

Peoplecert Wisdom Limited

Annual Report and Consolidated Financial Statements

31 December 2025

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Peoplecert Wisdom Limited

Board of Directors and other Officers

Board of Directors:	Anastasios Byron Nicolaides Graham John Shaw Michael Milanovic
Company Secretary:	Maury David Shenk
Independent Auditors:	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2
Registered office:	192 Sloane Street London SW1X 9QX United Kingdom
Registration number:	13430992

Strategic Report

Incorporation

Peoplecert Wisdom Limited (the “Company”) was incorporated in the United Kingdom on 1 June 2021 as a private limited liability company. On 22 July 2021, the Company subscribed for one ordinary share of EUR 1.00 in the capital of PeopleCert International Limited at a subscription price of GB£8,343. On 23 July 2021, Peoplecert Holdings UK (the indirect parent company of Peoplecert Wisdom Limited) transferred 100% of the shares it held in Peoplecert International Limited (of total nominal value EUR 10,000) to the Company and the latter obtained at that date the control of Peoplecert International Limited and its subgroup. On 28 July 2021, the Company subscribed for one ordinary share of EUR 1.00 in the capital of Peoplecert International Limited at a subscription price of GB£140,000,000 in connection with a financing transaction for the acquisition of Axelos Limited. The Company is also the direct 100% shareholder of PeopleCert Wisdom Issuer Plc, a special purpose finance company, which was incorporated on 12 July 2021 for the purposes of a bond offering (described below in the Notes to the Consolidated Financial Statements under Note 17) and which has no independent business operations. On 31 December 2021, the Company became the direct owner of Axelos Limited (which had previously been owned by PeopleCert International Limited) and on 31 October 2025 the Company acquired City & Guilds Limited together with its subsidiaries (‘City&Guilds Group of companies’).

About PeopleCert

Established in 2000, PeopleCert is a global leader in assessment and certification of professional skills, partnering with multinational organisations and government bodies for the development and delivery of exams.

Principal activities and nature of operations of the Group

The principal activities of the Group, which are similar to previous years but have evolved as a result mainly of the Axelos acquisition in 2021 and the acquisition of City & Guilds Limited in 2025, are the design, development, management, control and support of certification programs for persons in Business, IT, Languages and Vocational Skills; the ownership and management of associated intellectual property including publications; and the design, development and assessment of automated examination systems.

In 2025, the Group acquired City & Guilds Limited, a United Kingdom-based organisation specialising in vocational qualifications, apprenticeships and training. This acquisition expanded the Group’s activities into vocational education and training.

The entities of the Group are:

- PeopleCert Wisdom Limited (parent company) and PeopleCert Wisdom Issuer Plc which were established in 2021 for the purposes of the Axelos acquisition; the transformational acquisition of Axelos Limited was completed on 29 July 2021 for GB£380,000,000;
- PeopleCert International Limited which was incorporated in Cyprus in 2005; PeopleCert International Limited has a branch in Greece incorporated during 2022;
- PeopleCert UK Ltd which was incorporated in the UK in 2014;
- PeopleCert Qualifications Ltd which was incorporated in the UK in 2015 and is regulated by the Office of Qualifications and Examination Regulation in England (Ofqual) and Qualification Wales;
- Axelos Limited, a joint venture company created in 2013 to manage, develop and grow the portfolio of global best practice methodologies in project, program and portfolio management, and IT and digitally enabled services which was acquired by the Group on 29 July 2021;
- PeopleCert Hellas S.A. which was incorporated in Greece in 2007 and since 2013 operates a portfolio of certification programs;
- PeopleCert Global Services S.A. which was incorporated in Greece in 2013 and mainly provides supporting services to the Group subsidiaries;
- PeopleCert Education S.A. which was incorporated in Greece in 2017 and offers training programs;
- PeopleCert Pei Si Te Assessment Technology Co. Ltd which was incorporated in China in 2020 to deliver

Strategic Report

and support services in China;

- PeopleCert Personal Belgeendirme A.S. which was incorporated in Turkey in 2002 to support the local business;
- PeopleCert US LLC, which resulted from the merger in 2024 of DevOps Institute Inc., a subsidiary incorporated in the US state of Delaware and acquired by the Group in 2023, with International Association For Six Sigma Certification (IASSC) LLC, an Arizona limited liability company, which was acquired by the Group in 2020; IASSC was the surviving entity, and was renamed PeopleCert US LLC and redomiciled to Delaware;
- DPC LanguageCert India Private Ltd. (previously known as DP Cube Learning And Skills Private Ltd.) incorporated in India, acquired by the Group in 2024;
- PeopleCert Switzerland Holding AG and PeopleCert Switzerland AG, incorporated in Switzerland in 2024, to serve as IP holding companies;
- PeopleCert UK Property 1 Ltd., incorporated in the UK in 2025 to serve as a real estate company;
- City & Guilds Limited, a company incorporated in the UK, which was acquired by the Group in 2025, together with its subsidiaries. The City & Guilds Group of companies operates in the field of vocational qualifications, apprenticeships and training in the UK and internationally.

Product portfolio

The Group offers a comprehensive product portfolio featuring over 700 certifications encompassing both owned and third-party exam products. These certifications span various domains including:

Business & IT (“B&IT”)

- Digital Product & Service Management, IT and AI Governance
 - ITIL – Digital Product and Service Management
 - ITIL represents the leading global best practice framework for Digital Product and Service Management. In its current evolution, ITIL extends beyond traditional IT Service Management and provides a comprehensive operating model for designing, delivering, and continually improving digital products and technology-enabled services. It integrates value co-creation, product-centric thinking, customer experience, automation, AI-enabled operations and governance, sustainability and service ecosystems.
 - Other frameworks in this domain include: COBIT®, Lean IT, Service Desk Institute (SDI).
- DevOps & Digital Operations
 - DevOps Institute certifications - The most widely used certifications for DevOps skills.
 - AIOps, DevSecOps, Site Reliability Engineering (SRE), Observability, Value Stream Management, Data Science and others.
 - These certifications enable high-velocity digital delivery, integrating development, operations, automation, and continuous value realization.
- Project, Programme & Portfolio Management
 - PRINCE2 – The Globally recognized best practice framework for Project, Programme & Portfolio Management
 - The PRINCE2 brand now serves as the umbrella brand for all former Project, Programme and Portfolio Management (PPM) products, forming a unified and coherent framework for managing change.
 - Included under the PRINCE2 brand:

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- PRINCE2 Project Management
- PRINCE2 Agile
- PRINCE2 Programme Management
- PRINCE2 Portfolio Management
- PRINCE2 Risk Management
- PRINCE2 Portfolio, Programme and Project Office
- PRINCE2 provides a holistic framework for Business Change covering strategy alignment, investment governance, programme transformation, project execution, agile delivery integration, and benefits realization.
- Business Management & Transformation
 - Lean Six Sigma
- Software Development & Testing
 - Business Analysis, Software Testing, Software Quality.
- Basic IT Skills
 - ECDL / ICDL.

LanguageCert

- English Language Skills
- Spanish Language Skills
- Ancient Greek

Vocational Qualifications, Apprenticeships and Training

Following the acquisition of City & Guilds Limited and its subsidiaries in 2025, the Group offers vocational qualifications, apprenticeship assessments and training programmes across a wide range of industries. City & Guilds Group of companies provides qualifications in sectors including engineering, construction, electrical, hospitality, health and social care, business services and agriculture.

The portfolio includes:

- Vocational qualifications designed to provide practical, job-related skills;
- Technical qualifications, including programmes for learners aged 16-19 combining classroom learning with industry placements;
- End-Point Assessments for apprenticeships;
- Training and development programmes delivered directly or through partners; and
- Quality assurance services for training providers and employers.

The City & Guilds Group operates through an established network of training partners and serves learners and organisations in the United Kingdom and internationally.

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The Group maintains a continuous investment strategy aimed at updating and enriching its product portfolio for global delivery.

Software Vendor Certification

Additionally, the Group offers a Vendor Accreditation program that certifies Product and Service Management software vendors. Accredited Tool Vendor (ATV). This programme strengthens the practical application of ITIL best practices by certifying software vendors whose tools are aligned with ITIL Digital Product and Service Management principles. For PeopleCert, the ATV programme extends the ITIL ecosystem beyond individual certification into real-world implementation. It reinforces ITIL's relevance in digital operations, increases brand authority, and creates strategic partnerships with leading technology providers. By accrediting tool vendors, PeopleCert ensures that ITIL guidance is embedded into operational platforms, enhancing market credibility while generating ecosystem-based revenue opportunities and long-term strategic influence. Over 30 manufacturers are currently accredited, including global market leaders such as BMC, Atlassian and OpenText.

Consulting Organization Certification

The Accredited Consulting Partner (ACP) programme recognises consulting organisations that demonstrate deep expertise in applying ITIL, PRINCE2 and related best practice frameworks in transformation initiatives. For PeopleCert, ACPs serve as strategic multipliers in driving adoption of its frameworks within complex enterprise environments. They translate best practice guidance into measurable business outcomes, thereby reinforcing the value proposition of the certifications. The ACP programme strengthens PeopleCert's position as an enabler of holistic business change, deepens market penetration, supports enterprise-level engagements, and fosters long-term partnerships that extend beyond examination delivery into advisory and transformation services.

Organizational capability validation and certification

ITIL and PRINCE2 Maturity Assessments, delivered by Accredited Consulting Partners (ACPs), extend PeopleCert's best practice frameworks from individual certification to organizational capability validation. Through structured maturity models, organizations are assessed against defined best practice criteria across Digital Product & Service Management (ITIL) and Business Change governance (PRINCE2). This enables PeopleCert not only to certify professionals, but also to formally recognize and certify organizations that demonstrate embedded, measurable capability. The maturity assessment offering strengthens enterprise engagement, supports long-term transformation journeys, and positions PeopleCert as a holistic authority for both individual competence and organizational excellence.

Global presence

Our product offerings are available in over 200 countries through our extensive partner network and direct website sales, offered in up to 25 languages. Key markets include the USA, India, China, United Kingdom, Germany, Australia, Poland, Netherlands, Greece, Norway, Ireland, France, Mexico, Italy, Canada, and Singapore. The partner network is consistently expanding and currently comprises over 2,000 Accredited Training Organizations worldwide. Additionally, strategic partnerships in the language testing domain have been established catering to global organizations and government agencies.

Commitment to quality

The Group embraces industry best practice which is objectively demonstrated by quality credentials awarded and regularly audited by independent authorities including:

Accreditations by the National Hellenic Accreditation System:

- ISO 17024 Certification of Persons (since 2006)

Language Certifications Regulated by:

- Ofqual: The Office of Qualifications and Examinations Regulation
- Qualifications Wales: regulating non-degree qualifications and the Welsh Baccalaureate in Wales.

Certifications by LRQA:

- ISO 9001 Quality Management (since 2003)
- ISO 10002 Customer Satisfaction and Complaints Handling (since 2006)
- ISO 14001 Environmental Management (since 2006)
- ISO 27001 Information & Data Security (since 2008)
- ISO 22301 Business Continuity (since 2015)

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Complaint with:

- ISO 23988 Use of IT in the delivery of assessments (since 2013)
- IASME: Cyber Essential Scheme
- PCI DSS: Payment Card Industry Data Security Standard

Recognition – LanguageCert

The Languages division (branded as LanguageCert) operates under strict regulatory frameworks and is regulated by:

- England - Ofqual: The Office of Qualifications and Examinations Regulation (Ofqual)
- Wales - Qualifications Wales

LanguageCert provides a comprehensive suite of qualifications for English for Speakers of Other Languages (ESOL), including:

- LanguageCert Academic
- LanguageCert General
- LanguageCert International ESOL
- LanguageCert Test of English
- LanguageCert ESOL Young Learners

LanguageCert manages its exams in accordance with relevant industry standards such as the Common European Framework of Reference for Languages (CEFR), regulatory requirements (e.g., Ofqual and Qualifications Wales), and contractual obligations. These all combine to ensure the integrity of our examination system.

LanguageCert delivers secure, technology-enabled testing and certification services in 230 countries and territories. This includes 3,000+ (and growing) universities, colleges, and schools in 106 countries that accept LanguageCert certificates. The list of institutions that accept LanguageCert certificates can be found on the LanguageCert website at <https://www.LANGUAGECERT.org/en/who-accepts-our-exams>

Recognised qualifications

LanguageCert ESOL qualifications have been recognised by:

- Australia: Department of Home Affairs for all visa categories
- United Kingdom: Home Office Visas & Immigration
- Czech Republic: Ministry of Education, Youth and Sports
- France: France Compétences
- Greece: ASEP (Supreme Council for Civil Personnel Selection)
- Hungary: Accreditation Board for Foreign Language Examinations
- Ireland: Ministry of Justice, Study Visas, ILEP
- Latvia: Ministry of Education and Science
- Libya: Ministry of Education, Department of Foreign Education.
- Netherlands: National Commission Code of Conduct
- New Zealand: New Zealand Qualifications Authority (NZQA)
- Poland: Ministry of Science and Higher Education for admission to all tertiary education
- Romania: Romanian Ministry of National Education and Scientific Research
- Spain:
 - ACLES (Association of Language Centers in Higher Education)
 - CRUE Universidades Espanolas
 - Autonomous regions of: Andalusia, Aragon, Asturias, Basque Country, Canary Islands, Cantabria, Castilla-La Mancha, Catalonia, Extremadura, Galicia, La Rioja, Madrid, Murcia, and Navarra

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- Thailand:
 - o Office of the Basic Education Commission Ministry of Education
 - o Ministry of Higher Education, Science, Research and Innovation
- Vietnam: Ministry of Education & Training

Further information is available online at www.languagecert.org

UKVI – Secure English Language Tests

In 2019, PeopleCert signed a concession expiring in November 2027 with UK Visas and Immigration (UKVI), to deliver official UK Secure English Language Tests (SELTs) in the UK and across the rest of the world. UKVI, part of the UK Home Office, runs the UK's visa service, managing around 3 million applications a year from overseas nationals. Hundreds of thousands of Secure English Language Tests (SELTs) are delivered each year by LanguageCert and its competitors to individuals seeking to apply for a visa to study, work, visit or join family in the UK, where evidence of English language ability at a specific level is required.

Each of LanguageCert's Home Office approved SELT exams has been independently assessed by the UK government's designated authority UK Ecctis to ensure they accurately measure English language ability at the level required by UKVI. LanguageCert offers SELTs either in all four skills Listening, Reading, Writing and Speaking, or the two skills of Speaking and Listening. SELTs are delivered globally through the PeopleCert test centre network, with frequent exam dates and prompt delivery of exam results. The Home Office has approved three LanguageCert qualifications for UKVI use:

- LanguageCert Academic
- LanguageCert General
- LanguageCert International ESOL.

Assessment technology

The Group's business is conducted using a proprietary, state-of-the-art exam management and delivery platform, accommodating all common exam delivery and supervision methods:

- Computer Based Testing (CBT)
- Paper Based Testing (PBT)
- Classroom Invigilator – On-site supervision both for CBT and PBT exams
- Online proctoring – Supervision over webcam for CBT exams

The diversity of exam delivery options and the proprietary technology to support these are significant differentiators for the Group, enabling it to further grow significantly in the coming years. The Group's IT infrastructure is cloud-based, supporting reliable business continuity.

Centralised 24/7/365 operation

PeopleCert operates a centralised, round-the-clock service, ensuring efficient, secure and unified customer experience. This is supported through a multilingual and highly trained Customer Service team, available 24/7/365. The team currently serves customers worldwide in 13 languages and can be reached via email, chat and telephone, in both local rate and toll-free numbers.

Sustainability policy

PeopleCert has a strong sustainability policy in place to ensure that its operations have minimal impact on the environment and natural resources. We comply with, and exceed where possible, all applicable legislation, regulations and codes of practice aiming at reducing emissions, resource consumption and waste. To this end the Group is ISO 14001:2015 certified to ensure that our policy is compliant with all current industry environmental standards. The business decisions take into consideration sustainability parameters, and PeopleCert actively educates all employees on good practices to support the company's overall sustainability policy. Among other activities, PeopleCert regularly monitors and produce reports on the annual power, paper and water consumption as well as on the purchased/ recycled paper ratio in order to continuously achieve better results. PeopleCert recycles all exam related paper supply (90% of total consumption), minimising the footprint of the Group's core product and always looking to expand the range of items for waste management. The procurement department ensures that suppliers and contractors share the Group's environmental objectives.

