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Press release

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Ascendia reports recurring revenues up 67%, Revenue and Expenditure Budget is reaffirmed

Ascendia S.A. (BVB: ASC), a leading provider of digital learning solutions, recorded an operating income of RON 4.1 million and a net loss of RON 248,740 in 1H2024. These results reflect a normalization process after the successful completion of the major projects Edulib and eGarantie in 2023.

In the first six months of 2024, we recorded operating revenues of RON 4.1 million, a decrease of approx. 33% compared to H1 2023, mainly due to a 33% decrease in turnover from RON 3.6 million in H1 2023 to RON 2.4 million in H1 2024. The decrease in turnover was due to the change in the structure of projects executed compared to H1 2023 (when Edulib was completed and a significant part of the related revenues materialized then), on the one hand, and the invoicing of some sales made after the deadline of 30.06.2024, on the other hand.

At the beginning of the year, the amount of 9.5 million lei was collected from uncollected receivables during 2022 and 2023, related to invoices from the Edulib project. This resulted in a significant increase in cash flow from operating activities. Thus, the first half of the year resulted in an increase in the Company's cash and cash equivalents by approximately 2.65 times. These cash flows validate the business model that we opted for when we listed and will be a growth driver in the coming six months. We believe that the second half will confirm our confidence, which is why we are reconfirming the targets assumed in the Revenue and Expenditure Budget for the Financial Year of 2024.

"This semester has been one of preparation and repositioning, in which we have consolidated our core business, the LIVRESQ subscriptions and the delivery of eJourneys courses and the CoffeeLMS platform, which has a new multi-tenant architecture that will favor the delivery of the platform to smaller companies that wish to implement training or training processes for their employees. In addition, equity and cash on hand have increased significantly, laying the foundations for future growth. In addition to the solid results from the core business, we will be receiving revenues in the second half of the year from the National Recovery and Resilience Plan projects delivered or nearing completion. We expect the NRRP funds, which also target the software sector, to be an important source of revenue over the next 1-2 years. This opportunity, combined with the growing demand for e-learning services, positions Ascendia in a favorable position." said Cosmin Mălureanu, CEO of Ascendia.

The first half of 2024 was marked by a revenue and expense structure characteristic of a product-centric SaaS business model. Recurring revenue (annual and monthly subscriptions) generated by Ascendia's proprietary products - LIVRESQ, CoffeeLMS and eJourneys - grew 67%. Even in the absence of large projects compared to the previous year, the company achieved strong scaling of LIVRESQ, our flagship product.

About Ascendia

Ascendia develops innovative e-learning solutions for various fields, such as education, corporate training, healthcare, and entertainment. Ascendia's products include LIVRESQ, an e-learning authoring tool, and CoffeeLMS, a Learning Management System (LMS) for companies. Ascendia has been listed on the Bucharest Stock Exchange since 2016 (symbol "ASC").

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