



Compliance made simple

2025 Results Investor Presentation

Skillcast Group PLC
April/May 2025



Presentation team



Vivek Dodd
CEO

- Co-founded Skillcast in 2001
- Ex-investment banker (JP Morgan)
- MS (MIT), BTech (IIT Delhi), former CFA Charterholder

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Richard Steele
CFO

- Joined Skillcast as CFO in May 2022
- 30 years commercial finance background
- Previously CFO at Mind Gym Plc

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2025 Financial highlights

+19% to £13.8m

ARR growth (31 Dec 2024: £11.6m)

+21% to £13.3m

Subscription revenue growth (2024: 29%)

+24%

4 year ARR Compound Annual Growth rate since IPO in December 2021

+202% EBITDA to £1.5m

Return to profitability (2024: £0.5m)



£13.8m

ARR at 31 December
2024: £11.6m



+19%

ARR YoY Growth
2024: 25%



**+16% to
£15.3m**

Total revenue
2024: £13.2m



**+21% to
£13.3m**

Subscription revenue
2024: £11.0m



**+4% to
87%**

Recurring revenue mix
2024: 83%



**+2% pts to
75.7%**

Total Gross Margin
2024: 73.6%



**+205% to
£1.5m**

EBITDA
2024: £0.5m



29%

Rule of 40
2024: 29%



**+154% to
1.450p**

Basic EPS
2024: 0.572 pence



**+20% to
0.620p**

Total dividend
per share
2024: 0.517 pence



**+39% to
+£12.7m**

Cash in bank
2024: £9.1m



**+87% to
£3.7m**

Free cash flow
2024: £2.0m

2025 ARR breakdown

Annualised recurring revenue (ARR)

up 19% to £13.8 million

ARR growth (31 Dec 2024: £11.6m)

(December 2024: £11.6 million) predominantly from new client acquisitions.

Total client numbers
(excluding Core Compliance)

**grew 8%
to 1,221**

(2024: 1,133).

Average ARR per
client increased

**9% to
£11,133**

(2024: £10,206).

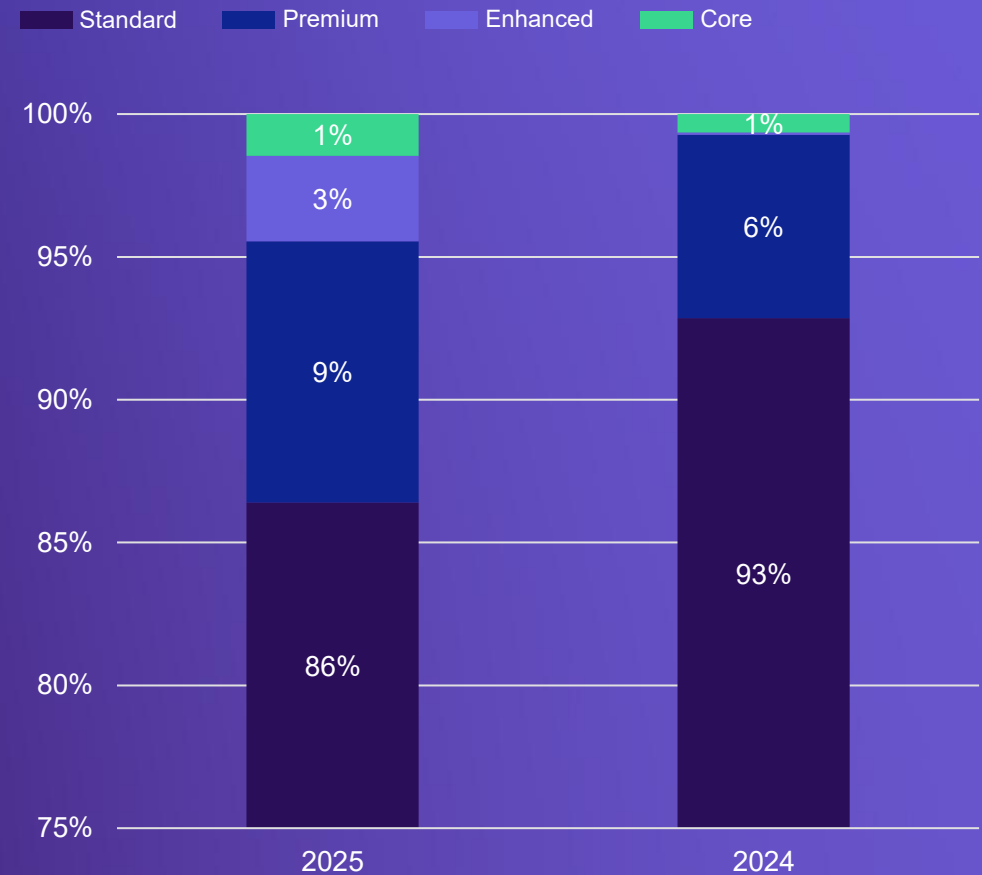
Net retention of 101% in line
with last year (2024: 101%)

