

Keystone Q1 2025 Results

28 May 2025

Fredrik Högemark – CEO
Kenneth Hanssen – CFO

Agenda

1. About Keystone Education Group
2. Highlights of the quarter
3. Market and tech update, incl. outlook

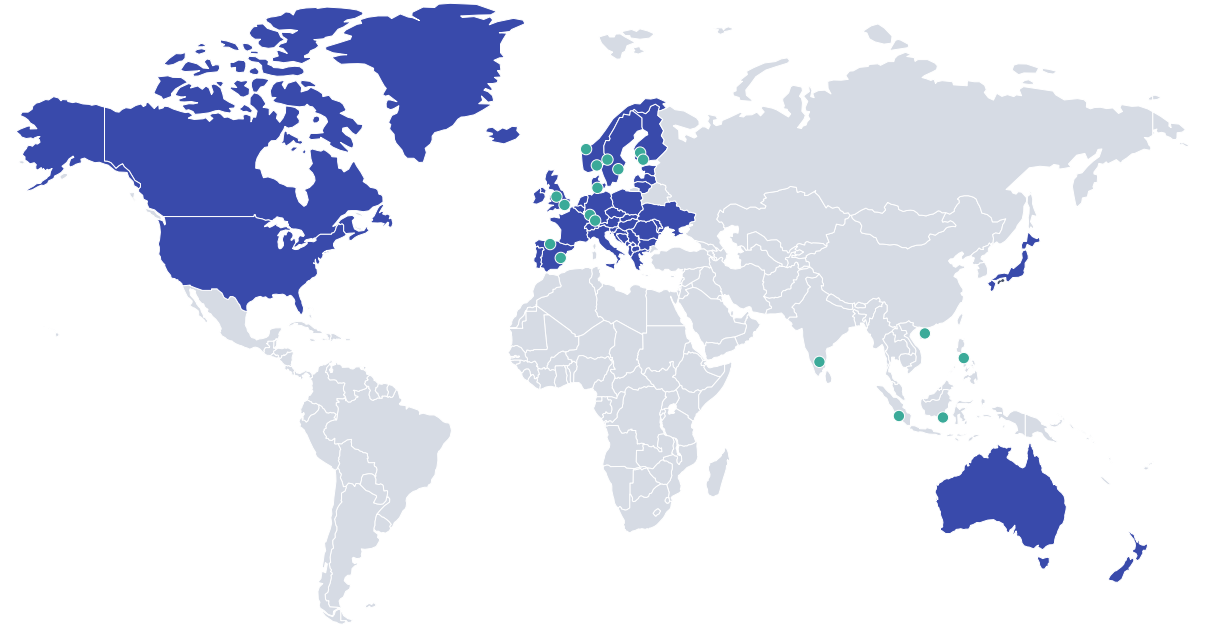
About Keystone

Keystone has the widest geographical reach, creating a clear market leader in multiple markets

● Office / Sub-contractor

Company overview

- Keystone is the global leader in digital student recruitment, helping over 5,000 education institutions reach, recruit and enroll prospective students in more than 190 countries across their global network
- Keystone was formed in 2021 through the merger between Keystone Academic Solutions and Educations Media Group but has roots back to 2002 when Education Media Group was founded
- The group has +850 people across the world and helps around 100m students every year in their student journey to enrollment
- Keystone offers education institutions an end-to-end solution across the entire student recruitment value chain, from marketing to application management and enrollment
- Keystone currently has a ~90% market share in the Nordics, a ~30% market share in the UK and a 6% market share globally



Selected customers

Berkeley
UNIVERSITY OF CALIFORNIA

EM STRASBOURG
BUSINESS SCHOOL

ESCP
BUSINESS SCHOOL

eul Business
School

Frankfurt School
of Finance & Management
German Excellence. Global Relevance.

