



PeopleCert

All talents, certified.

Presentation to Investors

Q4 21/ FY21 Results

April 2022

Legal Disclaimer

IMPORTANT: You must read the following before continuing.

Forward looking statements. PeopleCert (“the Company”) does not in general publish forecasts regarding its future financial results. The financial forecasts contained in this document are based on a series of assumptions, which are subject to the occurrence of events that can neither be reasonably foreseen by the Company, nor are within the Company’s control. The said forecasts represent management's estimates and should be treated as mere estimates. There is no certainty that the actual financial results of the Company will be in line with the forecasted ones. In particular, the actual results may differ (even materially) from the forecasted ones due to, among other reasons, changes in the economic environment and fluctuations in foreign currencies rates. Consequently, it should be stressed that the Company does not and could not reasonably be expected to, provide any representation or guarantee, with respect to the creditworthiness of the forecasts.

Financial Information: Certain of the financial information in this presentation has not been audited, reviewed or compiled, nor have any procedures been performed by our independent auditors with respect thereto. Accordingly, you should not place undue reliance on it, and no opinion or any other form of assurance is provided with respect thereto, and the inclusion of such financial information should not be regarded as a representation or warranty as to the accuracy or completeness of such information’s portrayal of our financial condition or results of operations and should not be relied upon when making an investment decision. This presentation also includes certain financial measures and key performance indicators that are not recognized by IFRS or any other generally accepted accounting principles and that may not be permitted to appear on the face of the financial statements or footnotes thereto (“Non-GAAP Measures”). Non-GAAP Measures should not be considered as alternatives to performance measures derived in accordance with IFRS or any other generally accepted accounting principles, may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools. In addition, certain pro forma financial information presented in this presentation is based on available information and certain assumptions that we believe are reasonable, and such pro forma financial information is presented for information purposes only and is not indeed to represent or be indicative of actual financial conditions or results of operations and does not propose to project our results of operations or financial condition as of any future date or for any future period.

PeopleCert Presenters & Index

PeopleCert Presenters



Byron Nicolaides
Founder, Chairman & CEO



George Giannetsos
CFO

Index

- Key FY21 Highlights
- Financial Performance
- Synergies Update
- Q&A session

Overview

- PeopleCert is a vertically integrated, IP consolidator responsible for skilling the Global community
- **Leader in the IT and Project Management** certification markets (Best Practice), **fast growing** presence in the **Languages certification** market
- **Vertically integrated** business model: creates and owns frameworks (**IP House**), manages examinations and delivers certifications
- **Flexible, highly profitable, and cash generative business** model that rapidly adapted and benefited from COVID-19 changes in the way that exams are being delivered
- Delivered **683k exams FY2021**
- Controlled by **Founder, Chairman & CEO Byron Nicolaides**, supported by **FTV Capital** (minority shareholder)

Key FY 2021 Highlights

REVENUE

- Revenue performance remains strong: **FY21 +24.6% vs. FY20** (£79.6m vs £63.9m)
- **Pro-forma FY21 (LTM Dec21) Revenue +1% vs LTM Sep21** (£81.4m vs £80.3m)
- **B&IT FY21 +13% vs FY20** mainly from Axelos' products. **Languages FY21 +253% vs. FY20**

GROSS PROFIT

- **Gross Profit for FY21 +124% vs FY20** (£48.4m vs. £21.6m). **Gross Margin 61% vs.34%**
- Gross Margin increase mainly due to:
 - contribution of higher margin products (Languages)
 - elimination of Axelos' Revenue share post acquisition
- **Pro-forma Gross Profit for FY21 at £72.7m vs. £73.2m for LTM Sep 21**

ADJUSTED EBITDA / EBITDA MARGIN

- **Adjusted EBITDA (excluding one-off Transaction costs) for FY21 +218% vs FY20**(£30.9m vs £9.7m) EBITDA margin 39% vs. 15%
- **Pro-forma FY21 EBITDA +4% vs LTM Sep 21** (£50.0m vs £48.1m). EBITDA margin at 62% vs 60%
- EBITDA increase from **higher Revenues, lower Cost of Sales and lower OPEX**

NET DEBT / CASH POSITION

- **Net Debt for FY21 at £233.2m** (*excluding accrued interest expense*)
- **Cash position at £18.8m**

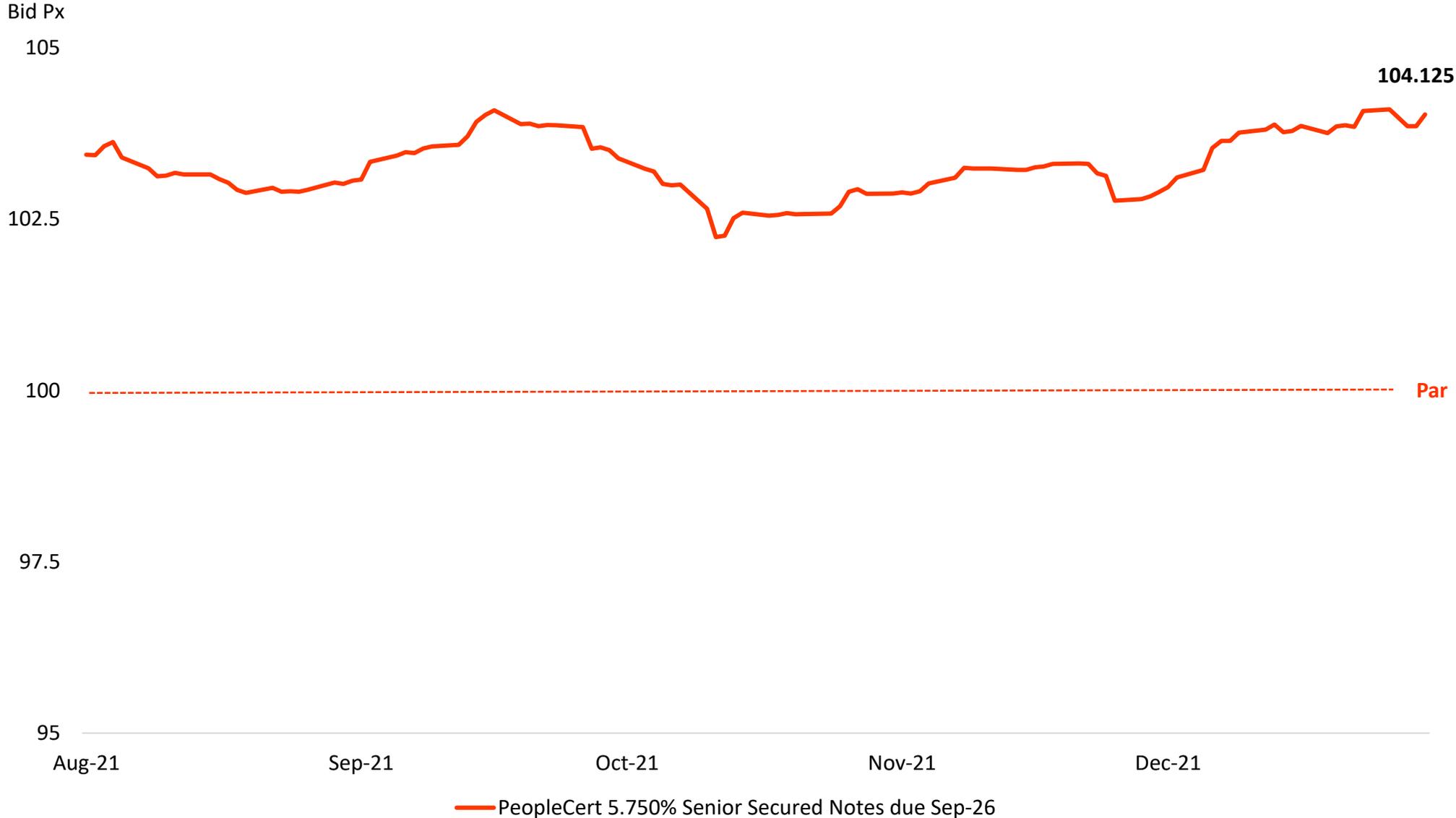
COMMERCIAL HIGHLIGHTS

- **B&IT performance for FY21 has recovered at 2019 levels. Languages continues to have stellar performance**
- Developed capability to deliver both **physical and e-Books, replacing the external Procurement provider**
- **Completed the infrastructure preparation, as part of 2022 Commercial Policy, for delivering all Revenue Synergies**
- **2 tenders in Madrid, Spain c.110k English language exams for primary and secondary schools (provided)**

Senior Secured Notes | Trading Since Issuance

- Since the debut (July 2021) PeopleCert’s Senior Secured Notes have traded well above par despite global market volatility seen throughout the year
- By the end of the year, the Notes were trading at a bid price of **104.125**, with a Yield to Maturity of **4.8%** and a Yield to Worst of **4.5%**

PeopleCert €300 MM 5.750% Senior Secured Notes due Sep-2026



Source: Bloomberg

PeopleCert

All talents, certified.

