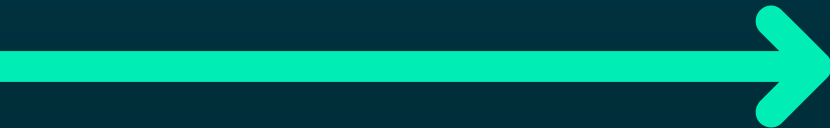




**POWERING
POTENTIAL**

INTERIM REPORT

2024



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

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

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

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

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

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

OVERVIEW

A summary of IndigoCyan Holdco 3 Limited's (herein referred to as "QA" or the "Group") performance for the six months ended 30 November 2023 ("H1 2024") is set out in the following pages. The summary results have been prepared under International Financial Reporting Standards (IFRS). The Group's next full year accounts will be for the year ending 31 May 2024.

BUSINESS REVIEW	4
H1 2024 HIGHLIGHTS	4
TRADING UPDATE	5
FUTURE PROSPECTS	5
CURRENT FINANCING POSITION	5

BUSINESS REVIEW

Workforce Learning

Our model is primarily business to business, working with large global enterprises, but we also support government organisations both in the UK and US, in tackling the global skills shortage. We have long term revenue visibility resulting from repeating clients, with high customer satisfaction, subscription revenue and contracted future programmes.

We have leading practices in Agile, Cyber Security, Data, AI, Cloud, DevOps, E-commerce and Marketing. We also partner with the world's largest tech companies. Our accreditations include being a Microsoft Cloud Solutions Training Services Partner and we are currently AWS Training Provider of the Year, EMEA. Our deep-rooted vendor partnerships mean we are responsible for delivering a significant portion of the UK's cloud, data and technology training.

QA's specialism is in the people side of technology transformation. Our training programmes and workshops help organisations to upskill or reskill existing employees and get them collaborating, while our funded learning programmes and skills bootcamps act as important vehicles for identifying, recruiting and developing in-demand diverse technology talent.

The programmes we create for businesses combine the best of modalities with in-person instructor lead sessions, where participants join live and interact online. Self-paced online learning, through our global platform utilises video, role play, labs and studios as well as discussion forums – allowing performance and progress to be tracked.

Cloud Academy, our subscription-based digital learning platform, provides clients with a global solution to developing skills across a range of essential cloud technologies. Covering Amazon Web Services, Microsoft Azure, Google Cloud, DevOps, and other cloud ecosystem services, new content and updates are added every month. After assessing client capabilities, the platform's machine learning algorithms create and assign personalised learning pathways to individuals and teams. Real-time analytics and reporting track learner progress, while more than 1,000 labs provide simulated opportunities to apply newly gained skills to ensure teams are ready to meet the real-world challenge of complex cloud environments.

Circus Street's content, which is now available on the Cloud Academy platform, allows clients to help their global teams understand how technology is changing the relationship between businesses and their customers. Covering a range of disciplines such as customer experience, data & targeting and digital marketing strategy, Circus Street recognises that these business-critical areas are changing at an exceptional rate and are vital in the battle to get ahead and stay ahead in an increasingly competitive marketplace.

Circus Street partners with the commercial, marketing and training leads within organisations to design learning paths that meet their individual requirements, and uses high quality video content including custom animation, dynamic presenters and creative script writers to deliver exceptional levels of engagement.

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

Higher Education

Our Higher Education business complements our corporate products and services. Working in partnership with Universities in the UK to recruit, market and deliver a range of programmes to international and domestic students from foundation level to undergraduate and postgraduate degrees. Our partner universities include London Metropolitan University, Middlesex University, Northumbria University, Solent University, Ulster University, the University of South Wales and the University of Roehampton. We offer more than 100-degree programmes in a range of subjects from Artificial Intelligence to Cyber to Business Management. We teach these programmes 7 days a week and currently have over 7,000 students studying with us across 7 different teaching locations (including partner sites).

H1 2024 HIGHLIGHTS

- Core revenue* growth of 12.9% to £161.7m (H1 2023**: £143.3m). Reported revenues up 7% to £179.4m (H1 2023: £167.7m).
- Adjusted EBITDA*** ahead 9.0% to £38.8m (H1 2023: £35.6m) with an EBITDA margin of 21.6% (H1 2023: 21.2%).
- Operating profit (before exceptional costs) increased by 22.3% to £30.5m (H1 2023: £25.0m)
- Refinancing of the Group's debt with a new £265m senior credit facility (previously at £290m) and a £40m revolving credit facility signed in October 2023.

• Cash of £22.2m at 30 November (H1 2023: £34.5m)

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

** All H1 2023 comparatives have been restated to reflect joint venture accounting for the Higher Education entities

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

TRADING UPDATE

The Group's reported revenues increased by 4.7% to £179.4m (H1 2023: £167.7m).

We have seen strong revenue performance in Higher Education with higher student numbers driving 28.5% revenue growth to £60.3m. In Workforce Learning core revenues were up 4.7% on the prior year at £101.5m, with growth in live learning and apprenticeships partially offset by lower client demand for self-paced digital subscriptions from select sectors, principally retail and consumer packaged goods. Whilst we continue to support existing clients, the strategic decision has been taken to cease the provision of technology specialists via "recruit-train-deploy/hire" to new clients.

The Group's gross margin of 58.0% was consistent with the prior year (H1 2023: 58.3%). Operating expenses were up on the prior year at £68.5m (H1 2023: £65.5m) with Group headcount for the period 6% lower at 2,624 offset by higher technology costs. Capital expenditures increased to £12.9m (H1 2023: £8.1m) as the Group invested £4.5m in the fit-out of a new Birmingham campus.

During the first half the Group acquired the outstanding 14.6% of Circus Steet. Significant work has been undertaken during the first half within Workforce Learning to integrate the acquired Cloud Academy and Circus Street businesses and realize cost synergies across shared support functions and to unify the sales, customer success and marketing teams in order to be able to introduce to all clients the full breadth of live, blended and self-paced learning products and services that span our technology, product and marketing portfolios.

Adjusted EBITDA was up 9.0% to £38.8m with a margin of 21.6% (H1 2023: 21.2%).

FUTURE PROSPECTS

Looking ahead we see sustained growth in demand for the skills, qualifications and competencies needed by our clients, learners and students to succeed in an increasingly digitally enabled world. However, there are short term headwinds with macroeconomic

challenges impacting many sectors and the UK market experiencing a period of reduced hiring demand for technology roles after the high levels of activity post-pandemic. We also continue to monitor the potential for regulatory change in higher education and the associated business risks given the current political climate and pending government election cycles. As such we continue to prudently manage our cost base while making balanced investments to support our growth prospects with new products and propositions in development for our clients, learners and students.

The Board are confident in the Group's prospects and believe that trading will remain robust despite the more challenging current economic climate and political uncertainty in our markets. The Directors have a reasonable expectation that the Group has adequate resources to continue as a going concern for the foreseeable future, being a period of at least 12 months from February 2024.

CURRENT FINANCING POSITION

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

At the time of the refinancing the Group reduced its credit facility from £290.0m to £265.0m utilising surplus cash held. Cash on the balance sheet as at 30 November 2023 was £22.2m (H1 2023: £34.5m). The current drawn external lending position is as follows:

Facility	£	Interest	Repayment
Senior Credit Facility	£265.0m	GBP SONIA plus 6.0%	October 2029
Revolving Credit Facility	£12.5m	GBP SONIA plus 3.75%	April 2029

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



Nathan Runnicles

Chief Financial Officer
IndigoCyan Holdco 3 Limited
29 February 2024



CAUTIONARY STATEMENT

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

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

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

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

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

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