SciencesPo

SORBONNE
UNIVERSITÉ

Steinbeis
HOCHSCHULE

LSE



UNIVERSITY OF
CAMBRIDGE

HARVARD
UNIVERSITY

IGRIAE RENNES
Ecole Universitaire
de Management

IED Institute of
Economic
Development
Inspiring people - Improving places

PURDUE
KRANNERT
SCHOOL OF MANAGEMENT

ROME
BUSINESS
SCHOOL
BETTER MANAGERS
FOR A BETTER WORLD

UNIVERSITY
OF LONDON

UNIVERSITY OF
OXFORD

University
of San Diego

TUM
TECHNISCHE
UNIVERSITÄT
MÜNCHEN

Utrecht
University

WU
WIRTSCHAFTS
UNIVERSITÄT
WIEN VIENNA
UNIVERSITY OF
ECONOMICS
AND BUSINESS

Keystone at a glance



~5,000
Institutional clients



77/100
Top global university
customers



100m
Students visiting on a
yearly basis



>100
Customer countries



Directly enroll
students yearly at

1,000+
different US
universities
and
50,000+
students across
UK institutions



70,000+
direct enrollments
managed yearly by
Keystone Enrollment
Services

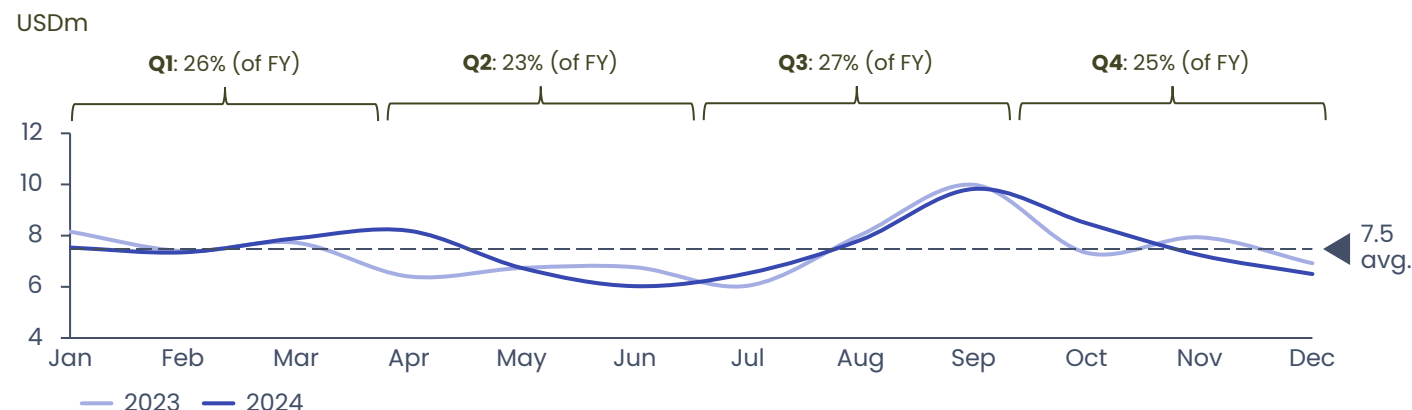
Highlights of the quarter

- Headwinds in market have short-term effects on Keystone. The robust subscription business model and the strong market position limits downside but the strong market position also impacts ability to grow when enrollment numbers are decreasing in leading markets.
- We are winning market share, outperforming peers, and continue to see low customer churn.
- UK, Keystone's largest market, is still challenging, but our data is showing a return to growth in enrollments (more in later slide).
- We are managing costs carefully in a challenging market but are continuing to invest to build stronger market position. Keystone's ongoing growth investments:
 - Platform integration
 - AI transformation
 - Geo Expansion
 - Traffic increase

IFRS Proforma, USDm	Q1-25	Q1-24	Δ
Search & Discovery	15.0	15.8	-5%
Enrolment Services	7.0	7.0	0%
Gross Revenue	22.0	22.8	-3%
Passed on Expenses	(2.3)	(2.2)	6%
Net Revenue	19.7	20.6	-4%
CoS	(1.7)	(1.6)	12%
Gross Profit	17.9	19.0	-6%
%	82%	84%	
Sales & Delivery	(10.8)	(11.4)	-6%
Support Functions (Tech & Product)	(1.9)	(1.8)	7%
G&A	(2.0)	(1.9)	5%
SG&A	(14.7)	(15.1)	-3%
EBITDA (Adj.)	3.2	3.9	-18%
%	15%	17%	
Capex	(1.0)	(1.0)	-4%
Special items	(0.5)	(0.5)	11%
IFRS Non-Proforma, USDm	Q1-25	Q1-24	Δ
Search & Discovery	15.0	15.8	-5%
Enrolment Services	7.0	5.4	31%
Gross Revenue	22.0	21.1	4%
EBITDA (Adj.)	3.2	3.5	-8%
%	15%	17%	