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Future outlook

The Group intends to maintain the growth pace of the prior years through:

- Organic growth of existing products
- Product portfolio expansion
- Acquisitions

The Group will continue its significant investment in its Business & IT, Language and Vocational qualifications portfolios through product development and subsequent recognition from regulatory authorities from around the world.

Following the successful acquisition of Axelos in 2021, through which PeopleCert became the first “unicorn” company of Greek origin, the Group has completed a series of further acquisitions to expand its product offering.

In 2022, the Group acquired Quality Assurance Institute (QAI) certifications in Business Analysis, Software Testing and Software Quality (acquisition of IP licenses).

On 17 February 2023, the Group acquired DevOps Institute, a global learning community designed to empower IT professionals to make the most of DevOps. DevOps Institute is a community of over 45,000 IT professionals, active in 160 countries and comprising a network of 150 authorised partners worldwide. It empowers the people who power IT and helps them develop both the professional and personal expertise to make the most of DevOps in their business and career. DevOps Institute is an organisation that provides deep practical knowledge, a welcoming professional network, innovative research, respected certification programs and unique insider events. The acquisition fully complemented PeopleCert’s previous IT & Business certifications portfolio and followed a streak of recent key acquisitions in the certification industry for the company. It further solidified PeopleCert’s position as a global IP-house of best-practice frameworks and certifications. In September 2024, Devops Institute Inc. merged with group entity IASSC LLC and the combined entity was renamed to PeopleCert US LLC.

On 11 March 2024, the Group acquired DP Cube Learning and Skills, a distinguished educational services provider based in India, specializing in the English language sector. This strategic move was set to significantly strengthen the LanguageCert brand’s presence in Asia, particularly across India and the surrounding region, marking a significant milestone in the achievement of the strategic goals of the Group. Following the acquisition, DP Cube Learning and Skills was renamed to DPC LanguageCert India.

In 2024, the Group further enhanced the LanguageCert portfolio through the acquisition of CATs.

On 31 October 2025, the Group completed the acquisition of certain commercial businesses of City & Guilds London Institute. The acquired business comprises the commercial trading activities, assets and employees of the vocational qualifications and apprenticeships segment and the training segment, together with associated trademarks and selected investments, which were transferred to the Group under City & Guilds Limited. The acquired business operates as a workforce skills solutions provider, offering awarding and assessment of vocational qualifications, apprenticeship end-point assessments and vocational training and leadership development programmes across a wide range of sectors. Its activities are primarily focused on regulated and commercial qualifications, training delivery and skills development, serving further education institutions, training providers, employers and learners in the United Kingdom and internationally. The acquisition represents an expansion of the Group’s activities into vocational education and training and complements the existing portfolio of Business & IT and Language certifications. The integration of City & Guilds Group is expected to create cross-selling opportunities and operational efficiencies, leveraging the Group’s proprietary technology platform and global distribution network. The combined portfolio enhances the Group’s ability to serve governments, enterprises and individuals with a broader offering of skills development, certification and training solutions.

Review of current position, future developments and performance of the Group's business

The Group's development to date, financial results and position, as presented in the Consolidated Financial Statements have been impacted mainly from the City & Guilds acquisition. The Directors consider that the Group is well positioned to support its ongoing activities and future development.

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Financial Key Performance Indicators

Selected financial ratios for the current and prior year are presented below, however, due to the acquisition of City & Guilds Group of companies during the current year, certain profit and loss ratios are not directly comparable, and like-for-like figures are therefore also provided:

A. Profitability Ratios (reported basis)

	2025 GB£		2024 GB£
<u>Gross margin</u>			
Gross Profit to Revenue	$\frac{100,021,786}{138,939,770}$	= 72.0%	$\frac{94,220,541}{120,927,652}$ = 77.9%
<u>Net margin</u>			
Profit / (loss) before tax to Revenue	$\frac{(4,747,530)}{138,939,770}$	= -3.4%	$\frac{57,999,018}{120,927,652}$ = 48.0%

A. Profitability Ratios (like-for-like basis)

	2025 GB£		2024 GB£
<u>Gross margin</u>			
Gross Profit to Revenue	$\frac{86,830,262}{114,022,795}$	= 76.2%	$\frac{94,220,541}{120,927,652}$ = 77.9%
<u>Net margin</u>			
Profit / (loss) before tax to Revenue	$\frac{1,256,229}{114,022,795}$	= 1.1%	$\frac{57,999,018}{120,927,652}$ = 48.0%

B. Solvency Ratios (reported basis)

	31 December 2025 GB£		31 December 2024 GB£
<u>Total Debt to Equity Ratio</u>			
Total Liabilities to Total Equity	$\frac{491,188,260}{235,713,647}$	= 2.1	$\frac{284,149,636}{235,114,310}$ = 1.2
<u>Proprietary Ratio</u>			
Total Equity to Total Assets	$\frac{235,713,647}{726,901,907}$	= 0.3	$\frac{235,114,310}{519,263,947}$ = 0.5

C. Liquidity Ratios (reported basis)

	31 December 2025 GB£		31 December 2024 GB£
<u>Working Capital Ratio</u>			
Current assets to Current Liabilities	$\frac{150,566,347}{70,344,997}$	= 2.1	$\frac{126,898,180}{24,561,932}$ = 5.2
<u>Cash ratio</u>			
Cash to Current liabilities	$\frac{99,787,209}{70,344,997}$	= 1.4	$\frac{106,148,664}{24,561,932}$ = 4.3

The like-for-like ratios are derived from the reported consolidated figures by excluding the impact of the acquisition in the current year, namely the results of City & Guilds Group of companies and related consolidation adjustments, and should be read in conjunction with, and not as a substitute for, the reported ratios presented above.

As shown above, profitability ratios have deteriorated. The net margin ratio has dropped from 48.0% in 2024 to -3.4% on a reported basis and to 1.1% on a like-for-like basis in 2025, fact associated with the deterioration in the result after tax (profit of GB£58.0mil in 2024 vs. losses of GB£4.7mil. on a reported basis and profit of GB£1.3mil. on a like-for-like basis in 2025). The majority of this decline derives from non-realized foreign exchange losses incurred in current year due to the unfavorable foreign exchange rate fluctuations from 31 December 2024 to 31 December 2025, and specifically due to deterioration of the British pound and the US Dollar against the Euro. This led to a negative impact on the retranslation of the bond and the term loan of the Group, both originally denominated in Euro, and on the retranslation of other assets and cash balances held in foreign currencies.

Regarding the solvency ratios, both the debt to equity and the proprietary ratios have deteriorated mainly as a result of the acquisition (from 1.2 on 31 December 2024 to 2.1 on 31 December 2025 for the debt to equity ratio and from 0.5

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on 31 December 2024 to 0.3 on 31 December 2025).

Regarding the liquidity ratios, both the working capital and the cash ratio have deteriorated (from 5.2 as of 31 December 2024 to 2.1 as of 31 December 2025 for the working capital ratio and from 4.3 as of 31 December 2024 to 1.4 as of 31 December 2025 for the cash ratio) again mainly as a result of the acquisition.

Both the solvency, as well as the liquidity ratios, are expected to normalize as the integration of City & Guilds progresses.

Other matters

Bond Issuance and Refinancing of Existing Debt

In December 2025, the Group issued EUR300 million of senior secured notes maturing in 2031, strengthening its long-term funding structure and enhancing financial flexibility. The proceeds were used to fully refinance the Group's existing 2021 bond ahead of its maturity in 2026, extending the debt maturity profile and supporting the Group's strategic objectives. For further details refer to Note 17 of the consolidated financial statements.

Establishment of Senior Credit Facilities

On 6 October 2025, the Group, through the parent Company, PeopleCert Wisdom Ltd., entered into a Senior Facilities Agreement with Eurobank S.A. providing EUR150 million term loan and EUR50 million revolving credit facilities with a final maturity in October 2030 in order to obtain enhanced financial flexibility to support its strategic initiatives. The Group may, from time to time, repurchase notes in the open market, through privately negotiated transactions or otherwise. For further details refer to Note 17 of the consolidated financial statements.

IP Reorganisation

During 2025, the Group completed an internal reorganisation of its intellectual property, resulting in the centralisation of ownership of key intellectual property assets within a single group entity. The reorganisation was effected through intra-group transfers and contributions in kind of intellectual property rights, including trademarks and domain names, between group companies Axelos Ltd, PeopleCert US LLC, PeopleCert International Ltd, PeopleCert Wisdom Ltd and PeopleCert Switzerland Holding AG with effect from 1 October 2025. As the transaction occurred between entities under common control, it had no impact on the Group's consolidated financial statements.

Research and development

Operating in a competitive global market system, the Group adapts to the rapidly changing environment by investing in research and development activities that improve performance, increase profitability, and promote its core values of innovation and quality. The Group owns internally generated intangible assets comprising mainly of computer software, arising from its e-business development, and intellectual property rights (copyright and trademark).

Principal risks and uncertainties

The principal risks and uncertainties faced by the Group are disclosed in Note 36 of the Consolidated Financial Statements.

Use of financial instruments by the Group

The Group is exposed to interest rate risk, currency risk, credit risk and liquidity risk from the financial instruments it holds.

Interest rate risk

Interest rate risk arises from the Group's exposure to fluctuations in market interest rates, which may affect its financing costs and cash flows. The Group's exposure primarily relates to its variable-rate borrowings. In particular, it has a EUR 150 million term loan bearing interest at a floating rate based on EURIBOR, which results in variability in interest expense as market rates change. The Group has also issued a EUR 300 million bond with a fixed interest rate of 5.50%, which provides a degree of protection against interest rate volatility on this portion of its debt. Overall, the Group maintains a balanced mix of fixed and floating rate borrowings. Management monitors interest rate movements on an ongoing basis and considers appropriate actions to manage the Group's exposure where necessary.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

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Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Group's functional currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar, the Euro, the Australian Dollar and the Japanese Yen. The Group's Board of Directors monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL) and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets as well as lease receivables. Further, credit risk arises from financial guarantees and credit related commitments.

Credit risk is managed on a Group basis. For banks and financial institutions, the Group has established policies whereby most bank balances are held with independently rated parties.

If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, Management assesses the credit quality of the customer, considering its financial position, experience, and other factors. Individual credit limits and credit terms are set based on the credit quality of the customer in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

The Group has a strategic long-term partnership with an established global player in Credit Insurance, to properly manage and reduce the credit risk exposure.

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities do not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Group has procedures with the objective of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

Operating environment of the Group

Any significant events that relate to the operating environment of the Group are described in Note 1 of the Consolidated Financial Statements.

By order of the Board of Directors,



Anastasios Byron Nicolaides
Director

London, 27 April 2026

Peplecert Wisdom Limited

Directors' Report

The Directors present their report together with the audited Financial Statements of the Group for the financial year ended 31 December 2025.

Result of the year

Selected financial ratios for the current and prior year are presented below, however, due to the acquisition of City & Guilds Group of companies during the current year, the profit and loss ratios are not directly comparable, and like-for-like figures are therefore also provided:

A. Profitability Ratios (reported basis)

	2025 GB£		2024 GB£
<u>Gross margin</u>			
Gross Profit to Revenue	$\frac{100,021,786}{138,939,770} = 72.0\%$		$\frac{94,220,541}{120,927,652} = 77.9\%$
<u>Net margin</u>			
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A. Profitability Ratios (like-for-like basis)

	2025 GB£		2024 GB£
<u>Gross margin</u>			
Gross Profit to Revenue	$\frac{86,830,262}{114,022,795} = 76.2\%$		$\frac{94,220,541}{120,927,652} = 77.9\%$
<u>Net margin</u>			
Profit / (loss) before tax to Revenue	$\frac{1,256,229}{114,022,795} = 1.1\%$		$\frac{57,999,018}{120,927,652} = 48.0\%$

The like-for-like ratios are derived from the reported consolidated figures by excluding the impact of the acquisition in the current year, namely the results of City & Guilds Group of companies and related consolidation adjustments, and should be read in conjunction with, and not as a substitute for, the reported ratios presented above.

As shown above, profitability ratios have deteriorated. The net margin ratio has dropped from 48.0% in 2024 to -3.4% on a reported basis and to 1.1% on a like-for-like basis in 2025, fact associated with the deterioration in the result after tax (profit of GB£58.0mil in 2024 vs. loss of GB£4.7mil. on a reported basis and profit of GB£1.3mil. on a like-for-like basis in 2025). The majority of this decline derives from non-realized foreign exchange losses incurred in current year due to the unfavorable foreign exchange rate fluctuations from 31 December 2024 to 31 December 2025, and specifically due to deterioration of the British pound and the US Dollar against the Euro. This led to a negative impact on the retranslation of the bond and the term loan of the Group, both originally denominated in Euro, and on the retranslation of other assets and cash balances held in foreign currencies.

Board of Directors

The directors of the Group in office at the date of this report are:

Anastasios Byron Nicolaides
Graham John Shaw
Michael Milanovic

Dividends

On 31 January 2024, the Company declared in the General Meeting the payment of interim dividends of GB£6,700,000. On 10 March 2025, the Board of Directors of the Company approved payment of a final 2024 dividend of £5,350,000. The dividend was paid in connection with a dividend of the same amount by the indirect parent company, PeopleCert Holdings UK Limited ("PCHUK"), which was approved by the Board of PCHUK on 19 December 2024. For further details refer also to Note 32.

Share capital

There has been no change in the ownership during the year under review. The authorised share capital of the Company consists of 4 ordinary shares of GB£1 each.

Directors' Report

Human Rights

The Group policy is to respect international human rights principles and especially among others the principles of equal treatment and equal opportunities for all employees, diversity and the avoidance of child and forced labour.

Ensuring human rights is a key issue for the Group with a view to ensuring parity, equal treatment of every customer, partner and employee, prevention of any kind of racist behaviour, and proper working conditions and compliance with hygiene and safety rules with the aim of creating and ensuring a safe working environment.

Engagement with suppliers, customers, and others in a business relationship with the Group

The ultimate mission of the Group is to develop and deliver globally, best-in-class exam and certification programs that enhance the lives and careers of the candidates. To achieve this, we have set as priority to engage with all stakeholders to better inform them of our activities and to create equal opportunities and supportive outcomes for them.

Our customers are of focal interest, thereby, we constantly try to deliver operational and business excellence by building relationships based on trust, reliability, and quality.

Our employees are valued assets and shape how we run the business. We have processes in place to ensure that their initiatives and talents are valued, that any inequalities or injustice are avoided while we invest in their continuous professional development through various trainings and educational opportunities.

Our investors encompass both our shareholders and bondholders and any other party interested in the Group's sustainability and success. The Board has the opportunity through scheduled meetings on a timely manner to engage with investors on the business' progress and evolution and receive feedback on the results.

Our suppliers share our values and our objective to establish and maintain solid-lasting partnerships that will contribute to the Group's long-term success. The Group focuses on the quality, service provision, availability, and costs of its suppliers with regular reviews.

Statement of corporate governance arrangements

A talented team of professionals with proven expertise and outstanding performance in their respective fields move the company towards achieving its vision through insightful leadership and commitment to its core values.

The Board has adopted a system of rules, practices, and processes that constitute the framework for attaining the Group's objectives and managing corporate behaviour. For the Group, it is crucial to demonstrate good corporate citizenship through sound corporate governance practices with a view to promoting transparency, independence, fairness, accountability, responsibility, discipline, and social responsibility.

Greenhouse gas emissions and energy consumption

The Group carries out its activities in a way that ensures the protection of the environment. It has integrated appropriate procedures in its activities, operating with a sense of responsibility towards the environment. The Group itself has no manufacturing production and consequently has a lower impact on the environment.

Political contributions

Neither the Company nor any of its subsidiaries made any disclosable political donations or incurred any disclosable political expenditure during the year.

Events after the reporting period

On 28 February 2026, geopolitical tensions in the Middle East escalated with the onset of military operations in the region, which may have implications for international energy and transportation markets. As of the date of approval of this Report, no material impact on the Group's financial results has been identified. Management is actively monitoring the situation and evaluating any potential effects on the interest rates as well as on energy.

Independent Auditors

For the fiscal year of 2025 the Group appointed KPMG as independent auditors.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Directors' Report

By order of the Board of Directors,



Anastasios Byron Nicolaides
Director

London, 27 April 2026

Statement of Directors' responsibilities in respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Group Financial Statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRS), as adopted by the European Union (EU).

