |
| Trade and other receivables | 8 | 4,330,686 | 4,239,768 |
| Cash and cash equivalents | 9 | <u>9,115,118</u> | <u>7,221,681</u> |
| | | <hr/> | <hr/> |
| | | 13,445,804 | 11,461,449 |
| | | <hr/> | <hr/> |
| TOTAL ASSETS | | <u>14,104,757</u> | <u>12,257,133</u> |
| Issued capital and reserves attributable to owners | | | |
| Share capital | 16 | 89,459 | 89,459 |
| Share Premium | | 3,490,541 | 3,490,541 |
| Share Option Reserve | 19 | 388,731 | 355,029 |
| Retained earnings | | <u>1,868,861</u> | <u>1,757,376</u> |
| Total equity | | <u>5,837,592</u> | <u>5,692,405</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 12 | 2,200,156 | 1,570,820 |
| Contract liability | 13 | 5,684,309 | 4,501,025 |
| Current lease liabilities | | 184,964 | 118,674 |
| Income tax payable | 14 | <u>35,414</u> | <u>23,794</u> |
| | | <hr/> | <hr/> |
| | | 8,104,843 | 6,214,313 |
| Non-current liabilities | | | |
| Long-term lease liabilities | | <u>162,322</u> | <u>350,415</u> |
| | | <hr/> | <hr/> |
| | | 162,322 | 350,415 |
| Total liabilities | | <u>8,267,165</u> | <u>6,564,728</u> |
| | | <hr/> | <hr/> |
| TOTAL EQUITY AND LIABILITIES | | <u>14,104,757</u> | <u>12,257,133</u> |

Consolidated statement

of changes in equity

For period ended 31

December 2024

| | Note | Share capital | Share Premium | Share Option Reserve | Retained earnings | Total |
|---|-------------|----------------------|----------------------|-----------------------------|--------------------------|------------------|
| 1 January 2023 | | 89,459 | 3,490,541 | 223,331 | 2,812,695 | 6,616,026 |
| Comprehensive Income for the period | | - | - | - | (655,436) | (655,436) |
| (Loss) for the year | | - | - | - | (655,436) | (655,436) |
| Total comprehensive Income for the period | | - | - | - | (655,436) | (655,436) |
| Total contributions by and distributions to owners | | - | - | - | (150,292) | (150,292) |
| Share Option Reserve | | - | - | 131,698 | - | 131,698 |
| Dividends - Prior Year | | - | - | - | (249,591) | (249,591) |
| Dividends - Current Year | | - | - | - | (150,292) | (150,292) |

| | | | | | |
|---|---------------|------------------|----------------|------------------|------------------|
| Total contributions by and distributions to owners | | | | | |
| | | | 131,698 | (399,883) | (268,185) |
| 31 December 2023 | 89,459 | 3,490,541 | 355,029 | 1,757,376 | 5,692,405 |
| 1 January 2024 | 89,459 | 3,490,541 | 355,029 | 1,757,376 | 5,692,405 |
| Comprehensive income for the period | | | | | |
| Profit for the year | | | | 511,369 | 511,369 |
| Total comprehensive income for the period | | | | 511,369 | 511,369 |
| Contributions by and distributions to owners | | | | | |
| Share Option Reserve | | | 33,702 | | 33,702 |
| Dividends - Prior Year | 18 | | | (249,592) | (249,592) |
| Dividends - Current Year | 18 | | | (150,292) | (150,292) |
| Total contributions by and distributions to owners | | | 33,702 | (399,884) | (366,182) |
| 31 December 2024 | 89,459 | 3,490,541 | 388,731 | 1,868,861 | 5,837,592 |