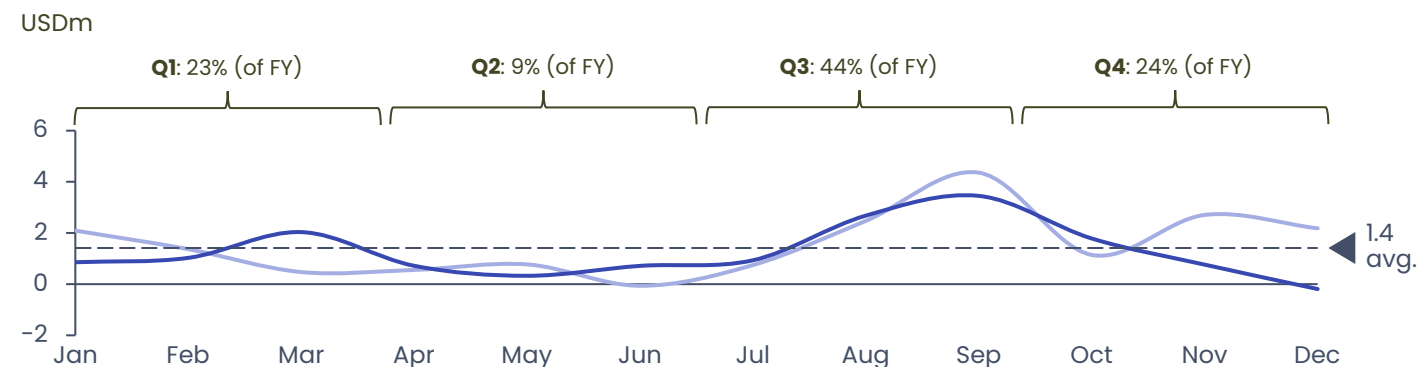
Seasonality – FY23 and FY24

Revenue seasonality



- Seasonal spike in Q3 under Enrollment Services from revenue recognition of agreements containing break and termination clauses.
- Seasonal low mark in Q2 under Search & Discovery with lower activity leading into the summer holiday on seasonal revenue items.

EBITDA (ADJ) seasonality



- Seasonal high in Q3 with lower cost base over the summer holiday complimenting the spike in revenue recognition
- Some noise in Q4 cost from year to year with year end adjustments and the effect from adjustment of international enrollments in the UK