Financial Performance



FY21 – Financial Highlights

Q4 21 vs Q4 20			
	Q4 20	Q4 21	Variance
Revenue	£21.0	£22.4	7%
Adj. EBITDA	£12.8	£14.2	11%
Adj. EBITDA margin	61%	63%	
Adj. EBIT	£9.6	£11.7	22%
Average Price ITIL	£134.5	£131.4	-2%
Average Price P2	£142.4	£136.9	-4%

Q4			
# of Exams	Q4 20	Q4 21	Variance
ITIL	66,453	73,977	11%
IT Total (including ITIL)	77,061	90,426	17%
Prince2	30,426	32,498	7%
PPM Total (including Prince2)	39,337	43,525	11%
Languages	21,088	35,863	70%
Total	137,486	169,814	24%

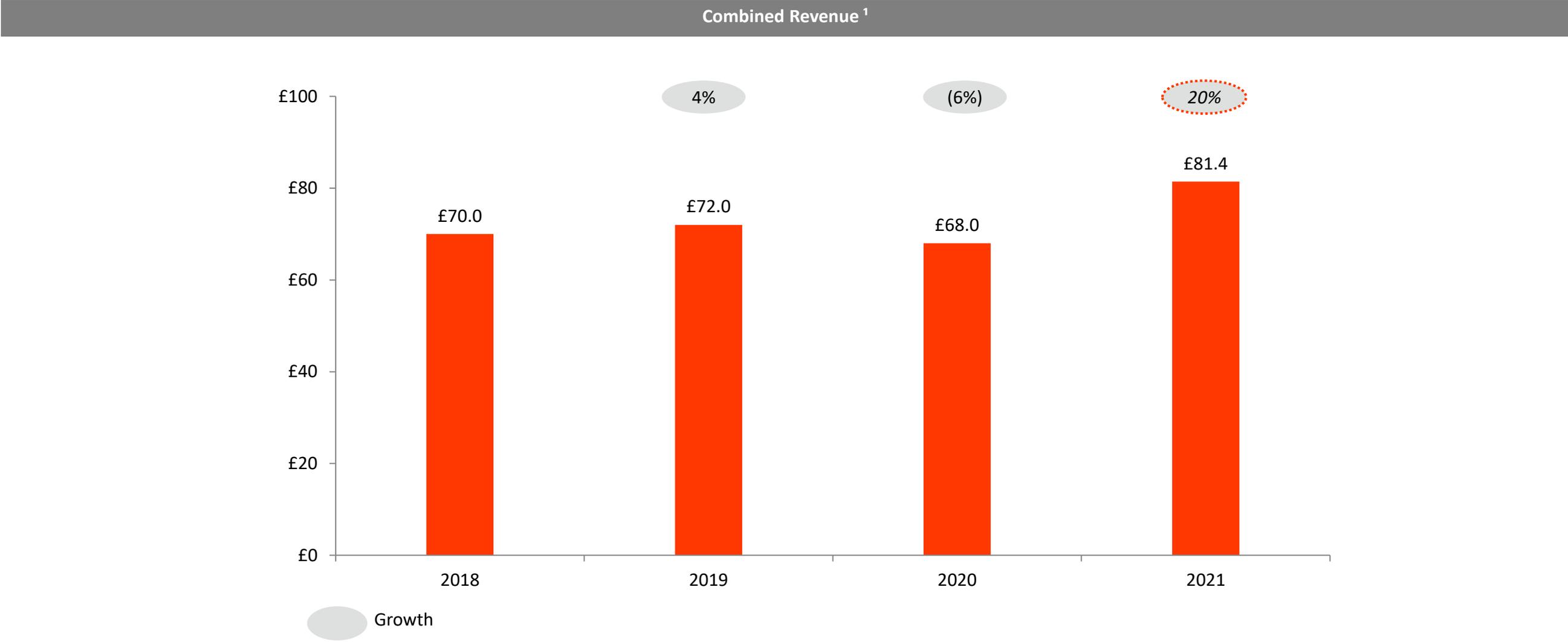
LTM Dec 21 (FY21) vs LTM Sep 21			
	LTM Sep21	FY21	Variance
Revenue	£80.3	£81.4	1%
Adj. EBITDA	£48.1	£50.0	4%
Adj. EBITDA margin	60%	61%	
Adj. EBIT	£37.5	£40.0	7%
Average Price ITIL	£134.5	£133.1	-1%
Average Price P2	£142.7	£140.6	-1%

LTM			
# of Exams	LTM Sep21	FY21	Variance
ITIL	233,657	241,181	3%
IT Total (including ITIL)	269,060	282,293	5%
Prince2	108,858	110,930	2%
PPM Total (including Prince2)	143,807	147,996	3%
Languages	185,249	252,691	36%
Total	598,116	682,980	14%

KPI's table do not include any Revenue Optimization or Cost Synergies

PeopleCert + Axelos Revenue (Excluding Synergies)

