

29 April 2026

Northcoders Group PLC
(‘Northcoders’, the ‘Group’ or the ‘Company’)

Final Results

Northcoders (AIM: CODE), a market leader in technology training and services in the UK, announces its Final Results for the year ended 31 December 2025 (‘FY25’ or the ‘Period’).

FY25 Financial Highlights

- As anticipated, Group revenue decreased to £4.9 million (FY24: £8.8 million) as a result of Northcoders’ strategic reset in response to structural changes in UK government skills funding
- Adjusted EBITDA* of £(0.6) million (FY24: £1.0 million), reflecting a short-term lag between restructuring actions and the full realisation of associated cost savings as the Group resets its cost base
- Robust cash balance of £1.6 million as at 31 December 2025 (FY24: £1.2 million), ready to support the evolved business
- Delivered approximately £2.1 million of annualised cost savings
- Secured a new £1.5 million debt facility with NatWest on improved terms, providing flexible capital

FY25 Operational Highlights

- Significant progress within the Group’s consultancy division, Counter®, increasing revenue by 77% to £1.5 million (FY24: £0.8 million) driven by repeat contracts, extensions to current engagements and new client wins
 - The division continues to mature, winning private and public sector contracts with frameworks, such as G-Cloud, strengthening routes to market across both public and private sectors
- Secured highly competitive government-funded B2C training contracts, including with the Greater London Authority (‘GLA’) reflecting Northcoders’ reputation as one of the highest quality training providers
 - GLA further extended the Northcoders contract at the end of FY25
- Achieved an ‘Outstanding’ Ofsted rating across all areas, reinforcing Northcoders’ position as a leading UK further education provider
- Northcoders continued to evolve its training modules, successfully launching a Data Engineering, AI and Machine Learning bootcamp, in response to rapidly growing employer demand for AI capability

Current Trading and Outlook

- Building on positive momentum in 2025 the Group has made a strong start to FY26, with Counter® continuing to benefit from increasing levels of repeat contracts and extensions to existing engagements, improving revenue predictability
 - Approximately £1.5 million of Counter® revenue contracted, to be recognised in 2026 with a further £1.0 million+ pipeline deals at final stage
- The Group has over £4.0 million of pipeline deals at multiple stages with actively engaged prospects, covering both current and new clients, providing further confidence
- In Q1, Counter has gained multiple ISO accreditations (ISO 9001, 14001, 27001), which, in parallel with the recently awarded places on government frameworks gives the brand

significant competitive advantage and credibility, especially within the public sector, critical infrastructure and financial services.

- The B2C training bootcamps division continues to see strong demand across both government-funded and privately funded pathways, particularly in London, where application levels remain high,
- Early delivery of the Group's Data Engineering, AI and Machine Learning programmes has been encouraging, supporting diversification into higher-value training aligned with employer demand.

*Adjusted EBITDA definition – see note 6

Commenting on the Final Results, Chris Hill, CEO of Northcoders, said: “I am proud of Northcoders’ swift and decisive response to the changes in UK government funding for digital skills, and our efforts to fundamentally reshape the business by focusing on B2B consultancy revenue whilst significantly reducing the cost base, have positioned us strongly for the future. These actions were taken with a clear focus on protecting long-term shareholder value and positioning the Group for future growth.”

“Our B2B division, Counter®, has continued to build momentum, supported by repeat contracts, extensions and new client wins. Our B2C training bootcamps division remains a critical engine for talent and demand generation, particularly in key regions such as London. At the same time, we have aligned our curriculum with the fastest-growing areas of employer demand, including data, AI and cloud technologies.”

“Whilst market conditions remain mixed in the near term, the long-term requirement for technology skills and services is significant and we are entering FY26 as a leaner, more focused and resilient business. With a strengthened pipeline, improved visibility and a clearer strategic direction, the Board remains confident in Northcoders’ ability to deliver sustainable growth and long-term value for shareholders.”

Analyst meeting & Investor Meet Company Presentation

The Company will host a live presentation to discuss the results via Investor Meet Company at 12:00pm today.

Investors can sign up to Investor Meet Company for free and add to meet Northcoders Group plc via: <https://www.investormeetcompany.com/northcoders-group-plc/register-investor>

- Ends -

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Notes to Editors

Founded in 2015, Northcoders is a market leading provider of technology training and technology consultancy services for businesses and individuals with courses in Software Engineering, Data Engineering, AI and Machine Learning, and Platform Engineering. The Group's business model operates a hybrid structure with flagship sites in Manchester and London supported by a proven digital offering to support its students across the UK.

