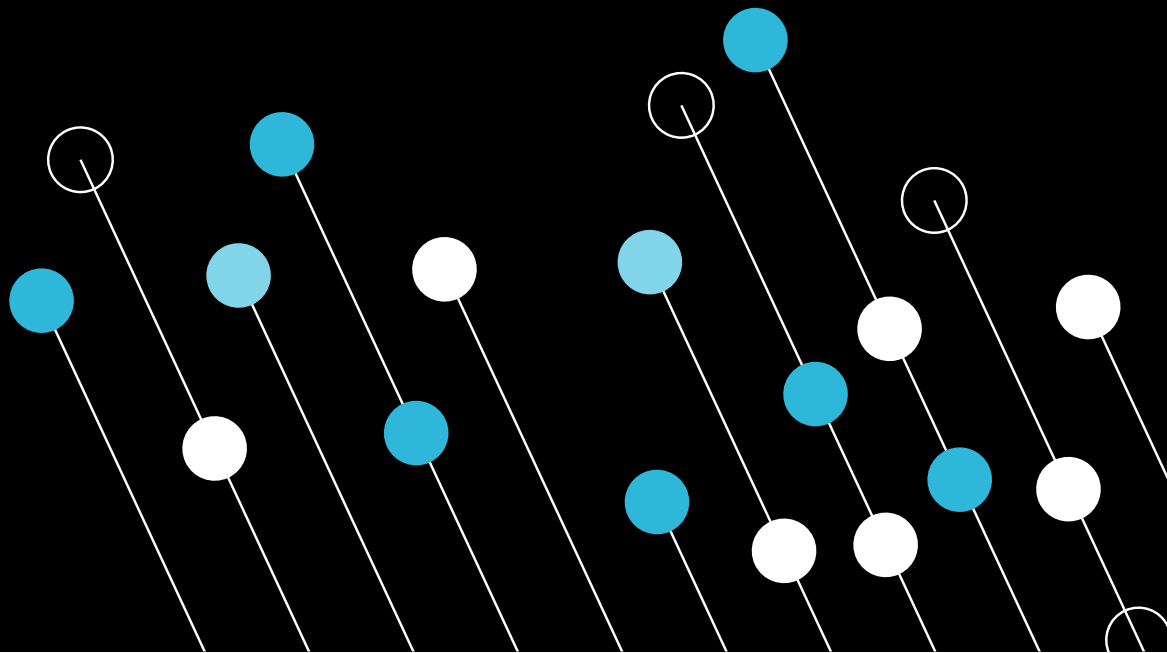
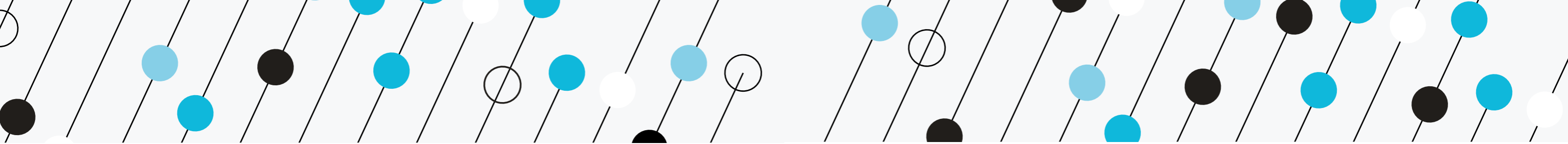


25 Interim Report





The Group has two operating divisions: Workforce Learning and Higher Education.

Workforce Learning is a global talent and training provider, that helps large enterprise organisations create the people, skills and teams required to meet the opportunities and manage the challenges created by digital technology.

We believe it's impossible to change a business unless you change the capabilities of its people, but people and skills are not enough. To create real change, capability needs to translate into action, which means both the learner and organisation need to adopt a more collaborative approach to development and progression.

Our expertise in technology, product and marketing is underpinned with advanced knowledge in data and AI, allowing us to take an inter-departmental approach to upskilling and creating collaboration across a business, turning capability into action.

Higher Education works in partnership with Universities in the UK to recruit, market and deliver a range of programmes to international and domestic students from foundation level to undergraduate and postgraduate degrees. Our partner universities include London Metropolitan University, Northumbria University, Solent University, Ulster University, Swansea University and the University of South Wales.

We want to be at the forefront of flexibility and employability for students. We offer more than 100 University courses in a range of subjects from Artificial Intelligence and Cyber to Business and Project Management. Broadening the diversity of our curriculum and the skills taught is a key focus alongside developing and testing new digital approaches to teaching and learning that allow students to access the curriculum in the way that suits them best and strengthens the development of their digital and professional skills.