Figures in £m

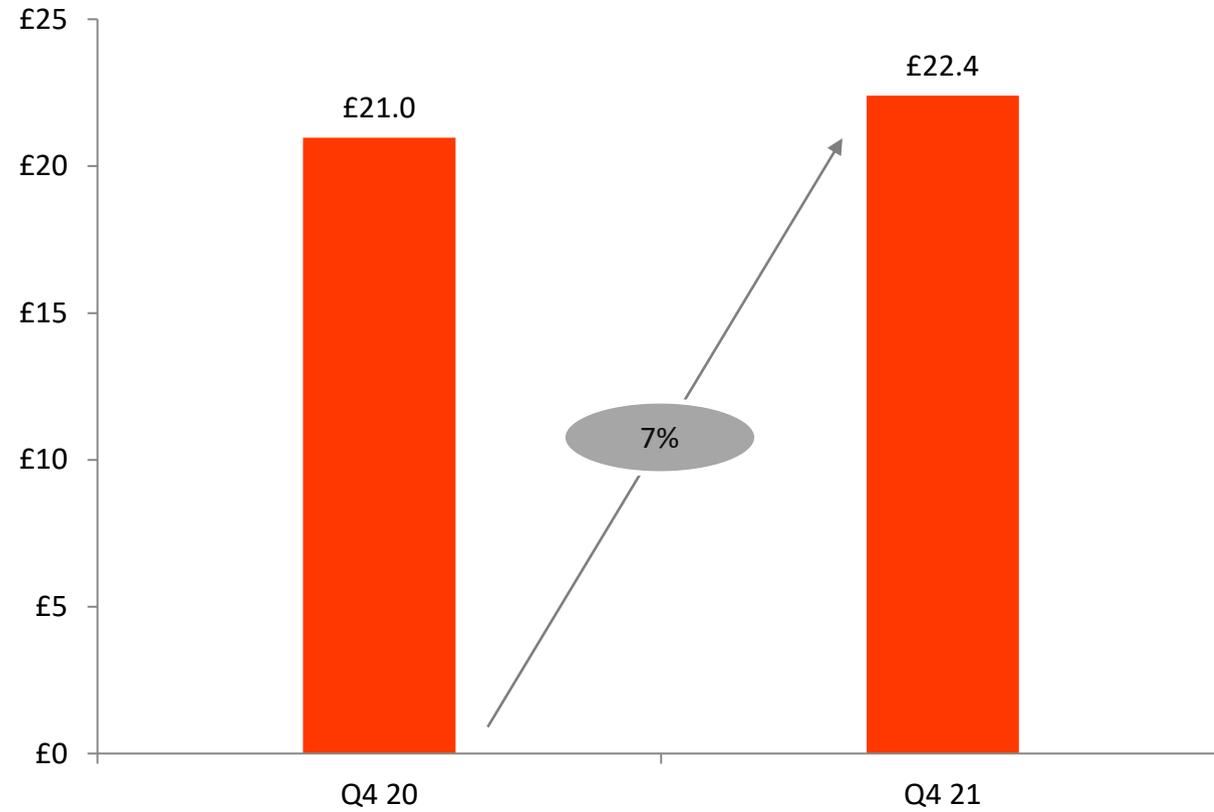


1. Numbers have been calculated as the sum of the two standalone companies' figures , excluding royalties paid from PeopleCert to AXELOS. Optimization initiatives and transaction effects impact have not been taken into account

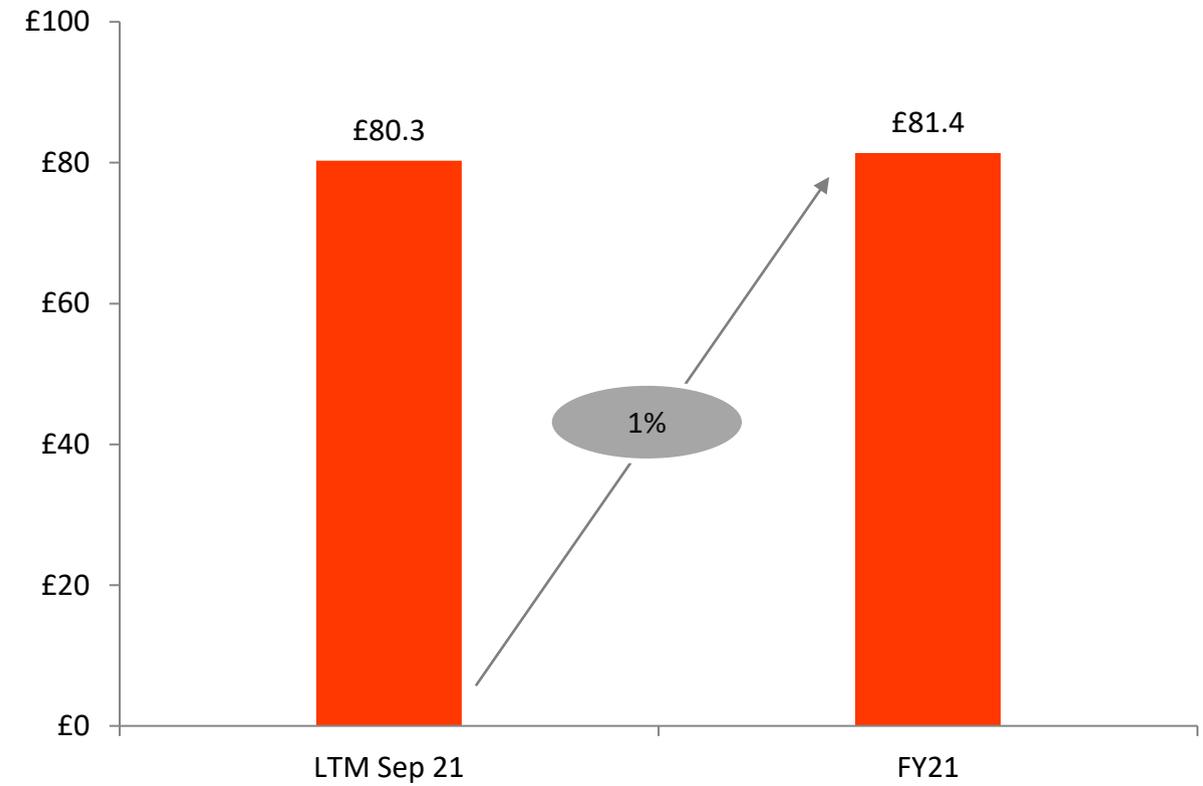
Revenue

Figures in £m

Total Revenues (Q-o-Q)



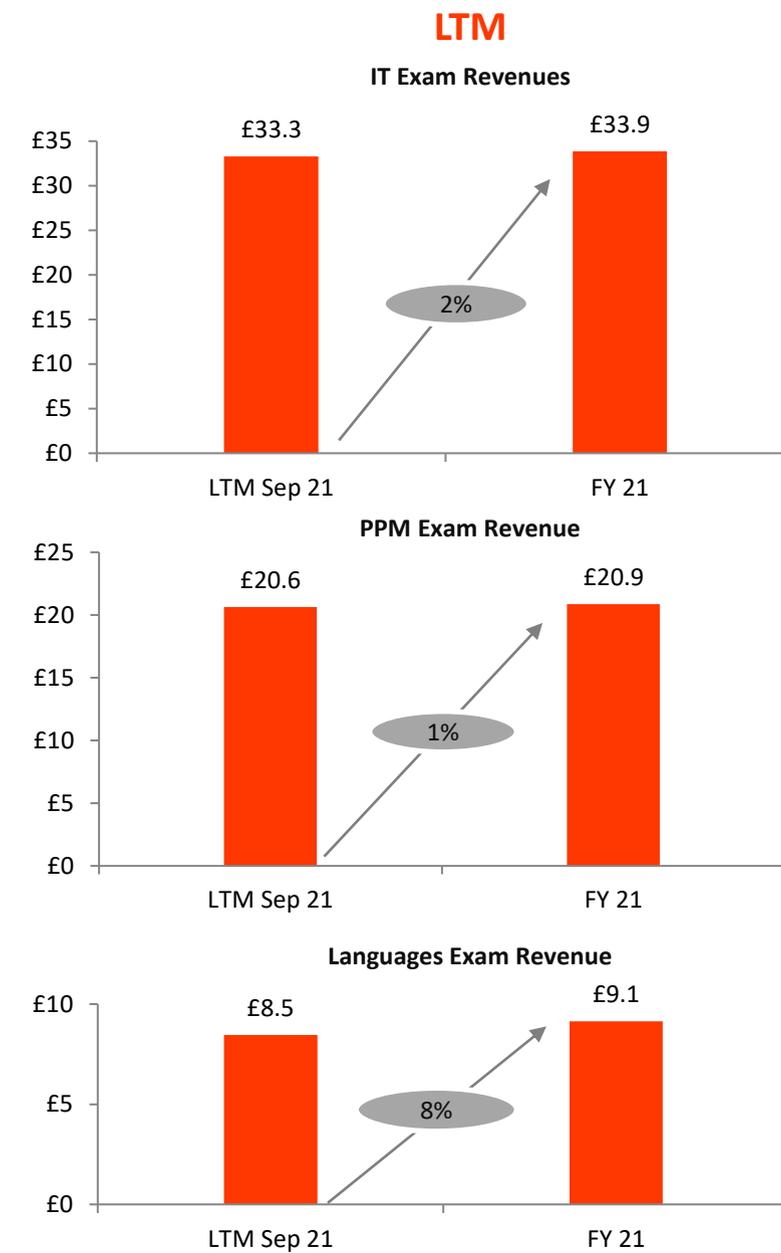
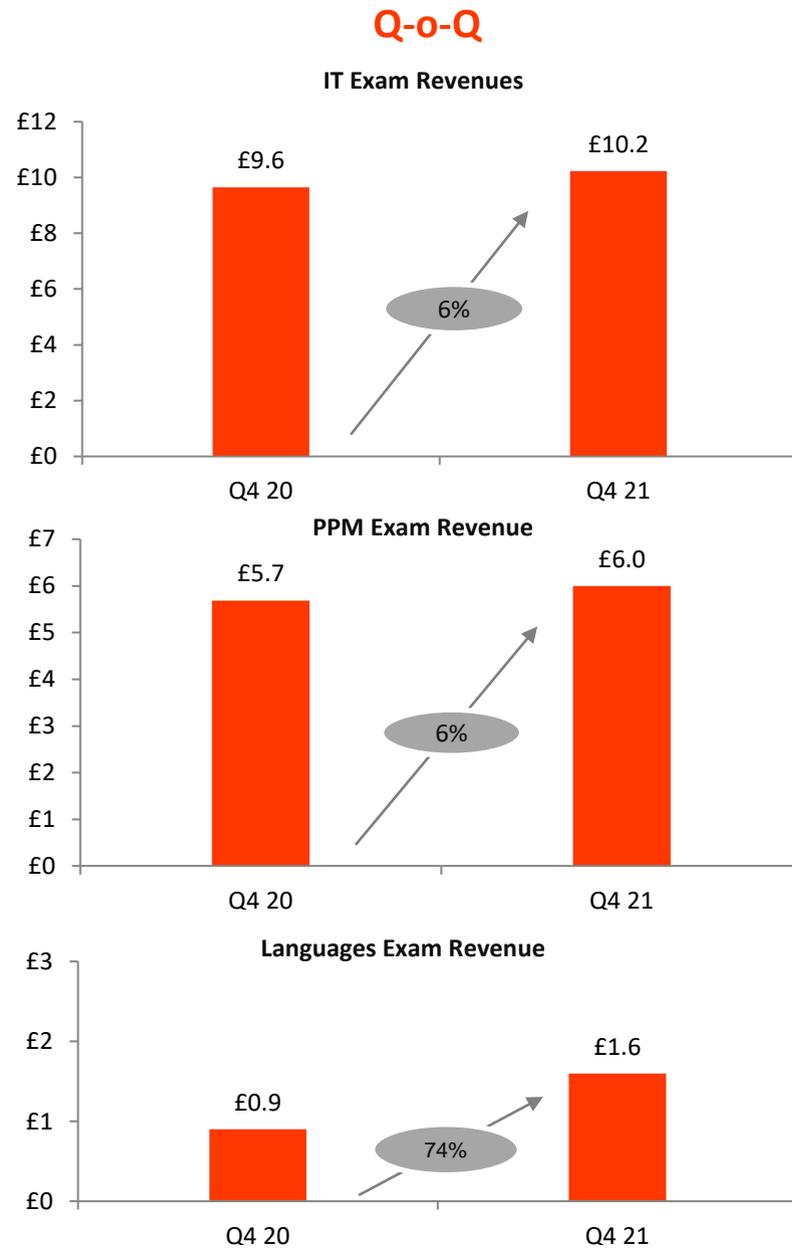
Total Revenues (LTM)