Powered by IP rich technology, Northcoders offers bootcamp courses to individuals from a range of backgrounds, delivered through virtual and physical learning. The Group also works with blue chip corporates across multiple sectors to help them to achieve their digital requirements, with teams as a service and to supply innovative solutions for the upskilling and reskilling of employees. With a keen focus of inclusivity, diversity and quality at its core, Northcoders aims to address the digital skills gap in the UK to meet the increasing demand for digital specialists at all levels, from businesses and public agencies.

Northcoders was admitted to trading on AIM in July 2021 with the ticker CODE.L, for additional information please visit investors.northcodersgroup.com.

CHAIR'S STATEMENT

Introduction

Despite the challenges in FY25 in the wider skills sector, I am proud of the swift and decisive actions taken by Northcoders. Structural changes to the UK Government's funding system through the Department for Education (DfE), including a move towards regional funding, significantly reduced the number of B2C funded learners across the market at a time when our B2B consultancy business was still nascent. However, both the strong progress of the B2B business and the B2C divisions' high profile mandate wins such as the Greater London Authority (GLA) demonstrate the credibility and quality of Northcoders reputation in the integral technology training market.

The Board prioritised the core of the business; we acted with discipline to resize the cost base, maintain strong gross margins and preserve cash, while ensuring the quality of our delivery remained high.

Our focus has been positioning the Group for sustainable long-term growth whilst continuing to accelerate the success of Counter^o, our B2B challenger consultancy brand.

Group revenue for FY25 was £4.9 million (FY24: £8.8 million) as a result of a reduction in funded learners in our B2C division. Despite this reduction, we maintained robust gross margins through careful direct cost control and a deliberate shift away from volume-led delivery models adopted elsewhere in the sector, gross margin decreased by 8% year-on-year, driven primarily by a shift in sales mix and an increased contribution from Counter^o, which operates at structurally lower margins. We have remained focused on quality, outcomes and employer alignment rather than pursuing growth at any cost. As at 31 December 2025, the Group had a strong balance sheet with cash of £1.6 million and no EBITDA or cash coverage covenants on its loan facilities.

This performance was delivered amid macroeconomic uncertainty, including geopolitical tensions, elevated oil prices and persistent inflation. The Group maintained tight cost control and operational discipline to manage cost pressures and protect margins. The Board considers the balance sheet to be robust and continues to apply prudent cash management in light of ongoing market uncertainty.

Protecting quality and strengthening routes to market

While government-funded volumes reduced across the sector due to the changes in funding system, the highly competitive B2C contract wins in Lancashire and with the Greater London Authority were highlights of the year. These contracts were achieved at expected seat prices and milestone allocations, reflecting the strength of our delivery model and our reputation for high-quality outcomes.

Demand in London has been particularly encouraging, with application levels significantly exceeding available seats, and a second grant has already been awarded, providing improved visibility into H1 2026.

Alongside government-funded delivery, we generated approximately £0.4 million in private B2C training revenue during the year.

This represents early but important progress in diversifying beyond reliance on government-backed programmes. The initial response to our Next Gen Data and AI training has been positive and aligns closely with employer demand for advanced digital and AI capability.

Our mission remains clear; to create life-changing opportunities through high-quality technology education and to help address the UK's digital skills gap. Even in a constrained funding environment, we continue to see strong underlying demand from individuals seeking careers in technology and from employers requiring modern digital skills.

Growth in Counter[®] and diversification

A key highlight of FY25 was the continued momentum within Counter[®], our B2B challenger consultancy brand. Counter[®] increased revenue by 77% to £1.5 million (FY24: £0.8 million), with total sales of approximately £2.5 million.

Around £1.0 million of contracted revenue has rolled into FY26, providing valuable visibility, particularly for the first half of the year. Counter[®] continues to strengthen its routes to market, including through the G-Cloud framework and other established public-sector procurement channels. This positions the Group to support both public and private sector clients with employer-aligned digital delivery, consultancy and capability building. The diversification of revenue through Counter[®] is central to our long-term strategy. By increasing revenues in consultancy services and high-quality training to fuel this pipeline, we are building a more resilient Group, with less exposure to short-term policy shifts and funding cycles.

Operational discipline and restructuring

During the year, we implemented restructuring and efficiency initiatives projected to deliver approximately £2.1 million in annualised savings. These actions were taken swiftly to align the cost structure with current market conditions, while retaining essential delivery capability and protecting the student and client experience.

Our people

I would like to thank our employees for their professionalism, adaptability and commitment throughout a demanding year. They have responded to significant change with resilience and focus, maintaining high standards of delivery for both learners and corporate clients. Their dedication has been instrumental in preserving the Group's reputation and positioning us for the future.