Overview

A summary of Ichnaea UK Bidco Limited's (herein referred to as "QA" or the "Group") performance for the six months ended 30 November 2024 ("H1 2025") is set out in the following pages. The summary results have been prepared under International Financial Reporting Standards (IFRS). The Group's next full year accounts will be for the year ending 31 May 2025.

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BUSINESS REVIEW

Workforce Learning

QA's Workforce Learning division exists to help organisations bridge the gap between technology and talent to reduce failure rates of transformation projects that are vital to driving business impact and growth. Our model is primarily business to business. We work with large global enterprises to tackle critical skills shortages and build internal capability, while also supporting government organisations both in the UK and US. Our broad base of repeating clients provides us with long term revenue visibility, with high customer satisfaction, subscription revenue and contracted future programmes.

We work alongside the world's largest tech companies and are a leading partner in AI, Data, Cloud, Cyber Security, Agile, DevOps, E-commerce and Marketing. Our accreditations include being a Microsoft Cloud Solutions Training Services Partner, as well as one of AWS's largest training partners in the EMEA region. These deep-rooted vendor partnerships mean we are responsible for delivering a significant portion of the UK's cloud, data and technology training.

QA's training programmes and workshops help organisations to upskill or reskill existing employees. They are focused on closing the gap between learning participation and effective application in role, against real business priorities. Our funded learning (apprenticeships) programmes act as important vehicles for identifying, recruiting and developing in-demand diverse technology talent.

The programmes we create combine a variety of learning modalities focused on driving impact and allowing for tracking of performance and progress. Instructor-led sessions delivered virtually or in-person, are complemented by self-paced online learning videos, practical labs, role play and sandbox environments.

Self-paced learning is delivered through our proprietary subscription-based digital platform, providing clients with an always-on, globally accessible solution to skills development. The QA platform provides learner assessments, personalised learning pathways created and assigned through machine learning algorithms, real-time analytics, tracking of learner progression and reporting. Learning pathways and programmes cover essential cloud technologies including Amazon Web Services, Microsoft Azure, Google Cloud, DevOps and Agile, as well as commercially focused content for marketing and sales teams. New content and updates are added every month.

We have continued to implement improvements to our products and infrastructure with the aim of creating competitive advantage, modernising learner and student experiences and creating efficiencies. The Learning division made significant strategic changes in FY25 to integrate the capabilities of its different businesses into a single operation unified by a new value proposition and a single identity.

In funded learning we work with employers throughout the UK to provide apprenticeship programmes that provide technical and business skills qualifications. We specialise in courses aligned to the core skillsets required by technology businesses and IT departments with programmes designed to help apprentices move up the career ladder by advancing their skills. Our funded learning programmes offer apprenticeship qualifications from Level 3 all the way up to masters-degree Level 7, supporting organisations to maximise their use of the Apprenticeship Levy. We work closely with our clients to understand their needs and requirements and identify the best combination of programmes for them. Based on our findings, we recruit apprentices to provide a pipeline of future talent or identify internal client staff who would benefit from upskilling in their roles. Our programmes are 'digital by design' meaning they use a unique combination of digital and virtual learning – introducing each element where it adds the most value for learners.

Higher Education

Our Higher Education business complements our corporate products and services. Working in partnership with Universities in the UK to recruit, market and deliver a range of programmes to international and domestic students from foundation level to undergraduate and postgraduate degrees. Our partner universities include London Metropolitan University, Northumbria University, Solent University, Ulster University, Swansea University and the University of South Wales.

We are continually evolving our portfolio, including six new programs already in market for FY25. We teach these programmes 7 days a week and currently have over 8,600 students studying with us across our teaching locations (including partner sites).

Higher Education has also implemented a new CRM to manage the student journey from recruitment to enrolment with further stages now in-flight to support registration and activity management. The Group has also invested in both internal and external artificial Intelligence products to target improved learner experiences and internal efficiency gains.

H1 2025 HIGHLIGHTS

- Core revenue* decline of 5.4% to £152.9m (H1 2024**: £161.7m). Reported revenues down 9% to £163.3m (H1 2024: £179.4m).
- Adjusted EBITDA** down 29.9% to £27.2m (H1 2024: £38.8m) with an EBITDA margin of 16.6% (H1 2024: 21.6%).
- Underlying operating profit decreased by 46.9% to £15.5m (H1 2024: £29.2m)
- Cash of £19.5m at 30 November (H1 2024: £22.2m)

Comparative half year figures have been restated.

* Core revenues exclude training activities procured/ managed on behalf of clients and revenues from "recruit-train-deploy/hire" activities.

** Adjusted EBITDA is defined as the profit/(loss) for the period before the tax on profits/(losses) on ordinary activities, net interest payable and similar charges, amortisation, depreciation and non-recurring costs.

