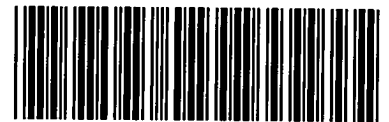


Company registration No. 07176993

**LEARNING TECHNOLOGIES GROUP LIMITED
(FORMERLY LEARNING TECHNOLOGIES GROUP PLC)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2024**

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Corporate Information

Directors	A Brode J Satchell
Secretary	C Walsh
Company number	07176993
Registered office	3 New Street Square London EC4A 3BF
Auditors	BDO LLP Chartered Accountants and Statutory Auditors 55 Baker Street London W1U 7EU

Strategic Report

The Directors present their Strategic Report on the affairs of Learning Technologies Group Limited (the 'Company') and its subsidiaries (the 'Group' or 'LTG') for the year ended 31 December 2024.

Principal activities

The principal activity of the Group is the provision of talent and learning solutions, content, services and digital platforms to the corporate and government markets. The principal activity of the Company is that of a parent holding company which manages the Group's strategic direction and underlying subsidiaries including GP Strategies Corporation. As of 23 April 2025, the Company became a private company.

Cautionary statement

The review of the business and its future development in the Strategic Report has been prepared solely to provide additional information to shareholders to assess the Group's strategy and the potential for this strategy to succeed. It should not be relied on by any other party for any other purpose. The review contains forward-looking statements which are made by the Directors in good faith based on information available to them up to the time of the approval of the reports and should be treated with caution due to the inherent uncertainties associated with such statements.

Business developments

On 4 December 2024, the boards of directors of LTG and Leopard UK Bidco Limited ("Bidco"), a newly formed company ultimately owned by funds managed by GASC APF, L.P. and certain of its managed funds (including Atlantic Park), accounts and/or affiliates, announced that they had reached agreement on the terms and conditions of a recommended cash acquisition by Bidco of the entire issued and to be issued share capital of LTG (the 'Acquisition'). To become effective, the Acquisition was required to be approved by a majority number of LTG shareholders representing at least 75% of the LTG shares held.

On 6 February the requisite majority of LTG Scheme Shareholders voted to approve the Scheme at the Court Meeting and the requisite majority of LTG Shareholders voted to pass the Special Resolution to implement the Scheme and amend the Articles at the General Meeting.

On 24 March 2025, LTG announced that the Court had sanctioned the Scheme at the Sanction Hearing held earlier on the same date, and on 31 March the Scheme became effective. As a result, LTG delisted from the London Stock Exchange through cancellation of the LTG shares traded on AIM. It re-registered as a private limited company on 23 April 2025. The Acquisition valued the entire issued and to be issued ordinary share capital of LTG at approximately £802m on a fully diluted basis. The offer price per share represented a 34% premium to the undisturbed share price.

While the LTG Board believed in the Group's strategic direction, it was cautious as to the pace at which LTG will be able to deliver its strategy and the associated value to LTG Shareholders. Key areas of uncertainty in the execution of LTG's strategic plan and the delivery of value over the longer-term include the timing of the macroeconomic cycle and its susceptibility to external shocks and influences, the pace of the structural decline of certain businesses such as PeopleFluent and Reflektive, the potential threats in the industry (including the emergence and path of AI, lower custom content demand, as well as human resources enterprise software consolidation), and LTG's ability to execute on its acquisition strategy and drive value through inorganic growth given LTG's current share price and valuation rating.

Accordingly, the Independent LTG Directors believed that the Cash Offer represented an attractive opportunity for LTG Shareholders to realise an immediate and certain cash value for their investment at a level which may not be achievable through the execution of the Group's strategy over the medium to longer term.

Strategic Report (continued)

Business developments (continued)

As the Acquisition completed on 31 March 2025, there were no impacts on underlying business activities during the year ended 31 December 2024. The Acquisition has been disclosed as a post balance sheet event within the Group's consolidated financial statements, see note 34 for further details.

Business developments within the Group's divisions are detailed within the Operational performance section on pages 2 and 3 of this Strategic Report. Key performance indicators, both operational and financial have been amended from previous reporting periods to align with the interests of the Group's stakeholders as a result of the acquisition.

Operational performance

i) Content & Services

Content & Services comprises GP Strategies, PRELOADED and Affirmity. GP Strategies is a global workforce transformation provider of organisational and technical performance learning solutions. PRELOADED is a BAFTA-winning immersive games studio. Affirmity provides a robust portfolio of software, consulting services, and digital learning solutions that help global enterprise and mid-market companies foster a positive workforce culture through non-discrimination and merit-based employment practice.

Content & Services comprised 75% (2023: 75% as restated) of 2024 Group revenue. In 2024, 71% (2023: 65%) of the revenue in Contents & Services related to long-term contracts.

Revenue decreased to £371.6 million (2023: £424.2 million as restated) including the disposal of TTI global Staffing in 2023 and Lorien on 2 January 2024 (c£26m combined). Revenue for 2023 has been restated to reflect the treatment of subcontractor service provision as revenue rather than a reduction in cost. Further details are provided at note 36.

This performance reflected a 3% organic constant currency decline with GP Strategies lower due to softness in transactional projects. Project work was affected by certain long term legacy Government contracts reaching their end point, a large Aerospace customer experiencing disruption due to labour strikes and a small impact as a result of a security clearance invalidation. PRELOADED was also impacted due to a combination of transactional revenues projects coming to a close and a slow sales cycle.

ii) Software & Platforms

The Software & Platforms division comprises SaaS and on-premise solutions as well as hosting, support and maintenance services. PeopleFluent provides cloud-based talent management solutions and services to large-enterprise clients that require recruiting, performance, succession, compensation, learning and organisation charting capabilities beyond what is available within their current HR systems. Breezy provides a largely self-service SaaS talent acquisition solution aimed at small and medium-sized businesses. Bridge is an employee-focused learning and performance platform operating in the higher growth, mid-market with proven potential to move into sectors of the enterprise market. Rustici Software is a global expert in e-learning interoperability software. Open LMS provides the largest scale capability in the global open-source Moodle™ services market.

VectorVMS is a market-leading SaaS-based technology for the contingent workforce. On 1 July 2024, Vector was sold to PIXID Group for \$50 million.

Strategic Report (continued)

Operational performance (continued)

Software & Platforms comprised 25% (2023: 25% as restated) of 2024 Group revenue. In 2024, 96% (2023: 96%) of the revenue in Software & Platforms was related to SaaS-based subscriptions and long-term contracts.

Revenue decreased to £126.3 million (2023: £144.3 million) including the exit of Vector VMS on 1 July 2024 (H1 2024: £4.1 million). The performance for the year reflected a 7% organic constant currency decline due to a combination of the expected decline in PeopleFluent, lower service sales and challenging market conditions affecting a number of our S&P brands. These challenges were partially offset by continued strong revenue growth in Rustici driven by significant growth and renewal activity from existing customers across all product lines and strong new customer acquisition.

Financial Performance

Key Performance Indicators (KPIs)

The Group's KPIs are revenue and organic revenue growth, adjusted EBIT and cash and net debt. A discussion of performance against each KPI is contained within the narrative below.

i) Revenue

Group revenue decreased by 4% on an organic constant currency basis to £497.9 million (2023: £568.5 million as restated), a resilient performance in the face of a challenging macroeconomic and geopolitical backdrop. Revenue for 2023 has been restated to reflect the treatment of subcontractor service provision as revenue rather than a reduction in cost. Further details are provided at note 36.

Our Content and Services division revenue declined by 3% on an organic constant currency basis across all three brands reflecting the slowdown in transaction and project-based work due to the macroeconomic climate.

There was a 7% organic constant currency revenue decline in the Software & Platforms division due to expected lower revenue in PeopleFluent and challenging economic conditions affecting other brands. These results are partially offset by continued strong revenue growth in Rustici.

As a proportion of Group revenue, SaaS-based subscription and long-term contract revenue increased to 77% (2023: 73%).

ii) Adjusted Earnings Before Interest and Tax (EBIT) and Operating Profit

Adjusted EBIT decreased by 12% to £86.5 million (2023: £98.5 million) driven by a combination of disposals, TTI global contracts in 2023 and Lorien and VectorVMS in 2024, and organic revenue decline. The Group's Adjusted EBIT margin was slightly higher at 17.4% (2023: 17.3% as restated). Revenue for 2023 has been restated to reflect the treatment of subcontractor service provision as revenue rather than a reduction in cost. Further details are provided at note 36.

Included within adjusted EBIT was a share-based payment charge of £2.1 million (2023: £4.4 million) lower than the prior year due to lapsed options related to senior leavers and performance criteria not being met.

Also included within adjusted EBIT was an amortisation charge for internally generated development costs which increased to £9.5 million (2023: £8.8 million), as set out in note 13 on page 75. As relevant projects are completed, they are amortised over their useful economic lives, with the increase in the amortisation charge reflecting the increased investment in capitalised development costs as we innovate additional product features in the Product Companies.

Strategic Report (continued)

Financial performance (continued)

iii) Statutory operating profit

The Group's statutory operating profit was £52.8 million (2023: £58.7 million), including adjusting items of £33.8 million (2023: £39.8 million). The adjusting items primarily comprise of £28.3 million amortisation for acquired intangibles (2023: £32.7 million); £4.3 million integration costs related to the continued integration cost of GP Strategies which included costs related to various system integrations and insurances, and in 2024 included legal and professional fees associated with a new subsidiary created to ensure compliance with the Foreign Ownership, Control, or Influence regulations (FOCI) within a ringfenced business unit (2023: £2.4 million); and £0.8 million transaction costs related to projects that are not recurring. Further details on all adjusting items are set out in note 5 on page 67.

iv) Profit on sale of non-core businesses

£25.4 million (2023: nil) profit on sale of non-core businesses was recognised following the disposals of Lorien and VectorVMS, as noted below, and disclosed in more detail at note 33 on page 109.

On 2 January 2024, the Group sold Lorien for a cash consideration of \$21.4 million (£16.8 million) on a cash and debt free basis. The net proceeds after customary adjustments were \$19.3 million (£15.0 million) resulting in profit on disposal of \$15.5 million (£12.1 million).

On 1 July 2024, the Group sold Vector for a cash consideration of \$50.0 million (£39.5 million) on a cash and debt free basis. The net proceeds after customary adjustments were \$47.2 million (£36.9 million) resulting in profit on disposal of \$17.1 million (£13.4 million).

v) Net Finance Charge and Profit Before Tax

The net finance charge was £6.7 million (2023: £13.1 million), with the decrease driven by lower average debt in the year and increased interest received due to a combination of higher interest rates and strategic cash management initiatives including cash pooling and repatriation.

After the net finance charge, statutory profit before tax from continuing operations was £71.5 million (2023: £45.6 million).

vi) Taxation Charge

The statutory tax charge was £19.1 million (2023: £13.0 million) primarily driven by applying UK and international tax rates to associated results after adjustments for non-taxable disposals, as well as the derecognition of deferred tax assets related to prior year losses due to declining operations in certain territories (note 10 on page 71). After offsetting, there has been an increase in deferred tax asset to £12.1m (2023: £6.1m) driven by a lower allocation of deferred tax liabilities on intangibles. However, before any offset, deferred tax assets have reduced in the year (note 19 on page 80).

vii) Foreign Exchange

The Group is exposed to a number of currencies resulting from its geographical spread, with the majority of exposure to the US Dollar. The strengthening of the US Dollar since December 2023 has resulted in a FX tailwind for the Group and £7.9 million (2023: £20.2 million loss) exchange gain largely due to a significant proportion of these items being designated in USD.

Strategic Report (continued)

Financial performance (continued)

viii) Cash Generation

Cash generated from operations during the year was strong at £97.2 million (2023: £96.1 million) and net cash flows from operating activities were £68.0 million (2023: £79.5 million).

There was a cash outflow from working capital of £0.4 million (2023: £9.6 million cash outflow). Debtor days decreased to 75 days (2023: 79 days).

Net corporation tax payments increased to £29.2 million (2023: £16.6 million). The increase was primarily driven by the disposals of the Lorien and Vector businesses, which resulted in additional tax payments of £1.1 million and £7.5 million, respectively. Additionally, a top-up payment of £3.6 million was made in Q1 2024 in respect of the 2023 UK tax liability.

There was a net cash inflow from investing activities of £43.4 million (2023: £13.7 million outflow) comprising of £51.9 million (2023: nil) in cash inflows from the sale of non-core businesses Lorien and Vector (Note 33), and £3.6 million interest received (2023: £1.0 million), offset by £11.1 million (2023: £12.9 million) of outflows relating to capitalised investment in internally generated IP, and £1.0 million (2023: £1.2 million) of outflows from investment in property, plant and equipment.

Net cash outflows from financing activities were £76.9 million (2023: £84.9 million). This includes £49.7 million repayment of bank loans (2023: £51.3 million). During the year the Group made a voluntary additional repayment of \$25 million (2023: \$25 million). In addition, loan interest of £10.5 million (2023: £16.7 million) was paid and there were £0.9 million (2023: £0.5 million) of proceeds from the issue of ordinary share capital, net of share issue costs. There were also lease and lease interest payments of £4.6 million (2023: £5.7 million), and dividend payments of £13.1 million (2023: £12.7 million).

ix) Net Cash/Debt and Gearing

At 31 December 2024, the Group moved to a £3.0 million net cash position (31 December 2023: £78.6 million net debt), excluding £6.9 million (31 December 2023: £11.3 million) of lease liabilities.

The Group's net cash comprised £102.1 million of debt (31 December 2023: £151.1 million) and £105.1 million of cash (31 December 2023: £72.5 million).

The Group was compliant with all financial covenants throughout the year and as at 31 December 2024, the Group's interest cover ratio was 10.04 (2023: 8.34) and its leverage ratio was nil (2023: 0.71 times).

x) Balance Sheet

The Group has a strong balance sheet with total equity of £477.9 million at 31 December 2024 (31 December 2023: £427.2 million). The Group has reduced its net debt position by £81.6 million to a net cash position of £3.0 million (31 December 2023: £78.6 million net debt), reflecting strong cash generation which has contributed to the continued deleveraging of the balance sheet.

As at 31 December 2024 all debt is presented within current liabilities due to the Company delaying a renewal of its debt facility in light of the proposed acquisition. These liabilities have since been fully repaid and replaced with a new financing facility.

Strategic Report (continued)

Corporate governance

During the financial year, LTG applied the principles of the 2018 QCA Corporate Governance Code. As LTG de-listed from the London Stock Exchange through cancellation of its shares traded on AIM on 1 April 2025, the Group is no longer required to disclose its compliance with a recognised Corporate Governance Code. For the same reasons, this annual report does not include the disclosures showing how it has complied with the recognised Code of Corporate Governance.

Environmental matters

Climate-related Financial Disclosure Section

At Learning Technologies Group we recognise the critical importance of environmental, social, and governance (ESG) factors in driving sustainable growth and long-term value creation. Our commitment to ESG principles is deeply embedded in our corporate strategy, guiding our actions and decisions as we strive to make a positive impact on the world. This report provides a comprehensive overview of our ESG performance, initiatives, and future goals, reflecting our dedication to transparency and accountability.