* Revenue does not include Revenue Optimization and Cost Synergies

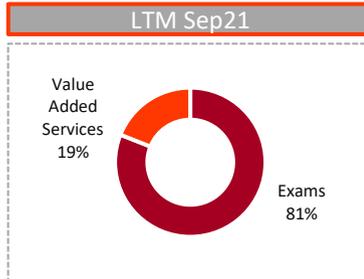
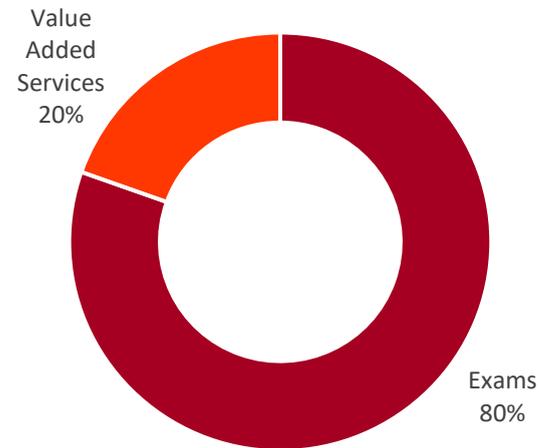
Exam Revenue Breakdown

Figures in £m

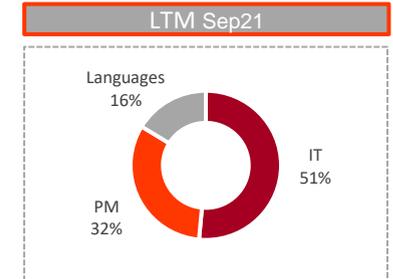
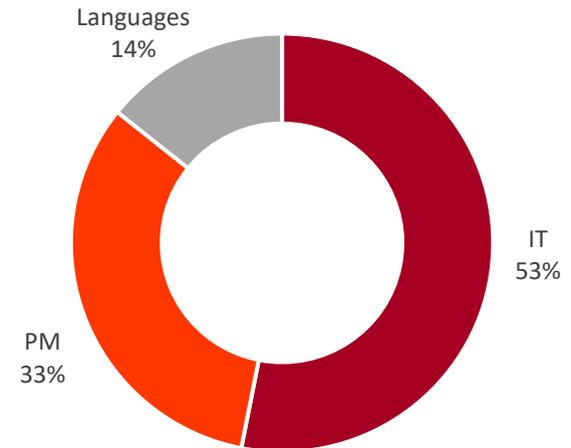


PeopleCert Standalone Revenue Breakdown (FY21)

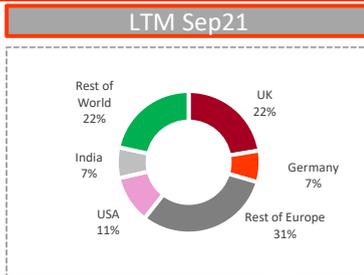
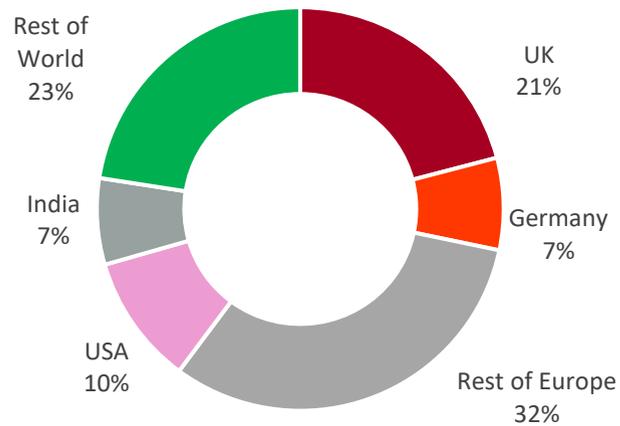
By Product



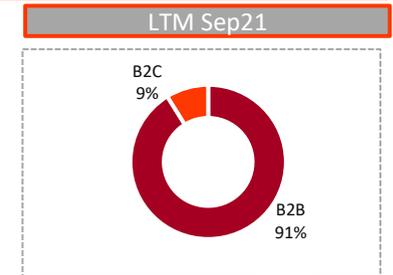
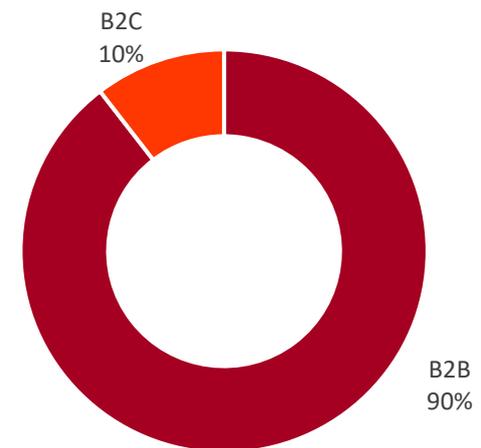
Examination Revenue by Sector