Market update

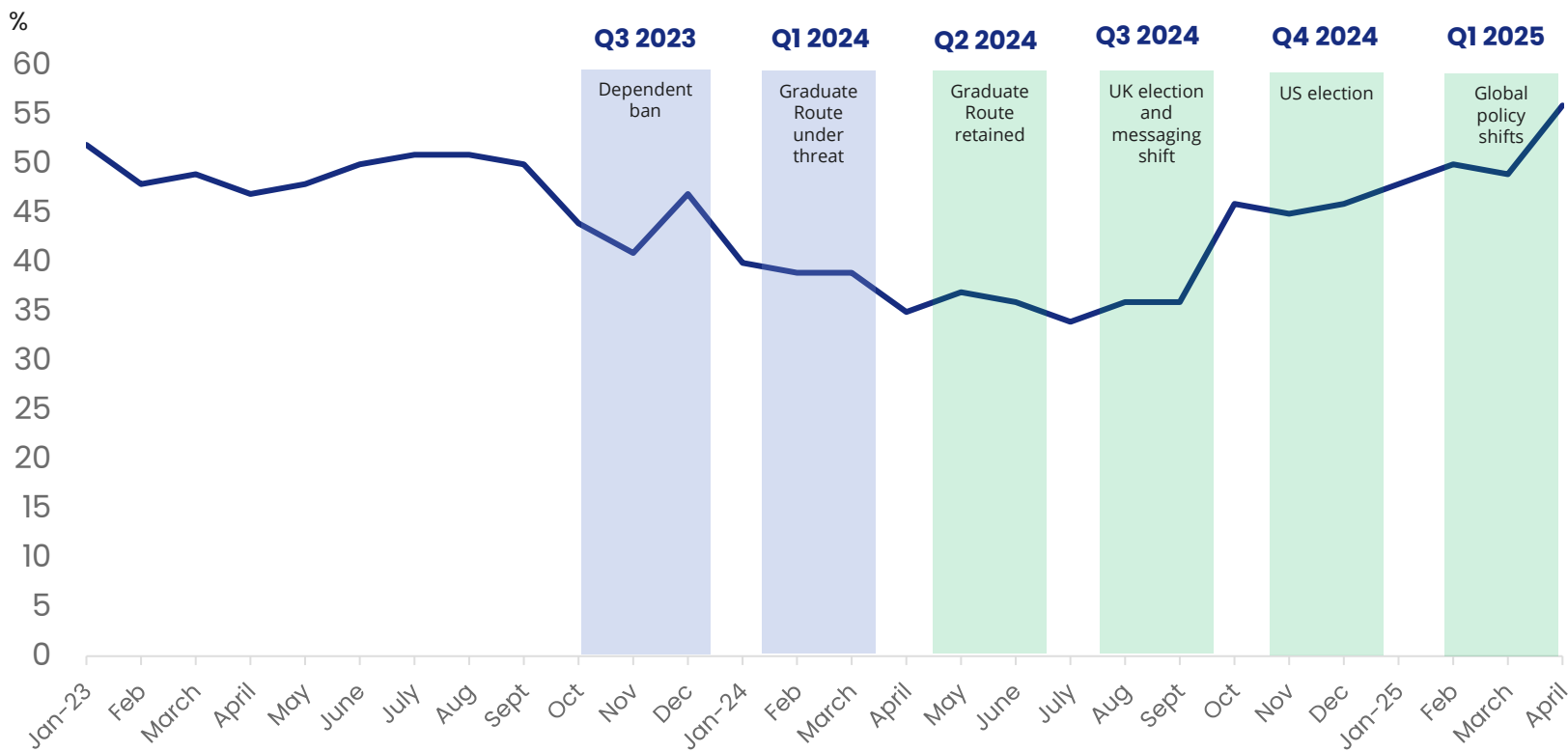
Market outlook

- **International student mobility and interest is gradually shifting from the 'big four'** (USA, Canada, Australia, UK) to the big ten, which includes several key European markets (Germany, France, Spain, Italy). Over the coming years we expect these shifts to benefit Keystone with our strong position in Europe.
 - **In the short-term, the negative policy changes coming out of key countries** such as Australia, Netherlands, UK, Canada and USA are reducing international student numbers having negative impact on the global higher education market in 2024 and in 2025.
- **Positive leading indicators for growth coming back:**
 - Traffic increase on our international student recruitment websites YTD showing larger student interest and more students using Keystone
 - Strong lead growth in the last four months with double-digit growth across Keystone
 - Positive signals for UK international student recruitment (more on next slide)
 - Inflation and interest rates coming down globally which increases student enrollments and improve financial situation for education institutions
 - **We are investing in geographic expansions** both organically and via M&A to further diversify revenue streams and fuel growth.

Leading indicators showing a recovery in UK demand

Uncertain UK policy which temporarily depressed UK interest in 2024 has cleared and demand in the UK is returning