- Lower 3% price rises (2024: 7%).
- Churn returning to normal levels of 7% (2024: 11%)
- Supported by product upsells

Non-standard plan
ARR increased 125%
on the year to represent
14% of total ARR

(2024: 7%).

ARR mix by plan





2025 Operational highlights

4% to 125

Headcount increased by 4% to 125 at 31 December 2025 (2024: 120)

AI adoption in products and operations

- Aida - our conversational compliance assistant, launched across courses and software tools
- Internal use extended from developers to all functions

Maintained excellent customer service records

Feefo Platinum Service Award

(with 4.9/5.0 customer rating)

May-Dec 2025
CSAT > 93%

(based on > 1100 responses)



New EU library released to improve client retention and drive new client acquisition in the EU (launch planned in 2026)



Strengthened commercial tech stack to increase automation and improve client experience



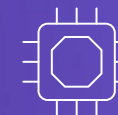
Advisory Board launched



New website and rebrand
March 2025



Pivot to LLMs and AI Overviews with the launch of Skillcast Schema and Answer Engine Optimisation (AEO) in H2 2025



SOC Type 2 and Cyber Essentials Plus reaccredited

AI transformation

Trust and capability

Our clients have very low error tolerance in the staff compliance programmes and rely on Skillcast to:

- Provide updated and verified content
- Provide a system of record for evidencing compliance
- Protect their personal and HR data in a secure environment (Azure, ISO 27001, SOC2)
- Understand and automate their specific workflows effectively
- Provide guardrails, audit logs and human checkpoints to ensure they can have confidence in their staff compliance

Content and data moat

Skillcast is positioned to provide AI-powered staff compliance to our clients as we:

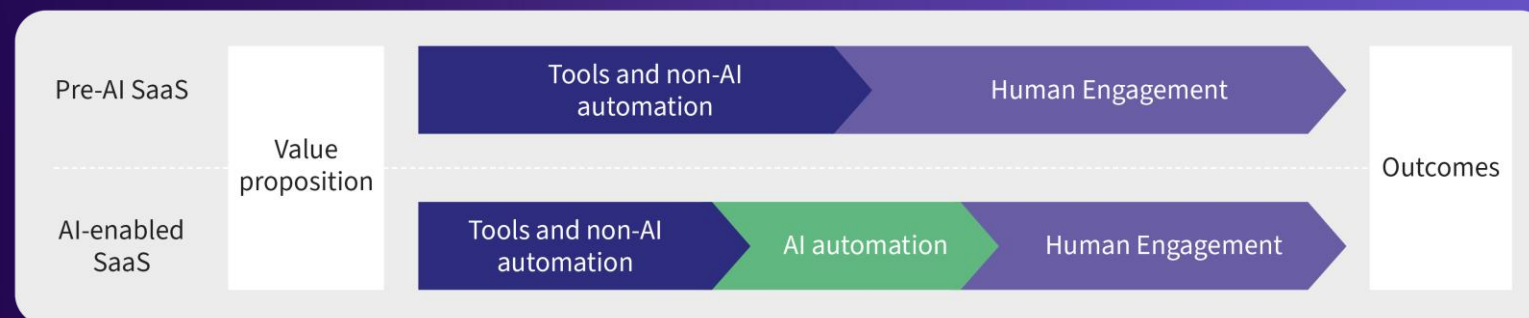
- Provide hundreds of curated, engaging compliance courses
- Host most up-to-date policy documents for many of our clients
- Hold the data that acts as the single source of truth for staff compliance (which companies need to meet their regulatory obligations and legal defence)
- Are already delivering answers and recommendations with Aida and adding agentic tools to help clients transform the quality and efficiency of their staff compliance