By Geography

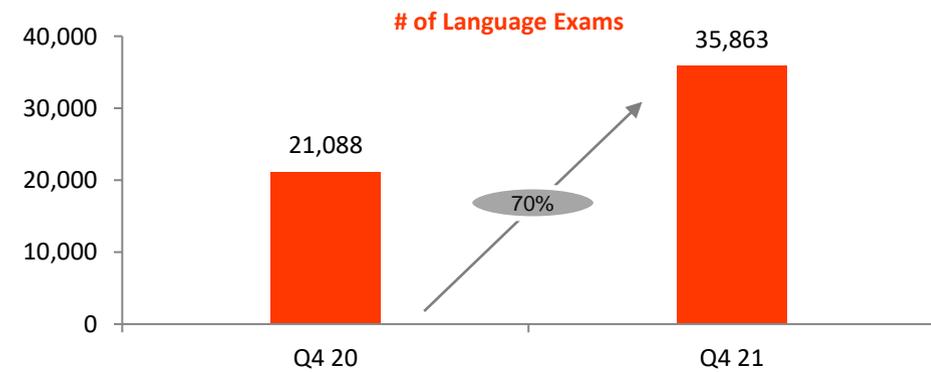
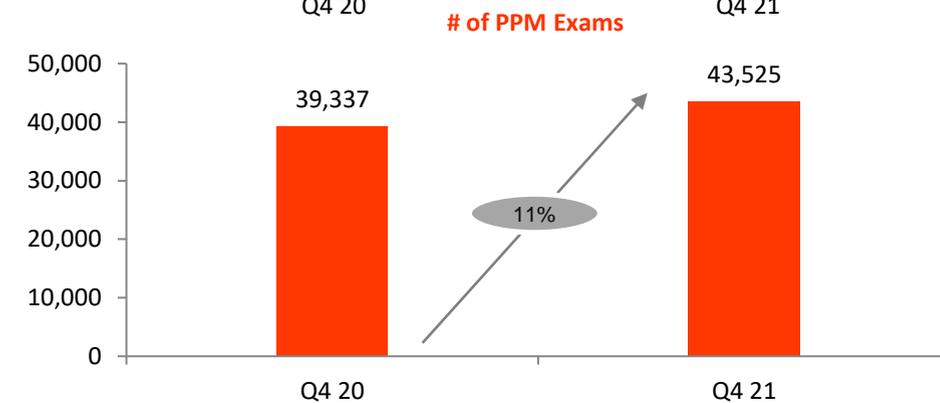
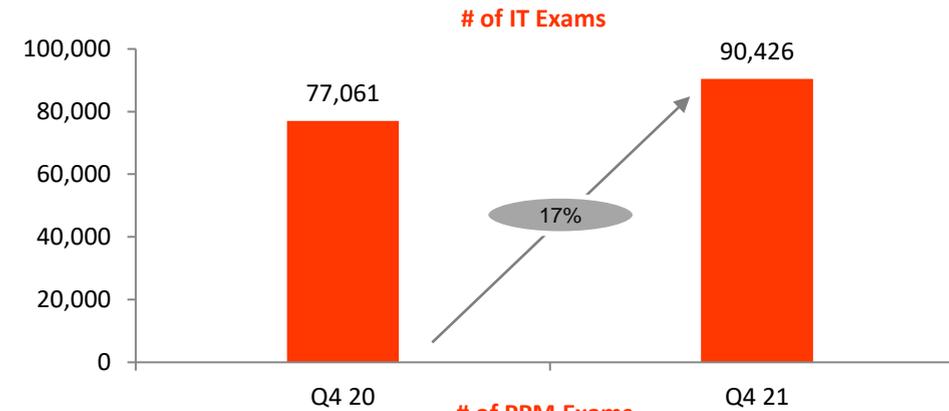
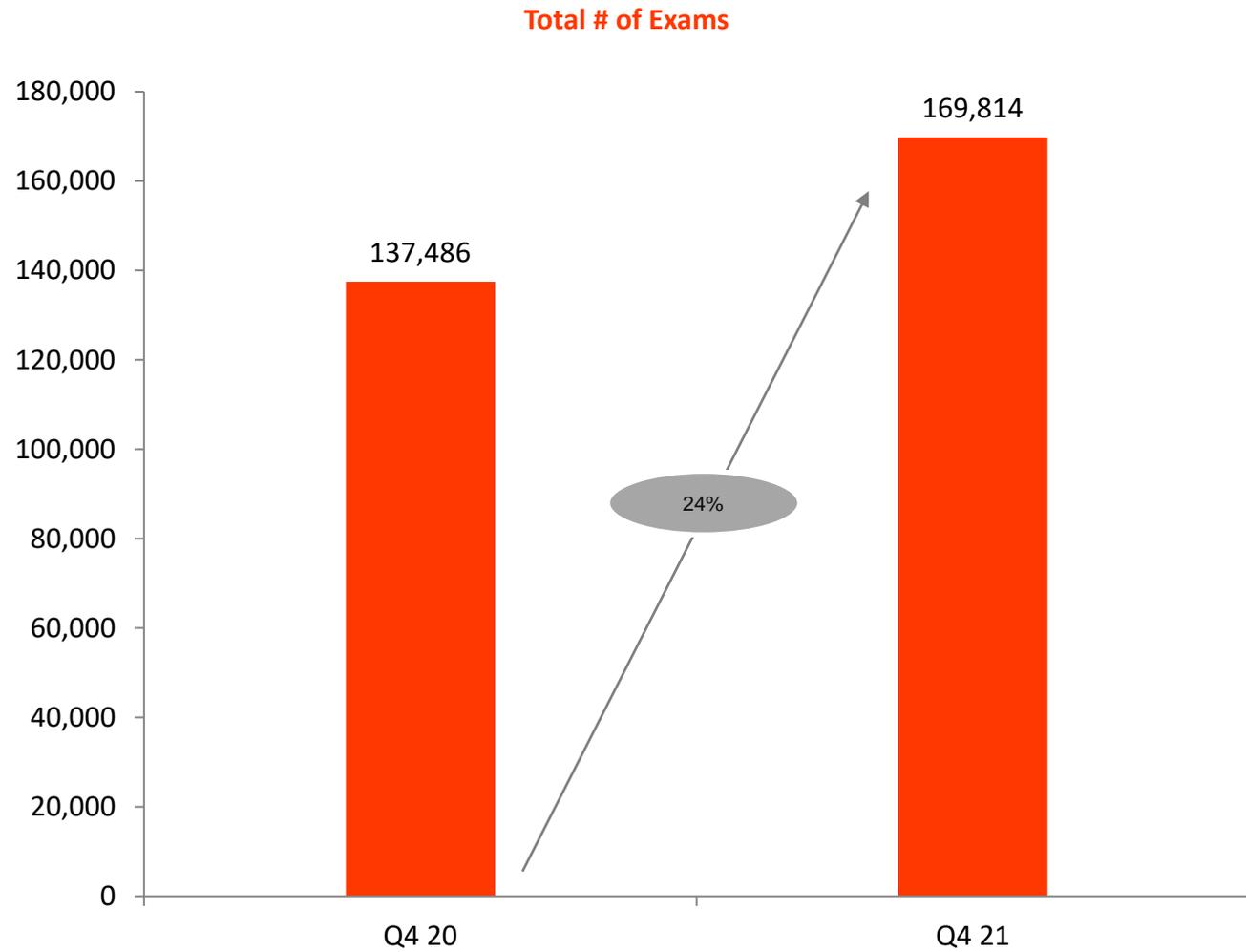


