



Northcoders Group plc

Interim results to 30 June 2021

28 September 2021



Overview

Founded in December 2015, Northcoders provides software coding training programmes through:

- 'bootcamp' training courses
- government funded apprenticeships
- bespoke training courses
- software development solutions

Revenue is derived from:

- Individuals (consumer)
- Businesses (corporates)
- Apprenticeships (government)

The business became a direct apprenticeship provider during 2020 opening up a significant opportunity to grow government supported revenues in a growth industry

Training is delivered through a combination of online and in person tuition. The combination of online training and regional support hubs provides a flexible learning experience.

The **co-operative**
bank


Department
for Education

 AccessPay

 iVendi

ARUP


BARCLAYS

 go


Legal &
General


JAGUAR

 LAND
-ROVER

ThoughtWorks®


FOOTASYLUM

 On the
Beach

 BAE SYSTEMS

Business model - Revenue streams

B2C



Consumer Services / Bootcamps

- 12- 14 week intense coding bootcamp, online with in person tutor support
- Entry exam and pre-course support
- Course cost: £7,200 inc VAT
- 1:8 tutor to student ratio
- Job ready on completion
- Cash up front or finance options available

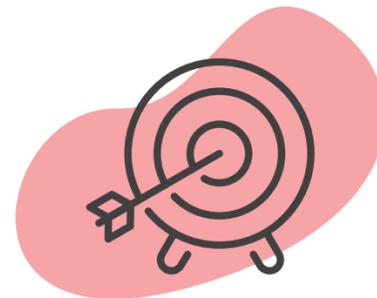
250+ hiring partners



BAE SYSTEMS



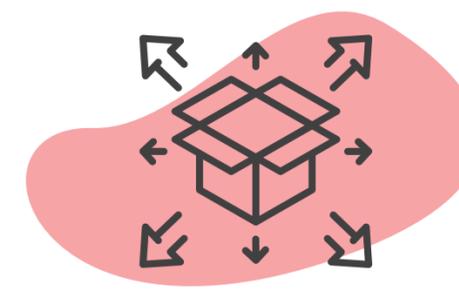
B2B



Apprenticeships

- 13 month, on the job training
- Online with in person tutor support
- Beginner and advanced apprenticeships available
- Course cost: £18,000, Government funded
- Growing market due to post COVID reskilling and government incentives
- Visible revenue and cash stream for 14 months

Apprenticeship license forms barrier to entry



Corporate Solutions

- Provides corporates with bespoke, in house training programmes
- Off the shelf masterclass training programmes
- Provides digital solutions
- Innovative teams as a service model

Wide range of industries served



ARUP

The Northcoders Team

Presentation Team



Chris Hill
Founder & Chief Executive
Officer



Charlotte Prior
Chief Financial Officer

Other Board Members



Amul Batra
Chief Operating Officer



Nick Parker
Non-Executive Director



Sandy Lindsay
Non-Executive Chair

Business Highlights

- Core hubs successfully reopened post COVID in north of England with Manchester reopening on 4 May and Leeds on 21 June
- Consumer bootcamp demand reached record levels
 - At the end of August 2021 applications were at 162% of that experienced in the full year in 2019
 - Number of corporate hiring partners continues to increase
 - Awarded a £1.65 million government-funded scholarship programme, oversubscribed within five days of launch
- Successfully launched Apprenticeship programme in January 2021 following the government's Education Skills Funding Agency accreditation
 - Apprentices enrolled on programme in the Period were ahead of management's expectations at 61 students
 - Apprenticeships span the length and breadth of the UK, driving the Group's geographic reach
 - Group is looking into new standards with potential to expand Apprenticeships offering
- Corporate Solutions generated increasing revenue, with post Period end contracts with Ove Arup and NHS Digital achieved
- Group capacity to teach students on programme, across the board, at any one time, increased by 15% vs. 2020 across all types and will increase by a further 74% in Q3

2021

H1 FY21 Financial Highlights

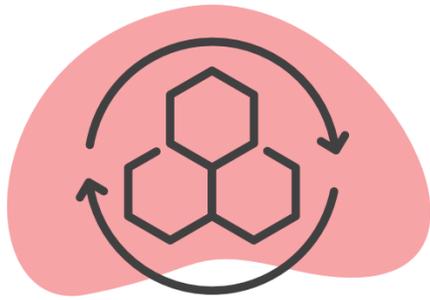
**Revenue of £1.085 million (H1 2020: £0.698 million)
Up 55%**

**Underlying EBITDA of £0.258 million (H1 2020:
breakeven)**

**Return to profitability post Covid
At £0.018 million (H12020: loss of £0.543 million)**

Post-period end IPO to raise £3.5m (before costs)