UK search interest

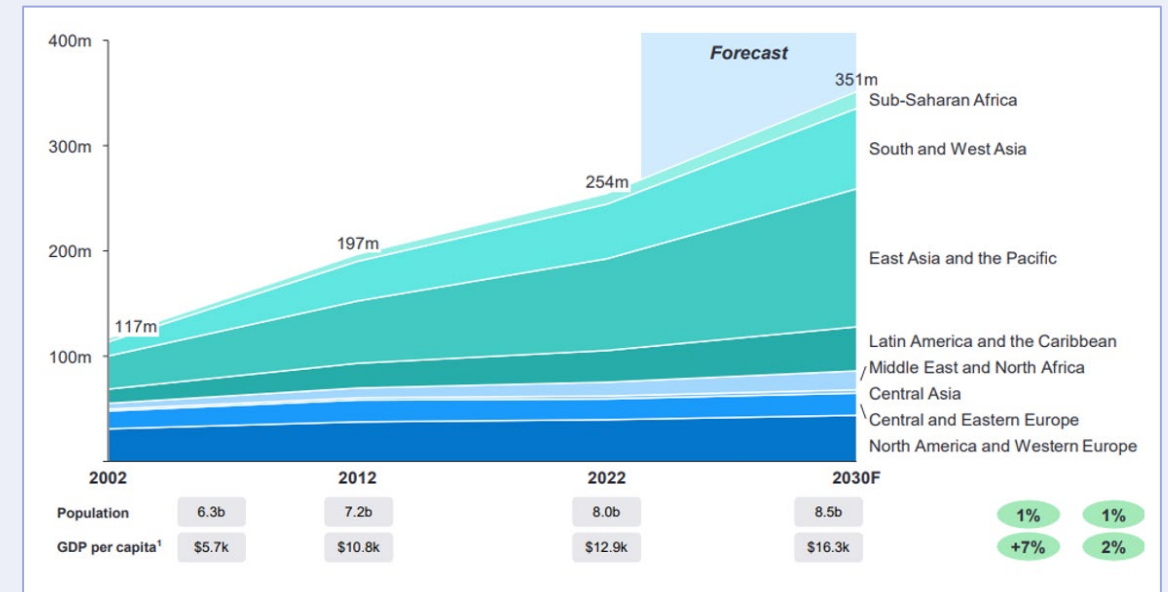


Current status and outlook

- ✓ **Market is seeing a “return to growth” in 2025**
- Firm acceptances in the UK saw year-over-year growth from January 2024 to 2025
- There was “some late acceleration” already in September of 2024 following a challenging year in the market, but this increased interest has not only sustained but increased.
- Search interest for UK fell during 2023 and H1 2024 connected to internal policy implementations such dependent ban introduction and discussions on graduate route changes.
- In H2 2024 and continued in Q1 2025 we have seen interest rise for UK across Keystone platforms as UK policy messaging has shifted more positive and UK is becoming a more attractive destination relative other Anglo destinations.

Long-term growth trajectory strong

- Number of students in higher education globally have grown from 100m in 2000 to 250m in 2022. The number of students are expected to grow to ~350 million over the coming years. The growth in numbers is coming mainly in Africa & Asia and driven by population and GDP per capita growth.
- International student mobility has tripled in the last 20 years and is expected to continue to grow in the coming decade. New counties are investing to win market share and attract more international students. E.g. Germany, France, Japan, Italy, Spain, New Zealand are all growing the number of students as the big Anglo-markets have implementing restrictions in 2024-2025.
- The Reskilling and Professional training market which accounts for ~20% of Keystone's gross revenue is expected to double in the coming 10 years.



Platform integration

Platform **evolution** driven by significant investments and experienced technology team

In a position to consolidate group data and insights – evolving benefits for universities

Past

Local Nordic search and discovery platform

- ✓ Student lead generation and marketing services in the Nordics + International



Now

Global S&D platform + enrollment services

- ✓ Search and discovery platform with global reach
- ✓ Increase value prop with enrollment services
- ✓ Multiple platform architecture



Future

One consolidated platform

- ✓ Single consolidated platform
- ✓ Single destination site with Micro frontends
- ✓ Seamless experience for students throughout the recruitment lifecycle
- ✓ AI and data-led insights that improve recruitment performance