AI adoption in our SaaS

- Aida, our AI conversational compliance assistant, developed and launched in 2025 to higher-tier clients, is now being rolled out to all clients
- AI agent launching in Q2 2026 to enable clients to customise content almost instantly in a secure and trusted environment (other such agents to follow)

AI adoption in our operations

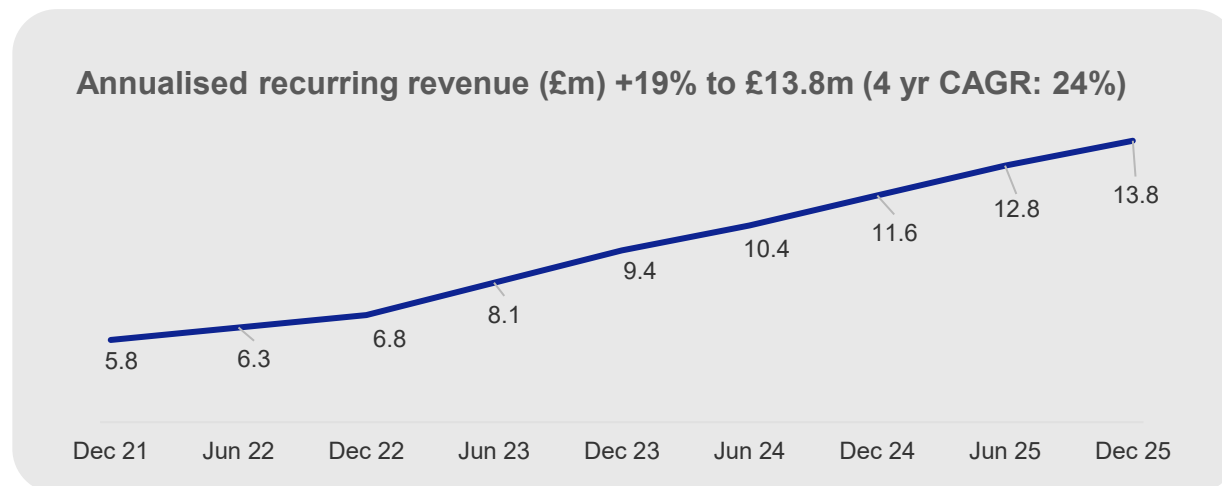
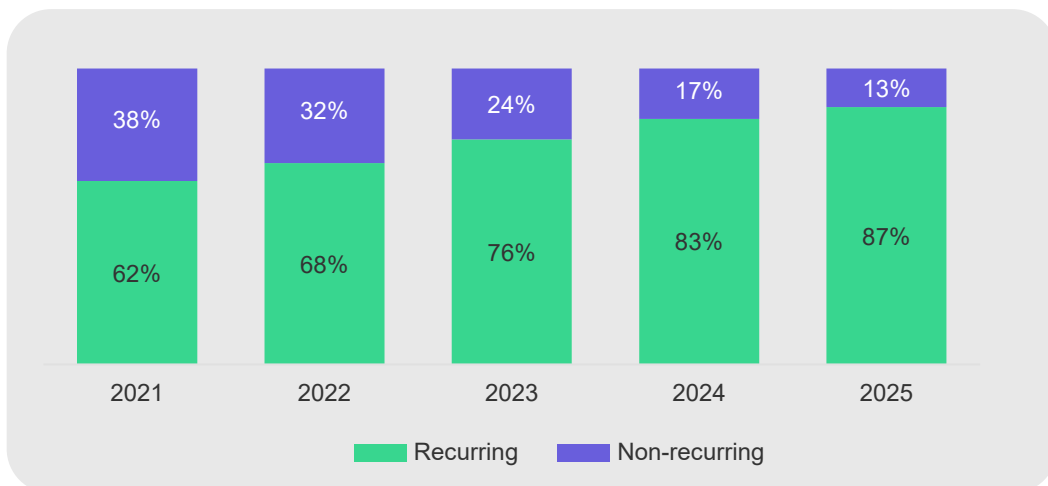
- Accelerated AI use in product development in 2025, with 50% productivity gains targeted in 2026
- AI deployed in customer service with productivity gains targeted in 2026
- AI-powered lead generation tool added to commercial tech stack
- AI labs running in all departments to improve efficiency and build new capabilities