By Client



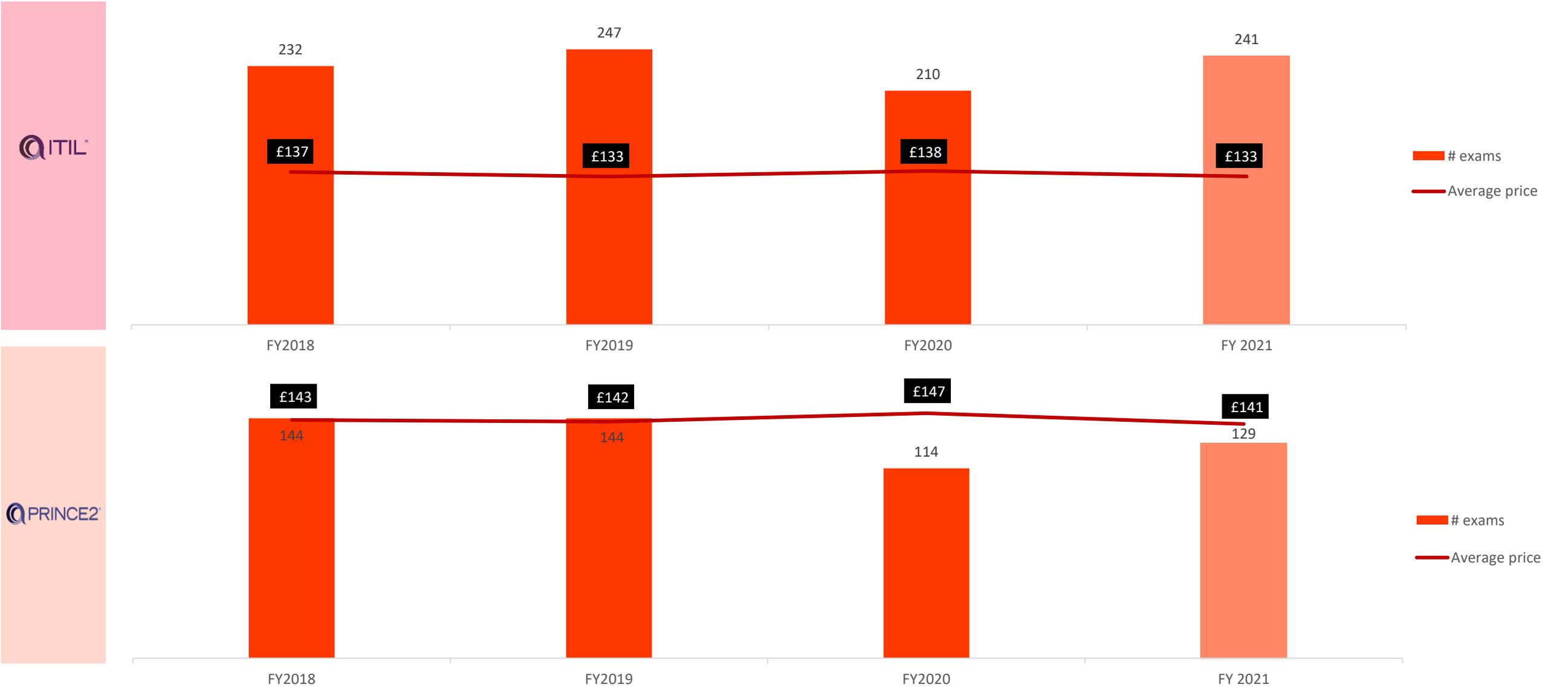
Exam Volume Breakdown

Exam Volume Breakdown (Q4 21 vs Q4 20)



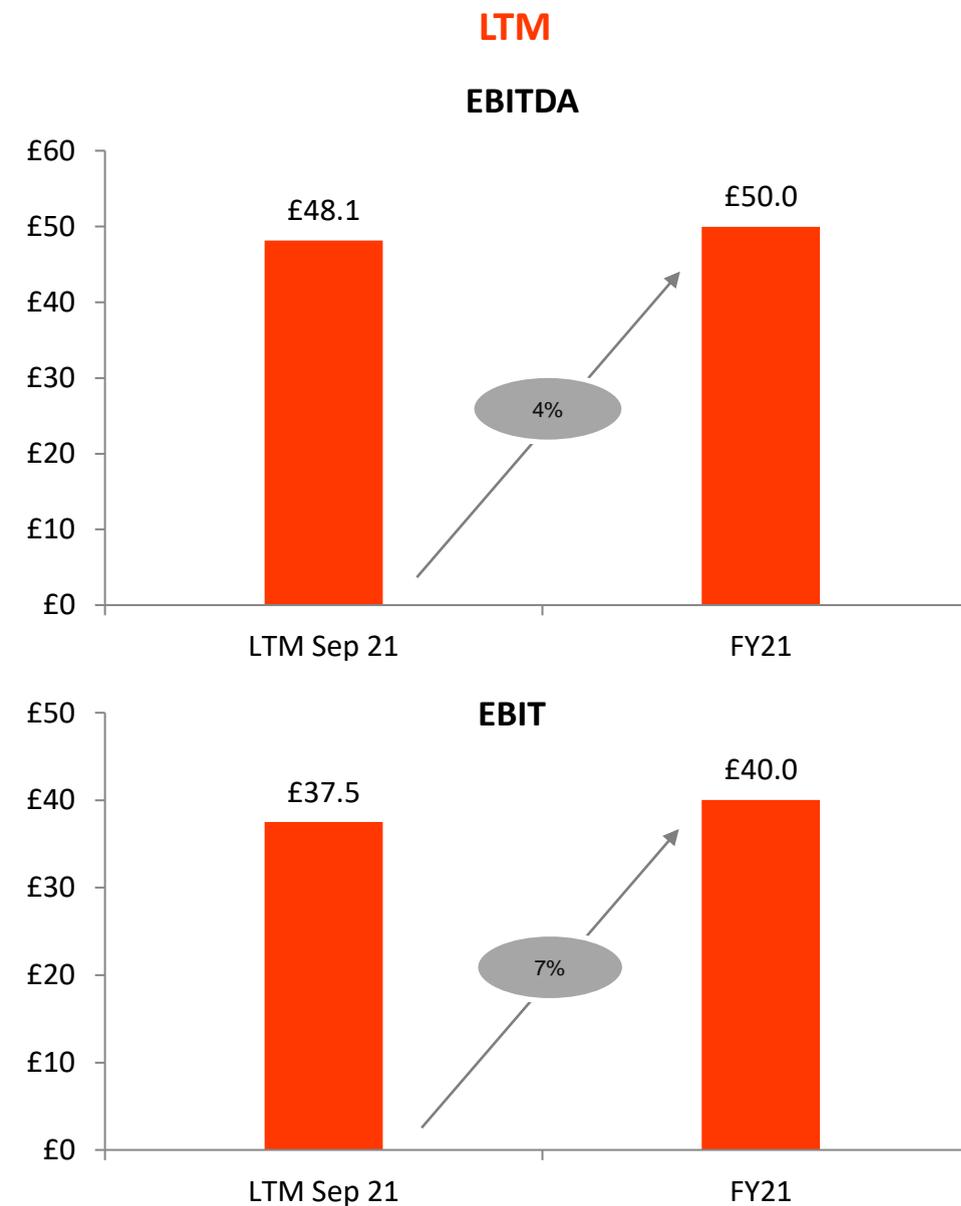
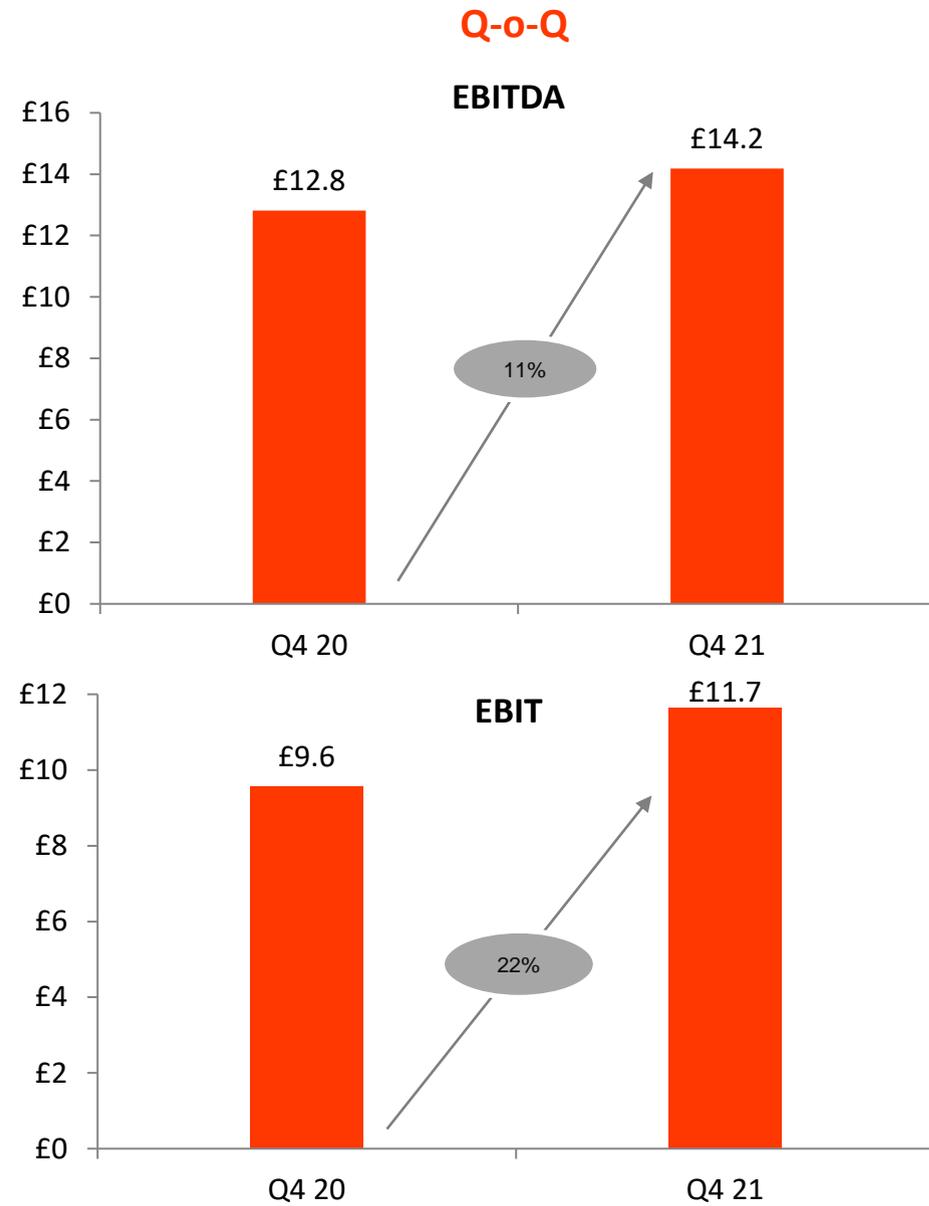
Prices Evolution, YoY