As an AIM-listed company during the period being reported, we are required to prepare our annual ESG disclosure in line with Climate-related Financial Disclosure Regulations (2022), which incorporates aspects of the Task Force on Climate-related Financial Disclosures (TCFD) review of climate-related considerations.

We consider our climate-related financial disclosures to be consistent with all the Regulation referenced Task Force on Climate-related Financial Disclosures (TCFD) and that they are therefore compliant with the Regulation. We have set out our disclosures against each TCFD Recommended Disclosure and in doing so have covered the key aspects of both the Recommended Disclosures and the related Recommendation^[1]. We have made disclosures that take into consideration references made to the materiality of information in the Recommendations related to Strategy and Metrics & Targets. In determining materiality, we considered where climate impacts as relevant to our organisation have the potential to influence the economic decision-making of our shareholders. We have also, where appropriate, considered the TCFD guidance and other supporting materials referred to in the Regulation. In this Climate-related Financial Disclosure section, we describe elements of our plans for the transition to a decarbonised economy as we execute our strategy.

We consider our strategy, particularly in reference to our commitment to Net Zero, to be consistent with the goals of the Paris Agreement. In FY24, Learning Technologies Group has worked to align with international accords such as the strategy has been developed taking into consideration, among other things, strategic Time Horizons, which themselves take account of climate commitments and pledges made by countries in which we operate alongside a range of other factors.

In preparing our disclosures we have made several judgements, and while we are satisfied that they are consistent with the Regulation disclosure, we will continue to evaluate our options for future climate risk disclosures. We will monitor relevant external guidance as it evolves and consider opportunities to enhance our disclosure.

^[1] In preparing the disclosures we referenced to the TCFD implementation guidance 'Annex: Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures' (2021); available from [Publications | Task Force on Climate-Related Financial Disclosures \(fsb-tcfid.org\)](https://publications.jointtaskforce.org/)

At LTG, the Board has overall responsibility for sustainability issues including the oversight of climate-related matters and effective management of climate-related risks and opportunities, in line with the responsibility to monitor any issues which impact strategy, risk management and operations of the Group.

Strategic Report (continued)

Environmental matters (continued)

Governance

Board level:

The Chief Financial Officer supports the Board in this regard with designated responsibility for the oversight of the Group’s ESG initiatives, including climate change. The Group does not operate in an emissions-intensive industry. Certain strategic actions and potential capital expenditures, which have the dual benefit of improving operating efficiency and also reducing energy use and emissions, are monitored by the Board, such as the rationalisation of both our office estate and reduction of our in-house servers. KPIs corresponding to Group emissions and energy use, as outlined in Metrics and targets, are tracked and reported annually. In addition, the Board receives updates on ESG, climate change and sustainability issues. From a risk perspective, the Board designates overall risk management, including climate risks, to the Audit Committee which reports any changes in Principal Risks back to the Board. Climate risks and sustainability is one of the Group’s Principal Risks. Further details of the Group’s risk management process are outlined in the sections below.

Management level:

At management level, the Chief Financial Officer is the chair of the ESG Committee and has designated responsibility for executive oversight of the Group’s ESG strategy, including climate change. The Committee also includes the Group’s Chief Operating Officer and General Counsel and ESG Manager. The Committee meets regularly to oversee and coordinate ESG initiatives and has responsibility for putting the Group’s ESG framework into practice, setting performance objectives, aligning to best practice, reporting, monitoring our progress and implementing the recommendations of the Board. Example initiatives include energy-saving measures and efforts to reduce business travel unless client directed. The Committee monitors climate-related issues with the support of senior functional representatives (e.g. from Finance and Operations).

ESG and climate change organisation structure



Strategic Report (continued)

Environmental matters (continued)

Risk management

Due to the multi-divisional structure of the business, the Group's risk management process provides an overarching Group-wide framework which also allows flexibility in the face of risks that are specific to certain business divisions. Divisional risk managers are responsible for risk identification, evaluation and management at the business division level and risk registers are maintained at each business division. Divisional risk managers are directed and supported by the Head of QHSE and the internal audit team, which regularly reviews divisional risk registers and maintains the Group's risk register. Divisional risk registers are locally specific. Overall climate-related risks are identified as:

1. Carbon pricing in our operations and our value chain
2. Pressure from customers to decarbonise
3. Reputational risks linked to sustainability performance & reporting
4. Limitations restricting LTG from achieving its net zero ambition

Group risks are reviewed by the executive team to ensure that they continue to remain relevant. Any material changes to the Group's Principal Risks or material changes to emerging risks are highlighted to the Audit Committee who review the effectiveness of the risk management process and systems of internal control.

Risk assessment is standardised across the Group based on a universal risk questionnaire. All risks are assessed on a 5x5 matrix incorporating an assessment of both impact and likelihood, resulting in an overall risk rating, allowing for the prioritisation of risks (see below). Risks are collated in the risk register under six key categories (Security and Fraud, Compliance, Operational, Financial and Economical, Macroeconomic, and Reputational). Climate-related risks identified below are Operational or Reputational. Details including the expected risk trend over time, the intended risk treatment and details of the risk tracking and review process are added. Risks are reviewed on a regular basis, thereby allowing for refinement and quantification over time and to allow for the inclusion of potential emerging risks.

Risk impact is assessed for financial, operational, legal and regulatory, reputational and human resource impacts. We use the scale for financial impact in the disclosure of our quantified risk exposure.

Impact Rating	High	Medium - High	Medium	Low - Medium	Low
Breadth of Potential Financial Penalty	£5m <	£3.5m-£5m	£2m-£3.5m	£1m-£2m	Up to £1m

Climate-related risks and opportunities have been assessed using the existing Group risk management framework to allow for their relative significance in relation to other Group risks to be determined and to enable the integration of climate-related risks into the Group risk management framework.

Strategic Report (continued)

Environmental matters (continued)

Strategy

Time Horizons

LTG defines time horizons as follows, in consideration of our existing property leases which relate to the physical risk exposure of the Group, the fact that climate-related issues only manifest over the long term and to incorporate the time horizon to meet our net zero ambition for 2050 or sooner:

- Short term: Now to 2026, in line within our current strategic planning and our shortest office leases
- Medium term: 2026 to 2028, aligned with our medium-term office leases
- Long term: 2028 to 2050, aligned to our net zero ambition and also the longer-term physical impacts of climate change.

LTG considers climate-related risks and opportunities in all physical (e.g. extreme weather events or sea level rise) and transition risk categories (current and emerging) whether they occur within our own operations, or upstream and downstream of the Group, and within our short-, medium- or long-term time horizons. Transition risks are those associated with the transition to a lower-carbon global economy (e.g. policy and legal actions, technology changes, market responses and reputational considerations).

We used three climate-related scenarios to help understand the resilience of the business to climate change, looking toward 2050. The Net Zero 2050 (NZE) aligns with our own Group net zero ambition, and is the most optimistic outlook. The Stated Policies Scenario (STEPS) and RCP 8.5 scenario range from bad to worst case scenario in terms of exposure to negative climate-related risks. Further detail on these scenarios is as follows:

- Net Zero 2050 (NZE) ¹: An ambitious scenario which maps out a trajectory consistent with limiting the global temperature increase to less than 1.5°C in 2100 from pre-industrial levels by achieving net zero CO₂ emissions by 2050. This is included as it informs the decarbonisation pathways used by the Science Based Targets initiative (SBTi), which validates corporate net zero targets and ambition
- Stated Policies Scenario (STEPS) ²: A scenario which outlines a combination of physical and transition risk impacts as temperatures rise by around 2.5°C by 2100 from pre-industrial levels, with a 50% probability. This scenario is included as it represents a base case pathway with a trajectory implied by today's policy settings
- RCP 8.5 ³: A bad case scenario where global temperatures rise between 4.1-4.8°C by 2100. This scenario is included for its extreme impacts on physical climate risks as the global response to mitigating climate change is limited.

1-2. IEA (2022). World Energy Outlook 2022, IEA, Paris

3. IPCC (2014). Climate Change 2014: AR5 Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change

Strategic Report (continued)

Environmental matters (continued)

Our current analysis and quantification of climate-related risks and opportunities indicates that our net exposure is Low-Medium on both the business model and strategy given we operate in the technology business, and our risk mitigation, strategy, disclosure and ambition for net zero provides financial resilience and strategic robustness to climate change. We believe that a fundamental change to the business strategy, financial planning or budgets as a result of climate change is not likely to be required and there are no effects of climate-related matters reflected in judgements and estimates applied in the financial statements as a result. We will continue to develop our analysis as new data becomes available, both internally and externally, and we will continue to monitor our climate exposures and action plans through the Group's risk management framework. Further details on our climate-related risks and opportunities are below.

Risks

Four key climate-related risks that could have a limited financial impact on the organisation have been identified. These are discussed in greater detail below, including how they impact the business, strategy and financial planning. Any related scenario implications are outlined.

Risk	1. Carbon pricing in our operations and our value chain	2. Pressure from customers to decarbonise	3. Reputational risks linked to sustainability performance & reporting	4. Limitations restricting LTG from achieving its net zero ambition
Type	Transition (Current & emerging regulation)	Transition (Market), Policy & Legal, Reputation	Transition (Market), Policy & Legal, Reputation	Transition (Market), Reputation
Area	Own Operations, Upstream	Downstream	Own Operations, Downstream	Upstream
Primary potential financial impact	Higher costs associated with energy and other inputs	Reputation, fewer business opportunities	Reputation, higher cost of capital	Reputation, higher cost of capital, fewer business opportunities
Time horizon	Medium to Long term	Short to Medium term	Medium term	Medium term
Likelihood	Likely	Likely	Unlikely	Unlikely
Impact	Low	Medium-High	Medium-High	Low-Medium
Location or service most impacted	Across the Group	Across the Group	Across the Group	Across the Group
Metrics used to track risk	Scope 1, 2 & 3 emissions	Scope 1, 2 & 3 emissions	Scope 1 & 2 emissions, external ESG ratings (e.g. Sustainalytics)	Scope 3 (upstream)

Strategic Report (continued)

Environmental matters (continued)

1. Carbon pricing in our operations and our value chain

For our operational emissions, carbon prices represent a risk of higher energy prices (carbon tax) and for our principal value chain emissions from our data centre suppliers, carbon pricing mechanisms could result in the supplier passing on the added cost to LTG.

The International Energy Agency ('IEA') forecasts that carbon prices (US\$/tCO_{2e}) relevant to LTG under NZE and STEPS scenarios are projected to increase as below. The regions in the table represent the highest price scenario in each time horizon (worst case). Applying these carbon prices to our reported emissions for 2025 results in a Low impact in both scenarios and in all timeframes. This is also absent of any future mitigation actions or material changes to the business and assumes the full impact of carbon prices is passed onto LTG.

	Carbon Price estimates (US\$/tCO _{2e})		
	2030	2040	2050
Scenario – STEPS			
European Union	90	98	113
Scenario – NZE			
Advanced economies with net zero emission pledges	140	205	250

Current mitigations: LTG intends to explore the voluntary carbon market in FY25. With that project, we hope to identify contractual mechanisms that will mitigate the future costs of our climate commitments.

2. Pressure from customers to decarbonise

Climate change management and evidencing emissions reduction is a rising requirement within commercial discussions with our customers. Failure to meet stakeholder expectations may lead to reputational issues or lower revenue. Loss of some clients or a major client is classified as a Medium-High risk. LTG has set up the organisational structure to manage climate change (see above). Our operational footprint is low, but one of our biggest challenges to decarbonise is within business travel, where, despite customer pressure to decarbonise, we also face the requirement to travel to deliver in-person training. The key component of our upstream emissions (data centres and purchased goods) is outside of our direct influence, in the value chain. Nevertheless, we recognise the requirement to develop and deliver on a credible plan to transition the business to net zero.

Current mitigations: We work to continue to identify areas of opportunity to decarbonize. In FY24, the ESG committee discussed Learning Technologies Group's net zero reduction projections. While projections are internal, we have identified several actions that, if implemented, will lead to long-term reductions in carbon footprint. These actions include:

Strategic Report (continued)

Environmental matters (continued)

- Office Energy – Forecast to achieve reduction in office-based energy emissions by 2050 predominantly through office consolidation, energy reduction actions in offices, and the purchase of renewable electricity.
- Business Travel– Forecast reduction in business travel emissions from cars through reduced travel, and the replacement of petrol/diesel vehicles by electric vehicles combined with an increase in the supply of renewable electricity. Key activities in relation to other forms of travel include reduced travel due to less face-to-face meetings and a reduction in emissions from flights following the aviation industry (IATA) Net Zero' commitment – (reduce flight emissions by ~80% by 2050 predominantly through sustainable biofuel) <https://www.iata.org/en/programs/environment/flynetzero>.
- Commuting - Forecast reduction in commuting emissions through reduced travel (impacted by office consolidation), increased use of public transport and the use of electric vehicles.
- Purchased Goods and Services – Forecast a reduction in supply chain emissions predominantly through supply chain engagement actions - using suppliers with aligned targets, and also through increased use of 'Cloud' to reduce emissions associated with use of third-party data centres.

3. Reputational risks linked to sustainability performance & reporting

LTG has an obligation to its investors, regulators and other stakeholders (outside of customers), to communicate progress against sustainability targets. The Group has not experienced any adverse interaction on climate change to date. Combined with likelihood, our overall quantification of this risk is Low-Medium. We will continue to monitor trends and regulation to ensure we are in line with stakeholder expectations on our climate-related performance. We recognise the requirement to develop a credible plan to transition the business to net zero in line with the UK's decarbonisation plan and endeavour to communicate progress in the near future.

Current mitigations: In FY24 we strengthened our carbon reporting by auditing our GHG inventory in accordance with ISO 14064 Part 3: 2019, Greenhouse Gases: Specification with guidance for the verification and validation of greenhouse gas statements. We plan to continue verification of our greenhouse gas emissions annually, using the auditing process to strengthen our data collection process and improve reputability.

4. Limitations restricting LTG from achieving its net zero ambition

LTG has set an ambition of being net zero by 2050 or sooner. Failure to meet targets may lead to reputation damage alongside loss of customer revenue and result in higher costs due to the expansion of carbon pricing (see Risk 1). Whilst we will endeavour to meet our ambition, success relies on some aspects beyond our direct control. For instance, the ability to fully decarbonise our Scope 2 emissions is dependent on the decarbonisation of local grids and/or adoption of renewable energy supply by our landlords. LTG's ability to reduce its Scope 3 emissions relies on our data centre suppliers decarbonising successfully, which appears on track. The Group operates with short-term leases, making it feasible to move operations where it is difficult to switch to renewable energy supply.