Financials – Income statement summary

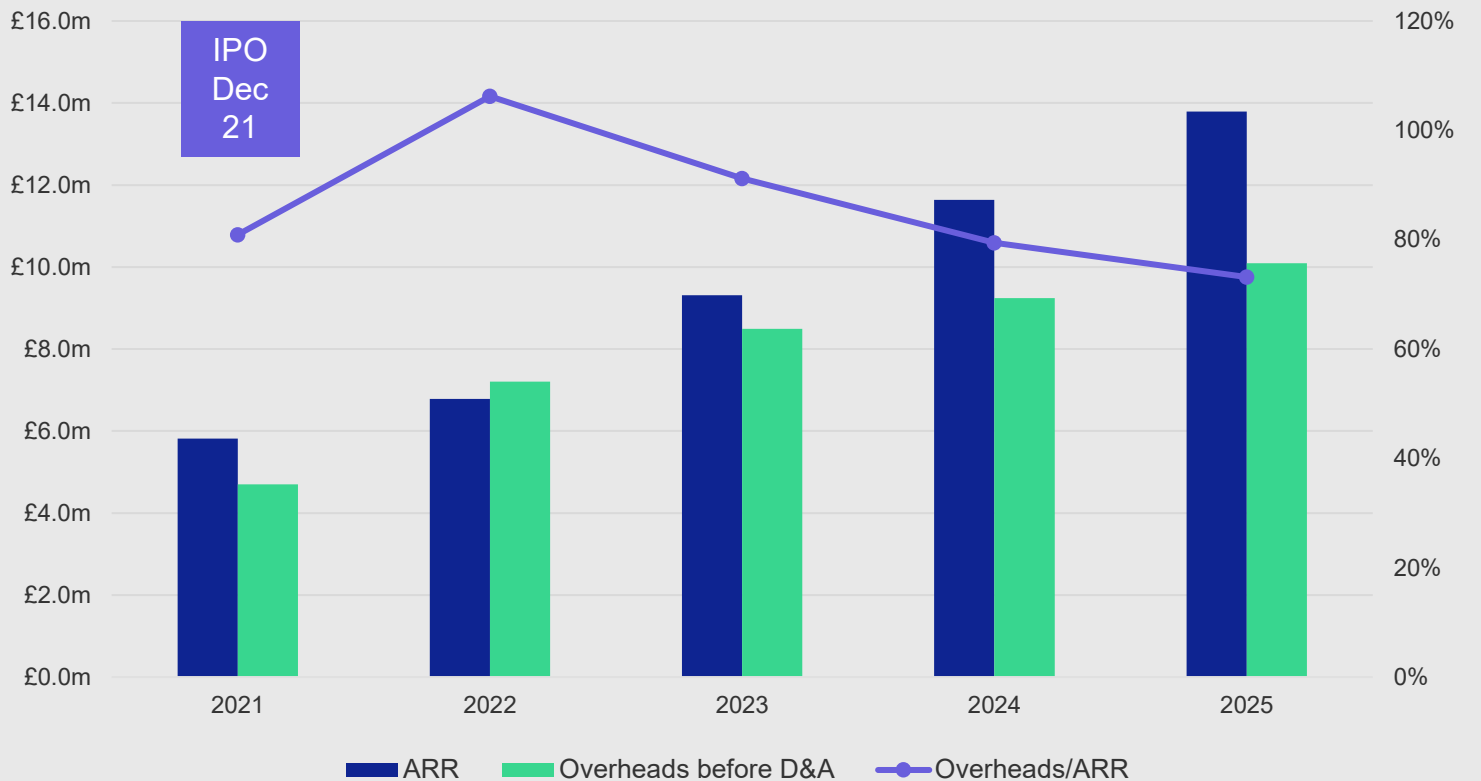
Income Statement (£'000) Years Ended 31.12	2025	Growth Rate	2024	Growth Rate
Subscriptions	13,299	21%	10,988	29%
Professional Services	2,049	-9%	2,252	-18%
Total Revenue	15,348	16%	13,240	17%
Gross Profit	11,617	+19%	9,744	+24%
Gross Profit %	75.7%	+2.1% pts	73.6%	+3.9% pts
Overheads	10,352	+9%	9,500	+8%
EBITDA	1,507	+202%	500	n/a
Profit Before Tax	1,632	+197%	549	n/a
Dividends Declared	555	+20%	462	+16%