Historical Evolution
(by number of exams in thousands)



EBITDA & EBIT

Figures in £m



* EBITDA & EBIT are combined figures and do not include Revenue Optimization or Cost Synergies. The charts present adjusted EBITDA & EBIT figures which exclude one – off Transaction related expenses for the period.

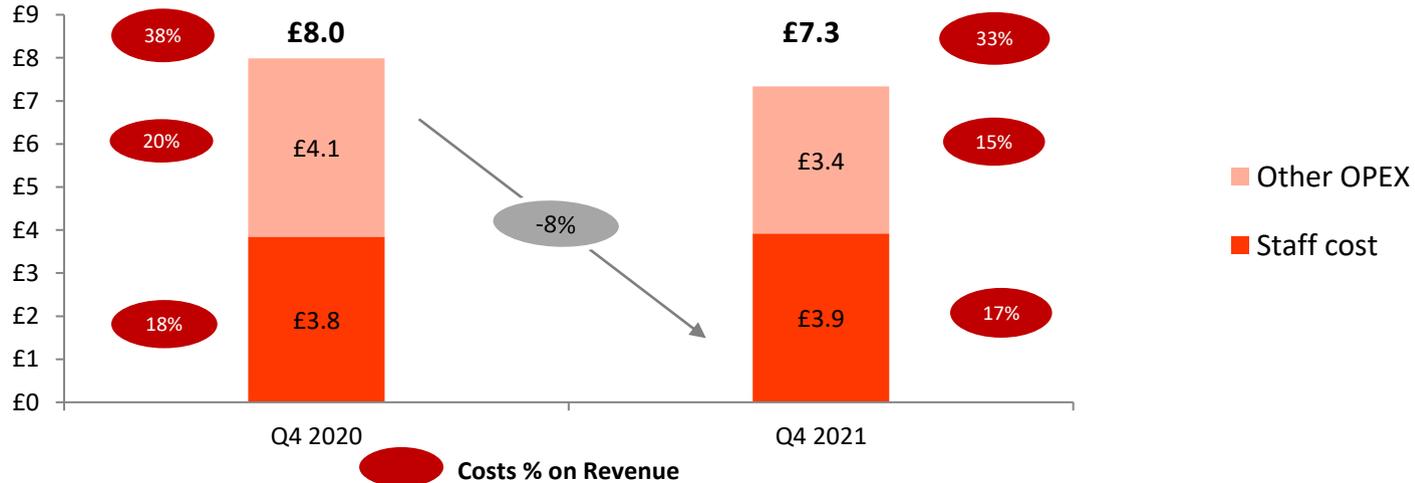
OPEX, YoY (2018-2021)

Figures in £m

Historical Evolution (Combined)



Operating Costs*



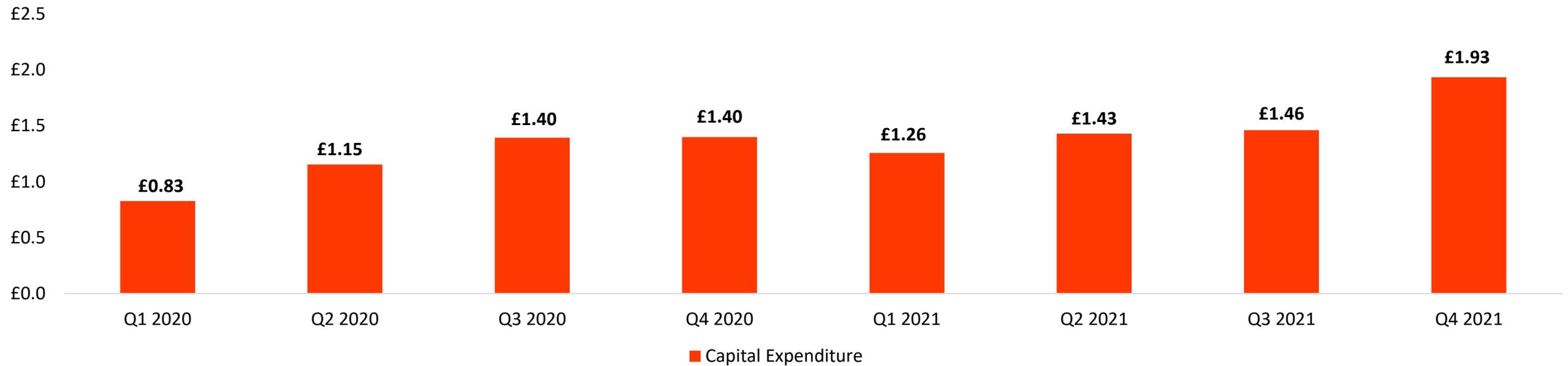
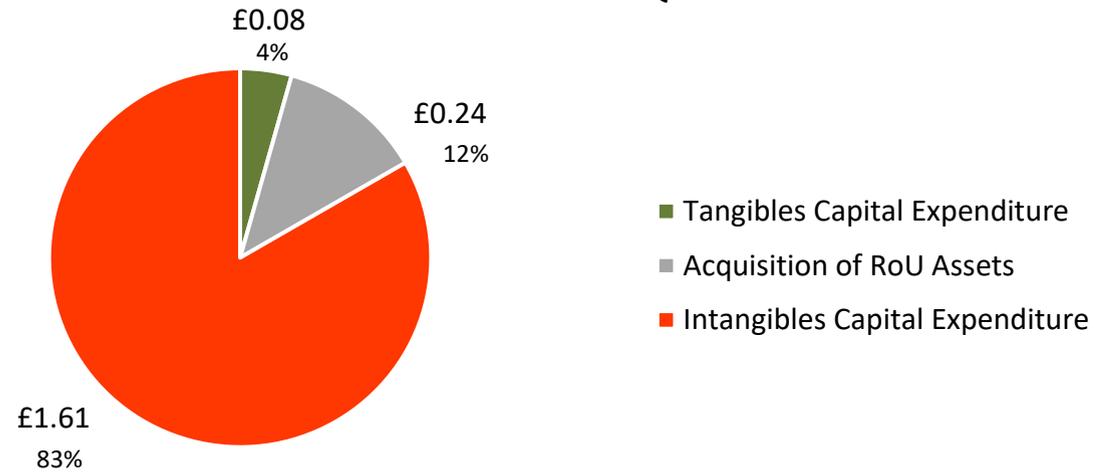
* OPEX for the period does not include Depreciation