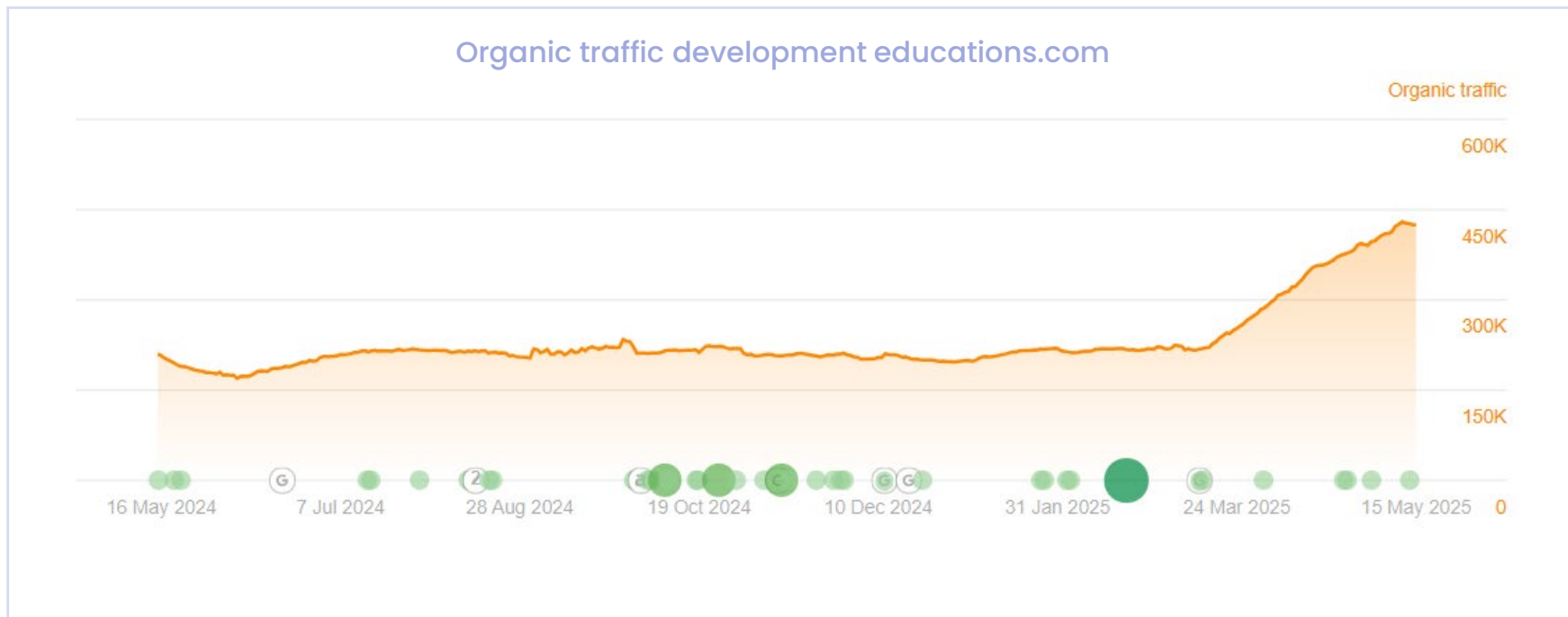
Core development themes

- 1 Platform consolidation**
Running operations from one single platform
- 2 Student experience**
Delivering seamless experience for students throughout the recruitment lifecycle
- 3 Data insights and AI**
Empowering institutions with data insight helping them to find the right students

- ✓ **USD 13m already spent on platform migration**
(2/3rd completed of total project)
- ✓ **Numerous completed & ongoing data & AI initiatives**
leveraging Keystone's unparalleled data
- ✓ **Dedicated and experienced technology team**
of c. 85 FTEs
- ✓ **Ambitious technology roadmap to enhance customer value**
with 40 objectives and key results being worked on by the technology team

Platform integration

- Platform integration work has continued in 2025 and still showing positive results.
- The organic growth on educations.com is showing great numbers in organic visibility and traffic.
- On an aggregate level we see a 4.8% increase in traffic, but 20% increase in leads YoY. This is showing us that we are not only increase in traffic but also get traffic to our site(s) with higher intent to convert.
- Google organic leads up more than 30% while Google paid leads are down more than 25%.
- We are getting increasing highly valuable traffic from AI sources with a ~5% conversion rate, which is higher than traffic from other sources.



Keystone proactive approach to AI

Keystone is embracing AI as an opportunity to further strengthen global position.
>20 years' experience adapting to new technologies and leading innovation in our industry

- Leading KPIs strong across business winning market share during the last year(s) and record lead volumes in Q1 2025
- Embrace and utilize AI in every aspect of the business to develop better services for schools and students. Initiatives include **AI student counselor**, AI agentic solutions supporting education **application process, enriched content** for students to help with selection, **matchmaking based on student personalization**, propensity models based on **proprietary data predicting enrollment** and graduations success rates for students. Keystone have unrivalled datasets based off >100m student users per year for the last decade coupled with detailed enrollment data from ES. Investing to increase student data from students and schools.