Northcoders Key Strengths



Balanced, flexible business model

Courses are delivered through a combination of classroom and online teaching

Diverse revenue streams, derived from consumer, corporate and government channels

Limited bad debt exposure



Strong market drivers

Two thirds of UK businesses plan to invest in tech training for employees*

Digital transformation accelerated by COVID, making software careers more attractive

Government funding and initiatives to support market growth



Strong brand

Reputation for excellence has resulted in over 250 hiring partners, many of which repeatedly hire a Northcoders graduate

3x the applications received than cohort places available historically

High customer satisfaction levels with excellent reviews



Market leading services

Real world coding education - over 95% graduate employment

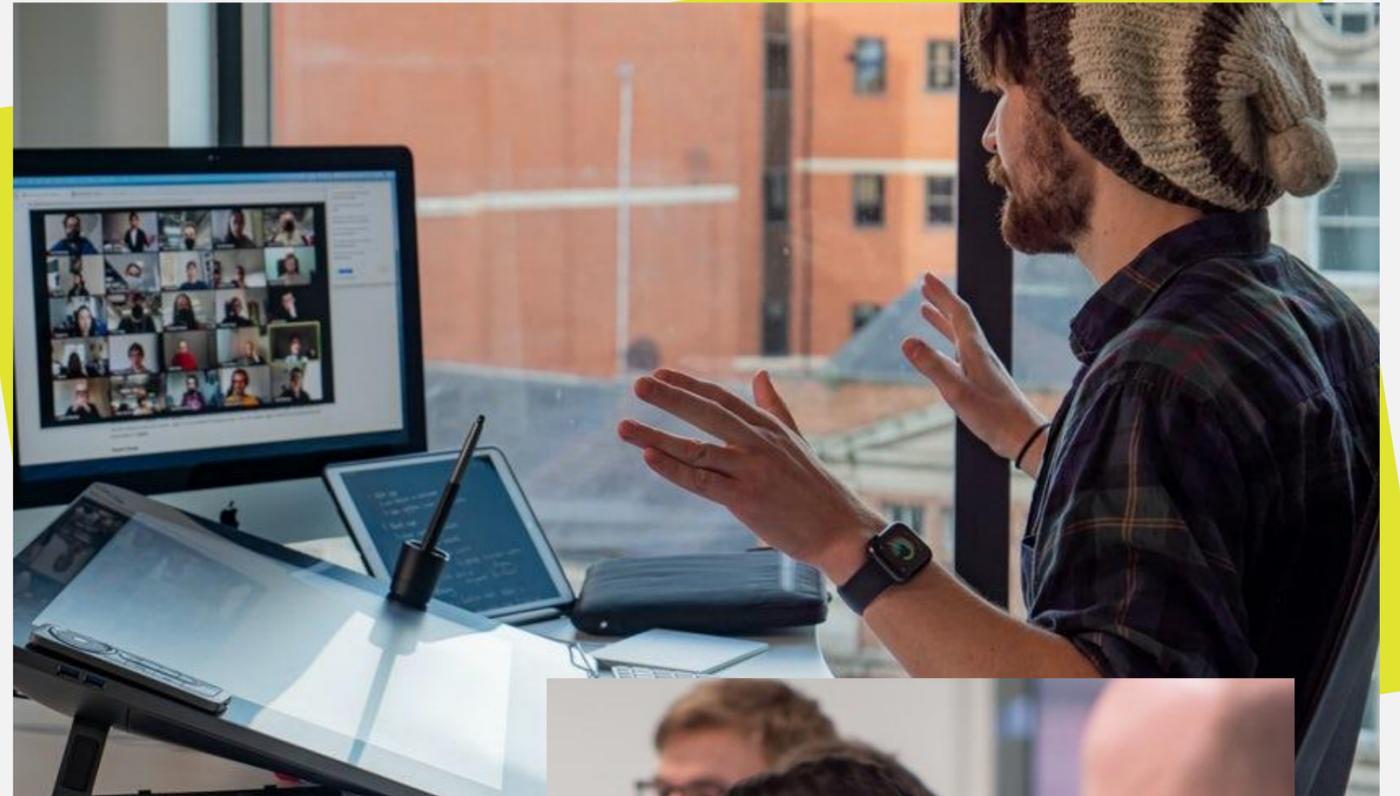
Flexible and extensive service offering - Increased accessibility through EdAid and Apprenticeships

Students 'job-ready' in 14 weeks

Established reputation in Manchester and Leeds supported by proven online offering



Financial Review



Income statement	6 months ended 30 June 2021	6 months ended 30 June 2020	Year ended 31 December 2020
	£	£	£
Revenue	1,085,646	698,860	1,341,493
Gross profit	788,418	478,642	892,175
Gross margin	73%	68%	67%
Adjusted EBITDA*	257,880	(2,541)	(255,069)
Margin	24%	-0.03%	-19%
Operating (loss)/profit	78,250	(593,890)	(1,135,044)
Profit/(loss) before tax	18,639	(638,855)	(1,245,549)
Net profit/(loss) after tax	18,372	(542,875)	(938,335)
Basic earnings per share (pence)	0.37	(10.86)	(18.77)
Adjusted earnings per share (pence)	0.47	(2.00)	(6.95)
Diluted earnings per share (pence)	0.37	(10.86)	(18.77)

* Adjusted EBITDA refers to earnings before interest, foreign exchange gains, tax, depreciation and amortisation, impairment and exceptional costs.