Outlook and summary

FY26 has started well, and we have seen strong demand across both funded and private pathways, particularly in London, where application volumes continue to exceed available capacity. Counter[®] has maintained positive momentum, with a healthy pipeline and continued conversion across both public and private sector clients. Initial delivery of our expanded data and AI offering has also been well received, reinforcing alignment with current employer demand. While it remains early in the year, with a simplified cost base, resilient gross margins, visible funding in key regions and a growing B2B pipeline, the Board believes Northcoders is well placed to grow sustainably as market conditions stabilise.

That said, external conditions in government-funded skills programmes remain uncertain in the short term. Therefore, we will continue to adopt a cautious and disciplined approach, with a clear focus on cash management, margin protection and delivery quality. The UK's increasing emphasis on technology capability, particularly in AI and data, presents a significant long-term opportunity.

The Board would like to thank our shareholders for their continued support during a period of transition for both the Group and the wider sector. Their backing has enabled us to take decisive action, protect the core business and invest in areas of long-term growth. We remain committed to delivering sustainable value as the business continues to evolve.

Angela Williams
Non-Executive Chair
28 April 2026

CHIEF EXECUTIVE OFFICER'S REVIEW

Introduction

FY25 was a year defined by structural change across the UK skills landscape, yet it will be remembered for Northcoders' ability to respond to shifting market conditions. The Labour Government's decision to move from a national funding model to a fully regionalised structure, alongside revised allocation mechanisms, materially reduced funded learner volumes across the sector. Whilst Northcoders had already begun diversifying revenues, we accelerated plans in response as well as reducing the cost base to align with the new market conditions.

Our focus throughout the year has been clear: protect gross margin, preserve cash, maintain delivery quality and accelerate diversification, particularly through Counter[®], our B2B consultancy brand. While revenue fell year-on-year, the business has proven resilient. We have resized the cost base, strengthened the cash balance and positioned Northcoders to grow sustainably as our B2B business builds, regional funding beds in and market conditions stabilise.

Operational review

The confirmation that the DfE national Skills Bootcamp contract would not be extended beyond its initial 18-month term marked a significant inflection point and the shift to a regional funding model required rapid adaptation and a more selective, commercially disciplined approach to publicly funded delivery.

As a result, our approach to government funding has evolved and we will deploy funded bootcamps only where they strategically support Counter[®] growth and long-term commercial returns. For example, we believe the opportunity in London is significant and we are focusing our efforts to further build Northcoders' presence in the capital. This disciplined alignment between B2C training and B2B consultancy strengthens our overall model, reduces reliance on volume-based funding and is proving successful.

During the year, Northcoders also underwent its first full Ofsted inspection and was awarded the highest possible rating of 'Outstanding' across all areas. This places us among the top tier of UK further education providers.

The report recognised our ambitious, industry-informed curriculum and exceptional learner support.

At a time of sector disruption, this external validation of quality is particularly significant. Diversifying revenue and expanding into AI are core priorities in FY25. A key step has been reducing dependency on government-funded delivery by launching a new 14-week AI and Machine Learning bootcamp, commencing in June 2025. Since its launch, we have graduated three cohorts who have gone on to secure employment in the Data & AI field. The curriculum integrates Data Engineering, Machine Learning, Cloud Technologies and the engineering principles underpinning AI language models. Demand for AI capability continues to grow rapidly across employers and this course positions Northcoders firmly within one of the most strategically important areas of UK technology skills development. Northcoders remains committed to demand-led, high-calibre, industry-aligned training. We continue to champion diversity within technology, ensuring access for individuals from non-traditional backgrounds while maintaining strong employment outcomes.

Counter^o: momentum and market opportunity

Counter^o has been a standout performer in FY25, with revenue up 77% year-on-year.

We secured repeat and extended engagements with key clients. These repeat contracts validate our differentiated model: deploying advanced engineers from our alumni and Tech Returners networks into embedded consultancy teams, with the option for clients to convert consultants into permanent hires. This model delivers immediate capability alongside long-term talent solutions. As we expand Counter^o geographically, particularly into London, we are investing in commercial leadership to support this next stage of growth. Our pricing model allows us to compete with nearshore and offshore alternatives while delivering higher-quality, UK-based expertise.

The pipeline remains strong, with growing traction across public-sector frameworks, including G-Cloud. Approximately £1.0 million of contracted Counter^o revenue has rolled into FY26, improving near-term visibility.

Financial review

Financial discipline and focus on retaining a strong balance sheet in parallel with operational repositioning, ensuring the Group's financial foundations remain resilient.