Skillcast Group PLC

Consolidated statement of cash flows

For the year ended 31 December

| | Note | 2024 | 2023 |
|--|------|------------------|------------------|
| | | £ | £ |
| Cash flows from operating activities | | | |
| Profit/ (loss) before tax | | 548,639 | (647,963) |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | 3 | 102,051 | 105,609 |
| Amortisation of right-of-use assets | 3 | 150,728 | 156,101 |
| Finance income | | (328,330) | (258,752) |
| Share based payment | | 33,702 | 131,698 |
| Finance expense | | 24,806 | 19,680 |
| Unrealised foreign exchange (gain)/ loss | | 4,670 | |
| Changes in working capital | | | |
| (Increase)/decrease in trade and other receivables | | (90,918) | (909,194) |
| Increase in trade and other payables, including contract liabilities | | 1,812,620 | 1,434,714 |
| Cash generated from operations | | 2,257,968 | 31,893 |
| Income taxes paid | | (98,263) | - |
| Net cash flows from operating activities | | 2,159,705 | 31,893 |
| Cash flow from investing activities | | | |
| Purchases of property, plant and equipment | | (43,435) | (175,084) |
| Interest received | | 328,330 | 258,752 |
| Net cash generated/(used) in investing activities | | 284,895 | 83,668 |
| Cash flow financing activities | | | |
| Principal paid on lease liabilities | | (121,803) | (178,319) |
| Dividends paid | | (399,884) | (399,884) |
| Interest paid on lease liabilities | | (24,806) | (19,680) |
| Net cash (used) in financing activities | | (546,493) | (597,883) |

| | | |
|---|-------------------------|-------------------------|
| Net increase/ (decrease) in cash and cash equivalents | 1,898,107 | (482,322) |
| Effects of foreign exchange fluctuations on cash and cash equivalents | (4,670) | |
| Cash and cash equivalents at beginning of period | 7,221,681 | 7,704,003 |
| | <hr/> | <hr/> |
| Cash and cash equivalents at end of period | <u>9,115,118</u> | <u>7,221,681</u> |

Notes to the consolidated financial statements

Skillcast Group PLC

Notes to the consolidated financial statements

31 December 2024

1 General Information

Skillcast Group PLC ('Company') is registered in the United Kingdom with registration number 12305914 and is limited by shares and registered on the London AIM stock exchange. Its registered office is at 80 Leadenhall Street, London, England, EC3A 3DH. The Company is the ultimate parent of Inmarkets Ltd, Inmarkets Group Ltd and Inmarkets International Ltd.

This report and financial statements reflect the consolidated activities and transactions of the Company and other group companies ('Group').

Up to the 28 July 2021 the Company was a private limited company. On the 28 July 2021 the Company re-registered as a public company as Skillcast Group PLC. The Company did this in preparation of admission to the AIM market of the London Stock Exchange. On 1 December 2021 the Company's ordinary shares were admitted in trading on AIM.

The Company is primarily involved in providing management services to other entities in the group. The Group provides software and content subscriptions and related professional services to enable companies to transform their staff compliance. Operating from its two bases, in London and Malta, the Group helps companies across a broad spectrum of industry sectors in the UK, EU and in the rest of the world, to train their staff and demonstrate compliance with various laws, regulations, and standards that are relevant for their business.

2.1 Basis of preparation and statement of compliance

The Financial information set out in this announcement does not constitute the Company's statutory accounts for the years ended 31 December 2024 or 2023 but is derived from the 2024 accounts.

A copy of the statutory accounts for the year to 31 December 2024 will be available on the Company's website and will be delivered to the Registrar of Companies following the Company's AGM. The auditors have reported on those accounts, their report was (i) Unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006 in respect of the accounts for 2023 nor 2024.

Whilst the financial statements from which this announcement is derived have been prepared in accordance with UK-adopted International Accounting Standards and applicable law, this announcement does not itself contain sufficient information to comply with the UK-adopted International Accounting Standards. The Annual Report, containing full financial statements that comply with UK-adopted International Accounting Standards, will be published to shareholders later in May 2025.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, in the preparation of the 2024 financial statements they continue to adopt the going concern basis. These financial statements have been prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. They have been prepared under the historical cost convention and on a going concern basis.

The financial statements are presented in Pounds Sterling, which is the Group's presentation currency.

2.2 Summary of material accounting policies

Revenue recognition

Software as a Service (SaaS) subscriptions

The Group provides subscriptions for the right of access to its content and technology products to clients for subscription periods of typically twelve months.