Statement of cash flows	6 months ended 30 June 2021	6 months ended 30 June 2020	Year ended 31 December 2020
	£	£	£
Cash flows from operating activities:	257,880	(14,249)	(282,392)
Changes in working capital:			
(Increase)/decrease in trade & other receivables	(792,216)	123,225	39,678
Increase/(decrease) in trade & other payables	748,564	(221,984)	(157,308)
Cash from/(used in) operations	214,228	(113,008)	(400,022)
Interest paid	(49,095)	(43,967)	(88,723)
Income taxes received/(paid)	57,068	24,443	24,443
Net cash (outflow)/inflow from operating activities	222,201	(132,532)	(464,302)
Net cash (used in) investing activities	(192,815)	(108,725)	(196,508)
Proceeds from new bank loans and borrowings	-	475,000	925,000
Repayments of bank loans and borrowings	(65,650)	(43,250)	(105,296)
Payment of lease obligations	(133,320)	(23,255)	(54,424)
Net cash (used in)/from financing activities	(198,970)	408,495	765,280
Net cash increase in cash	(169,852)	167,238	104,470
Cash and cash equivalents at beginning of the Period	525,671	421,201	421,201
Cash and cash equivalents at end of the Period	356,087	588,439	525,671

Statement of financial position	30 June 2021	30 June 2020	31 December 2020
	£	£	£
Non current assets	636,033	689,968	686,200
Current assets	1,714,016	982,370	1,116,219
Total assets	2,350,049	1,672,338	1,802,419
Current Liabilities	(1,699,701)	(736,180)	(1,028,263)
Net current assets/(liabilities)	14,315	246,191	87,956
Non current Liabilities	(1,165,209)	(1,078,975)	(1,312,431)
Total liabilities	(2,864,910)	(1,815,155)	(2,340,694)
Net assets/(liabilities)	(514,861)	(142,817)	(538,275)
EQUITY			
Share capital	50,000	-	-
Merger reserve	500	187,591	187,591
Other reserve	(50,000)	-	-
Retained earnings	(515,361)	(330,408)	(725,866)
Total equity	(514,861)	(142,817)	(538,275)



Business Overview & Growth opportunities



Business Credentials

A leading Coding School for Graduate Outcomes

Quality Applicants

Challenging entry test and pre course support

Tried. Tested. Proven.

Having trained **800+** students, we know our craft!

Inclusivity

Growing percentage of women and people from diverse backgrounds

Consumer feedback

High consumer feedback ratings

Employability

Approximately **95%+** of graduates find employment within 44 days of completing a Northcoders' training course

Renowned

Quality of graduates leads to repeat business from hiring partners



Digital & Tech Company
of the Year 2019
Northcoders



Northcoders operates in a growing market

Growing **shortage of coding skills** increasingly apparent

Digital transformation a high priority

Need for coding skills permeating **many sectors** and not only the technology sector

COVID has brought about **structural shifts** in the economy:

- *Consumer:* **Increased B2C revenue** to meet increasing demand for digital skills
- *Corporate:* **B2B revenue increasing** as companies reskill and upskill their employees
- *Government:* **Apprenticeship growth** due to funding and promoting apprenticeship and retraining

“Two thirds of UK businesses plan to invest in tech training for employees”

City AM, Jan 2021

Northcoders Growth Plan

Platform to exploit increasing demand and achieve significant growth

Roll-out of further regional hubs supported by a scalable hybrid delivery model.



WIRED

Ability to deliver a variety of opportunities increased through investment (not included in model)



Objective to be nationwide provider with 'go-to' reputation

2016
Manchester

2019
Leeds

2021
Birmingham

2022
Liverpool & Newcastle

2023
Sheffield

Competitive Landscape

**Fragmented
market**

**Opportunity for
selective acquisitions**

**Coding
Bootcamps**

**“Brick & Mortar”
Universities**

**Large
Apprenticeship
Providers & Colleges**

**Small Specialist
Digital Apprenticeship
providers**

Further Growth Opportunities...

Corporate Solutions Division

- Bespoke Software Engineering for Corporates
- Building Coding Teams “as a service”

And in the longer term.....