We agreed a £1.5 million facility with NatWest on materially improved terms, refinancing the previous 11% APR growth loan with a facility priced at an average of 3% above the Bank of England base rate. These facilities are secured against the Group's internal IP and provide flexibility to scale as we diversify revenue streams.

Despite reduced funding volumes, our online-first delivery model continues to focus on quality and scalability, with an emphasis on cost control. Headcount has been carefully aligned with revenue, with future growth expected to be weighted towards Counter^o as consultancy momentum continues.

During the year, we implemented restructuring and efficiency initiatives projected to deliver approximately £2.1 million in annualised savings relative to FY24. These actions ensure the cost base is aligned with current trading levels while retaining essential delivery capability. Revenue for the year stood at £4.9 million, down from £8.8 million in 2024. Despite the drop in revenue, the gross profit margin remained strong at 59%.

Adjusted EBITDA for the period was £(0.6) million and the loss before tax reported was £(2.9) million, due to a write-down of internal assets no longer retained following the change in the core business model. Basic EPS for the year was (-.37.80) pence and adjusted EPS was (-15.89) pence.

Outlook

FY25 was a year of reset and repositioning. We have moved from a predominantly volume-led, government-funded training model to a more balanced structure built on:

- Regional funding aligned to strategic priorities
- Growing privately funded B2C revenue
- A scaling B2B consultancy division

- Gross margin discipline
- A significantly reduced cost base

While near-term visibility in government-funded skills programmes remains subject to regional implementation timelines, we enter FY26 with improved clarity, contracted Counter® revenue with an active pipeline, and a strong balance sheet.

The UK's long-term need for software engineering, data capability, AI expertise and secure digital infrastructure has not diminished. If anything, it has intensified. Northcoders remains committed to delivering exceptional training and employer-aligned solutions across these critical disciplines.

FY25 required decisive leadership and difficult decisions. We acted swiftly and deliberately. As a result, Northcoders is leaner, more diversified and better positioned to build sustainable, profitable growth as market conditions stabilise.

Chris Hill
Founder and Chief Executive Officer
28 April 2026

The Directors have used adjusted EBITDA as an Alternative Performance Measure (APM) in the preparation of these financial statements. EBITDA represents earnings before interest, tax, depreciation and amortisation. The adjusted element removes non-recurring items which are not relevant to the underlying performance and cash generation of the business; in 2025 this comprised of share-based payment expenses.

1) *This amount is not recognised on the balance sheet, as it relates to contracted income that has not yet been received.*

**GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Notes	2025 £	2024 £
Revenue	4	4,949,641	8,819,083
Cost of sales		(2,026,348)	(2,916,871)
Gross profit		2,923,293	5,902,212
Other operating income		12,998	1,000
Expenditure		(3,541,735)	(4,922,462)
Adjusted EBITDA		(605,444)	980,750
Depreciation		(131,670)	(131,838)
Amortisation and non-exceptional impairment		(370,173)	(265,716)
Share-based payments		(54,958)	(138,446)
Total administrative expenses		(4,098,536)	(5,458,462)
Non-recurring items	5	(1,700,557)	-
Operating (loss)/profit	7	(2,862,802)	444,750
Investment revenues		33,422	29,957
Finance costs		(120,268)	(85,843)
(Loss)/profit before taxation		(2,949,648)	388,864
Income tax expense		(78,913)	(9)
(Loss)/profit for the year		(3,028,561)	388,855
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Tax adjustment on share-based payments		(15,606)	(32,746)
Total items that will not be reclassified to profit or loss		(15,606)	(32,746)
Total other comprehensive income for the year		(15,606)	(32,746)
Total comprehensive income for the year		(3,044,167)	356,109

Loss for the financial year is all attributable to the owners of the parent company.

Total comprehensive loss for the year is all attributable to the owners of the parent company.

GROUP STATEMENT OF COMPROHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 £	2024 £
Earnings per share			
Basic (pence/share)		(37.80)	4.85
Diluted (pence/share)		(37.80)	4.85
Adjusted (pence/share)		(15.89)	6.58