Under company law, Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing the Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRS), as adopted by the European Union (EU) have been followed for the Group Financial Statements, subject to any material departures disclosed and explained in the Financial Statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume that the Group will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Financial Statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Each of the Directors, whose names are listed in the Directors' section on page 2 confirm that, to the best of their knowledge:

- the Group Financial Statements, which have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), give a true and fair view of the assets, liabilities, financial position and loss of the group; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties that it faces.

In the case of each director in office at the date the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the group's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

By order of the Board of Directors,



Anastasios Byron Nicolaidis
Director
London, 27 April 2026



KPMG

Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS ON THE NON-STATUTORY FINANCIAL STATEMENTS OF PEOPLECERT WISDOM LIMITED

Report on the audit of the financial statements

Opinion

We have audited the non-statutory financial statements of Peoplecert Wisdom Limited ('the Company') and its consolidated undertakings ('the Group') for the 31 December 2025 set out on pages 21 to 77, which comprise the Consolidated Statement of Financial Position, Consolidated Statements of Profit and Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement and related notes including the material summary of significant accounting policies set out in note 4. These non-statutory financial statements have been prepared for the reasons set out in note 1. The financial reporting framework that has been applied in their preparation is International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion:

- the non-statutory financial statements give a true and fair view of the state of the Group's affairs as at 31 December 2025 and of its loss for the year then ended;
- the non-statutory financial statements have been properly prepared in accordance with IFRS as adopted by the European Union; and
- the non-statutory financial statements have been prepared in accordance with the requirements of the Companies Act 2006, as if those requirements were to apply.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the non-statutory financial statements section of our report. We are independent of the Group in accordance with ethical requirements that are relevant to our audit of the non-statutory financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

The directors have prepared the non-statutory financial statements on the going concern basis as they do not intend to liquidate the Group or to cease its operations, and as they have concluded that the Group's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the non-statutory financial statements ("the going concern period").



INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS ON THE NON-STATUTORY FINANCIAL STATEMENTS OF PEOPLECERT WISDOM LIMITED (*Continued*)

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group and Company's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

In auditing the non-statutory financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the non-statutory financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from the date when the non-statutory financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group will continue in operation.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the non-statutory financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included: inquiring with the directors as to the Group's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Group's regulatory and legal correspondence; and reading Board minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Group is subject to laws and regulations that directly affect the non-statutory financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Group, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the non-statutory financial statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.



INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS ON THE NON-STATUTORY FINANCIAL STATEMENTS OF PEOPLECERT WISDOM LIMITED (*Continued*)

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition. On this audit we do not believe there is a fraud risk related to revenue recognition.

In response to the risk(s) of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the non-statutory financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the non-statutory financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the non-statutory financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information presented in the Annual Report together with the non-statutory financial statements. The other information comprises the information included in the directors' report. The non-statutory financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the non-statutory financial statements does not cover the other information and accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion on that information.

Our responsibility is to read the other information and, in doing so, consider whether, based on our non-statutory financial statements audit work, the information therein is materially misstated or inconsistent with the non-statutory financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Matters on which we are required to report by exception

Include the following only if the terms of engagement include requirements to report on specific matters by exception.

Under the terms of our engagement we are required to report to you if, in our opinion:

- list matters on which we have been engaged to report by exception. This may include, for example; adequacy of accounting records for the purpose of an audit; agreement of financial statements with accounting records; receipt of all information and explanations we require for our audit.

We have nothing to report in these respects.



INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS ON THE NON-STATUTORY FINANCIAL STATEMENTS OF PEOPLECERT WISDOM LIMITED (*Continued*)

Respective responsibilities and restrictions on use

Responsibilities of directors for the non-statutory financial statements

As explained more fully in their statement set out on page 12, the directors are responsible for: the preparation of the non-statutory financial statements, which are intended by them to give a true and fair view; such internal control as they determine is necessary to enable the preparation of non-statutory financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the non-statutory financial statements

Our objectives are to obtain reasonable assurance about whether the non-statutory financial statements as a whole are free from material misstatement, whether due to fraud, other irregularities or error, and to issue an opinion in an auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-statutory financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

Our report has been prepared for the Group solely in accordance with the terms of our engagement. It has been released to the Group on the basis that our report shall not be copied, referred to or disclosed, in whole (save for the Group's own internal purposes) or in part, without our prior written consent.

Our report was designed to meet the agreed requirements of the Group determined by the Group's needs at the time. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Group for any purpose or in any context. Any party other than the Group who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG will accept no responsibility or liability in respect of our report to any other party.

Keith Watt
for and on behalf of
KPMG
Chartered Accountants,
1 Stokes Place
St. Stephens' Green
Dublin 2

3 May 2026

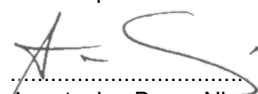
Peoplecert Wisdom Limited

Consolidated Statement of Financial Position

31 December 2025

		31 December 2025	31 December 2024
	Note	GB£	GB£
ASSETS			
Non current assets			
Property, plant and equipment	8	15,262,862	6,985,323
Right of use assets	9	32,749,066	3,483,133
Intangible assets	10	96,289,059	59,758,343
Goodwill	10	426,626,092	320,981,238
Other investments	11	3,491,956	457,101
Other assets		618,621	459,795
Deferred tax assets	19	927,049	240,834
Other financial assets at amortised cost		370,855	-
		<u>576,335,560</u>	<u>392,365,767</u>
Current assets			
Trade and other receivables	12	43,453,130	17,319,643
Financial assets at fair value through profit and loss	12.1	3,631,412	3,110,130
Inventory	13	280,625	228,947
Current tax assets	22	3,413,971	90,795
Cash and cash equivalents	14	99,787,209	106,148,664
		<u>150,566,347</u>	<u>126,898,180</u>
Total assets		<u>726,901,907</u>	<u>519,263,947</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	15	4	4
Share premium	15	140,058,339	140,058,339
Other reserves	16	7,669,385	(2,918,917)
Retained earnings		87,985,919	97,974,885
Total equity		<u>235,713,647</u>	<u>235,114,310</u>
Non current liabilities			
Borrowings	17	386,122,760	248,756,219
Provisions		1,670,238	-
Lease liabilities	18	12,590,325	2,815,830
Deferred tax liabilities	19	19,696,691	7,859,918
Other non-current liabilities		514,868	5,788
Employee benefits	29	248,381	149,949
		<u>420,843,263</u>	<u>259,587,704</u>
Current liabilities			
Trade and other payables	20	32,220,539	10,498,768
Provisions		203,260	-
Deferred income	21	33,102,937	3,479,326
Borrowings	17	1,741,946	4,244,170
Lease liabilities	18	3,076,315	924,738
Current tax liabilities	22	-	5,414,930
		<u>70,344,997</u>	<u>24,561,932</u>
Total liabilities		<u>491,188,260</u>	<u>284,149,636</u>
Total equity and liabilities		<u>726,901,907</u>	<u>519,263,947</u>

On 27 April 2026 the Board of Directors of the Company authorised these Consolidated Financial Statements for issue.



 Anastasios Byron Nicolaides
 Director

Peoplecert Wisdom Limited

Consolidated Statement of Comprehensive Income

31 December 2025

		1 January to 31 December 2025	1 January to 31 December 2024
	Note	GB£	GB£
Revenue	23	138,939,770	120,927,652
Cost of sales	24	<u>(38,917,984)</u>	<u>(26,707,111)</u>
Gross profit		100,021,786	94,220,541
Other income	25	519,213	102,742
Selling and distribution expenses	26	(22,074,528)	(18,147,820)
Administration expenses	27	(34,345,464)	(21,839,697)
Other expenses	34	<u>(9,062,245)</u>	<u>(3,210,280)</u>
Operating profit		35,058,762	51,125,485
Finance income	30	3,312,743	22,967,468
Finance costs	30	<u>(43,119,035)</u>	<u>(16,093,934)</u>
Net finance result		(39,806,291)	6,873,534
Profit/ (Loss) before tax		<u>(4,747,530)</u>	<u>57,999,018</u>
Income tax expense	31	108,565	(4,618,188)
Profit/ (Loss) for the year		(4,638,965)	53,380,830
Other comprehensive income/ (loss)			
<i>Items that will not be classified to profit or loss:</i>			
Remeasurement of defined benefit pension plan	29	(8,422)	1,138
Income taxes of items that will not be reclassified to profit or loss	19	1,853	(250)
		<u>(6,569)</u>	<u>887</u>
<i>Items that may be classified subsequently to profit or loss:</i>			
Foreign Operations - foreign currency translation differences	16	10,594,871	(9,103,785)
Other comprehensive income/ (loss) for the year		10,588,302	(9,102,897)
Total comprehensive income for the year		5,949,337	44,277,933

Peoplecert Wisdom Limited

Consolidated Statement of Changes in Equity

31 December 2025

	Share capital	Share premium	Other reserves	Retained earnings	Total
	GB£	GB£	GB£	GB£	GB£
Balance at 1 January 2024	4	140,058,339	6,183,980	51,294,055	197,536,378
Comprehensive income					
Net profit/ (loss) for the year	-	-	-	53,380,830	53,380,830
Translation reserve (other comprehensive income)	-	-	(9,103,785)	-	(9,103,785)
Other comprehensive income	-	-	887	-	887
Total comprehensive income for the year	-	-	(9,102,897)	53,380,830	44,277,933
Transactions with owners of the Group					
Dividends	-	-	-	(6,700,000)	(6,700,000)
Total transactions with owners of the Group	-	-	-	(6,700,000)	(6,700,000)
Balance at 31 December 2024 / 1 January 2025	4	140,058,339	(2,918,917)	97,974,885	235,114,310
Comprehensive income					
Net profit/ (loss) for the year	-	-	-	(4,638,965)	(4,638,965)
Translation reserve (other comprehensive income)	-	-	10,594,871	-	10,594,871
Other comprehensive income	-	-	(6,569)	-	(6,569)
Total comprehensive income for the year	-	-	10,588,302	(4,638,965)	5,949,337
Transactions with owners of the Group					
Dividends	-	-	-	(5,350,000)	(5,350,000)
Total transactions with owners of the Company	-	-	-	(5,350,000)	(5,350,000)
Balance at 31 December 2025	4	140,058,339	7,669,385	87,985,919	235,713,647

Peplecert Wisdom Limited

Consolidated Cash Flow Statement

31 December 2025

	Note	2025 GB£	2024 GB£
Cash flows from operating activities			
Profit / (Loss) before tax		(4,747,530)	57,999,019
Adjustments for:			
Depreciation	8,9	3,060,138	1,884,310
Amortisation	24	14,690,073	13,641,466
Net foreign exchange (gains)/losses	30	25,005,036	(19,783,438)
Loss on sale of property, plant and equipment		4,735	-
Gain on sale of financial assets at fair value through profit and loss		(154,961)	-
Provision for defined benefit obligation	29	173,041	63,786
Provision for bad debt	12	224,171	-
Change in fair value of financial assets at fair value through profit and loss	12.1	(502,020)	(209,283)
Net finance costs	30	14,801,256	12,909,904
		52,553,939	66,505,765
Changes in:			
Inventories		25,074	19,403
Trade and other receivables		24,538,368	(12,072,674)
Trade and other payables		(11,625,375)	8,086,854
Deferred income		(723,674)	628,474
Defined benefits obligations paid	29	(95,410)	(23,622)
Other assets		(135,818)	(101,302)
Cash generated from operating activities		64,537,104	63,042,898
Income taxes paid		(5,952,512)	(2,610,789)
Net cash from operating activities		58,584,592	60,432,109
Cash flows from investing activities			
Acquisition of property, plant and equipment	8	(2,330,061)	(2,645,212)
Acquisition of leasehold property	9	(16,835,891)	-
Acquisition of intangible assets	10	(6,891,404)	(5,679,002)
Acquisition of other investments	11	(2,981,860)	(215,547)
Proceeds from disposal of property, plant and equipment		656,172	-
Interest received		1,732,433	1,786,478
Acquisition of subsidiary, net of cash acquired	7	(140,699,157)	(264,733)
Net cash used in investing activities		(167,349,768)	(7,018,016)
Cash flows from financing activities			
Proceeds from borrowings	17	387,763,257	-
Repayments of borrowings	17	(262,927,257)	-
Payment of leases liabilities		(1,798,569)	(1,105,120)
Interest paid		(18,553,900)	(14,647,788)
Dividends paid		(6,499,862)	(6,700,000)
Net cash used in financing activities		97,983,669	(22,452,908)
Net increase/ (decrease) in cash and cash equivalents		(10,781,507)	30,961,187
Cash and cash equivalents at beginning of the year		106,148,664	78,284,655
Effect of movements in exchange rates on cash held		4,420,052	(3,097,177)
Cash and cash equivalents at end of the year	14	99,787,209	106,148,664

Notes to the Consolidated Financial Statements

31 December 2025

1. Incorporation and principal activities

Country of incorporation

Peoplecert Wisdom Limited (the "Company") was incorporated in the United Kingdom on 1 June 2021 as a private limited liability company. The registered number is 13430992 and its registered office is at 192 Sloane Street, London, SW1X 9QX, United Kingdom.

The Company acquired control of PeopleCert International Limited and its Group as at 23 July 2021.

These Group Financial Statements have been prepared only for reporting requirements of bondholders (Note 17) and not for statutory purposes.

Principal activities

The Group's principal activities, consistent with the prior year, include the design, development, management, control and support of certification programmes in Business, IT and Languages; the ownership and management of related intellectual property, including publications; and the design, development and assessment of automated examination systems. Following the acquisition of City & Guilds in current year, the Group has expanded its activities to include the development and delivery of vocational qualifications, apprenticeships and training relating to practical, job-ready skills across multiple industries.

2. Basis of preparation

The Consolidated Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU).

The accounting policies set out below, unless otherwise stated, have been applied consistently to all periods presented in these Group Financial Statements.

The Consolidated Financial Statements have been prepared on an accrual basis (other than for cash flow information) using the significant accounting policies and measurement bases and also on a going concern assumption.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the Financial Statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 6.

3. Going concern basis of accounting

For the year ended 31 December 2025, the Group reported a net loss of GB£4.6 million (2024: profit of GB£53.4 million). Notwithstanding this, the Group maintained a strong financial position, with net assets of GB£235.7 million (31 December 2024: GB£235.1 million) and a positive working capital position, with current assets exceeding current liabilities by GB£80.2 million as of 31 December 2025.

During the year, the Group strengthened its funding structure by entering into a EUR150 million term loan and EUR50 million revolving credit facility maturing in October 2030 and by issuing EUR300 million of senior secured notes maturing in June 2031. The proceeds of the bond issuance were used to refinance the Group's existing EUR300 million bond ahead of its 2026 maturity, thereby extending the debt maturity profile. The Group remained compliant with the financial covenants associated with its Senior Facilities Agreement throughout the period. In addition, the Group held cash balances of approximately GB£100 million as at 31 December 2025.

The loss for the year was primarily driven by non-cash foreign exchange losses arising from the retranslation of EUR denominated borrowings and other foreign currency balances, reflecting adverse exchange rate movements during the period.

Notes to the Consolidated Financial Statements

31 December 2025

The Directors consider the going concern basis appropriate, given the Group's strong liquidity, positive working capital and access to committed financing.

4. Material accounting policies

The principal accounting policies adopted in the preparation of these Consolidated Financial Statements are set out below. These policies have been consistently applied to all years presented in these Consolidated Financial Statements unless otherwise stated.

Basis of consolidation

The Company has subsidiary undertakings for which IFRS 10 requires Consolidated Financial Statements to be prepared. The Consolidated Financial Statements incorporate the Financial Statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights. The acquisition date is the date on which control is transferred to the acquirer. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Transactions with non-controlling interests that do not result in loss of control of a subsidiary, are accounted for as transactions with the owners (i.e. as equity transactions). The difference between the fair value of any consideration and the resulting change in the non-controlling interests' share of the net assets of that subsidiary, is recorded in equity.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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For business combinations with acquisition dates on or after current period, the Group has determined whether a particular set of activities and assets is a business by assessing whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. This election can be applied on a transaction-by-transaction basis. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and does not exceed twelve months.

On disposal of a subsidiary or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit and loss on disposal.

Common control transactions

A 'business combination involving entities or businesses under common control' is a transaction in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

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The Group accounts for common control transactions using the book value (carry-over basis) method, reflecting the substance that the investment has been transferred within the Group rather than acquired from an external party.