- Skills for all - Coding Lessons and “Platform As A Service” to the education sector
- Nationwide network

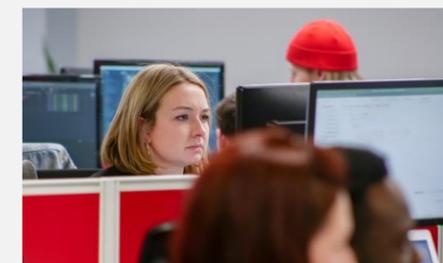


Summary & Outlook

- Group continues to progress IPO strategy of expanding geographic reach
 - Applications expected to accelerate as a result of increased marketing spend post-IPO
 - Q3 FY 2021 trading continues at record levels and as of 20 September 2021 contracted bookings stood at £2.871 million, approximately 96% of the target revenue for FY 2021, giving the Group confidence in delivering FY 2021 results in line with expectations
 - Northcoders intends to make further investment into its apprenticeship offering with the aim of launching new products in Q1 2022.
 - The Group is currently exploring further financing mechanisms to increase accessibility
-



Thank You...
Any Questions?



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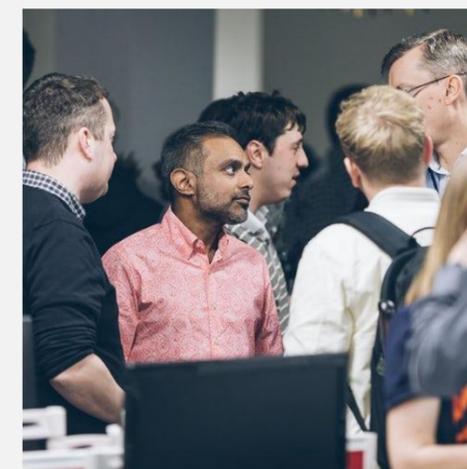
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Appendix I: Team Biographies



Directors & Advisers



Chris Hill – A Founder & Chief Executive Officer

Chris founded Northcoders in 2016 after experiencing first-hand the challenges businesses have in hiring competent, work-ready software engineers in his previous role at Sky.

Prior to Northcoders, Chris was a software developer working for companies of various sizes and across various business sectors. Chris' commercial experience in software development helps to shape the Northcoders' curriculum and to understand the high level requirements of Northcoders' most innovative programmes.



Amul Batra – Chief Operating Officer

Prior to joining Northcoders as Director in 2018, Amul spent 20 years in the music industry, latterly as managing director of Fwinki Music, a music management and consultancy company. He left music to set up a tech start-up and elected to sign up to Northcoders' first-ever cohort as part of that process.

During his time as a student on Cohort One, Amul was attracted by the wider Northcoders business proposition and became an early investor in Northcoders. He is responsible for critical account business development and has played a vital role in securing many of Northcoders contracts with businesses.



Charlotte Prior – Chief Financial Officer

Charlotte joined Northcoders in August 2018. She has over 8 years' experience in finance roles ranging from the construction industry to a registered charity. Charlotte is responsible for managing the financial affairs of the Group. She also ensures that management and the board have all of the information that they need to plan and make informed, managerial, and strategic decisions.



Amy Wild – Chief Commercial Officer

Amy has over 17 years of leadership experience in the corporate teams of both SMEs and large corporates. Amy completed an academic year delivering the sales and marketing module on the chartered management degree course at Manchester Metropolitan University. Her commercial experience at director level combined with her educational background fits Northcoders proposition. Amy leads the development and execution of all commercial strategies and manages the sales, partnerships and marketing teams.



Nick Parker – Non-Executive Director

Nick, a qualified chartered accountant, is an experienced public company director with strong financial acumen obtained over 30 years working with public and private companies. Previous roles have included being chief executive officer of Sheffield Wednesday Football Club plc and Chief Financial Officer of Dyson Group plc and Wandisco plc, the latter of which he took to IPO in 2011. Nick has been working with Northcoders for the last year and will be appointed a Non-Executive Director of the Company on Admission.



Sandy Lindsay MBE – Non-Executive Chair

Awarded an MBE in 2015 for services to business and young people, Sandy is the founder and chair of Tangerine, one of the UK's leading communications agencies, working with some of the world's leading brands, including Ideal Standard, Vimto, Garmin and Pizza Hut.

In 2012 Sandy established a multi award-winning apprentices' academy, The Juice Academy, to help plug the digital skills gap in the North West and has so far created almost 300 digital marketing jobs for young people in the North West.

Sandy is on the Business Leadership Council for Teach First and Vice Chair for Forever Manchester.

Senior Management Team



Ruth Ng
– Head of Northcoders
Apprenticeships

After a sales career in the tech recruitment industry, Ruth joined Northcoders in early 2017. Ruth has been central to Northcoders' marketing execution and student onboarding strategy. Ruth recently took over the running of the Apprenticeships division.