**GROUP STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025**

	Notes	2025 £	2024 £
Non-current assets			
Goodwill		1,310,086	1,310,086
Intangible assets		252,260	2,054,942
Property, plant and equipment		30,263	222,149
Deferred tax asset		-	127,807
		<u>1,592,609</u>	<u>3,714,984</u>
Current assets			
Contract assets		151,426	1,624,485
Trade and other receivables		726,964	456,363
Current tax recoverable		4,900	4,900
Cash and cash equivalents		1,624,401	1,185,780
		<u>2,507,691</u>	<u>3,271,528</u>
Current liabilities			
Trade and other payables		518,083	978,219
Contract liabilities		56,463	73,557
Borrowings		397,551	258,276
Lease liabilities		-	47,583
		<u>972,097</u>	<u>1,357,635</u>
Net current assets		<u>1,535,594</u>	<u>1,913,893</u>
Non-current liabilities			
Borrowings		805,238	216,859
Lease liabilities		-	99,844
		<u>805,238</u>	<u>316,703</u>
Net assets		<u>2,322,965</u>	<u>5,312,174</u>
Equity			
Called up share capital		80,115	80,115
Share premium account		4,801,444	4,801,444
Share option reserve		334,235	371,663
Merger reserve		500	500
Other reserve		946,774	946,774
Retained earnings		(3,840,103)	(888,322)
Total equity		<u>2,322,965</u>	<u>5,312,174</u>

The notes on pages 8 to 41 form part of these group financial statements.

The financial statements were approved by the board of directors and authorised for issue on 28 April 2026 and are signed on its behalf by:

Mr CD Hill

Director

Company registration number 13378742 (England and Wales)

**GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Share capital	Share premium account	Other reserves	Share option reserve	Merger reserve	Retained earnings	Total
	£	£	£	£	£	£	£
Balance at 1 January 2024	80,115	4,801,444	946,774	401,714	500	(1,412,928)	4,817,619
Year ended 31 December 2024:							
Profit	-	-	-	-	-	388,855	388,855
Other comprehensive income:							
Deferred tax on share-based payment transactions	-	-	-	-	-	(32,746)	(32,746)
Total comprehensive income	-	-	-	-	-	356,109	356,109
Transactions with owners:							
Share options expense	-	-	-	138,446	-	-	138,446
Cancellation of share options	-	-	-	(168,497)	-	168,497	-
Balance at 31 December 2024	80,115	4,801,444	946,774	371,663	500	(888,322)	5,312,174
Year ended 31 December 2025:							
Profit	-	-	-	-	-	(3,028,561)	(3,028,561)
Other comprehensive income:							
Deferred tax on share-based payment transactions	-	-	-	-	-	(15,606)	(15,606)
Total comprehensive income	-	-	-	-	-	(3,044,167)	(3,044,167)
Transactions with owners:							
Share options expense	-	-	-	54,958	-	-	54,958
Cancellation of share options	-	-	-	(92,386)	-	92,386	-
Balance at 31 December 2025	80,115	4,801,444	946,774	334,235	500	(3,840,103)	2,322,965

**GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025**

	2025		2024	
	£	£	£	£
(Loss)/profit for the year after tax		(3,028,561)		388,855
Adjustments for:				
Taxation charged/(credited)		78,913		9
Finance costs		120,268		85,843
Investment income		(33,422)		(29,957)
Loss on disposal of property, plant and equipment		(29,732)		(246)
Amortisation and impairment of intangible assets		1,887,439		263,842
Depreciation of property, plant and equipment		131,670		131,838
Equity settled share based payment expense		54,958		138,446
Movement in provisions		-		-
		<hr/>		<hr/>
		(818,467)		978,630
Movements in working capital:				
Decrease/(increase) in contract assets		1,473,059		(226,467)
(Increase)/decrease in trade and other receivables		(270,601)		215,361
Decrease in contract liabilities		(17,094)		(132,943)
(Decrease)/increase in trade and other payables		(460,136)		109,014
		<hr/>		<hr/>
Cash (absorbed by)/generated from operations		(93,239)		943,595
Income taxes refunded		33,288		32,383
		<hr/>		<hr/>
Net cash (outflow)/inflow from operating activities		(59,951)		975,978
Investing activities				
Purchase of intangible assets	(84,757)		(571,384)	
Purchase of property, plant and equipment	(2,647)		(38,411)	
Proceeds from disposal of property, plant and equipment	9,252		1,656	
Payment of deferred consideration	-		(240,902)	
Interest received	33,422		29,957	
		<hr/>		<hr/>
Net cash used in investing activities		(44,730)		(819,084)
Financing activities				
Repayment of borrowings	(750,925)		(292,520)	
Proceeds from new bank loans	1,466,400		-	
Payment of lease liabilities	(64,084)		(218,755)	
Interest paid	(108,089)		(77,011)	
		<hr/>		<hr/>
Net cash generated from/(used in) financing activities		543,302		(588,286)
		<hr/>		<hr/>
Net increase/(decrease) in cash and cash equivalents		438,621		(431,392)
Cash and cash equivalents at beginning of year		1,185,780		1,617,172
		<hr/>		<hr/>
Cash and cash equivalents at end of year		1,624,401		1,185,780
		<hr/> <hr/>		<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1 General Information

Company information

Northcoders Group Plc is a public company limited by shares incorporated in England and Wales. The registered office is Cubo, No.1, Spinningfields, Manchester, United Kingdom, M3 3EB. The company's principal activities and nature of its operations are disclosed in the directors' report.