- All revenue growth came from subscription revenues (87% of total revenues)
- Overheads of £10.4m in 2025 increased £0.8m (+9% on 2024) primarily from people costs and marketing activity
- Non-strategic professional services revenues are impacted by clients being more hesitant to commit to bespoke projects
- EBITDA increased £1.0m on the prior year to £1.5m (2024: £0.5m) from operational gearing as planned
- GP margin increased 2.1% pts due to greater operational gearing in Professional Services
- The average headcount increased by 3% to 125 (2024: 121), with the largest increase in client services



Profitability improving due to operational gearing after a period of investment

- Overheads as % of ARR, our leading indicator of future subscription revenues, fell to 73% in 2025
- Post-IPO increase in overheads, primarily in commercial and organisational structure, to support future growth as intended



Cash flow statement

- Free cash flow of £3.7m (2024: £2.0m)
- £0.4m of interest received from cash on deposit
- £1.6m increase in payables includes £1.6m/28% increase from deferred revenue
- £0.7m increase in receivables
 - higher sales were offset by improved debtor days from 54 in 2024 to 45 in 2025
 - £0.5m Maltese tax rebate received
- The Group's policy is to increase dividends broadly in line with subscription revenues
 - Final 2024 dividend of £312k paid in July 25
 - A 2025 £181k interim dividend was paid in October 2025 +20% on the prior year
 - A final dividend of £374k is proposed for 2025, payable in July 2026, +20% on the prior year

Cash Flow Statement (£'000) Years Ended 31.12	2025	2024
PBT	1,632	549
Depreciation/Amortisation	242	254
Share Option Reserve	89	34
Finance Income	(376)	(328)
Movement in Trade and Other Payables	1,625	1,814
Movement in Trade and Other Receivables	725	(90)
Finance Expense	9	25
Cash Generated from Operations	3,946	2,258
Income Tax Paid	(8)	(98)
Net Cash Flow from Operating Activities	3,938	2,160
Shares Issued	0	0
Capital Expenditure, Principal and Interest Paid on Lease Liabilities	(259)	(190)
Interest Received	383	323
Dividends Paid - Final	(312)	(250)
Dividends Paid - Interim	(181)	(150)
Movement in Cash	3,569	1,893
Cash at Beginning of Year	9,115	7,222
Cash at End of Year	12,685	9,115
Free cash flow	3,679	1,970