Capex

Figures in £m



CAPEX Q4 21



* CAPEX presented in the above chart is pro-forma

Balance Sheet

Consolidation - PeopleCert Wisdom Limited*

Statement of financial position

amounts in GBP	12/31/2021	12/31/2020
ASSETS		
Non-current assets		
Property, plant and equipment	1,456,360	1,247,606
Right-of-use assets	1,698,586	1,601,782
Intangible Assets	389,986,650	8,596,227
Financial assets at fair value through other comprehensive income	0	8,049
Deferred tax assets	70,691	235,120
Other Assets	186,699	108,284
	393,398,986	11,797,067
Current assets		
Trade and other receivables	9,528,234	7,590,319
Inventory	25,220	
Income Tax receivable	2,331,213	
Cash at bank and in hand	18,836,946	16,835,892
	30,721,613	24,426,211
Total assets	424,120,599	36,223,278
EQUITY AND LIABILITIES		
Equity		
Share capital	4	8,990
Share Premium	140,058,339	445,022
Other Reserves	(1,612,150)	25,597
Retained earnings	8,217,245	19,618,495
Total Equity	146,663,438	20,098,104
Non-current liabilities		
Borrowings	252,079,657	1,213,241
Provisions for other liabilities and charges	78,518	579,268
Other Non-Current Liabilities	591,164	0
Deferred tax liabilities	5,428,238	103,981
Obligations under finance leases	1,304,477	1,273,084
	259,482,055	3,169,574
Current liabilities		
Trade and other payables	7,182,534	9,191,631
Deferred income	3,164,328	2,161,069
Borrowings	6,029,185	1,142,863
Lease Liabilities	467,834	383,831
Current tax liabilities	1,131,225	76,205
	17,975,106	12,955,599
Total equity and liabilities	424,120,599	36,223,278

* Following the issuance of PeopleCert's senior secured bond, in Q321, quarterly reports will present financial statements of the Parent Guarantor company – PeopleCert Wisdom Limited on a consolidated basis. 31.12.20 presents PeopleCert Holdings UK figures

Profit & Loss

Consolidation - PeopleCert Wisdom Limited*

Statement of Comprehensive income

<i>amounts in GBP</i>	2021	2020
Revenue	79,636,766	63,945,181
Cost of revenue	(25,891,372)	(40,023,061)
Amortization	(5,369,668)	(2,318,969)
Gross profit / (loss)	48,375,726	21,603,151
Other income	429,688	179,168
Administration expenses	(14,349,353)	(9,270,779)
Depreciation	(837,619)	(680,249)
Selling and distribution expenses	(8,979,486)	(5,070,798)
One-off/Exceptional Costs ¹	(21,505,054)	(402,456)
Operating profit / (loss)	3,133,901	6,358,037
Finance income	16,811,872	1,222,429
Finance costs	(18,584,827)	(2,414,136)
Profit / (Loss) before tax	1,360,945	5,166,331

1. One-off/Exceptional Costs include **one-off** Transaction Expenses for the period which impact the Operating Profit

* Following the issuance of PeopleCert's senior secured bond, in Q321, quarterly reports will present financial statements of the Parent Guarantor company – PeopleCert Wisdom Limited on a consolidated basis. 9M 20 presents PeopleCert Holdings UK figures

Cash Flow

Consolidation - PeopleCert Wisdom Limited*

Statement of cash flows

amounts in GBP	31.12.2021	31.12.2020
Operating activities		
Profit/(Loss) before tax	1,360,945	5,166,332
<i>Adjustments:</i>		
Depreciation, amortisation and impairment	6,207,287	3,001,138
Foreign exchange losses	(6,931,716)	
Exchange rate difference of loan from shareholder	(3,214,928)	(13,897)
Financial expense	6,336,192	162,691
Financial income	-	(34,877)
Actuarial losses from changes in financial assumptions	27,538	61,442
Change to profit or loss for provisions	-	120,097
	3,785,318	8,462,926
Inventories	(25,220)	-
Trade and other receivables	(1,930,113)	3,152,611
Trade and other payables	(2,009,097)	(1,466,135)
Increase in deferred income	1,003,259	128,283
Defined benefits obligations paid	(5,176)	(25,824)
Tax paid	(2,545,614)	(191,961)
Net cash (used in)/from operating activities	(1,726,643)	10,059,900
Investing activities		
Proceeds from sale of property, plant and equipment	117,793	-
Acquisition of subsidiary, net of cash acquired	(372,599,537)	-
Purchase of investment in subsidiaries	-	(1,509,886)
Acquisition of property, plant and equipment	(556,245)	(334,747)
Acquisition of other assets	(78,415)	(23,409)
Acquisition of intangible assets	(3,490,391)	(2,055,534)
Net cash from/(used in) investing activities	(376,606,795)	(3,923,576)
Financing activities		
Proceeds from the issue of share capital	-	-
Increase in share premium	139,999,997	-
Proceeds from new loan	505,199,292	89,903
Interest paid	(322,335)	(90,981)
Repayment of borrowings	(252,220,860)	(1,124,237)
Payment of lease liabilities	(548,789)	(468,492)
Dividends paid	(10,541,549)	(494,466)
Net cash from/(used in) financing activities	381,565,756	(2,088,273)
Net increase/(decrease) in cash and cash equivalents	3,232,318	4,048,050
Cash and cash equivalents:		
At beginning of the year	16,835,892	12,004,332
Added on business combination under common control		
Bank deposits removed from cash and cash equivalents due to restrictions		
Effect of exchange rate fluctuations on cash held	(1,231,266)	764,417
At the end of the period	18,836,944	16,816,799

* Following the issuance of PeopleCert's debut senior secured bond, in Q3 21, quarterly reports will present financial statements of the Parent Guarantor company – PeopleCert Wisdom Limited on a consolidated basis



PeopleCert

All talents, certified.

Synergies Update

Synergies

Implementation Plan

				Run-rate within 24 months £ MM*	
Optimisation Synergies	Implementation Status	Start date	Completion date	Revenue	EBITDA
UK Market Exam adjustment	Started	1.2.2022	1.2.2022	0.3	0.3
Exam Delivery Optimisation	Started	1.2.2022	1.2.2022	1.2	1.0
Mock tests	Started	1.4.2022	1.4.2022	0.8	0.7
Content Optimisation	Started	1.2.2022	1.2.2022	9.3	6.7
Digital badges ¹	Not Started	TBD	TBD	0.3	0.3
Cost Synergies	Implementation Status	Start date	Completion date	Cost	EBITDA
Rationalization of duplicate functions	In progress	1.9.2021	31.3.2022	-	3.6
Shared-service cost savings	Completed	1.1.2022	1.1.2022	-	0.6
Other cost savings	Completed	1.9.2021	28.2.2022	-	2.1

* All synergies are set to produce their full impact in FY2022

¹ PeopleCert currently considers utilizing the existing my Axelos infrastructure for the Digital Badges initiative and will postpone for now this optimization synergy

PeopleCert

All talents, certified.

Thank You