Revenue is recognised evenly (apportioned on a monthly basis), over the contractual period of the subscription for all products and services contracted for.

The Group has fulfilled its performance obligations once all products and services have become available for use for the client, and recognises revenue on this basis irrespective of whether the products or services are subsequently used.

The balance of the revenue which has not been recognised at the reporting date is deferred as a contract liability in current liabilities, until it is due to be recognised as revenue.

Professional services

The Group provides customised and standard content to its clients provided under fixed-price contracts which is generally non-recurring revenue.

Fixed price contracts are recognised on the percentage of completion method unless the outcome of the contract cannot be reliably determined, in which case contract revenue is only recognised to the extent of contract costs incurred that are recoverable. This is because either the Group is creating an asset with no alternative use to it and the contract contains the right to payment for work completed to date, or the client is simultaneously receiving and consuming the benefits of the Group's services as it performs.

Business development costs incurred as part of a bid or tender process are expensed as incurred. There are no material costs incurred during the period between the contract being awarded and service delivery commencing.

For fixed-price contracts, the client pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, an amount recoverable on contract assets is recognised. Conversely, if the payments exceed the services rendered, a liability is recognised.

Amounts recoverable on contracts are included in current assets and represent revenue recognised on account.

Segmentation

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision-maker (which takes the form of the Board of Directors of the Group), in order to allocate resources to the segment and to assess its performance. The Directors of the Group consider the Group is organised as one business unit and all assets, liabilities, revenues and expenditure are retained and recorded as such. However, the Group does segment revenue by type of revenue, namely SaaS subscriptions and Professional Services, and on a geographic basis.

However, the Group has started to analyse and consider costs and gross profit of SaaS and Professional Services. In doing this it is making estimates of time spent and notional allocations of cost between them. It is expected that this will continue in the future and be developed further. The purpose of this is to provide more insight for decision making. See note 4 for gross profit information.

Foreign currencies

The financial statements are presented in the Company's functional currency, Pounds Sterling, being the currency of the primary economic environment in which the Group operates. Transactions denominated in currencies other than the functional currency are translated at the rates of exchange ruling on the date of transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are re-translated to the functional currency at the exchange rate ruling at year end. Exchange differences arising on the settlement and on the re-translation of monetary items are dealt with in the statement of comprehensive income. When deemed to be material these will be disclosed.

Taxes

Current and deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also dealt with in other comprehensive income or in equity, as appropriate.

Current tax is based on the taxable result for the period. The taxable result for the period differs from the result as reported in profit or loss because it excludes items which are non-assessable or disallowed and it further excludes items that are taxable or deductible in other periods. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to set off its current tax assets and liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

In Malta, Inmarkets Group Ltd is able to reclaim a proportion of the corporation tax paid by its subsidiary, Inmarkets International Ltd, as long as it meets certain criteria laid down by the Maltese tax authorities. The criteria include that the relevant corporation tax has been paid by Inmarkets International Ltd and that dividends to Inmarkets Group Ltd have been declared by Inmarkets International and are payable to non-Maltese tax resident shareholders. It is Group policy to reclaim Maltese corporation tax to the fullest extent permissible and to recognise this income in Inmarkets Group Ltd based upon dividends declared, or that will be declared once tax returns are completed, for the financial year. The reclaimed corporation tax is presented as netted off with the income tax expense and in other receivables.

3 Earnings/ (loss) before interest, tax, depreciation and amortisation EBITDA/ (LBITDA)

| | 2024 | 2023 |
|------------------|---------------|-----------------|
| | £ | £ |
| Operating profit | 244,715 | (887,035) |
| Other interest | 2,464 | |
| Depreciation | 102,051 | 105,609 |
| Amortisation | 150,728 | 156,101 |
| EBITDA/ (LBITDA) | <hr/> 499,958 | <hr/> (625,325) |

EBITDA and LBITDA are not terms recognised under IFRS and therefore the reported figures may not be comparable to other companies with similar measures.