Strategic Report (continued)

Environmental matters (continued)

Outside of these shortlisted risks, climate-related risks which were deemed immaterial to the Group include:

- Physical risk on own operations (risk exposure is limited, sites are not primarily owned with no critical infrastructure, the Group has insurance and work-from-home procedures are established)
- Physical risks for suppliers (large multi-nationals with multiple locations)
- Physical risks for customers (revenues are not concentrated to large customers with single site risks)
- Technology risk (limited risk of service redundancy)

Current mitigations: LTG has drafted pathways to Net Zero with internal net zero transition plans. We have identified scenarios and addressed potential challenges at the Board level. As an approach, the Group is working to decarbonise the business foremost. The Group will continue to review opportunities to reduce emissions throughout our value chain. We will be seeking renewable energy supply for our office locations where possible in our portfolio, as much of our portfolio relies on landlord choices. We will also seek reduction in our data centre reliance through Cloud-based service and look at potential of leveraging data centres that use sustainable or renewable energy, where possible. Once near net-zero, the Group may use carbon dioxide removals (i.e. "stored" or "embodied" carbon) to address residual emissions.

Opportunities

Three key climate-related opportunities that could have a limited financial impact on the organisation have been identified.

Opportunity	1. Managing resource efficiency	2. Online training provision to enable customers to reduce their carbon footprint	3. Renewable energy
Type	Resource Efficiency	Markets	Energy Source
Area	Operations	Downstream	Operations
Primary potential financial impact	Decreased costs	Increased business opportunities	Decreased costs
Time horizon	Short term	Medium term	Short to Medium term
Likelihood	Very likely	Likely	Likely
Impact	Low-Medium	Medium-High	Low
Location or service most impacted	Office buildings	Global	Office buildings
Metrics used to track opportunity	Energy use and water use	Revenue from digital learning	% Renewable energy usage

Strategic Report (continued)

Environmental matters (continued)

1. Managing resource efficiency

LTG is utilising existing regulatory mechanisms such as Streamlined Energy Carbon Reporting (SECR) and the Energy Savings Opportunity Scheme (ESOS) to identify areas of improvement in office energy efficiency.

2. Online training provision to enable customers to reduce their carbon footprint

LTG is a recognised world leader in employee training. Learning Technologies Group maintains sustainability-related content offerings, and plans to continue to promote this educational service, and capitalise on the emerging ESG market through FY25.

3. Renewable energy

LTG is utilising existing regulatory mechanisms such as Streamlined Energy Carbon Reporting (SECR) and the Energy Savings Opportunity Scheme (ESOS) to identify areas of improvement in office energy efficiency. Locally, the Group has leveraged renewable energy in office spaces. LTG has plans to continue to utilize renewable energy, where possible.

Metrics and targets

The Group has announced its commitment to achieve net zero by 2050 or sooner across all scopes and is seeking to develop a transition plan that will address this long-term ambition. In the meantime, we will continue to review opportunities to reduce emissions throughout our operations and value chain given our commitment.

The Group has reviewed the Taskforce for Climate Related Financial Disclosure (TCFD) annex which includes relevant metrics for the industry. We will keep the annex under review and intend to report out any new KPI's in the future.

In response to specific customer expectations and requirements, GP Strategies has achieved its target of a 55% combined reduction in Scope 1, 2 & relevant 3 emissions by 2030, from a 2019 base year. For more information, see formal greenhouse gas reporting through our annual subsidiary submission to U.K.'s Streamlined Energy Carbon Reporting (SECR), and the Group GHG Inventory, below:

Streamlined Energy and Carbon Reporting Statement

Introduction

The below statement contains Learning Technologies Group's annual energy consumption, associated relevant greenhouse gas emissions, and additional related information, as required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Strategic Report (continued)**Environmental matters (continued)***Table: Energy Consumption and Emissions: UK only for Learning Technologies Group*

	2024
<i>On-site combustion (kWh)</i>	113,100
<i>Electricity (kWh)</i>	99,570
<i>Road Transport (kWh)</i>	None reported
<i>Total Energy (kWh)</i>	208,916
<i>Scope 1 Emissions (tCO_{2e})</i>	24
<i>Scope 2 Emissions - location based (tCO_{2e})</i>	20
<i>Scope 3 Emissions (tCO_{2e})</i>	1,536
<i>Total Emissions (tCO_{2e})</i>	1,580
<i>Emissions Intensity (tCO_{2e}/£m)</i>	32.9

The methodology applied to the calculation of Greenhouse Gas emissions is the 'GHG Protocol Corporate Accounting and Reporting Standard'. An 'operational control' boundary has been applied. Carbon conversion factors have been taken from 'UK Government GHG Conversion Factors for Company Reporting'. Emissions are reported as CO_{2e}. Electricity emissions have been reported as 'location-based'. The table below shows the total annual UK energy use and associated GHG emissions relating to the consumption of; electricity, natural gas, and fuel consumed for relevant business transport purposes, for the period 1 January - 31 December 2024.

Energy Efficiency Action

During the reporting period, we have ensured, where practicable, that buildings occupied by us are designed, constructed, and operated to optimise their environmental performance. We have continued a programme of office rationalisation, increasing our use of flexible working. We are continuing to complete lighting upgrades across our offices, installing energy-efficient LED fittings, and have also further reduced our company car fleet.

Strategic Report (continued)

Environmental matters (continued)

Group-wide energy usage, emissions and GHG inventory

Verified to ISO 14064 limited assurance ¹

GHG Emissions (tCO2e)	2024			2023
	UK	Global (exc. UK)	Group Total	Group Total
Scope 1 (tCO2e)	24	64	88	149
Scope 2 (tCO2e)	20	529	549	553
Scope 3 (tCO2e)	1,563	9,377	10,940	9,489
<i>Data Centres</i>	15	77	92	96
<i>Business Travel</i>	219	1,244	1,463	2,041
<i>Commuting</i>	94	1,042	1,136	1,779
<i>Upstream Purchased Goods and Services</i>	1,235	7,014	8,249	5,573
Total tCO2e	1,607	9,970	11,577	10,191
Intensity measure (Group turnover) per £'m	48	443.7	491.7	562.3
GHG Emissions Intensity ratio (per Group turnover) per £'m	33.5	22.5	23.5	18.1

¹ Note on assurance:

Bureau Veritas performs Greenhouse Gas (GHG) Verification in accordance with ISO 14064 Part 3: 2019. UL Solutions has verified, to a limited level of assurance, the GHG statement of Learning Technologies Group for 1 January 2024 to 31 December 2024, in accordance with ISO 14064 Part 3. GP Strategies' organizational GHG Statement has been verified to meet the requirements of ISO 14064 Part 3: 2019 and that there is no evidence that the GHG statement, 1) is not materially correct and is not a fair representation of GHG data and information, and 2) has not been prepared in accordance with related International Standards on GHG quantification, monitoring, and reporting, or to relevant national standards or practices.

Group Internal Audit worked closely with the Audit Committee, the executive and senior leadership team and divisional leaders throughout 2024 to support the continuous improvement of risk management processes within the Group comprising both 'top-down' strategic risks and 'bottom-up' operational risks. This work included undertaking regular reviews of the risks and uncertainties facing the Group, including new and emerging risks, and considering the impact on the Group of those risks in order to put in place mitigating actions and risk ratings. Risk associated with integrating acquisitions has been removed as there have been no recent acquisitions.

Strategic Report (continued)

Principal risks and uncertainties

Risks are rated as follows:

- Low - Some action may be required and risks are routinely monitored by management.
- Medium - Further action is required to mitigate the risk through improved control with oversight from executive and senior leadership.
- High - Further mitigating actions are required immediately. Oversight is provided by the Board, Audit Committee and executive and senior leadership directly.

The Directors consider that the principal risks and uncertainties facing the Group and a summary of the potential impacts and key measures taken to mitigate those risks are as follows:

STRATEGIC RISKS	RISK RATING	POTENTIAL IMPACTS	EXISTING MITIGATING CONTROLS
<p>1. Client Contractual Risk</p> <p>► The Group offers a wide variety of products and services with different risk profiles and in different countries, to a diverse customer base, many of which operate in regulated sectors and/or will seek to contract under their own terms and conditions.</p>	Medium	<ul style="list-style-type: none"> • At times, the business is subject to client audits with respect to assurance around quality and compliance, failure of which could lead to contractual breaches, financial penalties and loss of contracts. • As a result of US Government contracts representing a material proportion of the Group's revenue, the business must operate processes and procedures to ensure compliance with applicable regulations, failure of which could lead to an inability to operate government contracts. • More frequently clients are including financial penalties for non-delivery of key milestone activities. • Clients are internally mandating cutting supplier spend and replacing it with AI. • There is a de-emphasis on diversity, inclusion and equality in US markets which is resulting in decreased revenue for these programmes. 	<ul style="list-style-type: none"> • The Group assigns account executives to foster relationships with key clients, and within market sectors and geographies. Their role is to maximise success in retaining and growing the business. • Regulated market sectors are regularly monitored to maintain compliance with legislative requirements. • Through operational and legal review, the Group ensures well defined contract terms and obligations and skilled Project Managers are assigned to ensure quality and deliver results. • A new government subsidiary has been created to ensure compliance with the Ownership, Control, or Influence regulations (FOCI) within a ringfenced business unit. • AI is also presenting new revenue opportunities for GP's ContentAIQ platform and creating internal cost efficiencies.

Strategic Report (continued)

Principal risks and uncertainties (continued)

STRATEGIC RISKS	RISK RATING	POTENTIAL IMPACTS	EXISTING MITIGATING CONTROLS
<p>2. Brand Reputation Risk</p> <p>► The Group recognises that brand recognition, reputation and customer and supplier confidence is of great importance. Negative brand reputation can spread quickly through industry relationships and social media platforms, making it increasingly essential for companies to protect and maintain their brand strategy.</p>	<p>Medium</p>	<ul style="list-style-type: none"> • Failure to maintain our reputation for delivery high quality products and services could lead to a decline in sales and revenue if customers were to choose to do business with competitors. • It could affect our ability to attract and retain key talent. • It could damage our relationships with suppliers and other external partners, potentially leading to business disruption and increased costs. • A compromised reputation can swiftly erode stakeholder trust, leading to tangible, adverse effects on the organisation. 	<ul style="list-style-type: none"> • The Group has a collaborative and transparent approach with clients and external partners. • The Group strives to exceed customer expectations and maintain its reputation as a leader in the learning and talent management marketplace by offering a diverse set of superior platforms, content and services. • Strategic planning is undertaken to forecast and execute activities that will develop and maintain client demand. • The Group continually evaluates its performance, seeks feedback from customers, employees and shareholders, performs market research, and utilises trade group research to anticipate client needs and develop action plans to continually improve its services. • The Group formulates accurate and clear messaging to prevent misinformation from spreading.

Strategic Report (continued)

Principal risks and uncertainties (continued)

OPERATIONAL RISKS	RISK RATING	POTENTIAL IMPACTS	EXISTING MITIGATING CONTROLS
<p>3. Breaches of IT and Information Security</p> <p>► There is an increasing potential for a breach of information security regulations and for disruption to our products, services and operations from risks related to cybercrime, malware, phishing, denial of service, social engineering, loss or theft of devices and data exposure.</p>	<p>High</p>	<ul style="list-style-type: none"> • Financial penalties under information security regulations. • Financial loss. • Critical operations being compromised. • Service disruption. • Loss of accreditation and certification. • Loss of customer confidence and reputational damage. • Contractual and possibly cyber insurance void and breaches. • Increased resources to deal with vulnerability management. 	<ul style="list-style-type: none"> • Dedicated information security and data privacy teams. • Internal and external audits are carried out including penetration testing, random phishing testing and testing and updating the Group's disaster recovery and business continuity plans based on changes to tools, technologies, and procedures as well as current business operations. • Mandatory annual information security and data protection training programmes. • IT roadmaps are built for platforms, technology tooling, business solutions and management information. • Data protection policies and protocols are enforced to safeguard data and meet data protection standards across jurisdictions in which the Group operates. • The Group holds an appropriate level of cyber insurance. • Due to the prevalence of Artificial Intelligence (AI) an increasing focus and prioritization of data privacy and protection activities. • Advanced vulnerability management programme with risk-based prioritisation, based on the environmental and threat intelligence feeds for the organisation.

Strategic Report (continued)

Principal risks and uncertainties (continued)

PEOPLE RISKS	RISK RATING	POTENTIAL IMPACTS	EXISTING MITIGATING CONTROLS
<p>4. Attracting and Retaining Talented Staff</p> <p>► The future success of our business is dependent on attracting, developing, motivating and retaining our people. Failure to attract and retain key talent could negatively impact the Group's ability to innovate and grow, and could lead to decreased productivity, or undermine customer relationships.</p>	Medium	<ul style="list-style-type: none"> Decreased productivity. An inability to meet customer expectations and performance obligations. An inability to take advantage of emerging opportunities and innovation. Loss of employees with specialist skillsets. An inability to recruit employees with specialist skillsets. Increasing levels of key employee turnover and lack of business continuity and loss of institutional knowledge. Exposure due to changing regulations in the many jurisdictions in which the business operates. 	<ul style="list-style-type: none"> External benchmarking of remuneration and benefits. Adopting best practices to ensure success in recruiting, hiring, and maintaining a highly competent and engaged workforce. A culture of development opportunities, competitive total rewards, wellbeing initiatives and creativity and inclusivity. More flexibility for employees in terms of work location. Implementing strategies to source top talent for specialist roles, including expansion of our presence on hiring platforms, external talent pooling, and hiring in other countries. Employing technology solutions to improve the employee experience in areas such as performance enablement, engagement surveys and new HR programmes. Succession planning for leadership and key business roles. A dedicated talent development team. Using external employment advisors in certain jurisdictions.

Strategic Report (continued)

Principal risks and uncertainties (continued)

FINANCIAL RISKS	RISK RATING	POTENTIAL IMPACTS	EXISTING MITIGATION CONTROLS
<p>5. Macroeconomic Factors</p> <p>► In common with most global businesses the Group is susceptible to any downturn in economic conditions as a result of the global nature of the business and the diverse economies in which it operates.</p>	High	<ul style="list-style-type: none"> • Heightened geopolitical uncertainties including increased tariffs and geographic instability. • Elevated interest rates. • Hyperinflationary pressures in some countries, particularly wage inflation. • Changes in demand, growth rates and the attractiveness of clients and markets, due to the Group's extensive geographic presence and diverse client base. 	<ul style="list-style-type: none"> • At Board, Executive and Finance level, the Group remains apprised of macroeconomic factors which could affect the Group. • The Group monitors the changing macroeconomic environment and continually evaluates potential risks. • Due to the Group's increased global presence, action can be taken to reallocate resources and work where needed to minimise disruption, maintain quality and preserve financial performance and ensure the safety of our people. • A dedicated procurement team work to achieve competitive pricing from its supply chain.