Ruth is recognised on the Northern Power Women Future List for her commitment and contribution to closing the so-called "Digital Skills Gap" by accelerating gender parity and diversity in the tech industry, and holds a CMI Level 5 Diploma in Business and Management.



Sam Caine
– Dev Team Leader

Sam joined as a tutor/lecturer in May 2017. As Northcoders has grown, Sam has been responsible for the delivery team and has overseen all large projects to date, including the planning, inception and delivery of Northcoders' bespoke training mode and pathways, and the launch of the Leeds hub. He has also been responsible for designing and implementing many of Northcoders' internal software systems.



Jonny Rathbone
– Dev Team Leader

Before Northcoders, Jonny worked as a teacher with several years' experience across Manchester supporting young people with additional needs. He joined Northcoders to pursue a long-standing interest in coding and has continued to work with schools and colleges to support their technology provision. Whilst at Northcoders, Jonny has supported the expansion of the curriculum to include higher level training and helped consolidate Northcoders' commitment to high quality teaching.



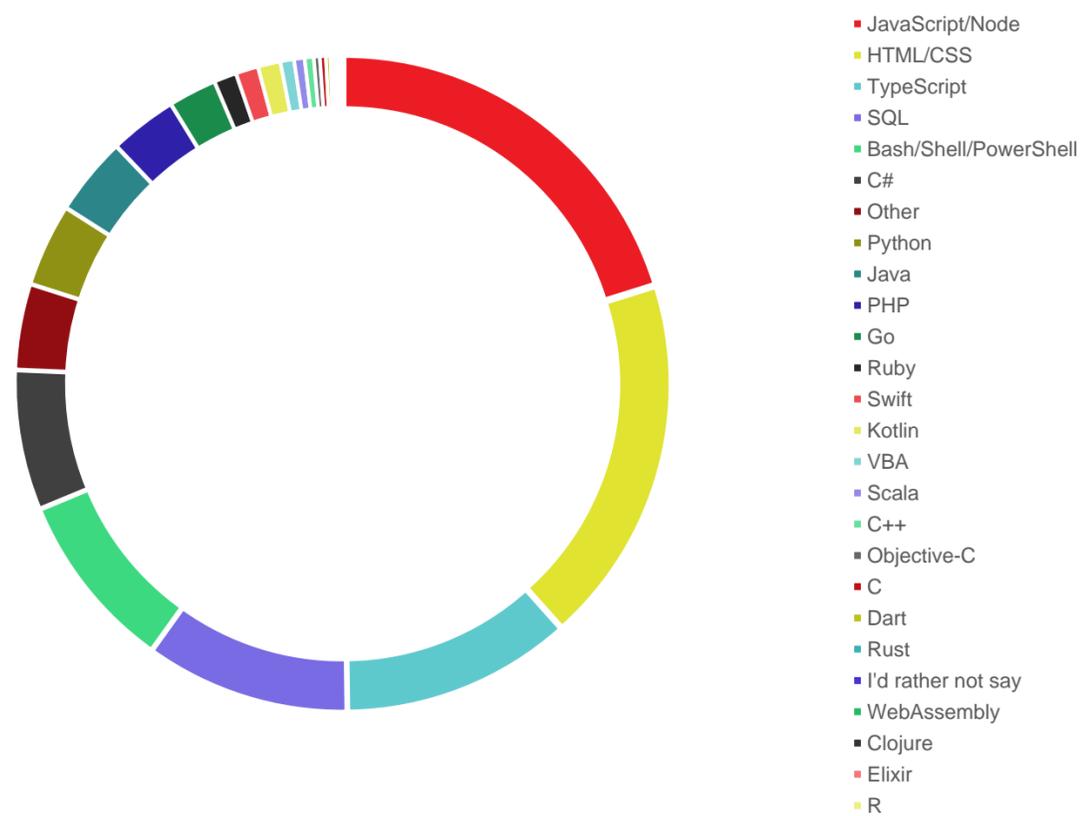
Meet the
whole team [here.](#)