Under this approach, the assets and liabilities of the acquired entity are recognized at their existing carrying amounts as reflected in the Consolidated Financial Statements of the Group, with no recognition of goodwill or fair value adjustments.

Any difference between the consideration transferred and the carrying amounts of the net assets acquired is recognized directly in equity.

Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

Intangible assets

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in profit or loss in the expense category consistent with the function of the intangible asset.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from the Group's e-business development is recognised only if the Group can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- its intention to complete the intangible asset and use or sell it
- its ability to use or sell the intangible asset
- how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Internally-generated intangible assets are amortised on a straight-line basis over their estimated useful lives. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Patents and trademarks

Patents and trademarks are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives. Their amortisation expense is included in cost of sales.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

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Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses.

Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programs are recognised as an expense when incurred.

Software development costs are capitalised in accordance with the Research and development of Computer software accounting policy below.

Computer software costs are amortised using the straight-line method over their useful live, which commences when the computer software is available for use. Amortisation commences wheth the computer software is available for use. Their amortisation expense is included in cost of sales.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Other intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The useful lives per asset category are as follows:

	Years
Computer software in use	5
Patents and trademarks	5 – 10
Customer base acquisition	5
Intellectual property/Content	15
Certification rights	5

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal of the property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. Land is not depreciated. The depreciation expense is included in administration expenses. The useful lives per asset category are as follows:

	Years
Leasehold improvements	12
Motor vehicles	5

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Furniture, fixtures and equipment

5-10

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts on the commencement date of the lease and is included in administration expenses.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group as lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16. However, when the Group was an intermediate lessor the sub-leases were classified with reference to the underlying

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asset.

The Group as lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents its right-of-use assets that do not meet the definition of investment property in 'Property, plant and equipment' in the consolidated statement of financial position.

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Short-term leases and leases of low-value assets

The Group has elected not to recognise the right of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets (i.e. IT equipment, office equipment etc.). The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

Lease acquired in a business combination

For leases acquired in a business combination, the Group measures the acquired lease liability at the present value of the remaining lease payments, as if the acquired lease were a new lease at the acquisition date. The right-of-use asset is measured at acquisition at the same amount as the lease liability, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Lease liability and associated right-of-use assets acquired in a business combination for which the lease term ends within 12 months of the acquisition date or, leases for which the underlying asset value is low, are not recognized.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition.

Impairment of non-financial assets excluding inventories and deferred tax assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units ("CGUs"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Financial instruments

Financial assets - Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value, either through other comprehensive income (OCI) or through profit or loss, and
- those to be measured at amortised cost (AC).

The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

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A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Group may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVTPL) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, the classification will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

Investments in subsidiaries are carried at cost less impairment.

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Group commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets at FVTPL (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains

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and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets - Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

The Group sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Group assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Group derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a significant increase in credit risk (SICR) has occurred. The Group also assesses whether the new loan or debt instrument meets the solely payment of principal and interest (SPPI) criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Group compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Group recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

Financial assets - impairment - credit loss allowance for ECL

The Group assesses on a forward-looking basis the expected credit loss (ECL) for debt instruments (including loans) measured at amortised cost and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The Group measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated statement of comprehensive income within "net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost are presented in the consolidated statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the consolidated statement of financial position.

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For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

The impairment methodology applied by the Group for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Group applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

For all other financial instruments that are subject to impairment under IFRS 9, the Group applies general approach - three stage model for impairment. The Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a "SICR" since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to Note 36.1, Credit risk section, for a description of how the Group determines when a SICR has occurred. If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Group's definition of credit impaired assets and definition of default is explained in note 36.1, Credit risk section.

Additionally the Group has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to Note 36.1, Credit risk section for a description of how the Group determines low credit risk financial assets.

Classification as financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Group. They are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are also subject to the impairment requirements of IFRS 9. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See Note 36, Credit risk section.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 180 days past due.

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Debtors and provisions for bad debt

Bad debts are written off to profit or loss and a specific provision is made, where it is considered necessary. No general provision for bad debts is made. Trade debtors are stated after deducting the specific provision for bad and doubtful debts, if any.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Financial liabilities and equity

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- (b) where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that will be settled by the Group's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Group's own shares, the amounts presented in these Financial Statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

The Group subsequently measures all equity investments at fair value. Where the Group's Management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The Group's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in "other gains/(losses)" in the consolidated statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are not reported separately from other changes in fair value.

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Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income. Financial assets measured at amortised cost (AC) comprise cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in "other income". Foreign exchange gains and losses are presented in "other gains/(losses)" and impairment expenses are presented as separate line item in the consolidated statement of comprehensive income.

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "other gains/(losses)" in the period in which it arises.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial liabilities - modifications

An exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. (In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.)

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch-up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising

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from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Group and the costs can be measured reliably.

Borrowings

Borrowings are recognised initially at fair value. Transaction costs incurred are recognized as an expense in the statement of comprehensive income. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

Fees paid on the establishment of loan facilities are recognised as expense in profit or loss as incurred.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Deferred income

Deferred income represents income receipts which relate to future periods.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

Prepayments

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Group has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Group. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss.

Share capital

Ordinary and preference shares are classified as equity.

Merger reserve

Merger reserve is the difference between the cost of acquiring an investment in subsidiary and the acquired subsidiary's net assets book value.

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Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Contingent liabilities are not recognized in the Financial Statements but are disclosed unless the possibility of outflow is remote. Contingent assets are not recognized in the Financial Statements but are disclosed when an inflow of economic benefits is probable.

Provision for onerous contracts is established when the expected benefits to the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. This provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Group determines the net interest on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability.

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs. The Group then calculates the current service cost for the remainder of the reporting period, post the amendment or curtailment, using the same actuarial assumptions as those used to remeasure the net defined benefit liability/(asset).

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on a settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any

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payments made directly by the Group in connection with the settlement, ignoring the effect of the asset ceiling that is reversed separately through OCI.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Revenue

Recognition and measurement

Revenue represents the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Group includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Group's experience with similar contracts and forecasted sales to the customer.

The Group recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Group can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Group's future cash flows is expected to change as a result of the contract), it is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Group's contracts with customers.

The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Group considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the consolidated statement of comprehensive income in the period in which the circumstances that give rise to the revision become known by Board of Directors.

Identification of performance obligations

The Group assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

- Sale of products

Sales of products are recognised at the point in time when the Group satisfies its performance obligation by transferring control over the promised products to the customer, which is usually when the products are delivered to the customer, risk of obsolescence and loss have been transferred to the customer and the customer has accepted the products.

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- **Rendering of services**

Revenue from rendering of services is recognised over time while the Group satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours.

- **Financing component**

The Group does not have any material contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group elects to use the practical expedient and does not adjust any of the transaction prices for the time value of money.

- **Contract assets and contract liabilities**

In case the services rendered by the Group as of the reporting date exceed the payments made by the customer as of that date and the Group does not have the unconditional right to charge the client for the services rendered, a contract asset is recognised. The Group assesses a contract asset for impairment in accordance with IFRS 9 using the simplified approach permitted by IFRS 9 which requires expected lifetime losses to be recognised from initial recognition of the contract asset. An impairment of a contract asset is measured, presented and disclosed on the same basis as a financial asset that is within the scope of IFRS 9. If the payments made by a customer exceed the services rendered under the relevant contract, a contract liability is recognised. The Group recognises any unconditional rights to consideration separately from contract assets as a trade receivable because only the passage of time is required before the payment is due.

Contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 180 days past due.

- **Costs to obtain or fulfil contracts with customers**

The Group recognises the incremental costs incurred by the Group to obtain contracts with customers and the costs incurred in fulfilling contracts with customers that are directly associated with the contract as an asset if those costs are expected to be recoverable and record the in "Other assets" in consolidated statement of financial position. Incremental costs of obtaining contracts are those costs that the Group incurs to obtain a contract with customer that would not have been incurred if the contract had not been obtained. The asset is amortised on a straight-line basis over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue and recognised in "cost of sales" in consolidated statement of comprehensive income. Additionally, the asset is assessed for impairment and any impairment loss is recognised in "cost of sales" in consolidated statement of comprehensive income.

The Group recognises the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognised is one year or less.

Regarding the City & Guilds Group acquired in current year, the Group derives revenue from awarding, training and related services, as well as digital subscription offerings. Revenue is recognised when (or as) control of the promised goods or services is transferred to customers, in an amount that reflects the consideration to which the Group expects to be entitled.

- **Awarding, assessment and accreditation services**

Revenue arises from qualification-related services, including learner registration, assessment, certification and accreditation activities. Revenue relating to ongoing access to services, support and administration is recognised over time over the learner lifecycle, as customers simultaneously receive and consume the benefits of these services.

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Revenue from discrete services, including assessments, certifications and accreditation activities, is recognised at a point in time when the relevant service has been completed.

- **Training and related services**

Revenue from training courses, apprenticeships and coaching services is recognised over time as the training is delivered, reflecting the transfer of services to the customer. Where contracts include distinct assessment or outcome-based elements, revenue is recognised at a point in time when the relevant assessment has been completed or outcome achieved.

- **Digital and subscription services**

Revenue from subscription-based digital platforms and learning resources is recognised over time on a straight-line basis over the contractual subscription period.

- **Other services**

Revenue from consultancy, invigilation and similar services is recognised at a point in time when the services have been delivered.

Finance income

Financing income mainly comprises net foreign exchange gains. Interest income is recognised on a time-proportion basis using the effective method.

Finance costs

Financing expenses include interest payable, finance charges on lease liabilities recognised in profit or loss using the effective interest method and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy).

Interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, British Pound, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the month where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve. When a foreign operation is disposed of, such that control is lost, the entire accumulated amount in the FCTR, net of amounts previously attributed to non-controlling interests, is recycled to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while still retaining control, the relevant proportion of the accumulated amount is reattributed to non-controlling interests.

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Regarding the foreign currency translation, the following apply:

(1) Functional and presentation currency

Items included in the Group Financial Statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial Statements are presented in British pounds (GBP or GB£), which is the Group's presentation currency.

The functional currency of the Company is GBP. The functional currency of the subsidiaries is as follows:

- Euro (EUR) - PeopleCert International Limited, PeopleCert Hellas S.A, PeopleCert Educational S.A., PeopleCert Global Services S.A., PeopleCert Switzerland Holding AG and PeopleCert Switzerland AG
- British Pound (GBP) - PeopleCert UK Ltd., PeopleCert Qualifications Ltd., Axelos Ltd., PeopleCert Wisdom Issuer Plc., PeopleCert UK Property 1 Ltd. and City & Guilds Ltd.
- US Dollar (USD) – PeopleCert US LLC
- Turkish lira (TRY) - PeopleCert Personel Belgelendirme A.S.
- Indian Rupee (INR) - DPC LanguageCert India Private Ltd.

City & Guilds Ltd. also operates through its subsidiaries in a number of other foreign currencies (BWP, HKD, LKR, AED, ZAR, PKR, MYR, CNY, SGD, NZD, AUD), which are not material to the Group.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Tax

Tax expense represents the sum of the current income tax and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

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Government grants

Government grants are included within trade and other payables in the balance sheet and credited to the profit and loss account on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

The Group has elected to present grants related to income separately under the heading "Other income".

Dividends

Dividend distribution to the Company's shareholders is recognised in the Group Financial Statements in the year in which they are approved by the Company's shareholders.

Fair value measurement for financial and non-financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in the absence of a principal market, in the most advantageous market for that asset or liability. The fair value of a liability represents the risk of default.

The financial assets and liabilities in the statement of financial position which are measured at fair value, are grouped based on a fair value hierarchy of three levels. The levels are determined based on the quality/nature of the inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Some of the Group's accounting policies and disclosures require fair value measurement, for both financial and non-financial assets and liabilities. If available, the Group assesses the fair value of a financial and non-financial instrument using market prices traded in an active market for that instrument. A market is considered active if the asset or liability is traded at a sufficient frequency and volume to enable valuation data to be derived on an ongoing basis. In case there is no price in an active market, the Group uses valuation methods that maximize the use of observable data input and minimize the use of non-observable data input. The chosen valuation method incorporates all the parameters that would be taken into account by market participants when valuing a transaction.

The fair value of the financial assets measured at fair value through profit and loss is determined based on Level 1 inputs.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

5. New and amended International financial reporting Standards ("IFRS") and Interpretations

New International financial reporting standards, interpretations, and amendments to Standards effective and endorsed by the European Union

Since 1 January 2025, the Group has adopted all amendments in IFRS as these were adopted by the European Union ("EU") which relate to its operations. These Amendments and Interpretations did not have a significant impact on the Group Financial Statements.

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The following new Standards, Interpretations and amendments to Standards have been issued by the International Accounting Standards Board (IASB), have been adopted by the European Union and their application is mandatory from 01/01/2025 onwards.

From 1st January 2025 the Group has adopted all amendments in IFRS as these were adopted by the European Union ("EU") which relate to its operations. These Amendments and Interpretations did not have a significant impact on the financial statements of the Group.

IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments). The amendments are effective for annual periods on or after 1 January 2025.

In August 2023, IASB published amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" which require companies to provide more useful information in their financial statements when a currency is not exchangeable into another currency. The amendments introduce a definition of the "exchangeability" of a currency and provide guidance on how an entity should estimate a spot exchange rate in cases where a currency is not exchangeable. Also, additional disclosures are required in cases where an entity has estimated a spot exchange rate due to a lack of exchangeability.

New International financial reporting standards, amendments to Standards and interpretations not yet effective or not endorsed by the EU

The following New Standards, Amendments and Interpretations have been issued by the International Accounting Standards Board (IASB) but are not yet effective for annual periods starting 1st January 2025. Those relating to the Group's operations are presented below. The Group does not intend to early adopt the following New IFRS, Amendments and Interpretations before their effective date as mentioned below.

IFRS 18 "Presentation and Disclosure in Financial Statements" (effective for annual periods starting on or after 01.01.2027). In April 2024 the International Accounting Standards Board (IASB) issued a new standard, IFRS 18, which replaces IAS 1 'Presentation of Financial Statements'.

The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027. Early adoption is permitted. The amendments have not yet been endorsed by the EU.

IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (effective for annual periods starting on or after 01.01.2027)

In May 2024 the International Accounting Standards Board (IASB) issued a new standard, IFRS 19, which permits to a subsidiary, without public accountability and that has a parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards to provide reduced disclosures when applying IFRS Accounting Standards in its Financial Statements. An eligible subsidiary that applies IFRS 19 is required to apply the requirements in other IFRS Accounting Standards for recognition, measurement and presentation requirements but for disclosure requirements, it applies IFRS 19 instead of the disclosure requirements in other IFRS Accounting Standards, except in specified circumstances.

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IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply for it.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. The amendments have not yet been endorsed by the EU.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) The amendments are effective for annual periods on or after 01 January 2026

The amendments clarify that a financial liability is derecognized on the “settlement date” and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets with ESG linked features via additional guidance on the assessment of contingent features. Moreover, clarifications have been made, with regards to the key characteristics of contractually linked instruments and how they differ from financial assets with non-recourse features, as well as to include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the “look-through” test). The amendments also require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

Annual Improvements to IFRS Accounting Standards (Amendments to IFRS 7, IFRS 9, and IAS 7 effective from 01 January 2026)

In the annual improvements volume 11 issued on 18 July 2024 the International Accounting Standards Board (IASB) makes minor amendments that include clarifications, simplifications, corrections and changes in the following Accounting Standards:

- IFRS 7 Financial Instruments:
 - Gain or loss on derecognition
 - Disclosure of differences between the fair value and the transaction priceDisclosures on credit risk

- IFRS 9 Financial Instruments: Disclosures:
 - Derecognition of lease liabilities
 - Transaction price

- IAS 7 Statement of Cash Flows - Cost Method.

The amendments to IFRS 9 address:

A conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables; and how a lessee accounts for the derecognition of a lease liability under IFRS 9. The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied. The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. The amendments have not yet been endorsed by the EU.

The adoption of the above updated standards is not expected to have a significant impact on the Financial Statements of the Group.

6. Critical accounting estimates and judgments

The preparation of Financial Statements in conformity with IFRS, as adopted by EU, requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Internally generated intangibles**

Significant judgement is required in distinguishing research from the development phase. A detailed forecast of sales or cost savings expected to be generated by the intangible asset is incorporated into the Group's overall budget forecast as the capitalisation of development costs commences. This ensures that managerial accounting, impairment testing procedures and accounting for internally-generated intangible assets is based on the same data. The Group's Director also monitors whether the recognition requirements for development costs continue to be met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems after the time of recognition.