The group consists of Northcoders Group Plc and all of its subsidiaries.

1.1 Basis of preparation

The final results for the year ended 31 December 2025 have been prepared in accordance with the accounting policies set out in the annual report and the accounts for the year ended 31 December 2024.

The Group Financial Statements have been prepared in accordance with the International Financial Reporting Standards ('IFRS') as adopted by the United Kingdom, IFRS IC interpretations and the Companies Act 2006 applicable to companies reporting under IFRSs and the AIM Rules for Companies. The Group Financial Statements have been prepared under the historical cost convention.

While the financial information included in this final announcement has been computed in accordance with IFRS, this announcement does not itself contain sufficient information to comply with IFRS. The accounting policies used in preparation of this final announcement have remained unchanged from those set out in the Group's 2024 statutory financial statements other than those described below. They are also consistent with those in the Group's statutory financial statements for the year ended 31 December 2025 which have yet to be published. The final results for the year ended 31 December 2025 were approved by the Board of Directors on 28 April 2026.

The financial information set out in this final announcement does not constitute the Group's statutory financial statements for the year ended 31 December 2025 but is derived from those financial statements which were approved by the Board of Directors on 28 April 2026. The Auditors have reported on the Group's statutory financial statements and their report was unqualified and (ii) did not contain a statement under section 498(2) or 498(3) Companies Act 2006. The statutory financial statements for the year ended 31 December 2025 have not yet been delivered to the Registrar of Companies and will be delivered following the Company's Annual General Meeting.

The comparative figures are derived from the Group's statutory financial statements for the year ended 31 December 2024 which carried an unqualified audit report, did not contain a statement under section 498(2) or 498(3) Companies Act 2006 and have been filed with the Registrar of Companies.

2 Adoption of new and revised standards and changes in accounting policies

In the current year, the following new and revised standards and interpretations have been adopted by the Group:

- Supplier Finance Arrangements (Amendments to IAS7 and IFRS7);
- Non-current Liabilities with Covenants (Amendments to IAS1) and Classification of Liabilities as Current or Non-current (Amendments to IAS1);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS16);
- Lack of Exchangeability (Amendments to IAS1).

The adoption of these standards has not had any effect on the reported financial position or results of the Group.

2 Adoption of new and revised standards and changes in accounting policies

(Continued)

Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised standards that have been issued but are not effective yet:

- Classification and Measurement of Financial Instruments (Amendments to IFRS 7 and IFRS 9) effective 1 January 2026;
- Annual Improvements to IFRS Standards (Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7) effective 1 January 2026;
- Contracts Referencing Nature-Dependent Electricity (Amendments to IFRS 7 and IFRS 9) effective 1 January 2026;
- IFRS18 'Presentation and Disclosure in Financial Statements' effective 1 January 2027; and
- IFRS19 'Subsidiaries without Public Accountability: Disclosures' effective 1 January 2027.

The Group is not expecting to change its reported profits or net asset position as a result of these disclosures, although it is expected to change the presentation of these results as a consequence of the disclosure requirements of IFRS 18.

3 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Capitalisation of development costs

The Group recognises as intangible fixed assets development costs that are considered to meet the relevant capitalisation criteria. The measurement of such costs and assessment of their eligibility in line with the appropriate capitalisation criteria requires judgement and estimation around the time spent by eligible staff on development, expectations around the ability to generate future economic benefit in excess of cost and the point at which technical feasibility is established.

Useful lives and impairment of non-current assets

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives as set out in the Group's accounting policy. The selection of these estimated lives requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives shorten/increase then depreciation charges in the financial statements would increase/decrease and carrying amounts of tangible assets would change accordingly.

The Group also assesses the useful life of intangible development assets based on experience of past use of those assets, and likely renewal periods to maintain and replace and renew aspects such as coding. Based on this the useful life is 10 years, which reflects management's expectation of consumption of the assets.

The Group is required to consider, on an annual basis, whether indications of impairment relating to such assets exist and, if so, perform an impairment test. The recoverable amount is determined based on the higher of value-in-use calculations or fair value less costs to sell. The use of value-in-use method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. Details of the inputs to this are provided in note 16.