Graduate Data Analysis

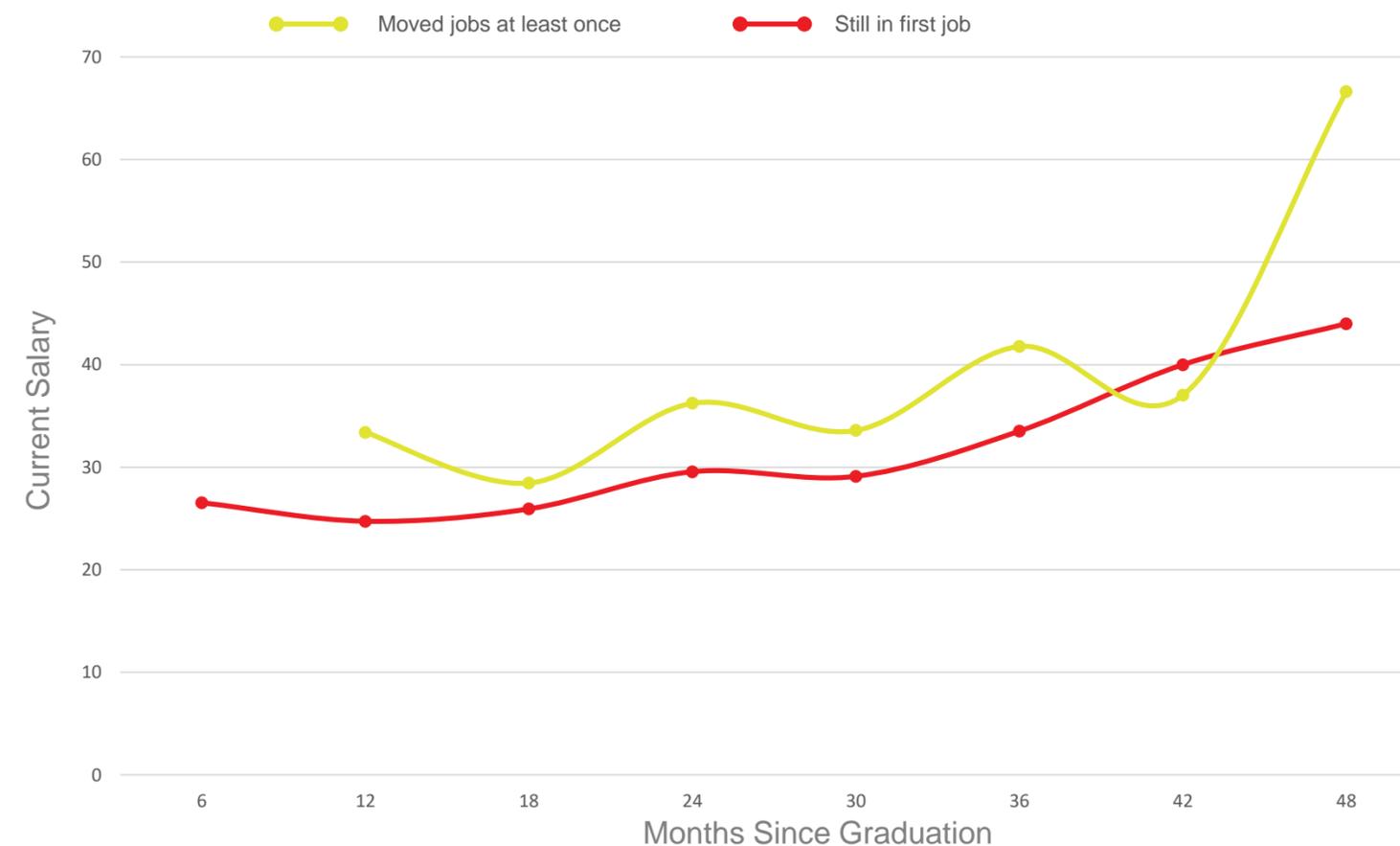
A survey of Northcoders' graduates was conducted in Sep 2020.

Over 300 Northcoders responded providing feedback on their industry. This showed:

Coding Language



Graduate Salary



Testimonials



Abi Hart
Head of talent acquisition

“The quality of teaching, standards and the level of technical knowledge at Northcoders is fantastic.”



Krishan Tanna
Finance Executive to Software
Engineer, BJSS

“Simply put - the best learning experience I have had”



Tia Eastwood
Call Centre Worker to Software Developer at
Aire Logic

“it was reassuring to have the careers team there for support”



Jodi Dublon

Entrepreneur and Mobile App Developer

“The tuition and support was excellent despite my in-person course being remote during lockdown.”

Northcoders' Transformation

2019:

Profitable & Cash generative
despite:

Large training
facilities

Labour intensive
sales and marketing
processes

Digital transformation not
always top priority

2020 Transformation

Hybrid model

Online lead
generation

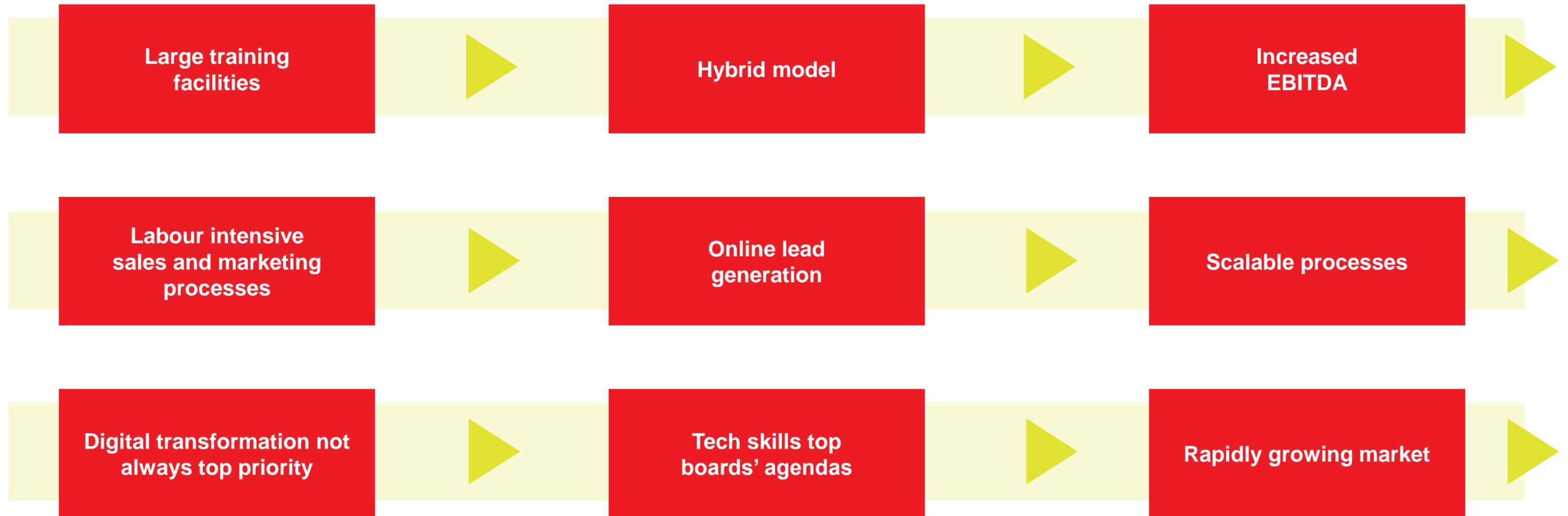
Tech skills top
boards' agendas

2021 Benefit

Increased
EBITDA

Scalable processes

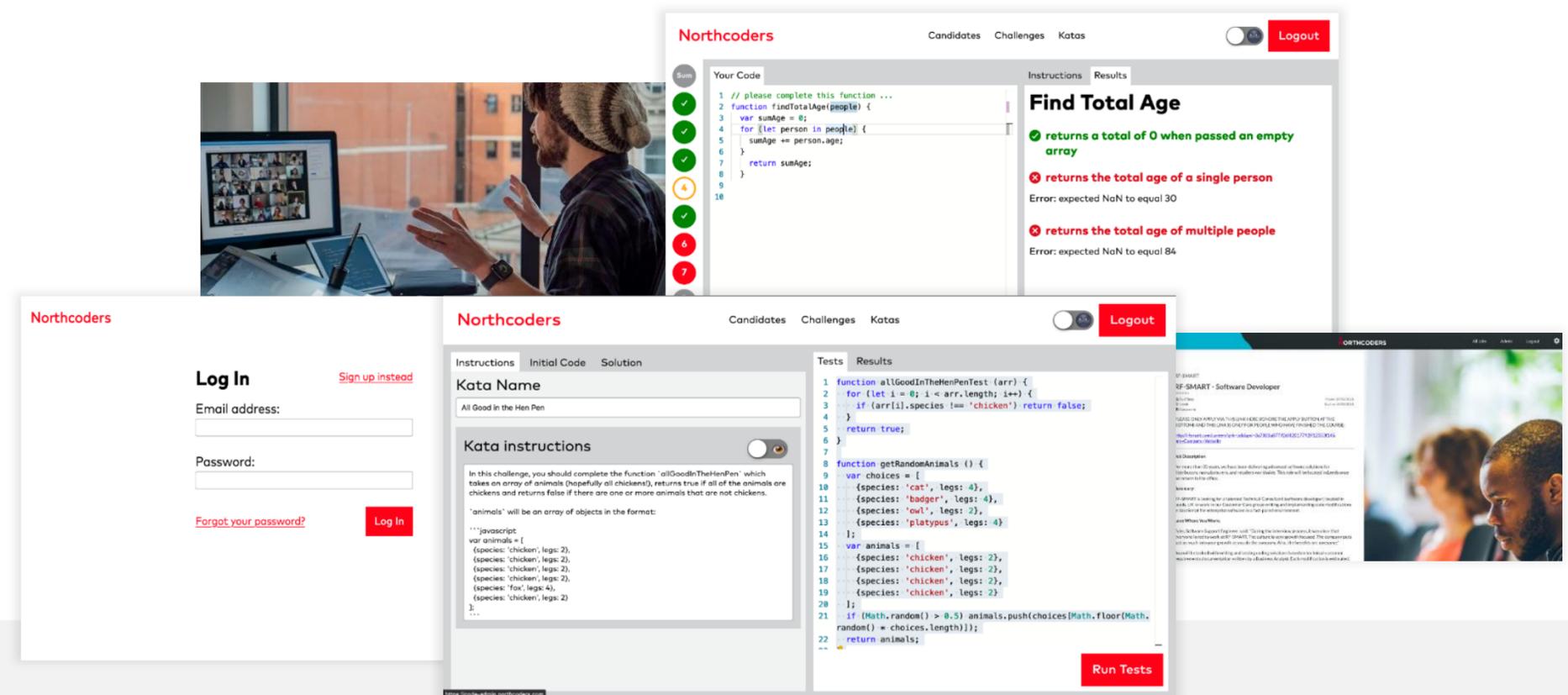
Rapidly growing market



TechEd - Powered by IP rich EdTech

Tech is developed end-to-end by in-house development team, including:

- a scalable cloud-based learn to code platform for beginners;
- an internal job advertisement board for its graduates;
- a helpdesk system for training course attendees; and