TRADING UPDATE

The Group's reported revenues decreased by 9% to £163.3m (H1 2024: £179.4m).

We saw adverse revenue performance in Higher Education due to one-off market factors driving lower student numbers in the 2024 Summer intake, leading to a 5.1% revenue decline to £57.2m (H1 2024: £60.2m). HE is outperforming the sector where international student declines were 24% higher year on year in the Autumn Intake. Subsequent intakes are significantly improved, with student numbers exceeding prior years.

In Workforce Learning core revenues were down 5.7% on the prior year at £95.7m (H1 2024: £101.5m), with growth in live learning and apprenticeships partially offset by lower client demand for self-paced digital subscriptions from select sectors, principally retail and consumer packaged goods. Whilst we continue to support existing clients, the strategic decision has been taken to cease the provision of technology specialists via "recruit-train-deploy/hire" to new clients.

The Group's gross margin of 55.8% declined from prior year (H1 2024: 57.9%). Operating expenses were down 5.3% on the prior year at £64.7m (H1 2024: £68.3m) with Group FTEs for the period 13.5% lower at 2,370 (H1 2024: 2,739) offset by higher technology costs. Capital expenditures decreased 48% to £6.7m (H1 2024: £12.9m), in the prior year the Group invested £4.5m in the fit-out of a new Birmingham campus.

Adjusted EBITDA was down 29.9% to £27.2m with a margin of 16.6% (H1 2024: 21.6%). The decline is largely driven by a lower contribution from the higher gross margin digital subscription product.

The Group has made changes to the management team with QA's Workforce Learning Division CEO Richard Townsend leaving the business effective 14 January 2025 and Josh Hubbert appointed as his successor. Josh is joined by Jim Marsh, a Senior Advisor to CVC. Simon Nelson continues as the CEO of QA's Higher Education business. Emmanuel Walter was appointed as interim QA Group CFO in October 2024.

FUTURE PROSPECTS

Looking ahead, the combination of the transformations we have driven across both businesses place the Group in a far stronger position to drive accelerated growth. In addition, we are watching the UK Government's position on a new Skills and Growth Levy with interest. The policy proposes a reform to the current Apprenticeship Levy to enable employers to broaden out use of their funds for shorter, more flexible courses. Skills England's initial report has already cited Digital & AI skills as a priority need and area of focus. Once the reform comes into effect it will provide incremental opportunity for QA, which is well positioned to serve associated employer needs through our combination of Apprenticeships, short courses and digital learning, and laser focus on providing Digital & AI and associated skills.

CURRENT FINANCING POSITION

In October 2023, the Group completed the re-financing of its debt and entered into a new senior credit facility of £265.0m with a maturity date of October 2029. In addition, the Group entered into the Revolving Credit Facility agreement, with a maturity date of April 2029, which provides £40.0m of committed financing.

At the time of the refinancing the Group reduced its credit facility from £290.0m to £265.0m utilising surplus cash held. Cash on the balance sheet as at 30 November 2024 was £19.5m (H1 2024: £22.2m). The drawn external lending position as at 30 November 2024 was as follows:

Facility	£	Interest	Repayment
Senior Credit Facility	£265.0m	GBP SONIA plus 6.0%	October 2029
Revolving Credit Facility	£20.0m	GBP SONIA plus 3.75%	April 2029

An interest rate cap is in place at 2.25%, effective for the period from February 2023 to June 2024, on £200m of the senior credit facility. A cap of 6.0% and a 3.66% collar has been entered into from June 2024 to May 2026 for £150m of the senior credit facility. An interest rate cap is in place at 4.09%, effective for the period from October 2024 to September 2026, on £100m of the senior credit facility.

Emmanuel Walter

Interim Chief Financial Officer
Ichnaea UK Bidco Limited
27 February 2025

CAUTIONARY STATEMENT

This document contains various forward-looking statements that reflect management's current views with respect to future events and anticipated financial and operational performance. Forward-looking statements as a general matter are all statements other than statements as to historical facts or present facts or circumstances.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future.

Forward looking statements are not guarantees of future performance and the Group's actual financial condition, results of operations and cash flows, and the development of the industry in which the Group operates, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this document. In addition, even if the Group's financial condition, results of operations, and cash-flows and the development of the industry in which it operates are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, no assurance can be provided that they will materialise or prove to be correct. Because these forward-looking statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements. These forward-looking statements speak only as at the date of this document. The Group expressly undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law or regulation.

This Interim Report has not been audited or otherwise independently verified.

The information contained in this Interim Report has been prepared on the basis of the knowledge and information available to Directors at the date of its preparation and the Group does not undertake any obligation to update or revise this Interim Report during the financial year ahead.