The Company considers its investment in subsidiaries, and exposure to credit loss from intercompany receivables, on a similar basis. The expected cashflows from these subsidiaries forms a key judgement and estimate for the Company's total assets.

Deferred tax

The Group makes provision for anticipated tax consequences based on the likelihood of whether additional taxes may arise. The Group recognises deferred tax assets to the extent to which it expects to be able to utilise the balances against future taxable profits.

Key sources of estimation uncertainty**Share-based payments**

The determination of the fair values of EMI options and warrants has been made by reference to the Black-Scholes model; the input with the greatest amount of estimation being the volatility of the Company's share price which has been derived via benchmarking against similar companies in the industry. Other key inputs are set out in note 31.

Expected credit losses

The amount recognised as a provision is the best estimate of the expected credit loss that the Group is projected to incur on receivables, including intercompany balances. Each year end the Directors assess the risks and uncertainties surrounding receivable balances and use expected loss rates based on the historical credit losses experienced by the Group. Further details on the assumptions made are disclosed in note 21.

Revenue provision

An estimate of variable consideration is recognised against regional contracts, local contracts, and DFE income due to the performance based nature of the contract. The measurement of the consideration requires judgment and estimation around the expectation of what percentage of students who finish the DFE course go into a relevant job within the timescales of the contract. Job outcomes are regularly reviewed by management and the consideration is flexed as necessary. At the end of 2025, all expectations of revenue have been reversed on the basis that the contract was coming to an end and hence the actual revenue has been recognised.

4 Revenue and segmental analysis

IFRS 8 'Operating Segments' requires operating segments to be identified on the basis of internal reports of the Group that are regularly reviewed by the Group's chief operating decision maker. The chief operating decision maker of the Group is considered to be the Board of Directors.

The results of the Group are allocated to the single operating segments consistent with the requirements of IFRS 8. All assets, liabilities and revenues are located in, or derived from, the United Kingdom.

	2025	2024
	£	£
Revenue	4,949,641	8,819,083
Cost of sales	(2,026,348)	(2,916,871)
Gross profit	2,923,293	5,902,212
Operating costs	(4,098,536)	(5,458,462)
Other operating income	12,998	1,000
Non-recurring costs	(1,700,557)	-
Operating profit	(2,862,802)	444,750
Net finance costs	(86,846)	(55,886)
Profit/(loss) before taxation	(2,949,648)	388,864
	2025	2024
	£	£
Revenue analysed by geographical market		
United Kingdom	4,949,641	8,819,083
	2025	2024
	£	£
Revenue analysed by class of business		
Consumer	3,460,661	7,686,220
Corporate	1,488,980	840,126

Also included within revenue are StepEx sales of £93,493 (2024: £177,361). StepEx sales are governed by a formal credit agreement facilitated by a third party. The revenues are not discounted as the amount receivable represents variable consideration, which is recognised on a portfolio basis using the expectation of a typical amount received per person.

Revenue from customers who individually accounted for more than 10% of total Group revenue amounted to £3,966,396 (2024: £7,259,267) from three customers (2024: one customer).

All revenue is recognised over time as the services are delivered. All revenue has fixed consideration except for the StepEx sales disclosed above.

4 Revenue and segmental analysis**(Continued)****Contract assets**

	2025	2024
	£	£
At 1 January	1,624,485	1,398,018
Transfers from contract asset to trade receivables	(1,624,485)	(1,293,905)
Non-recurring item: irrecoverable amounts written off	-	(104,113)
Excess of revenue recognised over cash (or rights to cash) being recognised during the year	151,426	1,624,485
	<u>151,426</u>	<u>1,624,485</u>
At 31 December	<u>151,426</u>	<u>1,624,485</u>

Contract liabilities

	2025	2024
	£	£
At 1 January	73,557	206,500
Amounts recognised as revenue	(73,557)	(206,500)
Amounts received in advance of performance	56,463	73,557
	<u>56,463</u>	<u>73,557</u>

Contract assets and contract liabilities are both shown on the face of the statement of financial position. They arise from the Group's contracts because cumulative payments received from customers at each balance sheet date do not necessarily equal the amount of revenue recognised on the contracts.

5 Non-recurring items

	2025	2024
	£	£
Expenditure		
Business restructuring costs	143,291	-
Impairment losses	1,517,266	-
Dilapidations expense not previously provided for	40,000	-
	<u>1,700,557</u>	<u>-</u>

Business restructuring costs

Non-recurring restructuring costs in the form of redundancy and severance payments were incurred by the Group as part of its shift of focus from technology training courses to consultancy services.