- Deeper collaborations with universities with system-critical products. Expanding enrollment services consisting of integrated solutions managing application and enrollment systems and services for universities
- Transformation programs to improve our products and automate tasks to increase revenue per employee and EBITDA margins across the business in 2025-2027

Keystone differentiation when it comes to using and benefitting from AI

- | | |
|--|-----------------------|
| ✓ Unrivalled database | ✓ Unrivalled network |
| ✓ Track record, trusted with brand credibility | ✓ Proven hybrid model |

APPENDIX

Financials Q1-25

Confidential

Profit & Loss (proforma)

USD thousands	Q1 2025	Q1 2024
Revenue		
Net revenue from contracts with customers	19 680	20 585
Operating expenses		
Cost of services	(1 736)	(1 550)
Personnel expenses	(11 357)	(11 801)
Depreciation and amortization expenses	(2 294)	(2 183)
Other operating expenses	(3 390)	(3 335)
Total operating expenses	(18 778)	(18 869)
Operating profit ("EBIT"), excluding non-recurring items	902	1 716
Non-recurring items	(536)	(469)
Operating profit ("EBIT")	366	1 246

USD thousands	Q1 2025	Q1 2024
Finance income and costs		
Finance income	4 236	792
Finance cost	(5 225)	(3 358)
Interest, FX, and change in fair value of contingent consideration (earn-outs)	115	(1 939)
Net finance income/(costs)	(874)	(4 504)
Net profit/(loss) before income tax	(507)	(3 258)
Income tax expense	1	(373)
Net profit/(loss)	(506)	(3 631)
Other comprehensive income that may be reclassified to profit or loss on subsequent periods (net of tax)		
Exchange differences on translation of foreign operations	(37)	(9)
Total comprehensive income/loss	(37)	(9)

Balance Sheet

<i>USD thousands</i>	31-March 2025	31-March 2024
Non-current assets		
Intangible assets	175 517	157 220
Right of use assets	4 271	4 074
Property, plant, and equipment	638	807
Deferred tax assets	898	(9 608)
Other non-current assets	1 642	417
Total non-current assets	182 966	152 910
Current assets		
Cash and cash equivalents	43 478	17 670
Trade receivables	14 301	15 702
Other current assets	5 678	17 652
Total current assets	63 457	51 024
Total assets	246 423	203 934

<i>USD thousands</i>	31-March 2025	31-March 2024
Equity		
Equity attributable to owners of the company	82 309	87 823
Non-controlling interests	18	(5)
Total equity	82 327	87 819
Non-current liabilities		
Interest bearing liabilities	108 342	62 494
Lease liabilities	3 806	3 489
Deferred tax liability	10 159	19
Other non-current liabilities	6 204	5 798
Non-current contingent consideration liabilities	-	4 948
Total non-current liabilities	128 509	76 747
Current liabilities		
Trade payables and other payables	2 849	3 318
Deferred revenue	18 991	15 009
Taxes payable	1 304	562
Current portion of lease liabilities	685	746
Current portion of interest-bearing liabilities	-	-
Other current liabilities	6 632	6 945
Current contingent consideration liabilities	5 124	12 788
Total current liabilities	35 586	39 368
Total liabilities	164 096	116 115
Total equity and liabilities	246 423	203 934

Cash Flow

<i>USD thousands</i>	Q1 2025	Q1 2024
Cash flows from operating activities		
Net profit/(loss) before income tax	(507)	(3 258)
Income taxes paid	(1 101)	(926)
<i>Adjustments for:</i>		
Depreciation, amortisation and impairment expenses	2 294	2 183
Finance income	(4 236)	(792)
Finance costs	5 110	5 297
<i>Working capital changes:</i>		
Changes in trade receivables, trade and other payables	2 232	649
Changes in other operating working capital	(3 692)	(1 081)
Net cash from operating activities	99	2 072
Cash flows from investment activities		
Acquisition of equipment	(32)	(111)
Capitalized Research & Development	(953)	(930)
Payment for acquisitions of subsidiaries, net of cash acquired	-	(6 144)
Net cash from investment activities	(985)	(7 185)

<i>USD thousands</i>	Q1 2025	Q1 2024
Cash flow from financing activities		
Proceeds from issuance of shares - incentive program	-	94
Net payments from new loans	104 707	9 719
Down payments of interest-bearing liabilities	(71 437)	-
Interest paid	(3 439)	(1 639)
Principal payment of lease liabilities	(274)	(315)
Proceeds from minority shareholders	-	-
Net cash to/from financing activities	29 557	7 859
Net change in cash and cash equivalents	28 671	2 746
Currency effects on cash	2 580	(551)
Cash and cash equivalents at period start	12 227	15 475
Cash and cash equivalents at period end²⁾	43 478	17 670



KEYSTONE
EDUCATION GROUP