Strategic Report (continued)

Principal risks and uncertainties (continued)

LEGAL AND COMPLIANCE RISKS	RISK RATING	POTENTIAL IMPACTS	EXISTING MITIGATION CONTROLS
<p>6. Currency, Debt, and Interest Rate Risk</p> <p>► The Group operates in 35 countries. Foreign exchange risk arises when individual Group companies enter into transactions denominated in a currency other than their functional currency. The Group is required to comply with the covenants under its debt financing facility. Interest rate risk arises from the Group's exposure to rising interest rates on its borrowings.</p>	<p>Medium</p>	<ul style="list-style-type: none"> • Exposure to volatility in currency exchange rates in respect of foreign currency denominated transactions. • Exposure to changes in the translation of net assets and income statements of foreign subsidiaries. • The Group is exposed to a number of foreign currencies, the most significant being the US Dollar. • Due to its debt, the Group is also exposed to the risk of increase in the base rates of the US Federal Reserve. • If the covenants under its debt financing arrangement were breached, the lender could take action against the Group. This could include the lender using its security taken over the Group's assets to repay the outstanding debt, thus adversely impacting shareholders. 	<ul style="list-style-type: none"> • The Group regularly monitors its ongoing compliance with the terms of its debt financing facility. As at the end of December 2024 the Group's cash position has improved year over year from £76.8m net debt to £3m net cash, as a result of strong cash generation from the Group's operations and the sale of non-core assets. • The Group avoids over-reliance on single source customers, suppliers and banking relationships. • A treasury function is maintained to monitor cash and liquidity, and regular currency analysis completed to forecast exposure. • Contracts are primarily transacted and cash balances are maintained in the functional currency of the local operation, which serves as a natural hedge. • The Group continually monitors its outstanding Accounts Receivable and ensures favourable payments terms are included in customer contracts.

Strategic Report (continued)

Principal risks and uncertainties (continued)

LEGAL AND COMPLIANCE RISKS	RISK RATING	POTENTIAL IMPACTS	EXISTING MITIGATION CONTROLS
<p>7. Legal and Regulatory Changes</p> <p>► The pace and demands of legal and regulatory risk has increased due to the expanded employee population, diversity of services, and complex customer contract requirements. As the Group's global presence expands, it must ensure compliance with regulatory requirements within the jurisdictions in which the Group operates.</p>	<p>High</p>	<ul style="list-style-type: none"> • Failure to meet contract terms and conditions, regulatory reporting requirements or statutory compliance obligations could result in an adverse impact on our revenues. • Failure to meet contract terms and conditions, regulatory reporting requirements or statutory compliance obligations could result in financial loss, fines or penalties. • Failure to meet contract terms and conditions, regulatory reporting requirements or statutory compliance obligations could result in reputational damage. • Unfavourable contract terms which present risk to the Group. 	<ul style="list-style-type: none"> • The Group's executive team together with the legal team take a consistent global approach and appropriate actions to monitor regulatory requirements and develop compliance strategies. • The Group has implemented risk-mitigating policies & procedures in local languages including whistleblower hotlines, mandatory contract reviews, corporate responsibility and business sanctions policies, security standards and privacy reviews. • The Board of Directors appoints individuals to key roles within the business who are sufficiently knowledgeable in the legal aspects of their function to ensure requirements are met or guidance is sought when needed. The Group's key roles include members of the Executive teams and a designated Data Protection team. • The Group training in legal and HR best practices continues to mitigate the risk of non-compliance in these areas.

Strategic Report (continued)

Principal risks and uncertainties (continued)

CLIMATE RISKS	RISK RATING	POTENTIAL IMPACTS	EXISTING MITIGATION CONTROLS
<p>8. Sustainability</p> <p>► The Board and Executive recognise the need for the management and reporting of the Group's sustainability framework, performance and targets, which if unmanaged, could impact our ability to attract and retain customers, employees and capital.</p>	Medium	<ul style="list-style-type: none"> • Failure to meet targets may lead to reputational damage alongside loss of customer revenue and result in higher costs associated with energy and other inputs due to the expansion of carbon pricing in our operations and our value chain. • Reputation damage and fewer business opportunities if we do not respond to pressure from our customers to decarbonise. • Reputational damage and higher cost of capital as a result of inadequate sustainability performance and reporting. • Reputational damage, higher cost of capital and fewer business opportunities as a result of limitations restricting the Group from achieving its net zero ambition. • Inability to conduct business with some customers. 	<ul style="list-style-type: none"> • The Group has a broad reaching ESG response in place which we are enhancing further through a number of initiatives aimed at improving our sustainability ratings. • We have set an ambition of being net zero by 2050, or sooner. • Whilst we will endeavour to meet our ambition, success relies on some aspects beyond our direct control. For instance, the ability to fully decarbonise our Scope 2 emissions is dependent on the decarbonisation of local grids and/or adoption of renewable energy supply by our landlords. The Group's ability to reduce its Scope 3 emissions relies on our data centre suppliers decarbonising successfully. Further, other Scope 3 value chain emissions are reliant on development of new green technologies. Residual emissions are also dependent on a developed carbon dioxide removals market. • We are undertaking the necessary steps to develop our transition plan to reduce emissions in line with a Paris Agreement-aligned pathway. • The Group continues to improve the resilience and business continuity of its office network and has transitioned to virtual and hybrid working models as deemed appropriate. • Metrics are used to track risk including Scope 1,2 and 3 emissions, and external ESG ratings (e.g. Sustainalytics). • Dedicated ESG manager with deep industry insight and expertise.

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Strategic Report (continued)

Stakeholder engagement

Effective stakeholder engagement is critical to the long-term success of our business. We seek to understand each stakeholder group - what they find important and how we can be of value to them. This helps us make better decisions when setting strategy and in our day-to-day operations.

Section 172 statement

Introduction

The directors must comply with the duties set out in Section 172(1) of the UK Companies Act 2006. "A director of a Company must act in the way he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. The likely consequences of any decision in the long term;
- b. The interests of the Company's employees;
- c. The need to foster the Company's business relationships with suppliers, customers and others;
- d. The impact of the Company's operations on the community and the environment;
- e. The desirability of the Company maintaining a reputation for high standards of business conduct; and
- f. The need to act fairly as between members of the Company.

The Directors consider that they have fulfilled their duties in accordance with Section 172(1) of the UK Companies Act 2006 and have acted in a way in which is most likely to promote the success of the company for the benefit of its members as a whole.

The Directors have identified key stakeholders as being our employees; customers; shareholders; suppliers and partners; and the communities in which we operate.

We recognise that our engagement strategy for these key stakeholders is crucial to our success. The way in which we engage with these stakeholders and account for their interests is set out below.

Key decisions in the year

Several key decisions were made in the year. LTG engaged with key stakeholders on various decisions in meaningful ways. This provided a focused view of what matters to them. We recognise it is not possible for all stakeholders to be in agreement with the outcome of our decisions, however, our stakeholders play an important role in our making decisions that will most likely promote the success of LTG for the benefit of its members as a whole.

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Strategic Report (continued)

Section 172 statement (continued)

Highlights of key decisions:

Stakeholder	Matters of Importance	How We Engage
Employees	<ul style="list-style-type: none"> • Responsive and attentive employer • Flexible working policy • Ethical and global minded policies and procedures • Community involvement 	<ul style="list-style-type: none"> • "All company updates" providing a candid overview on business and financial performance, strategic insights, and current and global matters • Employee surveys to provide anonymous and helpful feedback • Dedicated whistleblowing hotline and reporting service • Modern Slavery Act statement • Signed up to the UN Global Compact • Charity donation matching and incentives
Customers, Suppliers and Partners	<ul style="list-style-type: none"> • Alignment when contracting across LTG • Feedback and open communication • Data protection 	<ul style="list-style-type: none"> • Bad debt policy for all LTG entities • Targeted satisfaction surveys • Detailed account reviews • Dedicated account management resources for partners • Dedicated point of contact for suppliers • Comprehensive audits • Communication with impacted US government customers following temporary suspension of GP Strategies' FCL licence in July 2024
Shareholders	<ul style="list-style-type: none"> • Dividends • Transparent and independent directors • Growth and value, disposals • Fiscal responsibility • General Atlantic transaction 	<ul style="list-style-type: none"> • Final and interim dividends announced and paid • Appointment of a Senior Independent Director (SID) via a Nomination Committee in response to shareholder feedback • Related Parties Transactions Policy for directors extended to senior management • Sale of Vector VMS business on 1 July 2024 • Recommendation for acquisition by General Atlantic • Constitution of an independent committee of directors to consider the proposed acquisition

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Strategic Report (continued)

Section 172 statement (continued)

Employees

During 2024 three of our Executive Directors and our Company Secretary were employees, each bearing substantial responsibility for overseeing staff across various locations within the group.

The ESG Committee led by our Chief Financial Officer, oversees community engagement and provides feedback to the Executive Board and directors.

Through the ESG Committee, LTG engages with employees to identify charitable organizations and initiatives for the company to support. This approach ensures that our community engagement is meaningful and responsive to local needs.

LTG and its directors take pride in our philanthropic efforts, particularly in giving back to the communities where our employees live and work, allowing us to foster positive, tangible change in the lives of those around us.

In addition, our Executive Board was comprised of the Executive Directors as well as our Chief Operations Officer, Co-Chief Executive Officers and Chief Revenue Officer of GP Strategies, all of whom have operational and management responsibilities. This provides critical insights into the needs and experiences of our employees and the intricacies of our daily business operations.

Customers, Suppliers and Partners

We understand the pivotal role our customers, suppliers and partners play. As key stakeholders, they form the cornerstone of our position as a market leader. Our strategies are carefully aligned with their interests and underpin every decision we make.

Data security remains a top priority for and, accordingly, has significantly influenced our product and service development plans, as well as our security management program.

We continued our rigorous commitment to security through comprehensive audits, including ISO 27001/27002 and SOC Type II, across our business units. These initiatives play a crucial role in protecting both our interests and those of our customers, suppliers and partners, guiding our security strategies and enabling effective risk management.

The role of our suppliers and partners is integral to the growth strategies and global operations of LTG. Our supplier security management program requires all suppliers and partners involved in our client services to adhere to baseline security standards. This bolsters LTG's data protection and security efforts, further safeguarding our customers' interests.

In July LTG was informed by GP Strategies of the invalidation ("temporary suspension") of the eligibility for GP to work on new classified contracts. We took steps to immediately communicate with those customers holding classified contracts. A new subsidiary, solely focused on federal US government contracts, was in process and became operational in H1 2025 as announced in the interim report for period ending 30 June 2024.

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Strategic Report (continued)

Section 172 statement (continued)

Shareholders

At LTG, our commitment to shareholder interests remains steadfast. We continue to manage risks effectively, operate with fiscal responsibility, and rigorously follow our growth and development strategy to deliver projected results.

The sale of the Vector VMS business to Pixid Group was announced on 26 June. On 1 July the sale closed for a cash consideration of \$50 million.

On 27 September we announced the possible cash offer to acquire the entire issued and to be issued share capital of LTG by GASC APF, L.P. and certain of its managed or advised funds (including Atlantic Park). Board members were advised by independent advisors on the valuation of LTG and the offer. An independent committee was established to assess the offer having regard to the valuation. On 4 December it was announced that agreement on the terms and conditions of the proposed acquisition had been reached.

On 20 December a circular relating to the Scheme (the "Scheme Document") was published to provide information on the Court-ordered sanctioned scheme of arrangement. Shareholders could elect to take the offer of 100 pence per LTG share or elect for an unlisted equity alternative in respect to some or all of their LTG shares. A subcommittee was formed to conduct wall crossing activities with shareholders.

The Court meeting and General meeting were held 6 February 2025 with the requisite majority of shareholders voting in favour of the acquisition.

The acquisition closed on 31 March 2025 and subsequently LTG delisted from the AIM market.

Financial Reporting Council ("FRC") letter relating to the 2023 Annual Report and Accounts

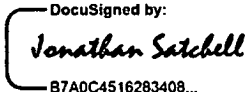
In November 2024, the Company received a letter from the Corporate Reporting Review team of the FRC as part of its regular review and assessment of the quality of corporate reporting in the UK, requesting further information in relation to the Company's Annual Report and Accounts for the year ended 31 December 2023. The letter focused on the clarity of language used to disclose the amount of consideration invoiced in advance of performance but not yet due and disclosure of information about remaining performance obligations. The Company responded to the enquiries and agreed to make certain changes within its Annual Report and Accounts for the year ended 31 December 2024, which are included within notes 4 and 20 to the consolidated financial statements on pages 64 and 82. Prior year comparative figures have been provided.

The FRC has confirmed that it has concluded its consideration of the Company's Annual Report and Accounts and intends publishing the Company's name, together with the fact that it has undertaken the review, on the FRC's website on 26 September 2025.

The review conducted by the FRC was subject to the following inherent limitations as set out in its communication with LTG on 18 November 2024:

The FRC review is based on its review of the Company's 2023 Annual Report and Accounts and does not benefit from detailed knowledge of the Group's business or an understanding of the underlying transactions entered into. The review was however conducted by staff of the FRC who have an understanding of the relevant legal and accounting framework.

This report was approved by the Board of Directors and signed on its behalf

Jonathan Satchell 

Chief Executive
26 September 2025

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Directors' Report

For the year ended 31 December 2024

The Directors present their report on the Group, together with the audited Consolidated Financial Statements for the year ended 31 December 2024.

Directors

The directors of the Company during the year and at the date of this report were as follows:

Andrew Brode	
Jonathan Satchell	
Kath Kearney-Croft	(resigned 31 March 2025)
Piers Lea	(resigned 31 March 2025)
Simon Boddie	(resigned 31 March 2025)
Aimie Chapple	(resigned 31 March 2025)
Leslie-Ann Reed	(resigned 31 March 2025)

Results and dividends

The results of the Group are set out in detail on page 43.

On 28 June 2024, the Company paid a final dividend of 1.21 pence per share in respect of the year ended December 2023. On 28 October 2024, the Company paid an interim dividend of 0.45 pence per share (2023: 0.45 pence per share). The Directors have not proposed a final dividend for the year ended 31 December 2024.

Going concern

The Directors report that the going concern basis is appropriate for a period of at least 12 months from the approval of these financial statements. Full details of the going concern assessment for the Group and the Company are provided at note 2, on page 47.

Business review and future developments

The principal activities of the Group and a review of its business can be found in the Strategic Report and at note 1 to the Consolidated Financial Statements.

Political donations

The Group made no political donations during the year (2023: £nil).

Financial instruments and risk management

Disclosures regarding financial instruments are provided within the Strategic Report and note 31 to the Consolidated Financial Statements.

Capital Structure

Details of the Company's share capital, together with details of the movements therein are set out in note 25 to the Consolidated Financial Statements. The Company has one class of ordinary share which carries no right to fixed income.

Post-balance sheet events

Details of post-balance sheet events can be found in note 34 to the Consolidated Financial Statements.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Directors’ Report (continued)

Workforce policies and employment engagement

We are committed to the investment in our staff at all levels ensuring a culture of continuous improvement. To attract and retain a high calibre of employees, we provide various employee benefit packages including performance related bonuses and Sharesave plans in order to align employee interests with the long-term strategic objectives of the Group. We remain committed to our equality and diversity policies and sought regular feedback and engagement from our workforce. Further information regarding our work policies and engagement can be found in the Strategic report.

Directors’ interests in shares and contracts

Directors’ interests in the shares of LTG at 31 December 2024 are set out below. Directors’ interests in contracts of significance to which LTG was a party during the financial year are disclosed in note 29 to the Consolidated Financial Statements.

