Fiscal Year 2023 Financial Statements Summary Report

In accordance with "An Act to Support Improved Financial Stability in Higher Education" Massachusetts General Law Chapter 69, Section 31B (f), this supplement to the audited financial statements analyzes the Fiscal Year 2023 ("FY23") financial activities and position of Hult International Business school (HIBS) for the year ended July 31, 2023. The financial statements are prepared in accordance with generally accepted accounting principles ("GAAP") and the independent certified auditors gave a clean audit opinion. Fluctuations discussed below compare FY23 and Fiscal Year 2022 ("FY22").

FY23 Summary

FY23 operated at a deficit of $8.8M due to investment in future growth and invested back in HIBS programs, and adverse economic conditions (inflation and currency):

- Invested in top-end technology and coaches to support new undergraduate curriculum.
- Increased enrollment and marketing activities to support future intake.
- Increased in-person global student rotations.
- Foreign exchange losses due GBP depreciation against the USD.

These actions contributed to deliver a negative result of $8.8M.

Statement of Financial Position

Assets - $135.3M

- Assets increase due to ASC 18 accounting principle having been applied.
- Tuition receivables increased due to the development of flexible payment plans to support the current economic conditions and the development of multi-year post graduate programs.

Liabilities - $120.7M

- Deferred revenue decreased due to a decrease in returning undergraduate students.

Positive net assets - $14.5M

HIBS has a strong financial position.

Statement of Activities

The statement of activities is a report on HIBS fiscal year profitability resulting from the operation of its educational mission.

Revenues - $145M

Revenue increased due to the increase of the level of enrolments resulting in more tuition and accommodation fees.

Expenses - $153.9M

- Increased staff headcount to grow new and current Postgraduate programs.

- Investment in new Undergraduate curriculum.
- Overall investments in student enrollment and marketing directed towards the future customer acquisition.
- Student campus costs, property, and office went up as a result of inflation.

Statement of Cash Flows

HIBS has a satisfactory and strong liquidity position.

Reference to Financial Statement Footnotes:

The footnotes contain language on accounting policies as well as other useful information at a more granular level than the face statements allow.