Financials – Balance sheet summary

Statement of Financial Position (£'000)	31.12.25	31.12.24
Non-current Assets	709	659
Current Assets		
Receivables	3,606	4,331
Cash & Cash Equivalents	12,685	9,115
Total Assets	17,000	14,105
Equity and Reserves	6,993	5,838
Non-current Liabilities	90	162
Current Liabilities		
Trade Creditors and Other Payables	2,229	2,200
Current Lease Liabilities	72	185
Deferred Income	7,271	5,685
Corporate Tax Liability	344	35
Total Equity & Liabilities	17,000	14,105

- Non-current assets related to office F&F, IT equipment and the right-of-use assets of the 2 office leases
- All product and tech development is expensed
- Receivables include net trade debtors of £2.9m at 31.12.25, 7% lower than at 31.12.24 with debtor days reducing to 45 (31.12.24: 54)
- £0.1m relates to Maltese withholding tax rebate expected to be received in 2026
- Net cash at 31.12.25 £12.7m, +£3.6m on 31.12.24 representing 14 pence per share
- The Group has no bank debt
- Deferred income up 28%, driven by higher annual SaaS subscriptions invoiced up front higher PS deferred revenues
- Tax liability increase from higher profits and full utilisation of all prior year losses

Our Strategy

Our strategic goal is to continue to grow our ARR at c. 20% per annum primarily through a combination of new logos and upsell, supplemented by content acquisitions and with continued operational gearing to consistently achieve the Rule of 40 in the medium term.

Continue to organically grow New ARR

- Continue to attract new logos in the UK FS sector (currently 61% of revenues) and grow our ARR
- Increase presence in non-FS UK sectors (including public sector)
- Continue to develop and market our self-serve Core Compliance offer for small businesses
- Expand our EU presence with country-specific regulatory content

Maintain net retention over 100%

- Expand ARR from upsells to Enhanced or Premium to grow from 12% of ARR to 50% in the medium term
- Maintain churn below 10% through continued market-leading customer support

Innovate product and strengthen differentiation

- Develop agentic AI and non-AI tools to simplify compliance for our clients
- Create engaging, multiformat training content that clients can easily customise for their business

Maintain a PS presence

- Continue to provide bespoke services, particularly when supporting ARR

Deliver operational gearing benefits to further strengthen EBITDA margin

- Continue to invest in technology, our own and third-party, to drive further productivity improvements in product development, customer support and commercial/administration

Maintain a strong balance sheet and optionality (including M&A)

- Seek acquisitions in digital compliance training that could leverage our technology platform and operational infrastructure and provide cross-sell opportunities

Our business model

Make compliance simple:



Digitise



Automate



Consolidate

compliance processes on a single platform

- Large and resilient market with demand growing as companies seek to streamline and automate staff compliance
- Revenue growth through high net retention and new client acquisition

- C. 70% incremental ARR drops through to EBITDA
- Offer extensive content and GRC tools in 4 subscription plans – invoiced annually and paid up front
- Typical SaaS GTM sales funnel optimised for LLMs and AI overviews
- Market-leading client support and account management to drive upsells and minimise churn
- In-house content and technology teams driving innovation and AI adoption
- Established infrastructure and headcount in place to support growth
- AI and non-AI technology embracing culture to maximise productivity



2026 Current trading and outlook

ARR has continued to grow with:

- New customer win rates have moderated to 15% due to slower decision-making as a result of the global uncertainty, particularly among larger clients
- Net retention remains above 100%
 - Slightly lower-than-expected churn and downsell
 - Offset by similarly lower upsells
 - 5% price increase accepted by clients

Professional services business in line with expectations:

- Typically, lumpy with poor visibility, but we have had a strong start to the year.

EBITDA continues to trade in line with expectations

- Benefit from operational gearing
- Enhanced by productivity gains and AI adoption
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Thank you



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