4 Revenue & gross profit

| | 2024 | 2023 |
|--|------|------|
| | £ | £ |

Revenue by major product lines

| | | |
|------------------------------|------------|------------|
| Software as a Service (SaaS) | | |
| subscriptions (i) | 10,987,628 | 8,547,389 |
| Professional services (ii) | 2,252,381 | 2,754,311 |
| | <hr/> | <hr/> |
| | 13,240,009 | 11,301,700 |
| | <hr/> | <hr/> |

(i) SaaS subscriptions - The Group provides right of access of subscriptions to its content and technology products to the customer over time for the subscription periods that are typically twelve months. The revenue is recognised evenly over the period of the subscription. This revenue includes subscriptions to: (a) Skillcast Portal - the Group's integrated compliance management application that comes with a broad range of tools, namely SELMS, Policy Hub, Compliance Declarations, Surveys, Compliance Registers, Training 360, Events Management and SMCR 360; and (b) the Skillcast OTS course libraries, namely Essentials, FCA Compliance, Insurance Compliance and Risk.

(ii) Professional services - The Group provides customised and standard content to its clients under fixed-price contracts. This non-recurring revenue includes: (a) bespoke e-learning development projects for large corporates; (b) translations of those bespoke courses; (c) customisation of OTS courses for subscription clients; and (d) other content and technology consultancy.

| | 2024 | 2023 |
|--------------------------------------|-----------|-----------|
| | £ | £ |
| <i>Gross profit by product lines</i> | | |
| Software as a Service (SaaS) | | |
| subscriptions (i) | 8,804,612 | 6,316,026 |
| Professional services (ii) | 939,629 | 1,556,302 |
| | <hr/> | <hr/> |
| | 9,744,241 | 7,872,328 |
| | <hr/> | <hr/> |

The Group has analysed costs along product lines after having identifiable direct costs and using judgement to allocate other direct costs such as staff based on a proportion related to that product line.

| | £ | £ |
|---|------------|------------|
| <i>Revenue geographic split by customer</i> | | |
| UK | 10,393,492 | 8,913,470 |
| Europe | 1,444,687 | 942,870 |
| Rest of world | 1,401,830 | 1,445,360 |
| | <hr/> | <hr/> |
| | 13,240,009 | 11,301,700 |
| | <hr/> | <hr/> |
| Non-current assets in which they are based are shown below: | | |
| <i>Property, plant and equipment</i> | | |
| UK | 140,674 | 175,327 |
| Malta | 124,472 | 148,435 |
| | <hr/> | <hr/> |
| | 265,146 | 323,762 |
| | <hr/> | <hr/> |
| <i>Right of use assets</i> | | |
| UK | 149,492 | 255,042 |
| Malta | 159,704 | 204,880 |
| | <hr/> | <hr/> |
| | 309,196 | 459,922 |
| | <hr/> | <hr/> |

5 Profit/ (loss) before taxes

The profit/ (loss) before taxation is stated after charging the following amounts:

| | 2024 | 2023 |
|--|-----------|-----------|
| | £ | £ |
| Staff cost (CoS) | 2,443,389 | 2,194,546 |
| Subcontracted services (CoS) | 667,124 | 785,053 |
| Staff costs (Admin) | 7,005,261 | 5,779,421 |
| Directors' compensation | 1,128,125 | 1,053,731 |
| Professional fees | 486,877 | 269,952 |
| Depreciation and amortisation expense | 252,780 | 261,710 |
| Fees payable to the Company's auditor for the audit of Parent and Subsidiaries | 99,425 | 47,133 |

The aggregate amount of research and development expenditure recognised as expenses during the period is £1,291,200 (2023: £1,230,999).

6 Staff costs and employee information

| | 2024 | 2023 |
|------------------------------|-----------|-----------|
| | £ | £ |
| Salaries & wages | 8,291,777 | 7,847,604 |
| Social security costs | 841,545 | 873,174 |
| Pension | 189,440 | 124,747 |
| Share-based payment expenses | 33,702 | 131,698 |
| Other payroll costs | 92,186 | 50,475 |
| | <hr/> | <hr/> |
| | 9,448,650 | 9,027,698 |

The Group companies contribute towards the state pension in accordance with local legislation. The only obligation of the companies is to make the required contributions. Costs are expensed in the period in which they are incurred.