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 36, Credit risk section.

- **Impairment of non-financial assets**

The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Group estimates the recoverable amount of the cash generating unit in which the asset belongs to.

- **Impairment of intangible assets**

Intangible assets are initially recorded at acquisition cost and are amortized on a straight line basis over their useful economic life. Intangible assets that are acquired through a business combination are initially recorded at fair value at the date of acquisition. Intangible assets with indefinite useful life are reviewed for impairment at least once per year. The impairment test is performed using the discounted cash flows expected to be generated through the use of the intangible assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Group estimates the recoverable amount of the cash generating unit in which the asset belongs to.

- **Useful lives of depreciable assets**

The Company reviews the useful lives of depreciable assets at each reporting date, and revises them if necessary, so that the useful lives related to the period that these assets are expected to generate cash inflows. Actual results, however, may vary due to extended period that these assets, especially in case of intangible assets that can generate cash inflows other than initial their estimated useful lives, technological obsolescence, mis-usage and other factors that are not easily predictable in initial recognition.

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7. Business combinations

Business combinations in the current period

On 31 October 2025, the Group, through the parent company PeopleCert Wisdom Ltd., completed the acquisition of certain commercial businesses of The City & Guilds of London Institute. The acquired business comprises the commercial trading activities, assets and employees of the vocational qualifications and apprenticeships segment and the training segment, together with associated trademarks and selected investments, which were transferred to the Group under City & Guilds Limited ('City & Guilds'). The total consideration amounted to GB£159,935,457.

The acquired business operates as a workforce skills solutions provider, offering awarding and assessment of vocational qualifications, apprenticeship end-point assessments and vocational training and leadership development programmes across a wide range of sectors. Its activities are primarily focused on regulated and commercial qualifications, training delivery and skills development, serving further education institutions, training providers, employers and learners in the United Kingdom and internationally. The acquisition represents an expansion of the Group's activities into vocational education and training and complements the existing portfolio of Business & IT and Language certifications. The integration of City & Guilds is expected to create cross-selling opportunities and operational efficiencies, leveraging the Group's proprietary technology platform and global distribution network. The combined portfolio enhances the Group's ability to serve governments, enterprises and individuals with a broader offering of skills development, certification and training solutions.

Effect of acquisition

The acquisition had the following effect on the assets and liabilities of the Group at the acquisition date:

	Book values 31 October 2025 GB£	Adjustments GB£	Fair values 31 October 2025 GB£
Acquiree's net assets at the acquisition date:			
Tangible & ROU assets	15,600,378	-	15,600,378
Intangible assets	11,918,847	31,960,883	43,879,730
Goodwill	11,472,436	(11,472,436)	-
Trade & other receivables	40,961,482	-	40,961,482
Cash and cash equivalents	19,236,301	-	19,236,301
Other current assets	220,287	-	220,287
Lease liabilities	(7,253,224)	-	(7,253,224)
Deferred income	(30,186,051)	-	(30,186,051)
Trade & other payables	(17,284,975)	-	(17,284,975)
Deferred tax liabilities	(810,997)	-	(810,997)
Current tax liabilities	(19,670)	-	(19,670)
Other liabilities	(2,395,607)	-	(2,395,607)
Net identifiable assets and liabilities	41,459,206	20,488,448	61,947,655

Consideration paid

The agreed consideration was as follows:

	GB£
Cash consideration	159,935,457
Total consideration	159,935,457

According to the share purchase agreement, the consideration did not have any deferred or contingent component.

Goodwill

The value of goodwill was determined as the residual amount arising from the Purchase Price Allocation ('PPA') performed by an independent valuation specialist in accordance with IFRS 3 'Business Combinations'.

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The allocation of the purchase price was primarily supported by the expected future economic benefits arising from the acquisition of City & Guilds, including its strong brand recognition, established customer relationships and extensive portfolio of vocational qualifications and training content. In addition, the valuation reflects anticipated synergies from integration with the Group's existing platform, including cross-selling opportunities, expansion into new customer segments and geographies, and operational efficiencies. These benefits are expected to enhance the Group's competitive positioning and support revenue growth.

According to the PPA, the goodwill was assessed at GB£105,977,804 including a net deferred tax liability of GB£7,990,000 recognised on the differences assessed between the book values and the fair values as follows:

	Book values	Fair values	Difference	Deferred tax recognised
	GB£	GB£	GB£	GB£
Tradenames/ trademarks	340,000	14,900,000	14,560,000	(3,640,000)
Content and qualification	6,300,000	3,600,000	(2,700,000)	675,000
Customer relationships	-	20,100,000	20,100,000	(5,025,000)
	<u>6,640,000</u>	<u>38,600,000</u>	<u>31,960,000</u>	<u>(7,990,000)</u>

Goodwill primarily reflects the expected synergies arising from the integration of City & Guilds with the Group's existing operations, including cross-selling opportunities, expansion into new customer segments and geographies, and operational efficiencies. It also includes the value of the assembled workforce and other future economic benefits, such as growth opportunities and the ability to leverage the Group's platform, which do not meet the criteria for separate recognition as intangible assets in accordance with IFRS 3 Business Combinations.

The above adjustments were performed to determine the identifiable assets and liabilities, and also to reflect their fair value as defined by the International Financial Reporting Standards (IFRS) at the acquisition date. The Group has measured the value of the acquired company based on current information. During the 12month since acquisition period, the Group may adjust the provisional values recognized for the business combination under IFRS 3 based on the collection of additional information.

The subsidiary's financial results have been consolidated from 1 November 2025 onwards.

Acquisition related costs

For the acquisition of City & Guilds, the Group incurred acquisition related costs of approximately GB£3,625k that concerned mainly consultancy and legal fees. These costs have been included in other expenses in the Group's consolidated statement of comprehensive income (see Note 34).

Business combinations in the prior period

On 11 March 2024, the Group acquired through PeopleCert International Limited 99.99% of the ordinary shares in DP Cube Learning and Skills Private Limited ("DP Cube"), a company incorporated in India. The remaining 0.01% was acquired by PeopleCert Holdings UK Limited, the indirect parent company of PeopleCert Wisdom Limited. The total consideration amounted to US\$370,000 (INR34,979,063).

The Group acquired DP Cube Learning and Skills, a distinguished educational services provider based in India, specializing in the English language sector, in order to significantly strengthen the LanguageCert brand's presence in Asia, particularly across India and the surrounding region, marking a significant milestone in the achievement of the strategic goals of the Group. Following the acquisition, DP Cube Learning and Skills was renamed to DPC LanguageCert India Private Limited.

Consideration paid

The total consideration amounted to US\$370,000 (INR34,979,063) and did not have any deferred or contingent component.

Goodwill

The value of goodwill was determined following the accounting rules of IFRS 3 'Business Combinations' as follows:

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	INR
Fair value of net assets	13,300,000
Goodwill	21,679,063
Total consideration	34,979,063

The goodwill arising from DPC LanguageCert India was retranslated to the reporting currency GBP as of 31 December 2025 and amounted to GB£179,384 (GB£202,198 as of 31 December 2024).

Acquisition-related costs

For the acquisition of DPC LanguageCert India, the Group incurred acquisition related costs of approximately GB£53k, that concerned mainly consultancy and legal fees. These costs have been included in other expenses in the Group's consolidated statement of comprehensive income.

The subsidiary's financial results have been consolidated from 11 March 2024.

8. Property, plant and equipment

	Plant and Machinery	Land and buildings	Leashold improvements	Motor vehicles	Furniture, fixtures and office equipment	Total
	GB£	GB£	GB£	GB£	GB£	GB£
Cost						
Balance at 1 January 2024	-	-	1,478,543	3,041,818	3,497,623	8,017,984
Additions	521,115	-	948,579	378,437	797,081	2,645,212
Exchange differences	-	-	(67,832)	(141,127)	(149,254)	(358,213)
Balance at 31 December 2024/ 1 January 2025	521,115	-	2,359,289	3,279,128	4,145,450	10,304,982
Additions through business combinations	-	5,109,513	-	-	15,711,946	20,821,459
Additions	161,181	25	547,525	193,152	1,428,178	2,330,061
Disposals	-	-	-	(881,092)	(583)	(881,675)
Exchange differences	27,284	-	123,546	173,371	196,921	521,121
Balance at 31 December 2025	709,579	5,109,538	3,030,361	2,764,559	21,481,912	33,095,948
Depreciation						
Balance at 1 January 2024	-	-	299,771	450,459	1,644,712	2,394,942
Charge for the year	21,250	-	166,721	445,809	449,181	1,082,960
Exchange differences	-	-	(17,304)	(31,173)	(109,766)	(158,243)
Balance at 31 December 2024/ 1 January 2025	21,250	-	449,188	865,095	1,984,126	3,319,659
Charge for the year	59,995	56,900	237,175	459,400	750,671	1,564,142
Additions through business combinations	-	607,760	-	-	12,369,606	12,977,366
On disposals	-	-	-	(220,790)	(607)	(221,396)
Exchange differences	948	-	22,872	45,876	123,620	193,316
Balance at 31 December 2025	82,193	664,660	709,235	1,149,581	15,227,417	17,833,086
Carrying amounts						
Balance at 31 December 2025	627,386	4,444,878	2,321,125	1,614,977	6,254,495	15,262,862
Balance at 31 December 2024	499,865	-	1,910,101	2,414,034	2,161,323	6,985,323

Depreciation expense for the year has been recognised in profit or loss under administration expenses.

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9. Right-of-use assets

	Land and buildings GB£	Motor vehicles GB£	Total GB£
Cost			
Balance at 1 January 2024	6,660,945	610,406	7,271,351
Additions	150,705	187,872	338,577
Contract modifications	(172,913)	-	(172,913)
Exchange differences	(64,685)	(28,007)	(92,691)
Balance at 31 December 2024/ 1 January 2025	6,574,052	770,271	7,344,323
Additions through business combinations	12,855,191	675,996	13,531,188
Additions	22,694,566	149,129	22,843,695
Reductions	(1,027,031)	-	(1,027,031)
Exchange differences	289,778	40,335	330,113
Balance at 31 December 2025	41,386,556	1,635,732	43,022,287
Depreciation			
Balance at 1 January 2024	2,535,545	460,776	2,996,321
Charge for the year	680,735	120,615	801,350
Exchange differences	87,229	(23,709)	63,520
Balance at 31 December 2024/ 1 January 2025	3,303,508	557,682	3,861,190
Additions through business combinations	5,764,570	-	5,764,570
Charge for the year	1,305,493	190,504	1,495,996
Reductions	(1,027,031)	-	(1,027,031)
Exchange differences	149,660	28,837	178,497
Balance at 31 December 2025	9,496,199	777,023	10,273,222
Carrying amounts			
Balance at 31 December 2025	31,890,357	858,708	32,749,066
Balance at 31 December 2024	3,270,544	212,589	3,483,133

The additions during the current year amounting to GB£22,843,695 relate primarily to the acquisition of the leasehold property "Giltspur House" (GB£20,555,203).

As part of the broader transaction relating to the acquisition of City & Guilds, the Group's subsidiary, PeopleCert UK Property 1 Ltd., acquired on 31 October 2025 the leasehold property "Giltspur House" from the selling shareholder, The City and Guilds of London Institute, for a purchase price of GB£16,000,000.

The property, located at 5–7 Giltspur Street, London, United Kingdom, is currently occupied by City & Guilds Limited. The leasehold interest is held from the City of London, with a lease term expiring in June 2141.

The cost of the property, recognised at GB£20,555,203 as at 31 December 2025, includes also transaction costs of £835,891 incurred in connection with the acquisition, as well as the present value of future lease payments of £3,719,311 capitalised in accordance with IFRS 16 'Leases'.

Depreciation expense of ROU assets for the year has been recognised in profit or loss under administration expenses.

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10. Intangible assets

	Customer base	Goodwill	Computer software	Trademarks and patents	Intellectual property/ Content	Total
	GB£	GB£	GB£	GB£	GB£	GB£
Cost						
Balance at 1 January 2024	1,209,895	320,855,473	30,470,735	5,727,254	71,270,543	429,533,899
Acquisitions through business combinations	-	202,198	-	-	-	202,198
Additions	-	-	5,679,002	-	-	5,679,002
Exchange difference	(27,130)	(76,433)	(5,329,460)	(14,891)	(134,542)	(5,582,456)
Balance at 31 December 2024 / 1 January 2025	1,182,765	320,981,238	30,820,277	5,712,363	71,136,000	429,832,644
Additions through business combinations	20,100,000	105,977,804	25,229,127	14,900,000	3,600,000	169,806,931
Additions	-	-	6,410,452	-	480,951	6,891,404
Exchange differences	29,546	(332,950)	842,130	16,217	146,523	701,466
Balance at 31 December 2025	21,312,311	426,626,092	63,301,987	20,628,580	75,363,475	607,232,445
Amortisation						
Balance at 1 January 2024	723,849	-	18,985,167	1,754,547	19,254,926	40,718,489
Amortization for the year	80,606	-	4,401,188	556,120	8,603,553	13,641,466
Exchange differences	(27,130)	-	(5,088,958)	(14,891)	(135,913)	(5,266,892)
Balance at 31 December 2024 / 1 January 2025	777,325	-	18,297,396	2,295,776	27,722,566	49,093,063
Amortization for the year	77,821	-	4,696,297	551,645	8,615,603	13,941,365
Additions through business combinations	335,000	-	20,050,036	49,667	120,000	20,554,703
Exchange differences	29,546	-	529,799	16,217	152,601	728,163
Balance at 31 December 2025	1,219,692	-	43,573,528	2,913,304	36,610,770	84,317,294
Carrying amounts						
Balance at 31 December 2025	20,092,619	426,626,092	19,728,459	17,715,276	38,752,705	522,915,150
Balance at 31 December 2024	405,440	320,981,238	12,522,880	3,416,587	43,413,434	380,739,581

Amortization expense for the year has been recognised in profit and loss under cost of sales.

The additions in Computer software relate to capitalized development costs for new features, new qualifications, integrations and cost optimization incurred in the Group's certifications software and the website.

The additions through business combinations of current year relate to the acquisition of City & Guilds Limited and specifically to the goodwill and the intangible assets determined upon acquisition (refer further to Note 7).

During 2025, the Group completed an internal reorganisation of its intellectual property, resulting in the centralisation of ownership of key intellectual property assets within a single group entity. The reorganisation was effected through intra-group transfers and contributions in kind of intellectual property rights, including trademarks and domain names, between group companies Axelos Ltd, PeopleCert US LLC, PeopleCert Wisdom Ltd and PeopleCert Switzerland Holding AG with effect from 1 October 2025. As the transaction occurred between entities under common control, it had no impact on the Group's consolidated financial statements.

Goodwill arising on IASSC, Axelos, DevOps, DPC LanguageCert India and City & Guilds Limited acquisitions is presented in the table below including any deferred tax liabilities that were recognized on the acquisition date.

Impairment testing

Goodwill is considered significant in comparison to the Group's total assets and has been allocated to the following cash-generating units:

	31 December 2025	31 December 2024
	GB£	GB£
IASSC Goodwill	631,040	734,297
Axelos Goodwill	317,026,598	317,026,598
DevOps Institute Goodwill	2,811,266	3,018,145
DPC LanguageCert India Goodwill (Note 7)	179,384	202,198
City & Guilds Goodwill (Note 7)	105,977,804	-
	426,626,092	320,981,238

City & Guilds Goodwill

The goodwill that resulted from the acquisition of City & Guilds Limited in October 2025 was determined at GB£105,977,804. For further details around the determination of goodwill refer to Note 7.

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Due to the short period between the acquisition date and year-end, management assessed whether any indicators of impairment existed and concluded that none were present at year-end. As a result, management have assessed that there is no impairment on the goodwill recognized for City & Guilds Limited as of 31 December 2025.

DPC LanguageCert India Goodwill

The goodwill that resulted from DPC LanguageCert India, acquired in March 2024, was determined at INR21,679,063. The goodwill of DPC LanguageCert India has been retranslated to the reporting currency GBP as of 31 December 2025 (GB£179,384).

Management have assessed that there is no impairment on the goodwill recognized for DPC LanguageCert India as of 31 December 2025.