Substantial interests

As at 31 December 2024, LTG has been advised of the following significant interests (greater than 3%) in its ordinary share capital:

Shareholder	Ordinary shares held	%held
Andrew Brode	117,098,930	14.78
Jonathan Satchell	72,963,160	9.21
Liontrust Asset Management	82,147,453	10.49
Octopus Investments	64,742,912	8.17
Liontrust Sustainable Investments	29,355,878	3.70

Except as referred to above, the Directors are not aware of any person who held an interest of 3% or more of the issued share capital of the company or could directly or indirectly, jointly or severally, exercise control.

Independent auditors

In accordance with Section 489 of the Companies Act 2006, a resolution proposing that BDO LLP be reappointed will be proposed at the Annual General Meeting.

Provision of information to auditors

Each of the persons who are Directors at the time when this Directors’ Report is approved has confirmed that:

- So far as that Director is aware, there is no relevant audit information of which the Company’s auditors are unaware, and
- That Director has taken all steps that ought to have been taken as a Director in order to be aware of any information needed by the Company’s auditors in connection with preparing their report and to establish that the Company’s auditors are aware of that information.

Signed by order of the Board

Claire Walsh

DocuSigned by:
Claire Walsh

Company Secretary

26 September 2025

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Directors' Responsibilities Statement in Respect of the Annual Report and the Financial Statements

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and company financial statements in accordance with UK adopted international accounting standards. Under company law the 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 company and of the profit or loss of the group and company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether UK adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Independent auditor's report to the members of Learning Technologies Group Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Learning Technologies Group Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Financial Position, the Company Statement of Changes in Equity, and notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland*.

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

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

A critical evaluation of the Director's assessment of the group's ability to continue as a going concern for a period of at least 12 months from the date of approval of the financial statements by:

- evaluating the process the Directors followed to make their assessment, including confirming the assessment and underlying projections were prepared by appropriate individuals with sufficient knowledge of the detailed figures as well as an understanding of the entities markets, strategies, and risks;

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Independent auditor’s report to the members of Learning Technologies Group Limited (continued)

- evaluating the impact of the sale of the group, the strategy and plans of the new owners, and the new financing arrangements on the going concern position of the group;
- testing the arithmetical accuracy of the going concern model prepared by management to support the Directors’ assessment and the underlying calculations within;
- understanding, challenging, and corroborating the key assumptions included in their cash flow forecasts against prior year, our knowledge of the business and industry, and the current economic climate, including the impact of inflation;
- assessing the accuracy of prior year forecasts against results for the year;
- enquiring of the Directors and review of board minutes for any key events in the going concern period that may have been omitted from cash flow forecasts and assessing the impact these could have on forecast cash flows and cash reserves;
- assessing stress test scenarios and challenging whether other reasonably possible scenarios could occur and including these where appropriate;
- confirming that sensitised cashflow forecasts prepared by the Directors included the preparation of a reverse stress test to analyse the level of increase in cost inflation that could be sustained before a covenant breach or liquidity shortfall would be indicated. We considered the reasonableness of the assumptions used in the sensitised cashflow forecasts using our knowledge of the business and industry;
- confirming the financing facilities, repayment terms and financial covenants to supporting documentation. We reviewed the Director’s assessment of covenant compliance throughout the forecast period, including compliance within sensitised forecasts;
- Review of the post year-end cash position to assess any potential deterioration in balances held; and
- considering the adequacy of the disclosures relating to going concern included within note 2 of the consolidated financial statements against the requirements of the accounting standards and consistency of the disclosures against the forecasts and going concern assessment.

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 and the Parent Company’s ability to continue as a going concern for a period of at least twelve months from when the 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.

Overview

Key audit matters	2024	2023
	Revenue recognition	✓
Materiality	<i>Group financial statements as a whole</i> £4.3m (2023: £3.7m) based on 5% of adjusted EBIT (2023: 4.3% of adjusted profit before tax from continuing operations). Adjusting items are disclosed in Note 5 of the financial statements.	

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Independent auditor's report to the members of Learning Technologies Group Limited (continued)

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. On the basis of this, we identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components in scope

The Group is organised into two operating divisions, being Content and Services and Software and Platforms. We identified 76 total components within the group, which comprise Business Units and legal entities. As part of performing our Group audit, we have determined the components in scope as being GP Strategies Corporation, GP Strategies Limited, Learning Technologies Group North America, Bridge, Effective, Rustici, and Learning Technologies Group UK Limited. These components have been identified as in-scope due to the group risks allocated to these components as well as their contribution to group results and performance.

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included:

- procedures on the entire financial information of the component, including performing substantive procedures and tests of operating effectiveness of controls (test of controls were only performed on GP Strategies components); and
- procedures on one or more classes of transactions, account balances or disclosures

Procedures performed at the component level

We performed procedures to respond to group risks of material misstatement at the component level that included the following. For the purpose of our group audit, the group consisted of 76 components in total. These were comprised of 97 legal entities. The following in scope group components were made up of more than one legal entity: the Learning Technologies Group North America component, which consisted of 23 legal entities.

Procedures were performed on the entire financial information of 3 components, being GP Strategies Corporation, GP Strategies Limited, and LTG North America..

Procedures were performed on one or more classes of transactions, account balances or disclosures of 4 components.

The financial information of the remaining components was subject to risk assessment procedures performed by the Group audit team.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Independent auditor's report to the members of Learning Technologies Group Limited (continued)

Procedures performed centrally

The group operates a centralised IT function that supports certain IT processes for components. This IT function is subject to specified risk-focused audit procedures, the assessment of the design and implementation of relevant IT general controls and IT application controls and the testing of the relevant IT general controls and IT application controls for the GP Strategies components. We considered there to be a high degree of centralisation of financial reporting and commonality of controls and similarity of the Group's activities and business lines in relation to going concern, share based payment expense, impairment of goodwill, right-of-use assets and corresponding lease liability, and disclosure of adjusted performance measures ('APM's).

We therefore designed and performed procedures centrally in these areas.

Locations

Learning Technologies Group Limited's operations are spread over a number of different geographical locations, though primarily in the United States and the United Kingdom. Our teams conducted procedures in Learning Technologies Group Limited's locations in the United Kingdom and the United States.

Changes from the prior year

Following the implementation of ISA (UK) 600 (Revised), which outlines the audit of group financial statements, the group audit approach was updated accordingly. This included revisiting and revising the identification of components within the group, where relevant.

We have reassessed our determination of components in the current year. Each legal entity in GP Strategies is now considered as a single component, whereas previously GP Strategies as a whole was considered as a single component.

Working with other auditors

As Group auditor, we determined the components at which audit work was performed, together with the resources needed to perform this work. These resources included component auditors, who formed part of the group engagement team as reported above. As Group auditor we are solely responsible for expressing an opinion on the financial statements.

In working with these component auditors, we held discussions with component audit teams on the significant areas of the group audit relevant to the components based on our assessment of the group risks of material misstatement. We issued our group audit instructions to component auditors on the nature and extent of their participation and role in the group audit, and on the group risks of material misstatement.

We directed, supervised and reviewed the component auditors' work. This included holding meetings and calls during various phases of the audit, working directly within the same electronic workspace, and reviewing component auditor documentation in person and remotely and evaluating the appropriateness of the audit procedures performed and the results thereof.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Independent auditor's report to the members of Learning Technologies Group Limited (continued)

Climate change

Our work on the assessment of potential impacts of climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector;
and
- Review of the minutes of Board and Audit Committee meetings and other papers related to climate change and performed a risk assessment as to how the impact of the Group's commitment as set out in the Strategic Report may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in the Directors' going concern assessment.

We also assessed the consistency of management's disclosures included as Other Information on pages 6-16 with the financial statements and with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Independent auditor's report to the members of Learning Technologies Group Limited (continued)

Key audit matter	How the scope of our audit addressed the key audit matter
<p>Revenue recognition</p> <p>2024: £498m (2023: £568m)</p> <p>See accounting policy in note 2 and related disclosures in note 4.</p>	<p>We identified two ways in which we considered the financial statements may be materially misstated due to revenue recognition, either as a result of error or fraud:</p> <ul style="list-style-type: none"> Firstly, where revenues are recognised over time based on percentage completion assessed on costs, estimation is required in relation to open contracts at year end to assess the percentage of completion and therefore the revenue to be recognised (Content and Services revenue). Secondly, some contracts contain multiple performance obligations which require identification and may be recognised over a number of financial periods. The risk over such contracts is raised where significant levels of manual intervention is required by management in order to recognise revenue appropriately (LTG NA component). <p>Revenue recognition for open percentage of completion contracts and other contracts which require significant manual intervention is therefore considered to be a key audit matter.</p> <p>Key observations: Through performing these procedures, we consider that the judgements made in the revenue recognition for open percentage of completion contracts, and other contracts where significant levels of manual intervention by management was required, were materially appropriate.</p>

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Independent auditor’s report to the members of Learning Technologies Group Limited (continued)

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2024 £m	2023 £m	2024 £m	2023 £m
Materiality	4.3	3.7	4.09	1.5
Basis for determining materiality	5% of adjusted EBIT	4.3% of adjusted profit before tax from continuing operations.	95% of group materiality	41% of group materiality
Rationale for the benchmark applied	We considered adjusted EBIT to be the most appropriate measure for the basis of materiality given it is a key performance for the users of the financial statements, most significantly as included as a basis for the valuation of the Group in the Scheme of Arrangement leading to the Group delisting in March 2025. Adjustments to EBIT are included in note 5 to the financial statements.	We considered adjusted profit before tax from continuing operations to be the most appropriate measure for the basis of materiality given it is a key performance indicator for the users of the financial statements. Adjustments to profit before tax are included in note 5 to the financial statements.	2% of total assets capped at 95% of group materiality. The Parent Company does not trade and materiality was set at a percentage of group materiality.	2% of total assets capped at 41% of group materiality. This was calculated as a percentage of group materiality for group reporting purposes given the assessment of aggregation risk

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Independent auditor’s report to the members of Learning Technologies Group Limited (continued)

	Group financial statements		Parent company financial statements	
	2024 £m	2023 £m	2024 £m	2023 £m
Performance materiality	3.1	2.59	2.9	1.05
Basis for determining performance materiality	70% of materiality		70% of materiality	
Rationale for the percentage applied for performance materiality	Set by the audit team with reference to the level of adjustments identified in the prior year, aggregation effect of planned nature of testing, the number of accounts where amounts are subject to estimation and are not able to be determined with precision, and the overall size and complexity of the group including diversity of operations.		Set by the audit team with reference to the level of adjustments identified in the prior year, level of sampling work required and the number of components.	

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, apart from the Parent Company whose materiality and performance materiality are set out above, based on a percentage of between 5% and 73% (2023: 7% and 86%) of Group performance materiality dependent on a number of factors including the history of misstatements and our assessment of the risk of material misstatement of those components. Component performance materiality ranged from £160,000 to £2,257,000 (2023: £192,500 to £2,240,000).

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £170,000 (2023: £148,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document entitled Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Independent auditor’s report to the members of Learning Technologies Group Limited (continued)

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

<p>Strategic report and Directors’ report</p>	<p>In our opinion, based on the work undertaken in the course of the audit:</p> <ul style="list-style-type: none"> • the information given in the Strategic report and the Directors’ report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors’ report have been prepared in accordance with applicable legal requirements. <p>In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors’ report.</p>
<p>Matters on which we are required to report by exception</p>	<p>We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:</p> <ul style="list-style-type: none"> • adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements are not in agreement with the accounting records and returns; or • certain disclosures of Directors’ remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors’ Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group’s and the Parent Company’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 the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. 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 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 financial statements.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Independent auditor's report to the members of Learning Technologies Group Limited (continued)

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance, including legal counsel; and
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be the applicable accounting frameworks, the Companies Act 2006, and tax legislation in the jurisdictions in which the Group operates.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be including but not limited to Health and Safety Legislation, Proceeds of Crime Act 2002, Foreign Corrupt Practices Act, Data Protection Act 2018, and the Foreign Ownership, Control, or Influence (FOCI) regulations in the USA.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Independent auditor's report to the members of Learning Technologies Group Limited (continued)

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and revenue recognition.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Challenging management's assessments, assumptions and evaluating data used as the basis for making estimates to assess whether judgment made are indicative of potential bias by management
- With regards to the risk of fraud in revenue recognition, see details included in the KAM section above.

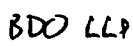
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including component auditors, who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. For component auditors, we also reviewed the result of their work performed in this regard.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Leighton Thomas (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
26 September 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	Note	Year ended 31 December 2024 £'000	Year ended 31 December 2023 (Restated *) £'000
Revenue	4	497,872	568,474
Operating expenses		(443,028)	(505,811)
Share-based payment charge		(2,092)	(4,381)
Profit on sale of joint venture	14	-	425
Operating profit		52,752	58,707
Analysed as:			
Adjusted EBIT		86,529	98,539
Adjusting items included in Operating profit	5	(33,777)	(39,832)
Operating profit		52,752	58,707
Profit on sale of non-core businesses	33	25,408	-
Finance expense	6	(10,297)	(14,132)
Finance income	6	3,631	1,032
Profit before taxation from continuing operations	7	71,494	45,607
Income tax charge	10	(19,133)	(13,015)
Profit after taxation from continuing operations		52,361	32,592
Loss on discontinued operations, net of tax	11	-	(3,138)
Profit for the year		52,361	29,454
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translating foreign operations		7,874	(20,169)
Total comprehensive income for the year attributable to owners of the parent Company		60,235	9,285

* The Consolidated Statement of Comprehensive Income for the year ended 31 December 2023 has been restated as described at note 36.

The notes on pages 47 to 112 form an integral part of these Consolidated Financial Statements.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Consolidated Statement of Financial Position
As at 31 December 2024

	Note	31 December 2024 £'000	31 December 2023 £'000
Non-current assets			
Property, plant and equipment	12	1,755	2,217
Right-of-use assets	12	4,182	6,812
Intangible assets	13	449,986	493,016
Deferred tax assets	19	12,163	6,147
Other receivables, deposits and prepayments	16	1,990	2,093
Investments accounted for under the equity method	14	-	-
		470,076	510,285
Current assets			
Trade receivables	15	92,955	107,962
Other receivables, deposits and prepayments	16	14,234	14,374
Amounts recoverable on contracts	17	28,449	25,757
Inventory		1,624	1,260
Corporation tax receivable		9,577	5,155
Cash and bank balances	18	105,076	72,522
Restricted cash balances	18	2,743	2,389
		254,658	229,419
Assets in disposal groups classified as held for sale	32	-	8,007
Total assets		724,734	747,711
Current liabilities			
Lease liabilities	23	3,169	4,423
Trade and other payables	20	123,991	133,950
Borrowings	22	102,055	30,091
Provisions	24	1,095	2,026
Corporation tax payable		6,120	8,237
ESPP scheme liability		551	995
		236,981	179,722
Non-current liabilities			
Lease liabilities	23	3,761	6,913
Deferred tax liabilities	19	4,323	5,744
Other long-term liabilities	21	467	405
Borrowings	22	-	120,984
Corporation tax payable		-	756
Provisions	24	1,270	621
		9,821	135,423
Liabilities directly associated with assets in disposal groups classified as held for sale	32	-	5,335
Total liabilities		246,802	320,480
Net assets		477,932	427,231
Equity			
Share capital	25	2,972	2,967
Share premium	25	319,624	318,698
Merger reserve	25	31,983	31,983
Reverse acquisition reserve	28	(22,933)	(22,933)
Share-based payment reserve	28	20,075	18,974
Foreign exchange translation reserve	28	13,434	5,560
Retained earnings		112,777	71,982
Total equity		477,932	427,231

The notes on pages 47 to 112 form an integral part of these Consolidated Financial Statements.