Number of staff

The average number of persons employed by the Group during the year was 121, and at December 2024 the number of persons employed was 120, analysed by category as follows:

| | At 31 December | At 31 December | Average | Average |
|-----------------------|-------------------|-------------------|---------|---------|
| | 2024 | 2023 | 2024 | 2023 |
| Directors | 7 | 7 | 7 | 7 |
| Administration | 5 | 5 | 5 | 4 |
| Client Service | 33 | 26 | 30 | 25 |
| Operations/Production | 18 | 21 | 20 | 22 |
| Sales & Marketing | 32 | 34 | 34 | 34 |
| Finance | 5 | 5 | 5 | 4 |
| Technology | 20 | 20 | 20 | 19 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 120 | 118 | 121 | 115 |

Key management personnel

The remuneration of key management personnel (considered to be the Directors and Senior Management) is £1,418,369 (2023: £1,486,336) and is set out in the table below in aggregate for each of the categories specified in IAS24: Related Party Disclosures. See note 17 of the Group Consolidated Accounts for additional information relating to related party transactions that are included in the table below.

| | 2024 | | | 2023 | | | | |
|------------------------------|-----------|---------|----------------------|-----------|-----------|-----------|----------------------|-------|
| | Directors | | Senior Management | Total | Directors | | Senior Management | Total |
| | £ | £ | £ | £ | £ | £ | £ | |
| Wages and Salaries | 926,118 | 111,001 | 1,037,119 | 912,511 | 199,883 | 1,112,394 | | |
| Social Security | 149,600 | 2,410 | 152,010 | 137,011 | 4,154 | 141,165 | | |
| Pension | 44,651 | 0 | 44,651 | 38,522 | 0 | 38,522 | | |
| Share-based payment expenses | 563 | 13,343 | 13,906 | 20,335 | 9,501 | 29,836 | | |
| Other benefits | 7,193 | 0 | 7,193 | 0 | 0 | 0 | | |
| Consultancy fees | 0 | 163,490 | 163,490 | 0 | 164,419 | 164,419 | | |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | | |
| | 1,128,125 | 290,244 | 1,418,369 | 1,108,379 | 377,957 | 1,486,336 | | |

The Company made contributions to defined contribution personal pension schemes for three Directors in the period (2023: three).

Vivek Dodd is a Director and owns more than 50% of the shares in the parent company and is the ultimate controlling party.

7 Income tax expense

| | 2024 | 2023 |
|-------------------------|----------|-------|
| | £ | £ |
| Current year tax charge | 19,120 | 7,473 |
| Prior year tax charge | 80,123 | - |
| Deferred tax movement | (61,973) | - |
| | <hr/> | <hr/> |
| | 37,270 | 7,473 |

A reconciliation of the current income tax expense applicable to the profit before taxation at the statutory rate to the current income tax expensed at the effective tax rate of the Company is as follows:

8 Current assets - trade and other receivables

| | 2024 | 2023 |
|--|------------------|------------------|
| | £ | £ |
| Trade receivables | 3,106,264 | 3,008,270 |
| Less: Allowance for expected credit losses | <u>(58,558)</u> | <u>(95,353)</u> |
| | <u>3,047,706</u> | <u>2,912,917</u> |
| Prepayments | 404,704 | 472,379 |
| Accrued Income | 195,343 | 157,668 |
| Maltese withholding tax | 628,057 | 628,057 |
| Other receivables | <u>54,876</u> | <u>68,747</u> |
| | <u>1,282,980</u> | <u>1,326,851</u> |

As of 31 December 2024, trade receivables totalled £3,106,574 (2023: £3,008,270). Within this figure, £2,060,434 was not due (2023: £1,649,657). The directors believe that the value of provisions is sufficient although any actual impairment can be higher or lower.