DevOps Institute Goodwill

The goodwill that resulted from the acquisition of DevOps Institute in February 2023 was determined at US\$3,781,434. and has been retranslated to the reporting currency GBP as of 31 December 2025 (GB£2,811,266).

On 27 September 2024, the merger of group entities IASSC LLC and DevOps Institute Inc. was completed. The new combined entity was renamed to PeopleCert US LLC. The goodwill that resulted from the acquisition of DevOps in 2023 has not been affected in this respect, since the relevant CGU to which it relates, has been determined on group level and remains unchanged.

Regarding the impairment review conducted by Management as of 31 December 2025, DevOps cashflows are generated through group entities, and therefore, DevOps product line is treated as a single CGU, and impairment testing is conducted at this level.

The key assumptions used in current year for the value-in-use calculations for DevOps are as follows: discount rate (WACC) 15.9%, sales 6-year average growth rate 11% and growth rate in perpetuity 1.5%. Based on the assessment performed by Management, the recoverable amount of the CGU, among which the goodwill has been allocated, exceeds the carrying amount as of 31 December 2025 and therefore no impairment is required as of 31 December 2025.

Management has identified that the carrying amount could exceed the relevant recoverable amount following a possible change in the assumption of the discount rate (WACC) and the sales growth rate. The WACC required for the estimated recoverable amount to equal the carrying amount of DevOps is 33.71%. The reduction in the projected revenue required for the recoverable amount to equal the carrying amount of DevOps is -29.65%.

Axelos Goodwill

The goodwill, that arose from the acquisition of Axelos that took place in 2021, amounts at GB£317,026,598 as of 31 December 2025, as equally determined upon its acquisition.

Since Axelos cashflows are generated through group entities, the Axelos product line is treated as a single CGU, and impairment testing is conducted at this level.

An impairment review was conducted by management on the Axelos CGU as of 30 September 2025.

The key assumptions used as of 30 September 2025 for the value-in-use calculations for Axelos were as follows: Discount rate (WACC) 13.5%, sales 5-year average growth rate 8.1% and growth rate in perpetuity 1.5%. Based on the assessment performed by Management, the recoverable amount of the CGU, among which the goodwill has been allocated, exceeded the carrying amount as of 30 September 2025 and therefore no impairment was required as of 30 September 2025.

Management had identified that the carrying amount could exceed the relevant recoverable amount as of 30 September 2025 following a possible change in the assumption of the discount rate (WACC) and the sales growth rate. The WACC required for the estimated recoverable amount to equal the carrying amount of Axelos was 16.2%. The reduction in the projected revenue required for the recoverable amount to equal the carrying amount of Axelos was -16.5%.

Management has assessed whether any impairment indicators arose in the period from 30 September to 31 December 2025 and concluded that no such indicators existed. Accordingly, the assumptions used in the impairment test as of 30 September 2025 remain appropriate at year-end and no impairment is required as of 31 December 2025.

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IASSC Goodwill

The goodwill that resulted from the acquisition of IASSC in 2020 was initially determined at US\$1,522,000 (GB£1,170,769). Based on the impairment testing conducted by Management as of 31 December 2022 an impairment loss of GB£772,107 was recognized. IASSC goodwill amounts to GB£631,040 after being retranslated to the reporting currency GBP as of 31 December 2025.

On 27 September 2024, the merger of group entities IASSC LLC and DevOps Institute Inc. was completed. The new combined entity was renamed to PeopleCert US LLC. The goodwill that resulted from the acquisition of IASSC in 2021 has not been affected in this respect, since the relevant CGU to which it relates, has been determined on group level and remains unchanged.

IASSC cashflows are generated through group entities, and therefore, IASSC product line is treated as a single CGU, and impairment testing is conducted at this level.

The key assumptions used in current year for the value-in-use calculations for IASSC are as follows: Discount rate (WACC) 16.40%, sales 5-year average growth rate 6.2% and growth rate in perpetuity 1.5%. Based on the assessment performed by Management, during the annual impairment testing, the recoverable amount of the CGU estimated exceeds the carrying amount as of 31 December 2025 and therefore no impairment is required as of 31 December 2025.

Management has identified that the carrying amount could exceed the relevant recoverable amount following a possible change in the assumption of the discount rate (WACC). The WACC required for the estimated recoverable amount to equal the carrying amount of IASSC is 45.99%.

11. Other investments

The other investments are analyzed as follows:

	31 December 2025	31 December 2024
	GB£	GB£
Balance at 1 January	457,101	257,981
Additions	2,981,860	215,547
Exchange differences	52,995	(16,427)
Balance at 31 December	<u>3,491,956</u>	<u>457,101</u>

The additions in current year of GB£2,981,860 include additional investments in venture capitals (GB£267,727), the purchase of other minority shareholdings in start-up companies (GB£1,284,852) and the acquisition of interest in the investment fund 'New Markets Education Partners III L.P.' (GB£1,429,281).

As part of the broader transaction relating to the acquisition of City & Guilds Limited, the Group's subsidiary, PeopleCert US LLC, acquired on 31 October 2025 the interest held by the selling shareholder, The City and Guilds of London Institute, in the investment fund 'New Markets Education Partners III L.P.' against a purchase price of US\$1,610,026 (GB£1,201,512). The cost of the investment was further increased by additional capital contributions of US\$312,500 (GB£232,325) up to year-end leading to a total portfolio value of US\$1,922,526 (GB£1,429,281) as of 31 December 2025.

The additions in the prior year of GB£215,547 concern further investments in venture capitals.

All of the above investments represent minority interests below 20% and are held for the purpose of generating returns through fair value appreciation.

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11.1 Investments in subsidiaries

The details of the Group subsidiaries are as follows:

<u>A/A</u>	<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Direct Holding</u>	<u>Indirect Holding</u>
				<u>%</u>	<u>%</u>
1	PeopleCert International Limited	Cyprus	Design, development, management, control and support of personnel, certification programs, and support of Automated Examination Systems	100	-
2	PeopleCert Hellas S.A.	Greece	Design, development, management, control and support of Personnel Certification Programs and design, development and support of Automated Examination Systems	-	99.99
3	PeopleCert Global Services S.A.	Greece	Design, development, management, control, and support of personnel certification programs and automated examination systems	-	99.99
4	PeopleCert UK Ltd	United Kingdom	Personnel Certification	-	100
5	PeopleCert Qualifications Limited	United Kingdom	Personnel Certification	-	100
6	PeopleCert Personel Belgenendirme A.S.	Turkey	Personnel Certification	-	100
7	PeopleCert Educational S.A.	Greece	Education	-	99.98
8	DevOps Institute Inc (*)	United States of America	Design, development and management of global best practice methodologies in project, program and portfolio management, and IT and digitally enabled services	-	100
9	IASSC International Association for Six Sigma Certification LLC (*)	United States of America	Personnel Certification	-	100
10	PeopleCert US LLC	United States of America	Personnel Certification	-	100
11	PeopleCert Wisdom Issuer Plc	United Kingdom	Special purposes finance company	100	-
12	PeopleCert Switzerland Holding AG	Switzerland	Holding Company	-	100
13	PeopleCert Switzerland AG	Switzerland	IP Holding Company	-	100
14	DPC LanguageCert India Private Ltd.	India	Personnel Certification	-	99.99
15	Axelos Limited	United Kingdom	Design, development and management of global best practice methodologies in project, program and portfolio management, and IT and digitally enabled services	100	-
16	Pei Si Te Assessment Technology (Beijing) Co Limited	China	Management and Administration Services	-	100
17	PeopleCert UK Property 1 Limited	United Kingdom	Real estate company	100	-
18	City and Guilds Limited	United Kingdom	Qualification and assessment	100	-
19	The Oxford Group Consulting and Training Holding Company Ltd	United Kingdom	Holding company	-	100
20	The Oxford Group Consulting and Training Ltd	United Kingdom	Leadership training	-	100
21	Oxford Group Consulting and Training Inc	USA	Leadership training	-	100
22	Genll Engineering & Technology Training Ltd	United Kingdom	Technical training	-	100
23	Cumbria ATA Ltd	United Kingdom	Inactive	-	100
24	Intertrain UK Ltd	United Kingdom	Technical training	-	100
25	Tradekills 4U Group Ltd	United Kingdom	Holding company	-	100
26	Trade Skills4U Ltd	United Kingdom	Technical training	-	100
27	City and Guilds PTY Ltd (South Africa)	South Africa	Inactive	-	100
28	City and Guilds PTE Ltd (South Asia)	India	Qualification and assessment	-	99.99
29	City and Guilds Pakistan PTE Ltd	Pakistan	Inactive	-	100
30	City & Guilds SDN BHD (Malaysia)	Malaysia	Qualification and assessment	-	100
31	City and Guilds Educational Information Consulting Co Ltd (Shanghai)	China	Qualification and assessment	-	100
32	City and Guilds Asia PTE Ltd	Singapore	Inactive	-	100
33	City and Guilds Ltd (Ireland)	Ireland	Inactive	-	100
34	Interact Learning PTY Ltd	Australia	Inactive	-	100
35	E3learning UK Ltd	United Kingdom	Inactive	-	100
36	Flexible Learning Network Ltd	New Zealand	Inactive	-	100
37	Intertrain UK (Holdings) Ltd	United Kingdom	Holding company	-	100
38	City and Guilds Enterprises Ltd	United Kingdom	Inactive	-	100
39	Digitalme Ltd	United Kingdom	Inactive	-	100
40	Radiowaves Schools Ltd	United Kingdom	Inactive	-	100

(*) Companies merged on 27 September 2024 - see below

Peoplecert Wisdom Limited

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On 29 July 2021, the Group acquired 100% of the shares of Axelos Limited. Further to this, in June 2021, three new entities were established; PeopleCert Wisdom Limited, PeopleCert Wisdom Issuer Plc and PeopleCert Wisdom Holdings Limited for the purposes of Axelos acquisition.

On 17 February 2023, the Group acquired 100% of the shares of DevOps Institute Inc.

On 11 March 2024, the Group acquired 99.99% of the shares of DP Cube Learning And Skills Private Ltd., an entity incorporated in India. The entity was renamed to DPC LanguageCert India Private Ltd. after the acquisition.

On 10 June 2024, the Group set up two new subsidiaries; PeopleCert Switzerland Holding AG and PeopleCert Switzerland AG, both incorporated in Switzerland.

On 27 September 2024, the merger of group entities IASSC LLC and DevOps Institute Inc. was completed. The new combined entity was renamed to PeopleCert US LLC.

On 28 July 2025, a new group subsidiary, PeopleCert UK Property 1 Limited, was incorporated. The company owns the leasehold property 'Giltspur House' that was acquired as part of the broader transaction relating to the acquisition of City & Guilds Limited. For further details refer to Note 9.

On 31 October 2025, the Company acquired 100% of the issued share capital of City & Guilds Limited, thereby obtaining control of City & Guilds Limited and its subsidiaries (companies 18-40 in the list above). For further details, please refer to Note 7.

The subsidiaries PeopleCert International Ltd, PeopleCert Educational S.A., PeopleCert Hellas S.A., PeopleCert Global Services S.A., PeopleCert UK Ltd, PeopleCert Qualifications Ltd, Axelos Limited, PeopleCert Personal Belgenendirme A.S, PeopleCert US LLC, PeopleCert Wisdom Issuer Ltd, PeopleCert Switzerland Holding AG, PeopleCert Switzerland AG, DPC LanguageCert India Private Ltd., PeopleCert UK Property 1 Ltd. and the 'City & Guilds Group' have been consolidated as of 31 December 2025. Regarding the companies of 'City & Guilds Group', these have been consolidated from 31 October 2025, representing a two-month post-acquisition period to 31 December 2025.

12. Trade and other receivables

	31 December 2025 GB£	31 December 2024 GB£
Trade receivables	27,321,642	11,755,209
Trade receivables from related parties (Note 33.3)	956,983	1,045,149
Less: credit loss on trade receivables	(847,722)	(927,857)
Trade receivables - net	27,430,903	11,872,501
Shareholders' current accounts - debit balances (Note 33.5)	593,683	490,652
Directors' current accounts - debit balances (Note 33.4)	118,700	155,924
Deposits and prepayments	6,388,475	2,656,223
Other receivables	7,187,820	513,670
Refundable VAT	1,733,549	1,630,674
	43,453,130	17,319,643

The concentration of credit risk with respect to trade receivables is limited due to the Group's large number of customers. The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, the Directors believe that no additional credit risk beyond the amounts provided for collections losses is inherent in the Group's trade receivables.

Deposits and prepayments include fees provided to suppliers for products and services which will be delivered after the year end.

Other receivables of GB£7.2 million as at 31 December 2025 include GB£6.4 million originating from the accounting

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records of City & Guilds Limited. This balance primarily comprises (i) GB£2.9 million relating to social security contributions for October, paid by City & Guilds Limited in November in respect of personnel transferred from The City & Guilds of London Institute following the acquisition as of 31 October 2025 and (ii) approximately GB£3.2 million of accrued income relating mainly to Bootcamps and Apprenticeships. The balance receivable from The City & Guilds of London Institute is expected to be settled by year-end.

The Group does not hold any collateral over the trading balances.

Movement in provision for impairment of receivables:

	31 December	31 December
	2025	2024
	GB£	GB£
Balance at the beginning of the period	927,857	733,826
Additions through business combinations	446,059	-
New provision recognised (Note 26)	224,171	220,935
Reversals of provision	(782,873)	-
Exchange differences	32,508	(26,904)
Balance at the end of the period	<u>847,722</u>	<u>927,857</u>

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Group to credit risk and impairment losses in relation to trade and other receivables is reported in Note 36 of the Consolidated Financial Statements.

12.1 Financial assets at FVTPL

	31 December	31 December
	2025	2024
	GB£	GB£
Balance at 1 January	3,110,130	-
Additions	511,307	2,968,542
Disposals	(646,576)	-
Fair value adjustments (Note 34)	502,020	209,283
Exchange differences	154,531	(67,695)
Balance at 31 December	<u>3,631,412</u>	<u>3,110,130</u>

During the year, the Group acquired listed equity investments amounting to GB£511,307 (2024: GB£2,968,542). In current year, disposals of GB£646,576 of equity investments took place generating a gain on disposal of GB£153,789 (see Note 34). These investments represent holdings of less than 20% in each entity and are held for trading purposes. In accordance with IFRS 9, they have been classified as financial assets at fair value through profit or loss.

13. Inventory

	31 December	31 December
	2025	2024
	GB£	GB£
Finished goods	280,625	228,947
	<u>280,625</u>	<u>228,947</u>

Inventories comprise hard copy books and other study materials used in certification examinations and held for sale.

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14. Cash and cash equivalents

	31 December 2025 GB£	31 December 2024 GB£
Cash in hand	885,869	835,639
Cash at bank	98,832,997	97,216,598
Cash equivalents	68,343	8,096,427
	<u>99,787,209</u>	<u>106,148,664</u>

The decrease in cash equivalents from 31 December 2024 to 31 December 2025 is due to the US treasury bills, which were acquired by the Group in 2023 with an annual yield of 4.50% , reaching maturity on 15 November 2025 (value of GB£7,998,885 as of 31 December 2024).

For the purposes of the consolidated cash flow statement, the cash and cash equivalents include the following:

	31 December 2025 GB£	31 December 2024 GB£
Cash and cash equivalents	<u>99,787,209</u>	<u>106,148,664</u>
	<u>99,787,209</u>	<u>106,148,664</u>

The exposure of the Group to credit risk and impairment losses in relation to cash and cash equivalents is reported in Note 36 of the Consolidated Financial Statements.

15. Share capital and share premium

	2025 Number of shares	2025 GB£	2024 Number of shares	2024 GB£
Authorised				
Ordinary shares	4	4	4	4
Issued and fully paid				
Ordinary shares of GB£1 each	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Balance at 31 December	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

Authorised capital

On 21 June 2021, the authorised share capital of the Company was 1 ordinary share of GB£1.

On 22 July 2021, the Company issued 3 ordinary shares for a total consideration of GB£140,058,343. This subscription increased share capital by GB£3 and created a share premium of GB£140,058,339.

Issued capital

Upon incorporation on 1 June 2021, the Company issued 1 ordinary share of GB£1 at par. As at 31 December 2025, the issued capital of the Group is 4 shares of GB£1 each.