The Financial Statements on pages 43 to 112 were approved and authorised for issue by the Board of Directors on 26 September 2025 and signed on its behalf by:

Jonathan Satchell
Director
26 September 2025

DocuSigned by:
Jonathan Satchell
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Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Share capital	Share Premium	Merger reserve	Reverse acquisition reserve	Share-based payment reserve	Foreign Exchange Translation reserve	Retained earnings	Total equity
Note	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2023	2,962	318,183	31,983	(22,933)	14,714	25,729	55,662	426,300
Profit for the period	-	-	-	-	-	-	29,454	29,454
Exchange differences on translating foreign operations	-	-	-	-	-	(20,169)	-	(20,169)
Total comprehensive income for the period	-	-	-	-	-	(20,169)	29,454	9,285
Issue of shares net of share issue costs	5	515	-	-	-	-	-	520
Credit to equity for equity settled share-based Payments	-	-	-	-	4,381	-	-	4,381
Tax charge on share options	-	-	-	-	-	-	(520)	(520)
Distributions in respect of cancelled options	-	-	-	-	(121)	-	-	(121)
Exercise of share options through Trust	-	-	-	-	-	-	38	38
Dividends paid	-	-	-	-	-	-	(12,652)	(12,652)
Transactions with owners	5	515	-	-	4,260	-	(13,134)	(8,354)
Balance at 31 December 2023	2,967	318,698	31,983	(22,933)	18,974	5,560	71,982	427,231
Profit for the period	-	-	-	-	-	-	52,361	52,361
Exchange differences on translating foreign operations	-	-	-	-	-	7,874	-	7,874
Total comprehensive income for the period	-	-	-	-	-	7,874	52,361	60,235
Issue of shares net of share issue costs	25	5	926	-	-	-	-	931
Credit to equity for equity settled share-based Payments	-	-	-	-	2,092	-	-	2,092
Tax credit on share options	-	-	-	-	-	-	599	599
Distributions in respect of cancelled options	-	-	-	-	(157)	-	-	(157)
Exercise of share options through trust	-	-	-	-	-	-	135	135
Transfer on exercise and lapse of share options	-	-	-	-	(834)	-	834	-
Dividends paid	30	-	-	-	-	-	(13,134)	(13,134)
Transactions with owners	5	926	-	-	1,101	-	(11,566)	(9,534)
Balance at 31 December 2024	2,972	319,624	31,983	(22,933)	20,075	13,434	112,777	477,932

The notes on pages 47 to 112 form an integral part of these Consolidated Financial Statements.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

		Year ended 31 Dec	Year ended 31 Dec
	Note	2024 £'000	2023 £'000
Cash flows from operating activities			
Profit before taxation from continuing operations		71,494	45,607
Loss before taxation from discontinued operations	11	-	(3,488)
Adjustments for:			
Loss on disposal of PPE and right-of-use assets	5	2	2,163
Share-based payment charge		2,092	4,381
Amortisation of intangible assets	13	37,822	41,551
Depreciation of property, plant and equipment	12	1,308	1,492
Depreciation of right-of-use assets	12	3,002	3,741
Finance expense (including IFRS 16 finance charge)	6	352	518
Interest on borrowings	6	9,945	13,614
Acquisition-related contingent consideration and earn-outs	5	88	224
Payment of acquisition-related contingent consideration and earn-outs		(237)	(4,636)
Profit on sale of joint venture	14	-	(425)
Profit on sale of non-core businesses	33	(25,408)	-
Interest income	6	(3,631)	(1,032)
Other non-cash items		-	2,000
Operating cash flows before working capital changes		96,829	105,710
Decrease in trade and other receivables		18,947	21,692
(Increase) / decrease in inventory		(364)	1,052
(Increase) / decrease in amount recoverable on contracts		(2,229)	8,269
Decrease in payables		(15,960)	(40,581)
Cash generated from operations		97,223	96,142
Income tax paid		(29,226)	(16,849)
Net cash flows from operating activities		67,997	79,493
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(977)	(1,192)
Development of intangible assets	13	(11,127)	(12,883)
Interest received		3,631	-
Net proceeds from sale of non-core businesses	33	51,873	-
Sale of Investment in associates and joint ventures	14	-	425
Net cash flows generated from / (used in) investing activities		43,400	(13,650)
Cash flows from financing activities			
Dividends paid	30	(13,134)	(12,652)
Repayment of bank loans	22	(49,682)	(51,315)
Interest paid	31	(10,455)	(16,714)
Interest received		-	1,032
Issue of ordinary share capital net of share issue costs	25	931	520
Interest paid on lease liabilities	23	(390)	(546)
Payments for lease liabilities	23	(4,179)	(5,192)
Net cash flows used in financing activities		(76,909)	(84,867)
Net increase / (decrease) in cash and cash equivalents		34,488	(19,024)
Cash and cash equivalents at beginning of the year		72,522	94,847
Exchange movements on cash		(1,934)	(3,301)
Cash and cash equivalents at end of the year	18	105,076	72,522

The notes on pages 47 to 112 form an integral part of these Consolidated Financial Statements.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

1. General information

Learning Technologies Group Limited (formerly Learning Technologies Group plc, 'the Company') and its subsidiaries (together, 'the Group') provide a range of talent and learning solutions, content, services and digital platforms, to corporate and government clients. The principal activity of the Company is that of a holding company for the Group, as well as performing all administrative, corporate finance, strategic and governance functions of the Group.

The Company is a private limited company, domiciled in England and incorporated and registered in England and Wales. The address of its registered office is 3 New Street Square, London, England, EC4A 3BF. The registered number of the Company is 07176993.

The Company was a public limited company listed on the AIM Market of the London Stock Exchange at 31 December 2024. Following the acquisition by General Atlantic (note 34) on 31 March 2025, its shares were cancelled from trading on AIM on 1 April 2025 and on 23 April 2025 the Company was reregistered as a private company.

2. Summary of material accounting policies

The material accounting policies applied in the preparation of these Consolidated Financial Statements are set out below. These policies have been consistently applied unless otherwise stated.

a Basis of preparation

The consolidated financial statements have been prepared in accordance with UK adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

Going concern

The Directors report that the going concern basis is appropriate for a period of at least 12 months from the approval of these Consolidated Financial Statements. The Company's going concern assessment has been performed as part of the Group's going concern assessment.

The enlarged Group headed by Leopard Jersey TopCo Limited (note 34, the 'Parent') has a debt facility dated 8 April 2025 with Arcmont Asset Management Limited, PSP Investments Credit Europe L.P and Nicodemus Place, LLC.

This facility comprises a Term Facility committed loan, with an original commitment of \$526.4 million available to the Group until April 2032. The term facility attracts variable interest based on SOFR/Base rate plus a margin of between 4.0% and 5.75% per annum, based on the Group's leverage. Cash interest is payable on a monthly or quarterly basis, depending on the election of each interest period as permitted by the terms of the agreement.

The Term Facility is repayable through a combination of asset sales sweeps, excess cashflow sweeps from 2027 onwards or through voluntary prepayments although there are time-bound penalties associated with the latter option. The cash flows of the LTG Group are used to service the interest and capital payments and the results of the Group are included in the covenant compliance tests. In addition, the Company and certain of its subsidiaries are obligors to the loan, for which there is an annual compliance test.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

2. Summary of material accounting policies (continued)

Going concern (continued)

The financial covenants are tested quarterly based on the last twelve months. There are two financial covenants which relate firstly to the Term Facility loan where the leverage ratio must not exceed 6.70 times, and a second calculation where the Revolving Credit Facility ("RCF") has been drawn down and the leverage ratio on this basis must not exceed 7.44 times. The Term Facility leverage reflects the ratio of term facility debt net of any cash balances and cash equivalents (excluding any restricted cash) to Consolidated EBITDA. The RCF leverage ratio is the term facility and RCF debt combined net of any cash balances and cash equivalents (excluding any restricted cash) to Consolidated EBITDA. The RCF compliance test is performed when net RCF debt exceeds 30% of the then outstanding revolving credit commitments on the test date. These leverage ratios are not a statutory measure and so its basis and composition may differ from other leverage measures published by other companies. Both numerator and denominator in each calculation comprise several adjustments as defined in the debt facility agreement and as such are not directly calculable from the financial statements.

The Group headed by Leopard Jersey TopCo Limited has a \$76.7 million committed Revolving Credit Facility (RCF) with HSBC and Barclays, available until April 2030. The RCF attracts a variable interest rate based on the currency rate plus a margin of between 2.0% and 4.5% per annum based on the Group's leverage. As at 31 August 2025, the facility remains undrawn.

In addition, \$291.3 million preference shares were issued by Leopard Jersey TopCo Limited carrying an 11% coupon, of which 6% is paid quarterly assuming available funds and 5% PIK carried forward. The cash flows of the Group are used to service the interest payments on the preference shares.

The Group meets its day-to-day working capital requirements from the positive cash flows generated by its trading activities and its available cash resources. These are supplemented when required by additional drawings under the Parent's committed \$76.7 million RCF, available until 2030.

As at 31 August 2025, the Company and its subsidiaries owed the Immediate Parent (note 14 to the Company financial statements) £19,952,000 and was due £3,277,000 from the ultimate parent (note 14 to the Company financial statements). These borrowings are contractually repayable on demand; however the Directors have received a confirmation letter from the Immediate Parent whereby the Immediate Parent will not seek repayment of the borrowings for a period through to at least 30 September 2026.

The Group continues to hold a strong liquidity position overall at 31 December 2024, with gross cash and cash equivalents of £105.1 million and net cash of £3.0 million (see note 22).

Whilst there are a number of risks to the Group's trading performance as summarised in the 'Principal risks and uncertainties' section on pages 17 to 24, the Group is confident of its ability to continue to access sources of funding in the medium term.

The Directors report that they have re-assessed the principal risks, reviewed current performance and forecasts, combined with expenditure commitments, including capital expenditure, business acquisitions, and borrowing facilities. The Group's forecasts demonstrate it will generate profits and cash in the going concern period, which runs to 30 September 2026. In addition, the Group continues to have sufficient cash reserves to enable it to meet its obligations as they fall due, as well as operate within the Parent's banking covenants (to which the Company and certain of its subsidiaries are obligors), for a period of at least 12 months from the date of signing of these Consolidated Financial Statements.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

2. Summary of material accounting policies (continued)

Going concern (continued)

The Group has also assessed a range of downside scenarios to assess if there is a significant risk to the Group's liquidity position. The forecasts and scenarios prepared consider our trading experience to date and we have modelled downside scenarios such as:

- i. 10% and 25% reductions in revenues;
- ii. increasing customer payment days (DSO) by 15 days;
- iii. combining 10% reduction in revenues and increasing DSO by 15 days; and
- iv. increasing costs by 8% from H1 2025.

The Directors have concluded that it is appropriate to adopt the going concern basis of accounting in preparing the Annual Report, having undertaken a review of the detailed forecasts for the going concern period and the impact this forecast has on the Group's gross cash, net debt and ability to meet bank covenants under the existing facilities agreement.

Changes in accounting policies

(i) New standards, interpretations and amendments adopted from 1 January 2024

New standards impacting the Group that have been adopted in the annual financial statements for the year ended 31 December 2024 are:

Amendments to IAS 7 and IFRS 7	Disclosures to enhance the transparency of supplier finance arrangements and their effect on the company's liabilities, cash flows and exposure to liquidity risk
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current
Amendments to IAS 1	Non-current Liabilities with Covenants

The Group has considered the above new standards and amendments and has concluded that, they are either not relevant to the Group or they do not have a significant impact on the Group's consolidated financial statements.

(ii) New standards, interpretations and amendments not yet effective

At the date of authorisation of these consolidated Group financial statements, the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the UK). Management is currently assessing the impact of these new standards on the group.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

2. Summary of material accounting policies (continued)

Changes in accounting policies (continued)

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IAS 21	Lack of exchangeability relating to foreign currency transactions and operations.
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity (previously Power Purchase Agreements)
IFRS 18 Presentation and Disclosure in Financial Statements	IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements. This introduces new requirements for classification of income and expenses in specified categories and presentation of defined subtotals in the statement of profit or loss, enhanced guidance and requirements for more useful aggregation and disaggregation of information in the primary financial statements and in the notes; and additional disclosures about management-defined performance measures related to the statement of profit or loss. Supersedes IAS 1 Presentation of Financial Statements and is mandatorily effective for annual reporting periods beginning on or after 1 January 2027.

Alternative performance measures

The Group has identified certain alternative performance measures (“APMs”) that it believes will assist the understanding of the performance of the business. The Group believes that Adjusted EBIT, adjusting items, and net cash / debt provide useful information to users of the financial statements. The terms are not defined terms under IFRS and may therefore not be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for, or superior to, IFRS measures and are discussed further in the Glossary on page 121.

Adjusting items

The Group has chosen to present an adjusted measure of profit which excludes certain items which are separately disclosed due to their size, nature or incidence, and are not considered to be part of the normal operating costs of the Group. These items (refer to note 5) include restructuring costs, amortisation of acquired intangibles, integration costs, acquisition related share-based payments charges, contingent consideration and earn-outs, cloud computing configuration and customisation costs, profit on the sale of a joint venture, fixed asset or right-of-use asset disposal gains or losses and costs relating to assets held for resale.

b Basis of consolidation

A subsidiary is defined as an entity over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations accounted for under the acquisition method and merger relief has been taken on recognising the shares issued on acquisition, where applicable.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

2. Summary of material accounting policies (continued)

b Basis of consolidation (continued)

Under the acquisition method, the results of the subsidiaries acquired or disposed of are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Consolidated Financial Statements. The cost of acquisition is measured at the aggregate of the fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Any excess of the purchase consideration of the business combination over the fair value of the identifiable assets and liabilities acquired is recognised as goodwill. Goodwill, if any, is not amortised but reviewed for impairment at least annually. If the consideration is less than the fair value of assets and liabilities acquired, the difference is recognised directly in the statement of comprehensive income. Acquisition-related costs are expensed as incurred.

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Intragroup losses may indicate an impairment which may require recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

c Joint arrangements and associates

Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Company has assessed the nature of its joint arrangements and determined them to be joint ventures and they are, along with the Group's associates, accounted for using the equity method.

Interests in joint ventures and associates are recognised at cost adjusted by the Group's share of the post-acquisition profits or losses and any impairments, where appropriate. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures and associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of joint ventures and associates.

d Intangible assets

All intangible assets, except goodwill, are stated at cost less accumulated amortisation and any accumulated impairment losses.