The Maltese withholding tax relates to withholding tax rebate claim post a Group restructure necessary for the IPO in December 2021. Due to an error in the original filing of the restructure, which has now been rectified, the withholding tax rebate filing was delayed. The Group does not consider it necessary to provide for this receivable.

9 Current assets - cash and cash equivalents

| | 2024 | 2023 |
|--|------------------|------------------|
| | £ | £ |
| Cash at bank | <u>9,115,118</u> | <u>7,221,681</u> |
| | <u>9,115,118</u> | <u>7,221,681</u> |
| | 2024 | 2023 |
| | £ | £ |
| <i>Geographic split</i> | | |
| United Kingdom | 8,715,774 | 6,644,470 |
| Malta | <u>399,344</u> | <u>577,211</u> |
| | <u>9,115,118</u> | <u>7,221,681</u> |
| | 2024 | 2023 |
| | £ | £ |
| <i>Cash Held by Currency (in Pound Sterling)</i> | | |
| Pound Sterling | 8,520,192 | 6,962,276 |
| Euro | 538,828 | 254,382 |
| Czech Koruna | 135 | 2,326 |
| US Dollar | <u>55,963</u> | <u>2,697</u> |
| | <u>9,115,118</u> | <u>7,221,681</u> |

10 Non-current assets - property, plant and equipment

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

| | Computer Software & Hardware | Furniture and Fixtures | Office Equipment | Leasehold Improvements | Total |
|---------------------------|------------------------------|------------------------|------------------|------------------------|------------------|
| Balance at 1 January 2023 | 87,328 | 82,644 | 1,350 | 82,965 | 254,287 |
| Additions | 36,825 | 36,358 | 2,418 | 99,483 | 175,084 |
| Disposals | - | - | - | - | - |
| Depreciation expense | <u>(53,869)</u> | <u>(16,174)</u> | <u>(1,288)</u> | <u>(34,278)</u> | <u>(105,609)</u> |
| Balance at 31 | | | | | |

| | | | | | |
|-----------------------------|----------|----------|---------|----------|-----------|
| December 2023 | 70,284 | 102,828 | 2,480 | 148,170 | 323,762 |
| Balance at 1 January 2024 | 70,284 | 102,828 | 2,480 | 148,170 | 323,762 |
| Additions | 39,020 | 2,589 | 490 | 1,336 | 43,435 |
| Disposals | - | - | - | - | - |
| Depreciation expense | (46,920) | (15,690) | (1,272) | (38,169) | (102,051) |
| Balance at 31 December 2024 | 62,384 | 89,727 | 1,698 | 111,337 | 265,146 |

11 Non-current assets - Right-of-use assets

Reconciliations of the written down values at the beginning and end of the current and previous financial periods are set out below:

| | Leasehold property | Car leases | Total |
|-----------------------------|--------------------|------------|-----------|
| Balance at 1 January 2023 | 610,651 | 5,373 | 616,024 |
| Additions | - | - | - |
| Disposals | - | - | - |
| Amortisation expense | (150,728) | (5,373) | (156,101) |
| Balance at 31 December 2023 | 459,923 | - | 459,923 |
| Balance at 1 January 2024 | 459,923 | - | 459,923 |
| Additions | - | - | - |
| Disposals | - | - | - |
| Amortisation expense | (150,727) | - | (150,727) |
| Balance at 31 December 2024 | 309,196 | - | 309,196 |

The Group leases its offices, typically for a period of several years, with an option to extend (see note 21 of the Group Consolidated Accounts). On renewal, the terms of the lease are renegotiated.