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16. Other reserves

	Recognised actuarial gains/ (losses)	Merger Reserve	Translation reserve	Total
	GB£	GB£	GB£	GB£
Balance at 1 January 2024	(13,555)	496,513	5,701,022	6,183,980
Foreign operations - foreign currency translation differences	-	-	(9,103,785)	(9,103,785)
Remeasurement of defined benefit pension plan	1,138	-	-	1,138
Related tax	(250)	-	-	(250)
Balance at 31 December 2024/ 1 January 2025	(12,667)	496,513	(3,402,763)	(2,918,917)
Foreign operations - foreign currency translation differences	-	-	10,594,871	10,594,871
Remeasurement of defined benefit pension plan	(8,422)	-	-	(8,422)
Related tax	1,853	-	-	1,853
Balance at 31 December 2025	(19,236)	496,513	7,192,108	7,669,385

The merger reserve relates to PeopleCert International Limited in 2016 of GB£386,633 (EUR495,002), the acquisition of PeopleCert Hellas S.A. of GB£50,022 (EUR60,000) in 2012 and PeopleCert Personel Belgenendirme A.S of GB£59,858 (EUR74,248) in 2014.

Merger reserve is the difference between the cost of acquiring an investment in a subsidiary and the acquired subsidiary's net assets book value.

Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. British pounds) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

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17. Borrowings

The borrowings of the Group are analysed as follows:

	31 December 2025 GB£	31 December 2024 GB£
Current borrowings		
Bank overdrafts	11,915	11,223
Secured senior notes	573,403	4,232,947
Term loan	<u>1,156,628</u>	<u>-</u>
	1,741,946	4,244,170
Non current borrowings		
Secured senior notes	257,052,487	248,756,219
Term loan	<u>129,070,273</u>	<u>-</u>
	386,122,760	248,756,219
Total borrowings	<u>387,864,706</u>	<u>253,000,389</u>

The movement in the borrowings of the Group during the year was as follows:

	31 December 2025 GB£	31 December 2024 GB£
Balance at 1 January	253,000,389	265,134,752
New loans acquired	387,763,257	-
Repayment of loans	(262,927,257)	-
Interest charged for the year	15,923,518	14,470,616
Repayments of interest	(18,553,900)	(14,647,788)
Exchange differences	<u>12,658,699</u>	<u>(11,957,191)</u>
Balance at 31 December	<u>387,864,706</u>	<u>253,000,389</u>

On 27 July 2021, the Group entered into a bridge facility agreement and on 29 July 2021 received a financing of an aggregate principal amount of the euro equivalent of GB£250 million to fund the consideration payable for the Axelos acquisition (the "Axelos Bridge Facility").

On 5 August 2021, the Group's subsidiary PeopleCert Wisdom Issuer Plc priced an offering of EUR300 million aggregate principal amount of 5^{3/4} % senior secured notes due on 15 September 2026 (the "Notes"), unless redeemed prior thereto, at an issue price of 100.0% (the "offering"). The proceeds of the offering of the Notes were used by the Issuer to make the Axelos Funding Loan to the Parent Guarantor, PeopleCert Wisdom Limited, and the latter used these proceeds to repay the Axelos Bridge Facility. Each note bore interest at a rate of 5.75% per annum which was payable bi-annually on 15 March and 15 September of each year, commencing on 15 March 2022.

On 6 October 2025, the Group, through the parent Company, PeopleCert Wisdom Ltd., entered into a Senior Facilities Agreement with Eurobank S.A. providing EUR150 million term loan and EUR50 million revolving credit facilities with a final maturity in October 2030 in order to obtain enhanced financial flexibility to support its strategic initiatives. The facilities bear interest at EURIBOR plus a floating margin per annum subject to a leverage-based adjustment.

On 29 October 2025, EUR150million (GB£131,395k) was drawn under the term loan facility. The net proceeds received amounted to EUR147,915k (GB£129,582k).

The agreement contains standard financial covenants, including consolidated net leverage and fixed charge coverage ratios, together with customary undertakings and events of default. As at 31 December 2025, the Group was in compliance with all financial covenants.

On 17 December 2025, the Group, through PeopleCert Wisdom Issuer plc, issued EUR300 million 5½% senior secured notes at an issue price of 100.0% due 15 June 2031 to further enhance its financial flexibility. The notes bear a fixed

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interest rate of 5.50% per annum, payable semi-annually on 15 June and 15 December each year, commencing on 15 June 2026. The notes are guaranteed on a senior basis by the parent Company and certain Group subsidiaries, including PeopleCert International Limited, PeopleCert Switzerland AG, PeopleCert Switzerland Holding AG, Axelos Limited, PeopleCert UK Ltd, PeopleCert Hellas S.A., PeopleCert Global Services S.A., PeopleCert Qualifications Ltd., PeopleCert Educational S.A. and City & Guilds Limited. The Group may, from time to time, repurchase notes in the open market, through privately negotiated transactions or otherwise.

On 17 December 2025, EUR300 million (£262,927k) was drawn down under the bond issuance. The net proceeds received amounted to EUR294,582k (£258,182k). On the same date, EUR300 million (£262,927k) was used to fully repay the outstanding balance of the bond issued in 2021 before reaching maturity in September 2026.

The interest charges of the current year of GB£15,923k include GB£1,157K for the term loan for period 10-12/2025, GB£14,193k for the 2021 bond for period 1/01-17/12/2025 (2024: GB£14,471k) and GB£573k for the newly-issued bond (period 17-31/12/2025). The repayments of interest in 2025 of GB£18,554k (2024: GB£14,648k) concern the 2021 bond.

Maturity of non-current borrowings:

	31 December 2025 GB£	31 December 2024 GB£
Between one and five years	<u>386,122,760</u>	<u>248,756,219</u>
	<u>386,122,760</u>	<u>248,756,219</u>

18. Lease liabilities

	Minimum lease payments		Present value of minimum lease payments	
	31 December 2025 GB£	31 December 2024 GB£	31 December 2025 GB£	31 December 2024 GB£
No later than 1 year	3,489,675	1,022,912	3,076,315	924,738
Later than 1 year and not later than 5 years	8,418,417	2,166,871	7,208,866	1,750,920
Later than 5 years	25,512,394	1,321,719	5,381,459	1,064,910
	<u>37,420,486</u>	<u>4,511,502</u>	<u>15,666,640</u>	<u>3,740,567</u>
Future finance charges	(21,753,846)	(770,935)	-	-
Present value of lease liabilities	<u>15,666,640</u>	<u>3,740,567</u>	<u>15,666,640</u>	<u>3,740,567</u>

All lease obligations are denominated in Euro except for the leases related to PeopleCert UK Ltd which are denominated in GBP. The increase in the lease liabilities from GB£3,740,567 as of 31 December 2024 to GB£15,666,641 as of 31 December 2025 is associated mainly with the lease liabilities of City & Guilds acquired in 2025 (31 December 2025: GB£6,808k) and of PC UK Property 1 (31 December 2025: GB£3,669k) for the leasehold property of the Giltspur House. For further details refer to Note 9.

The fair values of lease obligations approximate to their carrying amounts as presented above.

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19. Deferred tax

The deferred tax balances as of year-end are analysed as follows:

	Assets		Liabilities		Net assets / (liabilities)	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	GB£	GB£	GB£	GB£	GB£	GB£
Property, plant & equipment	-	-	(5,442,103)	(95,960)	(5,442,103)	(95,960)
Intangible assets	509,918	180,010	(14,254,588)	(7,727,494)	(13,744,670)	(7,547,484)
Employee benefits	62,293	42,198	-	184	62,293	42,382
Provisions	262,681	-	-	-	262,681	-
Other	92,157	18,626	-	(36,647)	92,157	(18,021)
Net deferred tax assets / (liabilities)	927,049	240,835	(19,696,691)	(7,859,918)	(18,769,642)	(7,619,083)

Movement in deferred tax during the year:

	1 January 2025	Recognized in profit and loss	Recognized in equity	Acquired in business combinations	31 December 2025
	GB£	GB£	GB£	GB£	GB£
Property, plant & equipment	(95,960)	(4,206,626)	-	(1,139,517)	(5,442,103)
Intangible assets	(7,547,484)	1,792,814	-	(7,990,000)	(13,744,670)
Employee benefits	42,382	18,059	1,853	-	62,294
Provisions	-	-	-	262,681	262,681
Other	(18,021)	44,339	-	65,839	92,157
Net deferred tax assets / (liabilities)	(7,619,084)	(2,351,413)	1,853	(8,800,997)	(18,769,641)

20. Trade and other payables

	31 December 2025	31 December 2024
	GB£	GB£
Trade payables	9,860,147	3,423,707
Payables to related parties (Note 33.2)	161,488	1,275,003
Prepayments from clients	1,158,466	1,134,233
Social insurance and other taxes	6,967,855	1,244,676
Staff costs accrued	139,057	118,566
Accruals	12,361,786	2,930,448
Other creditors	1,571,739	372,135
	32,220,539	10,498,768

As of 31 December 2024 the balance of other creditors of GB£372,135 concerned mainly a financial liability relating to the contingent consideration recognised in connection with the acquisition of IASSC bask in 2021 (GB£367,140 as of 31 December 2024). Based on the purchase agreement with Red Stake Inc. (former shareholder of IASSC), an additional consideration was due for each six-month period (i) from and including January 1 through and including June 30 and (ii) from and including July 1 through and including December 31 of each calendar year, beginning with the 2022 calendar year through and including the 2025 calendar year of an amount equal to (a) 12.5% multiplied by (b) company revenue for the applicable period less the digital spend for the applicable period.

IASSC was expected to achieve the performance threshold entitling the seller to earnout consideration; accordingly, the related contingent consideration, as initially recognized at the acquisition date, was recorded as a liability as at 31 December 2021.

During the current year, an amount of GBP 243,306 was written off, as it was no longer expected to be realized. The relevant gain has been shown under Other income in the consolidated statement of comprehensive income

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(Note 25). The remaining balance amounts to approximately GBP 64 thousand as at 31 December 2025.

21. Deferred income

	31 December 2025 GB£	31 December 2024 GB£
Deferred income	<u>33,102,937</u>	<u>3,479,326</u>
	<u>33,102,937</u>	<u>3,479,326</u>

Deferred income mainly concerns membership subscriptions, accreditations fees and deferred qualification registration revenue.

22. Current tax assets/ liabilities

The current tax assets and liabilities of the Group are as follows:

	31 December 2025 GB£	31 December 2024 GB£
Current tax assets	<u>3,413,971</u>	<u>90,795</u>
	<u>3,413,971</u>	<u>90,795</u>
	31 December 2025 GB£	31 December 2024 GB£
Current tax liabilities	<u>-</u>	<u>(5,414,930)</u>
	<u>-</u>	<u>(5,414,930)</u>
Net current tax asset/ (liability)	3,413,971	(5,324,135)

23. Revenue

	1 January to 31 December 2025 GB£	1 January to 31 December 2024 GB£
Business and IT Qualifications	100,064,349	108,913,297
Language Qualifications	13,640,949	12,014,355
Qualification and assessment	18,488,845	-
Technical training	5,051,001	-
Leadership training	1,267,116	-
Other revenue	427,509	-
	<u>138,939,770</u>	<u>120,927,652</u>

The new business lines of 'Qualification and assessment', 'Technical training', 'Leadership training' and 'Other

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revenue' relate to City & Guilds and concern vocational training programmes.

24. Cost of sales

The cost of sales in analysed as follows:

	1 January to 31 December 2025	1 January to 31 December 2024
	GB£	GB£
Staff costs (Note 28)	12,126,622	6,366,629
Exam supervision and testing program expenses	1,536,556	2,229,669
Royalty fees	95,369	134,003
Product delivery	4,795,033	-
Product maintenance	154,288	-
Commissions payable	551,697	376,052
Accreditation costs	221,300	247,720
Courseware costs	3,924	4,584
Publishing & book costs	395,334	771,561
Rent	3,871	4,988
Research & development costs	770,606	417,944
Amortisation	14,690,073	13,641,466
Other direct costs	3,573,313	2,512,495
	<u>38,917,984</u>	<u>26,707,111</u>

25. Other income

	1 January to 31 December 2025	1 January to 31 December 2024
	GB£	GB£
Government grants	-	65,236
Rental income	1,863	5,704
Gain from write-off of financial liabilities	431,302	-
Dividend income	4,374	-
Other operating income	81,674	31,802
	<u>519,212</u>	<u>102,742</u>

The gain from write-off of financial liabilities of GB£431,302 includes a gain of GB£243,306 from the partial write off of the financial liability that had been recognised in connection with the contingent consideration on the IASSC

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acquisition (see further Note 20) and a gain of GB£187,996 relating to the write off of customers' credit balances.

26. Selling and distribution expenses

The selling and distribution expenses are analysed as follows:

	1 January to 31 December 2025	1 January to 31 December 2024
	GB£	GB£
Staff costs (Note 28)	9,435,591	6,685,026
Customer acquisition costs	4,981,232	3,117,191
Sales consultants fees	4,014,436	4,178,233
Marketing costs	2,046,725	2,482,850
Travel & entertainment costs	1,172,470	978,592
Bad debt provision charge (Note 12)	224,171	220,935
Other costs	199,902	484,994
	<u>22,074,528</u>	<u>18,147,820</u>

27. Administration expenses

The administration expenses are analysed as follows:

	1 January to 31 December 2025	1 January to 31 December 2024
	GB£	GB£
Staff costs (Note 28)	10,521,892	5,239,824
Travel & entertainment costs	3,842,115	3,016,663
Occupancy costs	1,554,633	1,106,285
Accounting fees	180,499	431,657
Legal fees	762,162	932,416
Other professional fees	1,072,087	742,645
Auditors' remuneration for audit services	654,440	171,940
Auditors' remuneration for other non-audit services	5,094	5,624
Directors' fees	428,750	215,290
Taxes & Duties (excl. income tax)	818,303	208,897
IT Services	7,366,135	4,602,342
ESG	1,371,559	639,110
Depreciation (Notes 8, 9)	3,060,158	1,884,310
Other costs	2,707,637	2,642,693
	<u>34,345,464</u>	<u>21,839,697</u>

Legal fees aside dealing with legal issues, include the preparation of agreements, evaluation of agreements with third parties and correspondence with banks. Other professional fees are mainly for the provision of support and guidance of strategic business decisions of the company and facilitation of key projects for Business & IT and Languages qualifications.

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28. Staff costs

	1 January to 31 December 2025	1 January to 31 December 2024
	GB£	GB£
Salaries	25,143,335	14,061,632
Social security costs	5,550,293	3,319,339
Sundry allowances	1,217,437	846,722
Expenses related to defined benefit plans (Note 29)	173,041	63,786
	<u>32,084,105</u>	<u>18,291,478</u>
Average number of employees (including Directors in their executive capacity)	1,015	778

The average number of employees for 2025 includes the impact of City & Guilds for the post-acquisition period, representing an average headcount of 1,322 for the two-month period from November to December 2025.

Sundry allowances include insurance and other benefits provided to the employees.

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29. Employee benefits

The Group provides retirement benefits in the form of lump sum amounts based on a fixed benefit retirement plan to its employees. The Group's policy is to carry out on an annual basis an independent actuarial valuation of the liabilities with regard to the retirement benefit scheme.

The most recent actuarial valuation was prepared as of 31 December 2025 and it was based on the following assumptions:

	1 January to 31 December 2025	1 January to 31 December 2024
Discount rate	3.09%	2.93%
Expected salary increase rate	2.20%	2.20%
Price inflation	2.00%	2.00%

During the year an amount of GB£177,497 (2024: GB£67,191) was charged to profit or loss as follows:

	1 January to 31 December 2025	1 January to 31 December 2024
	GB£	GB£
Current service cost	80,609	35,151
Past service cost	92,432	28,635
Interest cost	4,456	3,404
	<u>177,497</u>	<u>67,191</u>

The movement in the accumulated provision with respect to the retirement plan liabilities is as follows:

	1 January to 31 December 2025	1 January to 31 December 2024
	GB£	GB£
Balance at 1 January	149,949	113,635
Current service cost	80,609	35,151
Past service cost	92,432	28,635
Interest cost	4,456	3,404
Actuarial (gain) / losses from changes in financial assumptions	(2,119)	1,488
Actuarial (gain) / losses from changes in demographic assumptions	-	701
Actuarial (gain) / losses from changes in experience	10,541	(3,327)
Benefits paid	(95,410)	(23,622)
Exchange differences	7,924	(6,117)
Balance at 31 December	<u>248,381</u>	<u>149,949</u>

Sensitivity analysis

Actuarial gains/ (losses) if the assumption for interest rate and salary increase rate would change by 0,5%:

	GB£
Interest rate increase by 0,5%	(10,116)
Interest rate decrease by 0,5%	3,176
Payrise increase by 0,5%	3,146
Payrise decrease by 0,5%	(10,204)

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30. Net finance result

	1 January to 31 December 2025	1 January to 31 December 2024
	GB£	GB£
Interest income	3,312,743	3,184,030
Net foreign exchange gains	-	19,783,438
Finance income	3,312,743	22,967,468
Net foreign exchange losses	(25,005,036)	-
Interest expense	(16,246,849)	(14,484,584)
Interest expense on lease liabilities	(286,840)	(211,798)
Sundry finance expenses	(1,580,310)	(1,397,551)
Finance costs	(43,119,035)	(16,093,934)
Net finance income/ (costs)	(39,806,292)	6,873,534

The interest income in 2025 of GB£3,313k includes interest income, mainly from time deposits, of GB£2,974k (2024: GB£2,828k) and interest coupons received during the year from the US Treasury Bills held of GB£338k (2024: GB£356k).