Goodwill

Goodwill represents the amount by which the fair value of the cost of a business combination exceeds the fair value of the net assets acquired. Goodwill is not amortised and is stated at cost less any accumulated impairment losses.

In the period of acquisition, Goodwill may be presented based on provisional calculations and adjustments made subsequently within the measurement period as permitted under *IFRS3 Business Combinations*, reflecting new information obtained about facts and circumstances that were in existence at the acquisition date.

The recoverable amount of goodwill is tested for impairment annually or when events or changes in circumstance indicate that it might be impaired. Impairment charges are deducted from the carrying value and recognised immediately in the income statement.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

2. Summary of material accounting policies (continued)

d Intangible assets (continued)

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units expected to benefit from the synergies of the combination. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Acquisition-related intangible assets

Net assets acquired as part of a business combination includes an assessment of the fair value of separately identifiable acquisition-related intangible assets, in addition to other assets, liabilities and contingent liabilities purchased.

In the period of acquisition, acquisition-related intangible assets may be presented based on provisional calculations and adjustments made subsequently within the measurement period as permitted under *IFRS3 Business Combinations* reflecting new information obtained about facts and circumstances that were in existence at the acquisition date.

These assets are amortised on a straight-line basis over their useful lives which are individually assessed.

Branding	2-10 years
Customer contracts and relationships	2-12 years
Acquired Software and Intellectual property	2-10 years

Research and development expenditure

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as long-term assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised only if it meets the criteria for capitalisation under IAS 38.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in subsequent periods.

Capitalised development expenditure is amortised on a straight-line method over a period of between three and five years when the products or services are ready for sale or use. In the event that it is no longer probable that the expected future economic benefits will be recovered, the development expenditure is written down to its recoverable amount. The amortisation charge is recognised within operating expenses.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

2 Summary of material accounting policies (continued)

e Functional and foreign currencies

(i) *Functional and presentation currency*

The individual Financial Statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The Consolidated Financial Statements are presented in Pounds Sterling, which is the Group's presentation currency. The financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency"), which in the case of the Parent Company is the United States dollar ("USD"). For presentation purposes, these financial statements are presented in Great British pound ("GBP") as the Company believes that this is how international investors analyse the financial statements, particularly as the Company was listed on the London Stock Exchange.

(ii) *Transactions and balances*

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss except when deferred in equity as qualifying net investment hedges.

(iii) *Foreign operations*

Assets and liabilities of foreign operations are translated to Pounds Sterling at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated at the average rate of exchange. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under the foreign exchange translation reserve. On the disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period. Exchange differences are recognised in other comprehensive income.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

2. Summary of material accounting policies (continued)

f Financial instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual 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.

(i) *Financial assets*

On initial recognition, financial assets are classified as financial assets at amortised cost unless criteria are met for classifying and measuring the asset at fair value through profit or loss, or fair value through other comprehensive income. Management determines the classification of its financial assets at initial recognition.

Loans and receivables financial assets

Trade receivables and other receivables are held within a business model whose objective is to collect contractual cash flows which are solely payments of principals and interest and therefore classified as subsequently measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The Group's loans and receivables financial assets comprise 'trade and other receivables' and cash and cash equivalents included in the Consolidated Statement of Financial Position.

(ii) *Financial liabilities*

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

All financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through the profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as fair value through profit or loss unless they are designated as hedges.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

(iii) *Equity instruments*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds. Dividends on ordinary shares are recognised when paid.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

2. Summary of material accounting policies (continued)

f Financial instruments (continued)

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

g Impairment

(i) *Impairment of financial assets*

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period based on the deterioration of credit risk since initial recognition. An allowance for credit losses is recognised based on potential shortfalls in future cash flows discounted to present value multiplied by the likelihood of the shortfalls occurring.

An impairment loss in respect of loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

In a subsequent period, if the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

The Group has adopted the simplified expected credit loss model for its trade receivables and contract assets, as required by IFRS 9 to assess impairment, for further information see note 15.

(ii) *Impairment of non-financial assets*

The carrying values of intangible assets are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts.

An impairment loss is recognised in profit or loss immediately.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

h Income taxes

Income tax for each reporting period comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

2. Summary of material accounting policies (continued)

h Income taxes (continued)

Deferred tax liabilities are recognised for all taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax assets to be recovered.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- The same taxable group company being entities within the US, UK, and Denmark; or
- different group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

i Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, deposits with financial institutions and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Restricted cash reflects amounts held by the Group that are designated for specific purposes and therefore unavailable for general use by the Group.

Reporting of cash flows

The Group reports cash inflows and outflows gross and any drawdowns and repayments of the Group's RCF that have been made during the period are disclosed within financing activities.

The Group has elected to present payments in relation to acquisition related contingent consideration as operating cash flows when they relate to payments made to employees in respect of post-combination remuneration. Acquisition related contingent consideration paid to former owners that do not continue to be employed by the Group are disclosed within financing activities.

The Group has elected to present interest paid as financing cash flows in the current period. The Group has elected to present dividends paid as financing activities in the current period. The Group has elected to present interest received from financial assets held for cash management purposes as investing cash flows in the current period.

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Annual Report and Financial Statements for the year ended 31 December 2024

Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

2. Summary of material accounting policies (continued)

j Employee benefits

(i) Short-term benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further amounts if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate.

k Revenue from contracts with customers

Group revenue represents the fair value of the consideration received or receivable for the rendering of services and sale of software licencing, net of value added tax and other similar sales based taxes, rebates and discounts after eliminating intercompany sales. The nature of the Group's sales means there are no refunds or returns, and no warranties are offered.

(i) Content & Services

Revenue within the Group's Content & Services division comprises content, consulting, technical, platform development and the provision of training and publications which are provided under fixed-price, fixed-fee per transaction and cost-reimbursable contracts.

Fixed-price contracts are recognised on the percentage of completion method unless the outcome of the contract cannot be reliably determined, in which case contract revenue is only recognised to the extent of contract costs incurred that are recoverable. This is because either the Group is creating an asset with no alternative use to it and the contract contains the right to payment for work completed to date, or the customer is simultaneously receiving and consuming the benefits of the Group's services as it performs them. Foreseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the contract will result in a loss. The stage of completion is determined based on the proportion of contract costs incurred compared to total estimated contract costs.

The cost-based method is used to determine the percentage of completion because as management have significant expertise in this approach, they are able to assess the stage of completion and margin of a project on an accurate and consistent basis.

Business development costs incurred as part of our bid or tender process are expensed as incurred. Only if and when a project is won and contracted are project costs accounted for within long-term contracts through operating expenses. There are no material costs incurred during the period between the contract being awarded and service delivery commencing.

For fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, an amount recoverable on contracts asset is recognised. Conversely, if the payments exceed the services rendered, a liability is recognised. If the contract is time and materials based and includes an hourly fee, revenue is recognised over time in the amount to which the Group has the right to invoice.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

2. Summary of material accounting policies (continued)

k Revenue from contracts with customers (continued)

Contract work in progress is stated at costs incurred, less those amounts transferred to profit or loss, after deducting foreseeable losses and payments on account not matched with revenue.

Under time-and-materials and cost-reimbursable contracts, the contractual billing schedules are based on the specified level of resources the Group is obligated to provide. Revenue under these contract types is recognised over time as services are performed as the client simultaneously receives and consumes the benefits provided by our performance throughout the engagement. The time and materials incurred for the period is the measure of performance and therefore revenue is recognised accordingly.

For time-and-materials and cost-reimbursable contracts, revenue is recognised based on the actual hours worked and materials delivered to the customer, which represents the transfer of control over services and goods. Revenue is recognised over time as services are performed as the client simultaneously receives and consumes the benefits provided by our performance throughout the engagement in accordance with the pricing outlined in the contracts.

For certain fixed-fee per transaction contracts, such as delivering training courses or conducting workshops, revenue is recognised during the period in which services are delivered in accordance with the pricing outlined in the contracts. For certain fixed-fee per transaction and fixed price contracts, such as for the shipping of publications and print materials, revenue is recognised at the point in time at which control is transferred which is upon delivery.

In some smaller businesses, as a practical expedient, revenue is recognised based on output method, when a milestone is achieved and agreed upon with the customer and an invoice is raised for the milestone. For a contract for a number of hours of consulting service, the most suitable method to recognise revenue over time is the output method i.e. recognise revenue for the number of hours of services provided in the period in which it is actually provided. Output method is the measure of progress towards satisfying a performance obligation based on results achieved and value transferred.

Amounts recoverable on contracts are included in current assets and represent revenue recognised in excess of payments on account.

Deferred revenue is included in current liabilities and represent payments for goods or services in excess of revenue recognised.

(ii) *Software & Platforms*

Revenue from subscriptions such as SaaS, "right to access" licences, hosting and support and maintenance is recognised evenly over the contractual period of the licence as the customer simultaneously receives and consumes the benefits of the Group's services.

Perpetual licences and on-premise software licences where all material obligations of the Group to the customer have been met on the delivery of the licence are recognised at the point in time when the software has been delivered to the customer as these meet the definition of "right to use" licences.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

2. Summary of material accounting policies (continued)

k Revenue from contracts with customers (continued)

Some contracts include multiple deliverables, such as platform professional services with the delivery of a licence. However, the professional services do not significantly customise the software and the promises in the contract are not highly interdependent, so these are recognised as separate performance obligations. Contracts may also include an on-premise software licence with support and maintenance services. The customer can benefit from both services on their own or with other readily available resources and the software is functional upon transfer of the licence key, so these are recognised as separate performance obligations. Where multiple deliverables are concluded not to be distinct, they are combined with another deliverable until the distinct performance obligation definition is met. Where a contract includes multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices where available. Where these are not directly observable, they are estimated based on expected cost plus margin.

Platform development and project implementation professional services are fixed-price contracts recognised on the percentage of completion method.

Service and maintenance support contracts where the customer simultaneously receives and consumes the benefit provided by the Group's performance are recognised on a straight line basis over the period of the contract.

Incremental contract costs are capitalised and amortised on a consistent basis with the pattern of transfer of the service to which the asset relates.

(iii) *Critical accounting estimates and judgements*

For services revenue, the stage of completion is determined based on the proportion of contract costs incurred compared to total estimated contract costs. The outcome of a project can be determined with reasonable certainty when a project budget is agreed which sets out milestones and costs for all project deliverables. Staff and contractors record their actual time and external costs spent on each project which is regularly reviewed against budget.

In making its estimation as to the amounts recoverable on contracts, management considers estimates of anticipated revenues and costs from each contract and monitors the need for any provisions for losses arising from adjustments to underlying assumptions if this indicates it is appropriate. The amount of profit or loss recognised on a contract has a direct impact on the Group's results and carrying value of amounts recoverable on contracts. The Directors are satisfied that their judgement is based on a reasonable assessment of the future prospects for each contract.

During the year to 31 December 2024 management reviewed the contracts in place and did not note any contracts where there was specific increased estimation uncertainty. Management has reviewed contracts that were ongoing at the prior year end and there were no significant adjustments to the budgeted margin.

Where the stand-alone selling price of support and maintenance services bundled in an on-premise licence contract are not observable, management allocates the transaction price to the distinct performance obligations based on expected cost plus margin, the basis of this calculation is derived from historic experience and data.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

2. Summary of material accounting policies (continued)

I Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 26 to these Consolidated Financial Statements.

m Leases

The Group as a lessee

The group leases various offices and IT equipment. Rental contracts are typically made for fixed periods of six months to 10 years but may have extension options.

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and lease of low-value assets.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- i. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- ii. variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- iii. amounts expected to be payable by the Group under residual value guarantees;
- iv. the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- v. payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- i. the amount of the initial measurement of lease liability;
- ii. any lease payments made at or before the commencement date less any lease incentives received;
- iii. any initial direct costs; and
- iv. restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

2. Summary of material accounting policies (continued)

m Leases (continued)

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the Impairment policy above.

For leases acquired as part of a business combination, the lease liability is measured at the present value of the remaining lease payments. The right-of-use asset is measured at the same amount as the lease liability adjusted to reflect favourable or unfavourable terms of the lease when compared to market terms.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets generally comprise IT equipment and small items of office furniture.

n Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale when:

- they are available for immediate sale;
- management is committed to a plan to sell;
- it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn;
- an active programme to locate a buyer has been initiated;
- the asset or disposal group is being marketed at a reasonable price in relation to its fair value; and
- a sale is expected to complete within 12 months from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of:

- Their carrying amount immediately prior to being classified as held for sale in accordance with the group's accounting policy; and
- Fair value less costs of disposal.

Following their classification as held for sale, non-current assets (including those in a disposal group) are not depreciated.

The results of operations disposed during the year are included in the consolidated statement of comprehensive income up to the date of disposal.

3. Summary of critical accounting estimates and judgements

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise their judgement in the process of applying the accounting policies which are detailed above. These judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key estimates and underlying assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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Annual Report and Financial Statements for the year ended 31 December 2024

Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

3. Summary of critical accounting estimates and judgements (continued)

(i) Judgements

Revenue contracts are assessed under IFRS15 to determine if the Group is acting as principal, in that the party controls the goods or services before they are transferred to customers, or as agent, in that the party arranges for the goods or services to be provided by another party without taking control over those goods or services.

The Group identifies the specific goods or services being provided to the customer, and then evaluates if it is the principal with reference to the contract terms by considering if it has:

- Primary responsibility for ensuring the goods or services meet customer specifications;
- Inventory risk, where applicable; and
- Discretion in establishing the price for the specific goods or services.

Where the assessment indicates the Group is the principal in the contract, the related revenue is recognised gross and in line with the recognition bases set out in note 2k. Where the Group acts as agent, only related fees or commissions are recognised as revenue. A so-called net basis.

Revenue recognition - See also note 2k.

Adjusting items – See note 2a.

As described at note 2a, the Group believes that these provide additional useful information to users of the financial statements to enable a better understanding of the Group's underlying financial performance. The adjusted measures are not defined terms under IFRS and may therefore not be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for, or superior to, IFRS measures.

The classification of items as adjusting requires significant management judgement. The definition of adjusting items has been applied consistently year on year. Further details of adjusting items are provided in note 5.

(ii) Estimates

Impairment reviews

IFRS requires management to undertake an annual test for impairment of indefinite lived assets (goodwill) and, for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Goodwill impairment testing is an area involving management estimates, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate.

Following the acquisition of LTG by General Atlantic on 31 March 2025 (see note 34), management are of the view that the transaction creates an absolute certainty of the value of the Company and the implied EBITDA multiple, based on fair value less costs of disposal, has been applied to the CGUs 2024 EBITDA to determine the impairment assessment.

See note 13 for details of how these estimates and judgements have been applied.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

3. Summary of critical accounting estimates and judgements (continued)

(ii) Estimates (continued)

Deferred tax

Income tax expense, deferred tax assets and liabilities, and liabilities for unrecognised tax benefits reflect management's best estimate of current and future taxes to be paid. The Group is subject to income taxes in the UK, US and several other foreign jurisdictions.