12 Current liabilities - trade and other payables

| | 2024 | 2023 |
|----------------------------|-----------|-----------|
| | £ | £ |
| Trade payables | 179,695 | 94,095 |
| Accruals | 624,400 | 794,740 |
| Amount due to shareholders | 450 | 450 |
| Sales and payroll taxes | 1,294,594 | 628,339 |
| Wages & Pension payable | 101,017 | 53,196 |
| | 2,200,156 | 1,570,820 |

13 Current liabilities - Contract liability

| | Subscriptions | Professional Services |
|-----------------------------|---------------|-----------------------|
| Balance at 1 January 2023 | 3,212,733 | 225,031 |
| New Contracts | 9,610,826 | 2,754,135 |
| Revenue Recognised | (8,547,389) | (2,754,311) |
| Balance at 31 December 2023 | 4,276,170 | 224,855 |
| Balance at 1 January 2024 | 4,276,170 | 224,855 |
| New Contracts | 12,057,352 | 2,365,941 |
| Revenue Recognised | (10,987,628) | (2,252,381) |
| Balance at 31 December 2024 | 5,345,894 | 338,415 |

14 Current liabilities - Income tax

| | 2024 | 2023 |
|-------------------------|--------|--------|
| | £ | £ |
| Corporation tax payable | 35,414 | 23,794 |

15 Non-current liabilities - Deferred tax

The deferred tax (liability)/asset for the year is analysed as follows.

| | 2024 | 2023 |
|----------------------------|---------------|---------------|
| | £ | £ |
| At beginning of the period | 11,999 | 11,999 |
| Movement in the year | <u>72,612</u> | - |
| At end of the period | <u>84,611</u> | <u>11,999</u> |

Deferred tax asset

Temporary differences - on short term differences including share based payments

109,133

11,999

Fixed asset temporary differences

(24,521)

-

Deferred tax assets have been recognised as it is probable that there will be sufficient future taxable profits available to recover or utilise them. The Group returned to profitability in 2024 after a planned period of investment. It has produced three year forecasts that support this judgement.

16 Equity - issued capital

| | 2024 | 2023 |
|---------------------|---------------|---------------|
| | £ | £ |
| Issued Shares | 89,459,460 | 89,459,460 |
| Par value per share | <u>0.10p</u> | <u>0.10p</u> |
| Total | <u>89,459</u> | <u>89,459</u> |

All shares in the Company are fully paid up. Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of, and amounts paid, on the shares held. On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll, each share shall have one vote.

17 Earnings per share

Earnings per share (EPS) is calculated on the basis of profit attributable to equity shareholders divided by the weighted average number of shares in issue for the year.

Diluted earnings per share has been calculated on the same basis as above, except that the weighted average number of ordinary shares that would be issued on the conversion of the dilutive potential ordinary shares as calculated using the treasury stock method (arising from the Company's share option scheme and warrants) into ordinary shares has been added to the denominator.

| | 2024 | 2023 |
|--|-------------------|--------------------|
| Profit/ (loss) before tax | 548,639 | (647,963) |
| Tax | <u>(37,270)</u> | <u>(7,473)</u> |
| Profit/ (loss) after tax | <u>511,369</u> | <u>(655,436)</u> |
| Earnings | <u>511,369</u> | <u>(655,436)</u> |
| Weighted average number of ordinary shares (undiluted) | 89,459,460 | 89,459,460 |
| Effect of dilutive potential ordinary shares | <u>274,595</u> | <u>(3,786,667)</u> |
| Diluted average number of shares | <u>89,734,055</u> | <u>85,672,793</u> |
| Earnings per share (basic) | 0.572p | (0.733p) |
| Earnings per share (diluted) | 0.570p | - |

18 Dividends

| | 2024 | 2023 |
|----------------------------------|-----------------|-----------------|
| | Pence per share | Pence per share |
| Dividend declared - Final 2023 | 0.279p | 249,592 |
| Dividend declared - Interim 2024 | 0.168p | 150,292 |
| Dividend declared - Final 2022 | | 0.279p |
| Dividend declared - Interim 2023 | | 0.168p |
| Dividend declared per share | 0.477p | 0.477p |

During the period under review, the Group generated a profit before tax of £542,944 (2023: loss before tax of £647,963). A final dividend of £249,592 (0.279p) was declared and paid with regards to the year ended 2023 and £150,292 (0.168p) interim dividend was declared and paid with regards to the year ended 2024. The Group's policy is to at least maintain dividend payments.