The interest expense in 2025 of GB£16,247k includes mainly interest incurred on the bond issued in 2021 and repaid in December 2025 of GB£14,193k (2024: GB£14,471k), interest on the new term loan GB£1,157k (2024: nil) and interest on the new bond loan issued in December 2025 of GB£573k (2024: nil). The increase in interest expenses from prior year is mainly due to the new term loan acquired in this year, but also due to the unfavorable FX movements GBP/ EUR that have increased the interest incurred on the bond loans since both of them are originally denominated in EUR. For further information on the new loans acquired in 2025 refer to Note 17.

The net foreign exchange losses in 2025 (GB£25,005k), which are mainly unrealized, were generated due to unfavourable foreign exchange rate fluctuations from 31 December 2024 to 31 December 2025, and specifically due to deterioration of the British pound and the US Dollar against the Euro. This fact impacted negatively on the retranslation of the bond loan and the term loan of the Group, both originally denominated in Euro, and on the retranslation of other assets and cash balances held in foreign currencies.

The net foreign exchange gains in 2024 (GB£19,783k), which are mainly unrealized, were generated mainly due to strengthening of the British pound against the Euro from 31 December 2023 to 31 December 2024, fact that impacted favorably on the retranslation of the previous bond loan of the Group held as of 31 December 2024 that was originally denominated in Euro.

31. Income tax expense

	1 January to 31 December 2025	1 January to 31 December 2024
	GB£	GB£
Current tax income/ (expense)	2,113,371	(5,941,461)
Deferred tax (Note 19)	(2,351,413)	1,709,635
Prior year income taxes	346,606	(386,364)
Income/ (expense) for the year	108,565	(4,618,188)

The Group entities operate across various jurisdictions subject to different income tax rates with the main ones being as follows:

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	1 January to 31 December 2025	1 January to 31 December 2024
	%	%
• Cyprus	12.5	12.5
• Greece	22	22
• United Kingdom	25	25
• United States	21	21

Reconciliation of effective tax rate

	1 January to 31 December 2025	1 January to 31 December 2024
	GB£	GB£
Profit/ (loss) before tax	(4,747,530)	57,999,018
Tax using the Company's domestic tax rate	(1,186,882)	14,499,755
Effect of tax rate in foreign jurisdictions	(6,368,540)	(6,873,526)
Tax effect of expenses not deductible for tax purposes	12,330,350	448,613
Tax effect of allowances and income not subject to tax	(4,536,421)	(3,741,887)
Group tax relief surrendered/ (claimed)	(467)	(101,131)
Prior year tax expense/ (income)	(346,606)	386,364
Tax expense/ (income) for the year	(108,565)	4,618,188

32. Dividends

	1 January to 31 December 2025	1 January to 31 December 2024
	GB£	GB£
Dividends declared	5,350,000	6,700,000

On 31 January 2024, the Company declared in the General Meeting the payment of interim dividends of GB£6,700,000.

On 10 March 2025, the Board of Directors of the Company approved payment of a final 2024 dividend of GB£5,350,000. The dividend was paid in connection with a dividend of the same amount by the indirect parent company, PeopleCert Holdings UK Limited ("PCHUK"), which was approved by the Board of PCHUK on 19 December 2024. The dividend declared in March 2025 has been properly accounted for in the financial year 2025, in accordance with IFRS requirements, as the relevant resolution took place in 2025.

As at 31 December 2025, there are no dividends payable outstanding.

33. Related party transactions

The Group is directly controlled by PeopleCert Wisdom Holdings Ltd, incorporated in the United Kingdom in 2021.

The Group's ultimate controlling party is Mr. Anastasios Byron Nicolaidis.

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The following transactions were carried out with related parties:

33.1 Key management compensation

The remuneration of Directors and other members of key management was as follows:

	1 January to 31 December 2025	1 January to 31 December 2024
	GB£	GB£
Directors' fees (Note 27)	428,750	215,290
Directors' remuneration	153,000	105,823
Directors' social insurance and other contributions	18,225	13,774
	<u>599,975</u>	<u>334,888</u>

33.2 Payables to related parties (Note 20)

	31 December 2025	31 December 2024
	GB£	GB£
PeopleCert Wisdom Holdings Ltd.	161,488	1,275,003
	<u>161,488</u>	<u>1,275,003</u>

The amount payable on 31 December 2024 relates mainly to dividends payable of GB£ 1,150,000 which were repaid in the current year 2025.

33.3 Receivables from related parties (Note 12)

	31 December 2025	31 December 2024
	GB£	GB£
PeopleCert Holdings UK Ltd	830,724	1,045,149
PeopleCert Holdings Europe Ltd	13,089	-
PeopleCert Wisdom Holdings Ltd	113,170	-
	<u>956,983</u>	<u>1,045,149</u>

The balances with related parties are interest free, unsecured, and have no specified repayment date.

33.4 Directors' current accounts – debit balances (Note 12)

	31 December 2025	31 December 2024
	GB£	GB£
Directors' current account	118,700	155,924
	<u>118,700</u>	<u>155,924</u>

The balances to related parties were provided interest free, and there was no specified repayment date.

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33.5 Shareholders' current accounts - debit balances (Note 12)

	31 December 2025 GB£	31 December 2024 GB£
Shareholders' current account	<u>593,683</u>	<u>490,652</u>
	<u>593,683</u>	<u>490,652</u>

The shareholders' current account is interest free and has no specified repayment date.

34. Other expenses

	1 January to 31 December 2025 GB£	1 January to 31 December 2024 GB£
One-off expenses	9,700,239	3,419,563
FV (gains)/ losses from remeasurement of financial assets at FVTPL (Note 12.1)	(502,020)	(209,283)
(Gains)/ losses from disposal of financial assets at FVTPL	(153,789)	-
Other expenses	17,815	-
	<u>9,062,245</u>	<u>3,210,280</u>

The FV gains from the remeasurement of financial assets at FVTPL of GB£502,020 in 2025 (2024: GB£209,283) resulted from the listed equity shares that the Group acquired in 2024. The one-off expenses of GB£9,700,239 in current year (2024: GB£3,419,563) include costs incurred for the acquisition of City & Guilds and other one-off transaction-related costs.

35. Commitments

The Group had no capital or other commitments as at 31 December 2025.

36. Financial risk management

Financial risk factors

The Group is exposed to credit risk, liquidity risk, currency risk, compliance risk, reputation risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

36.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at FVOCI and at FVTPL and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets as well as lease receivables. Further, credit risk arises from financial guarantees and credit related commitments.

(i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, the Group has established policies whereby the majority of bank balances are held with independently rated parties.

If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits and credit terms are set based on the credit quality of the customer in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Sales to retail customers

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are settled in cash or using major credit cards.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Group's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

These policies enable the Group to reduce its credit risk significantly.

(ii) Impairment of financial assets

The Group has the following types of financial assets that are subject to the expected credit loss model:

- trade receivables and contract assets
- financial assets at amortised cost
- financial assets carried at FVOCI
- cash and cash equivalents
- other receivables
- receivables from related parties

The impairment methodology applied by the Group for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

- For trade receivables the Group applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.
- For all other financial assets that are subject to impairment under IFRS 9, the Group applies general approach - three stage model for impairment. The Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial asset that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Impairment losses are presented as net impairment losses on financial and contract assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the Group and changes in the operating results of the borrower/counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors and

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accordingly adjusts the historical loss rates based on expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.

Low credit risk

The Group has decided to use the low credit risk assessment exemption for investment grade financial assets. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Default

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Write-off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a debt financial asset for write off when a debtor fails to make contractual payments greater than 180 days past due. Where debt financial assets have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Trade receivables and contract assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables (including those with a significant financing component, and contract assets).

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2021 or 1 January 2021 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The expected credit loss on trade receivables is not significant as at 31 December 2025 and 31 December 2024.

Financial assets at amortised cost, debt investments carried at FVOCI

All of the entity's debt investments at amortised cost and FVOCI are considered to have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Refer to section above for a description of how the Group determines low credit risk financial assets.

There were no significant financial assets at amortised costs and debt investments carried at FVOCI written off during the year that are subject to enforcement activity.

The Group does not hold any collateral as security for any financial assets at amortised cost and debt investments carried at FVOCI balances.

A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	Group definition of category	Basis for recognition of	Basis for calculation of
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		expected credit loss provision	interest revenue
Performing	Counterparties have a low risk of default and a strong capacity to meet contractual cash flows	Stage 1: 12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.	Gross carrying amount
Underperforming	Counterparties for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due (see above in more detail)	Stage 2: Lifetime expected losses	Gross carrying amount
Non-performing	Interest and/or principal repayments are 90 days past due	Stage 3: Lifetime expected losses	Amortised cost carrying amount (net of credit allowance)
Write-off	Interest and/or principal repayments are 180 days past due and there is no reasonable expectation of recovery.	Asset is written off	None

Receivables from related parties

For receivables from related parties lifetime ECL was provided for them upon initial application of IFRS 9 until these financial assets are derecognised as it was determined on initial application of IFRS 9 that it would require undue cost and effort to determine whether their credit risk has increased significantly since initial recognition to the date of initial application of IFRS 9.

For any new loans to related parties, which are not purchased or originated credit-impaired financial assets, the impairment loss is recognised as 12-month ECL on initial recognition of such instruments and subsequently the Group assesses whether there was a significant increase in credit risk.

The Group's maximum exposure to credit risk on these assets as at 31 December 2025 and 31 December 2024 was nil.

The Group does not hold any collateral as security for any receivables from related parties.

There were no significant receivables from related parties written off during the year that are subject to enforcement activity.

Cash and cash equivalents

The Group assesses, on a group basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

Bank deposits held with banks with investment grade rating are considered as low credit risk.

The ECL on current accounts is considered to be approximate to nil, unless the bank is subject to capital controls. The ECL on deposits accounts is calculated by considering published PDs for the rating as per Moody's and an LGD of 40-60% as published by ECB.

The Group does not hold any collateral as security for any cash at bank balances.

There were no significant cash at bank balances written off during the year that are subject to enforcement activity.

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(iii) Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a borrower as required. Guarantees which represent irrevocable assurances that the Group will make payments in the event that a counterparty cannot meet its obligations to third parties, carry the same credit risk as loans receivable. Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans or guarantees. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments, if the unused amounts were to be drawn down. The Group monitors the term to maturity of credit related commitments, because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

Credit quality of financial assets

The credit quality of financials assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if applicable) or to historical information about counterparty default rates:

	1 January to 31 December 2025	1 January to 31 December 2024
	GB£	GB£
Fully performing trade receivables		
Counterparties without external credit rating		
Group 1	1,312,358	47,073
Group 2	25,161,562	10,780,279
Group 4	956,983	1,045,149
Group 5	712,383	646,576
Total fully performing trade receivables	28,143,286	12,519,077

	1 January to 31 December 2025	1 January to 31 December 2024
	GB£	GB£
Cash at bank and short-term bank deposits		
Aa2	27,788	-
A+/A1	10,250,427	10,751,318
A2	162,812	-
A-/A3	75,490,661	84,686,859
B+/B1	5,503,209	1,241,664
BB/Ba2	5,983,179	273,288
BBB+/Baa1	122,105	3,421
BBB/Baa2	532,125	128,767
BBB-/Baa3	122,733	129,430
No rating	637,958	1,889
	98,832,997	97,216,598

The rest of the consolidated statement of financial position item "Cash and cash equivalents" is cash in hand.

Group 1 - new customers (less than 6 months).

Group 2 - existing customers (more than 6 months) with no defaults in the past.

Group 3 - existing customers (more than 6 months) with some defaults in the past. All defaults were fully recovered.

Group 4 - companies within the group, common control companies and associates with no defaults in the past.

Group 5 - Directors, shareholders and key management personnel.

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None of the financial assets that are fully performing has been renegotiated.

36.2 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Group has procedures with the object of minimizing such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

31 December 2025	Carrying amounts	Contractual cash flows	3 months or less	Within 12 months	2 5 years	More than 5 years
	GB£	GB£	GB£	GB£	GB£	GB£
Secured senior notes (Note 17)	257,052,487	317,711,909	-	11,176,818	42,413,660	264,121,431
Term loan (Note 17)	129,070,273	156,686,307	-	6,448,509	150,237,798	-
Lease liabilities (Note 18)	15,666,641	37,420,486	-	3,489,675	8,418,417	25,512,394
Trade and other payables (Note 20)	32,220,539	32,220,539	32,220,539	-	-	-
	434,009,940	544,039,241	32,220,539	21,115,002	201,069,875	289,633,825

31 December 2024	Carrying amounts	Contractual cash flows	3 months or less	Within 12 months	2 5 years	More than 5 years
	GB£	GB£	GB£	GB£	GB£	GB£
Secured senior notes (Note 17)	248,756,219	278,031,484	7,820,041	7,151,741	263,059,701	-
Lease liabilities (Note 18)	3,740,567	4,511,502	-	1,022,912	2,166,871	1,321,719
Trade and other payables (Note 20)	10,498,768	10,498,768	10,498,768	-	-	-
	262,995,555	293,041,754	18,318,809	8,174,653	265,226,573	1,321,719

36.3 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's measurement currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar, Euro, Australian Dollars and Japanese Yen. The Group's Board of Directors monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	GBP	GBP	GBP	GBP
Euro	389,801,733	251,555,217	14,127,084	16,528,683
United States Dollars	1,295,820	774,774	46,969,913	37,138,673
Australian Dollars	79,598	80,440	1,076,016	2,716,882
Japanese Yen	27,206	27,256	700,463	828,771
Other	518,694	50,050	3,844,786	284,081
	391,723,051	252,487,738	66,718,262	57,497,090

Sensitivity analysis

A 10% strengthening of the British pound against the following currencies at 31 December 2024 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the British pound against the relevant currency, there would be an equal and opposite impact on the profit and equity.

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	31 December 2025	31 December 2024
	GBP	GBP
Euro	34,152,241	21,366,049
United States Dollars	(4,209,265)	(3,255,764)
Australian Dollars	(90,583)	(239,677)
Japanese Yen	(61,205)	(72,865)
	<u>29,791,188</u>	<u>17,797,743</u>

36.4 Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arises from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Compliance Officer, as well as by the monitoring controls applied by the Group.

36.5 Capital risk management

Capital includes equity shares and share premium, convertible preference shares and loan from parent company.

The Group's objectives in managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as total equity as shown on the statement of financial position plus net debt.

The Group's capital and gearing ratio are as follows:

	31 December 2025	31 December 2024
	GB£	GB£
Total borrowings (Note 17)	387,864,706	253,000,389
Less: Cash and cash equivalents (Note 14)	(99,787,209)	(106,148,664)
Net debt	288,077,497	146,851,725
Total equity	235,713,647	235,114,310
Total capital	<u>523,791,144</u>	<u>381,966,035</u>
Gearing ratio	<u>55.0%</u>	<u>38.4%</u>

37. Events after the reporting period

On 28 February 2026 geopolitical tensions in the Middle East escalated with the onset of military operations in the region, which may have implications for international energy and transportation markets. As of the date of approval of this Report, no material impact on the Group's financial results has been identified. Management is actively monitoring the situation and evaluating any potential effects on the interest rates as well as on energy.

Other than the above, there have been no circumstances or post balance sheet events, which require adjustment of or disclosure in the Consolidated Financial Statements or in the notes thereto.