Impairment losses

Details of these are provided in note 15 of the Report and Accounts.

Dilapidations expense

This represents amounts incurred in excess of previous estimates on exit of the Leeds office lease in November 2025, where in previous years there had been no expectation of such a cost being incurred. The amounts were agreed and settled subsequent to the year end.

6 Adjusted EBITDA

The Directors have used an Alternative Performance Measure (APM) in the preparation of these financial statements. The consolidation income statement has presented adjusted EBITDA, where EBITDA represents earnings before interest, tax, depreciation and amortisation. The adjusted element removes non-recurring items which are not relevant to the underlying performance and cash generation of the business. Non-recurring items are disclosed and explained in note 5.

The Directors have presented this APM because they feel it most suitably represents the underlying performance and cash generation of the business, and allows comparability between the current and comparative period in light of the rapid changes in the business (most notably its admission to AIM and associated costs), and will allow an ongoing trend analysis of this performance based on current plans for the business.

7 Operating profit/(loss)

	2025	2024
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses	1,267	1,851
Depreciation of property, plant and equipment	131,670	131,838
Profit on disposal of property, plant and equipment	(29,732)	(246)
Amortisation of intangible assets (included within administrative expenses)	301,545	263,842
Impairment of intangible assets (included within administrative expenses)	1,517,266	-
Share-based payments	54,958	138,446
	<u> </u>	<u> </u>

8 Auditor's remuneration

	2025	2024
	£	£
Fees payable to the company's auditor:		
For audit services		
Audit of the financial statements of the group and company	65,000	60,000
Audit of the financial statements of the company's subsidiaries	50,500	47,500
	<u> </u>	<u> </u>
	<u>115,500</u>	<u>107,500</u>

9 Employees

The average monthly number of persons (including directors) employed by the group during the year was:

	2025	2024
	Number	Number
Executive Directors	3	3
Non-Executive Directors	2	2
Administration and operations	32	55
Client service delivery	42	69
	<u> </u>	<u> </u>
Total	<u>79</u>	<u>129</u>

9 Employees**(Continued)**

Their aggregate remuneration comprised:

	2025	2024
	£	£
Wages and salaries	3,526,737	5,184,932
Social security costs	424,780	518,987
Pension costs	175,146	245,703
	<u>4,126,663</u>	<u>5,949,622</u>

In addition to the above, further employee costs have been incurred as part of the development costs, as disclosed in note 16 of the Report and Accounts. The total employment costs which have been capitalised as development are £63,771 (2024: £546,403).

Employee costs relating to redundancy costs have been incurred as part of business restructuring. The total redundancy costs were £143,291 (2024: £23,819).

10 Directors' remuneration

	2025	2024
	£	£
Remuneration for qualifying services	544,867	539,268
Amounts receivable under long term incentive schemes	26,398	43,339
Company pension contributions to defined contribution schemes	68,400	35,705
	<u>639,665</u>	<u>618,312</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2025	2024
	£	£
Remuneration for qualifying services	171,709	183,313
Company pension contributions to defined contribution schemes	46,000	11,169
	<u>217,709</u>	<u>194,482</u>

During the year the directors received remuneration as follows:

	Salary	Share options*	Benefits in kind	Pension	Total
	£	£	£	£	£
Mr A Batra	130,000	-	3,074	10,400	143,474
Mr C D Hill	170,000	-	1,709	46,000	217,709
Ms C Prior	149,417	26,398	667	12,000	188,482
Mr A N Parker	35,000	-	-	-	35,000
Mrs A M Williams	55,000	-	-	-	55,000
	<u>539,417</u>	<u>26,398</u>	<u>5,450</u>	<u>68,400</u>	<u>639,665</u>

10 Directors' remuneration**(Continued)**

During the previous year the directors received remuneration as follows:

	Salary	Share options*	Benefits in kind	Pension	Total
	£	£	£	£	£
Mr A Batra	130,000	-	1,782	10,400	142,182
Mr C D Hill	176,667	-	845	14,133	191,645
Ms C Prior	139,615	43,339	359	11,169	194,482
Mr A N Parker	35,000	-	-	-	35,000
Mrs A M Williams	55,000	-	-	-	55,000
	<u>536,282</u>	<u>43,339</u>	<u>2,986</u>	<u>35,702</u>	<u>618,309</u>

* Share options represent the fair value of the scheme award as determined and expensed under IFRS 2.

The Directors of the Group control 28.70% (2024: 28.68%) of the voting shares of the Group, and hold 175,000 (2024: 175,000) share options. No Directors exercised share options during the current or comparative year.