The Board is proposing a final dividend of 0.391p per share. In combination with the interim dividend, if confirmed by the shareholders at the AGM, this will represent a total dividend for the year of £462,282 (2023: £399,884) or 0.517p per share based upon the number of shares currently in issue. If further approved by shareholders at the AGM on 24 June 2025, the final dividend will be paid on 25 July 2025 to shareholders on the register at the close of business on 4 July 2025.

19 Share options and warrants

Share options

The share option scheme, adopted by the Company after admission to AIM on 1 December 2021, was established to reward and incentivise the executive management team and staff for delivering share price growth. The option schemes are equity settled.

The share scheme is administered by the Remuneration Committee.

No options were granted during 2024 (2023: 1,600,000 with a weighted average fair value of 4 pence). 600,000 options lapsed during 2024 (2023: 540,000) with a weighted average fair value of 10 pence (2023: 7 pence). These fair values were based on the Company's share price at the date of grant. Out of the 5,080,000 outstanding options (2023: 5,680,000), 3,193,033 options were exercisable (2023: 2,070,300).

A charge of £39,094 (2023: £131,698) has been recognised in the consolidated statement of comprehensive income for the year relating to these options.

Options are exercisable in accordance with the contracted vesting schedules; if an employee leaves the employment of the Company prior to the options vesting, then unless otherwise agreed, the share options will lapse.

Details of the share options outstanding at the year-end are as follows:

| | Number 2024 | WAEP* 2024 | Number 2023 | WAEP* 2023 |
|---|----------------|---------------|----------------|---------------|
| Outstanding at 1 January as per 2024 Reporting | 5,680,000 | 32.5p | 4,670,000 | 37p |
| Adjustment to 2022 Grants | - | - | (50,000) | 37p |
| Granted during the year | - | - | 1,600,000 | 21p |
| Exercised during year | - | - | - | 0p |
| Lapsed during year | 600,000 | 35.1p | 540,000 | 28p |
| Outstanding at 31 December | 5,080,000 | 32.2p | 5,680,000 | 32.5p |
| Thereof exercisable at 31 December | 3,193,033 | 34.3p | 2,070,300 | 36p |

* Weighted average exercise price

The weighted average remaining contractual life of the options outstanding at the statement of financial position date is 8.3 years.

Share options granted are valued under the Black-Scholes model. All options granted vest equally over 3 or 4 years. A dividend yield was assumed based on the Group's stated policy of paying £400,000 per annum. No options were granted in 2024. Options were granted in 2023 with an exercise price of 21 pence. An expected volatility of 27% has been assumed for options granted in 2023. Options granted at the time of the IPO in 2021 had an exercise price equal to the IPO price of 37 pence.

20 Financing cash flows

A reconciliation of the financing cash flow is set out below:

| | 2024 | 2023 |
|------------------------|-----------|-----------|
| | £ | £ |
| <i>Lease liability</i> | | |
| At 1 January | 469,089 | 647,408 |
| Additions | | |
| Interest expense | 24,806 | 19,680 |
| Lease payments | (146,609) | (197,999) |
| At 31 December | 347,286 | 469,089 |

Dividend liability

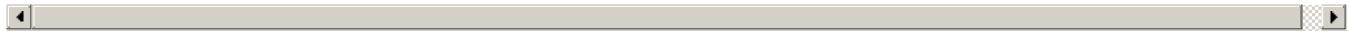
| | | |
|--------------------|-----------|-----------|
| At 1 January | - | - |
| Dividends declared | 399,884 | 399,884 |
| Dividend payments | (399,884) | (399,884) |
| | | |

| | | |
|---------------------------------------|-----------|-----------|
| Net financing payments | (546,493) | (597,883) |
| Financing per statement of cash flows | (546,493) | (597,883) |

A final dividend of £249,592 was declared and paid in 2023 with regards to the year ended 31 December 2022 and £150,292 interim dividend was also declared and paid for the year ended 31 December 2023.

21 Events after the reporting period

Apart from the final dividend declared as disclosed in note 18, no other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.



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