- a cloud-based automated "code-runner" to assist the coaching team in marking coding assignments.



Our internal technology platforms act as a shop front for corporate contracts and make Northcoders subject matter experts

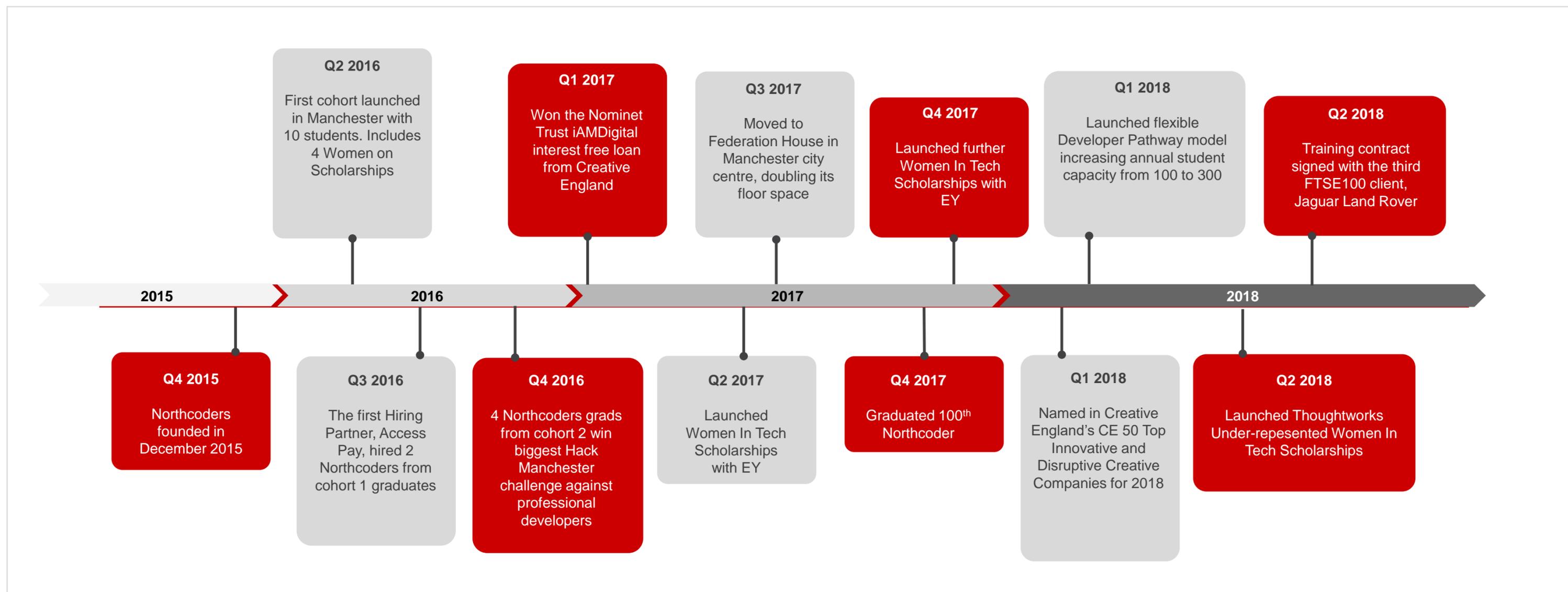


Appendix III: Northcoders History



Northcoders' History

Founded in December 2015, the Company has developed an excellent reputation in the market, both with employers and students. Additional funding at this time will enable Northcoders to accelerate its growth and strengthen its market position. Key events in the Company's corporate development are plotted on the timeline below.



Northcoders' History continued....