The deferred tax balances relate to temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred tax assets are recognised to the extent that it is probable that the future taxable profits will allow the deferred tax assets to be recovered. In evaluating the Group's ability to recover deferred tax assets in the jurisdiction from which they arise, management consider all available positive and negative evidence, including historic and projected future performance, and external market factors.

See note 19 for details of how these estimates and judgements have been applied.

Impairment loss of trade receivables

IFRS9 requires management to recognise an impairment of trade receivables by applying a methodology using expected credit losses. Management must estimate any provision based on their assessment of the impact of macroeconomic factors on the Group's customers, as well as any other available information which may impact a specific customer or group(s) of customers deemed to share certain characteristics.

See note 15 for details of how these estimates and judgements have been applied.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

4. Revenue from contracts with customers

The Directors consider there to be two primary segments, being the Content & Services division and the Software & Platforms division. A majority of revenue was generated by the operations in North America in the year ended 31 December 2024 and in the year ended 31 December 2023. The Group has disaggregated revenue into various categories in the following tables which are intended to depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Primary geographic markets

	UK £'000	Mainland Europe £'000	North America £'000	Asia Pacific £'000	Rest of the world £'000	Total £'000
31 December 2024						
Revenue from continuing operations	48,987	44,387	341,795	37,034	25,669	497,872
Total Revenue	48,987	44,387	341,795	37,034	25,669	497,872
31 December 2023 (Restated *)						
Revenue from continuing operations	68,843	77,182	374,279	22,550	25,620	568,474
Revenue from discontinued operations	34	-	-	-	-	34
Total Revenue	68,877	77,182	374,279	22,550	25,620	568,508

Information about major customers

In the year ended 31 December 2024, one customer accounted for more than 10 per cent of reported revenues (year ended 31 December 2023 - none).

* Revenue from contracts with customers for the year ended 31 December 2023 has been restated as described at note 36.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

4. Revenue from contracts with customers (continued)

Revenue from continuing operations by nature

31 December 2024	Content & Services				Software & Platforms					Total
	Global Services	Regional Services	Other Technical	Total	On-premise Software Licences	Hosting & SaaS	Platforms Professional Services & Other	Support & Maintenance	Total	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
SaaS and long-term contracts	123,897	136,141	3,411	263,449	33,921	80,726	3,041	3,147	120,835	384,284
Transactional	20,508	60,780	26,850	108,138	-	56	5,394	-	5,450	113,588
Total Revenue	144,405	196,921	30,261	371,587	33,921	80,782	8,435	3,147	126,285	497,872

31 December 2023 (Restated *)	Content & Services				Software & Platforms					Total
	Global Services *	Regional Services	Other Technical	Total	On-premise Software Licences	Hosting & SaaS	Platforms Professional Services & Other	Support & Maintenance	Total	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
SaaS and long-term contracts	93,389	179,783	2,825	275,997	30,684	100,212	3,925	3,429	138,250	414,247
Transactional	21,529	98,520	28,131	148,180	-	58	5,989	-	6,047	154,227
Total Revenue from continuing operations	114,918	278,303	30,956	424,177	30,684	100,270	9,914	3,429	144,297	568,474

* Revenue from contracts with customers for the year ended 31 December 2023 has been restated as described at note 36.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

4. Revenue from contracts with customers (continued)

Remaining performance obligations

The amount of revenue that will be recognised in future periods when remaining performance obligations will be satisfied is analysed as follows:

At 31 December 2024	2025	2026	2027-2029	Total
	£'000	£'000	£'000	£'000
Revenue by nature				
Global services	82,049	10,070	3,798	95,917
Regional services	85,208	8,029	1,809	95,046
Other technical	13,363	565	30	13,958
Total Contents & Services	180,620	18,664	5,637	204,921
On-premise Software Licenses	7,865	2,950	1,859	12,674
Hosting & SaaS	60,299	26,143	8,965	95,407
Platforms, Professional Services & Other	9,486	4,638	1,690	15,814
Support and Maintenance	2,319	663	212	3,194
Total Software & Platforms	79,969	34,394	12,726	127,089
Total Revenue	260,589	53,058	18,363	332,010
At 31 December 2023				
	2024	2025	2026-2028	Total
	£'000	£'000	£'000	£'000
Revenue by nature				
Global services	79,024	8,027	3,049	90,100
Regional services	91,885	2,712	150	94,747
Other technical	19,737	1,812	199	21,748
Total Contents & Services	190,646	12,551	3,398	206,595
On-premise Software Licenses	4,776	1,876	1,956	8,608
Hosting & SaaS	34,274	38,353	30,257	102,884
Platforms, Professional Services & Other	2,909	3,209	6,908	13,026
Support and Maintenance	1,311	1,541	756	3,608
Total Software & Platforms	43,270	44,979	39,877	128,126
Total Revenue	233,916	57,530	43,275	334,721

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Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

5. Adjusting items

These items are included in normal operating costs of the business but are significant cash and non-cash items that are separately disclosed because of their size, nature or incidence. It is the Group's view that excluding them from Operating Profit gives a better representation of the underlying performance of the business in the period. Further details of the adjusting items are included at note 2.

	Note	31 Dec 2024 £'000	31 Dec 2023 £'000
Adjusting items included in Operating profit:			
Transaction related costs:			
Amortisation of acquired intangibles	13	28,278	32,706
Acquisition-related contingent consideration and earn-outs		88	224
Transaction costs		844	-
Integration costs		4,293	2,410
Total transaction related costs		33,503	35,340
Other adjusting items:			
Loss on disposal of fixed assets		119	124
(Gain)/loss on disposal of right-of-use assets		(117)	2,039
Profit on sale of joint venture	14	-	(425)
Cloud computing configuration and customisation costs		272	292
Restructuring costs		-	2,537
Costs relating to asset held for sale	32	-	529
Other income		-	(604)
Total other adjusting items		274	4,492
Total adjusting items		33,777	39,832

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Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

5. Adjusting items (continued)

As outlined in the table, the material adjustments are made in respect of:

- Amortisation of acquired intangibles – the cost of £28.3 million (2023: £32.7 million) is excluded from the adjusted results of the Group since the costs are non-cash charges arising from investment activities. As such, they are not considered reflective of the core trading performance of the Group;
- Restructuring costs relate to the resizing of the organisation aligning to a more challenging macro environment;
- Acquisition-related share-based payments, contingent consideration and earn-outs are excluded from the adjusted results since these are also associated with business acquisitions and represent post-combination remuneration, which is not included in the calculation of goodwill and also not considered part of the core trading performance of the Group;
- Transaction and integration costs represent the costs of acquiring and integrating subsidiaries purchased. These are associated with completed acquisitions and are excluded from the adjusted results on the basis they are directly attributable to investment activities, rather than the core trading activities of the Group. Included within the £4.3 million integration costs (2023: £2.4 million) are £0.4 million incremental labour cost (2023: £1.2 million) and £3.9 million relating to various system integrations, insurances and legal and professional fees (2023: £1.2 million), including £3.2m associated with a new subsidiary created to ensure compliance with the Foreign Ownership, Control, or Influence regulations (FOCI) within a ringfenced business unit;
- Other income; there was no other income in 2024. The 2023 comparative relates to a carve-out of the external staffing business of TTI Global, part of GP Strategies, for a cash consideration of approximately \$800k; and
- Cloud computing configuration and customisation costs reflect the impact of a change in accounting policy following review of IFRIC guidance issued in March 2021 relating to capitalisation of cloud computing software implementation costs. Where there is no underlying intangible asset over which we retain control, the Group recognises configuration and customisation costs as an expense.

6. Finance income and expense

	31 Dec 2024 £'000	31 Dec 2023 £'000
Finance expense		
Interest on borrowings	9,945	13,614
Interest on lease liabilities	352	518
	10,297	14,132
Finance income		
Interest receivable	(3,631)	(1,032)
	(3,631)	(1,032)
Net finance expense	6,666	13,100

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Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

7. Profit before taxation

Profit before taxation is arrived at after charging / (crediting):

	Note	31 Dec 2024 £'000	31 Dec 2023 £'000
Amortisation of software development costs	13	9,544	8,845
Amortisation of acquired intangibles	13	28,278	32,706
Fees payable to the Company's auditor and its associates for the audit of the Group's annual accounts		2,139	1,922
Other fees payable to auditors			
- Interim statement review		15	26
Depreciation	12	4,310	5,233
Directors' fees	9	1,066	1,061
Directors' pension contributions	9	23	31
Lease expense – short term leases exempt from IFRS 16	23	154	217
Acquisition-related contingent consideration and earn-outs		88	224
Interest income	6	(3,631)	(1,032)

		31 Dec 2024 £'000	31 Dec 2023 £'000
Total research & development costs		25,262	23,521
Of which capitalised development costs	13	11,127	12,883
<i>Capitalisation ratio</i>		44%	55%
Amortisation of capitalised development costs	13	9,544	8,845
Research & development costs (including amortisation) recognised in the income statement		23,679	19,483

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8. Staff costs

	31 Dec 2024 No.	31 Dec 2023 No.
The average monthly number of employees was:		
Production	3,804	4,608
Administration	434	498
Management	7	7
	4,245	5,113

	31 Dec 2024 £'000	31 Dec 2023 £'000
Aggregate remuneration (including Directors):		
Wages and salaries (including bonuses)	220,665	264,695
Social security costs	37,210	40,815
Share-based payments	2,092	4,381
Pension costs	2,698	3,216
	262,665	313,107

9. Directors' remuneration and key management personnel

The aggregate remuneration of the directors of the Group is as follows:

	31 Dec 2024 £'000	31 Dec 2023 £'000
Wages and salaries (including bonuses)	1,066	1,061
Social security costs	130	284
Share-based payments	2,531	2,523
Pension costs	23	31
	3,750	3,899

The aggregate remuneration of the highest paid Director was £340,000 (2023 £337,000) and the pension contributions of the highest paid director were £10,000 (2023 £14,000). Three directors have benefits accruing under a defined contribution pension scheme (2023: three).

The aggregate remuneration of key management personnel of the Group is as follows:

	31 Dec 2024 £'000	31 Dec 2023 £'000
Wages and salaries (including bonuses)	795	894
Social security costs	98	210
Share-based payments	2,531	2,523
Pension costs	23	31
	3,447	3,658

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10. Income tax

Of the total income tax expense as set out in the table below, £19,133,000 relates to taxation on continuing operations (2023: expense £13,015,000) and £nil relates to taxation on discontinuing operations (2023: credit £350,000).

	31 Dec 2024 £'000	31 Dec 2023 £'000
Current tax expense:		
- UK current tax on profits for the year	6,541	5,502
- Adjustments in respect to prior years	(2,252)	(1,029)
- Foreign current tax on profits for the year	21,379	16,441
Total current tax	25,668	20,914
Deferred tax (note 19):		
- Origination and reversal of temporary differences	(6,871)	(12,158)
- Adjustments in respect to prior years	249	2,129
- Change in deferred tax rate	87	1,780
Total deferred tax	(6,535)	(8,249)
Income tax expense	19,133	12,665

The increase in UK current tax is primarily due to higher intercompany interest income and the rise in the corporation tax rate to 25% (2023: 23.5%). The increase in foreign current tax is mainly driven by US entities, reflecting higher pre-tax book income in 2024 compared to 2023, and a reduction in the utilisation of tax losses in 2024. These factors contributed to a £3.4 million increase in U.S. current tax. Additionally, foreign tax in GP Poland increased by £1.0 million, mainly due to the sale of the Lorien business.

Adjustments in respect to prior years reflected within the overall tax charge amount to a net credit of £2.0 million. These primarily relate to favourable movements in the US totalling £2.6 million driven by: an increase of £1.3 million in R&D tax benefits compared to the prior year estimate, based on the latest study; a £0.9 million reduction in state taxes due to changes in state apportionment; and a £0.4 million decrease in foreign inclusions and other net favourable adjustments. These credits were partially offset by the derecognition of deferred tax assets of £0.8 million in Puerto Rico and £0.4 million in eCreators. Additionally, there was a £1.0 million decrease in the UK tax charge, primarily due to the tax deductibility of a revenue-related provision, along with other net adjustments of £0.2 million.

The 'changes in deferred tax rate' reflect the remeasuring of temporary differences. The adverse effect stems from changes in US state tax regulations, specifically the revised blended tax rate influenced by income apportionment and varying state tax rates.

A deferred tax credit of £6.9 million has been recognised for the current year, attributable to the origination and reversal of temporary differences. The primary contributors are: £9.0 million related to movements in deferred tax assets and liabilities from acquired intangible amortisation and impairments, £2.2 million short term timing differences and utilisation of losses in the US, and other net timing differences amounting to £0.1 million.

During the year, the remaining £0.8 million non-current corporation tax liability related to the 2017 U.S. tax reform, payable by GP Strategies Corporation and TTI Global, Inc., was fully settled. As of year-end, all tax liabilities are classified as current.

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10. Income tax (continued)

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to the income tax expense at the effective tax rate of the Group is as follows:

	31 Dec 2024 £'000	31 Dec 2023 £'000
Profit before taxation from continuing and discontinued operations	71,494	42,119
Tax calculated at the domestic tax rate of 25% (2023: 23.5%)	17,874	9,898
Tax effects of: - Expenses not deductible for tax purposes	4,737	1,896
Adjustments to corporation tax in respect to prior years	(2,252)	(1,029)
Adjustments to deferred tax in respect to prior years	249	2,129
Recognition of previously unrecognised losses	(722)	(1,000)
Effect of differences in tax rates	(753)	771
	19,133	12,665

The aggregate current and deferred tax directly credited to equity amounted to £599,000 (2023: charged £520,000).

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11. Loss on discontinued operations, net of tax

There were no discontinued operations during 2024.

The table below shows the results of the discontinued operations which are included in the 2023 Group Income Statement and Group Statement of Cash Flows respectively.

The discontinued operations relate to the closure of non-core operations. Prior to 31 December 2022, management announced that it planned to exit the UK apprenticeship business which then ceased trading on 31 March 2023.

	31 Dec 2023 £'000
Revenue	34
Operating expenses	(3,522)
Operating loss	<u>(3,488)</u>
Adjusted EBIT	(3,425)
Adjusting items included in Operating loss	
(Loss) / profit on disposal of fixed assets	(3)
Closure costs	(60)
Operating loss	<u>(3,488)</u>
Loss before taxation	(3,488)
Taxation	350
Loss after taxation	<u>(3,138)</u>
	31 Dec 2023 £'000
Cash flow from operating activities	
Loss before taxation	(3,488)
<i>Adjustments for:</i>	
Loss on disposal of fixed assets	3
Other non-cash items	2,000
Net cash used in operating activities	<u>(1,485)</u>
Net cash used in investing activities	<u>(3)</u>
Net cash used in discontinued operations	<u>(1,488)</u>

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12. Property, plant, equipment and right-of-use assets

	Computer equipment	Fixtures and fittings	Leasehold improvements	Total	Right-of-use assets			
					Computer equipment	Property	Motor vehicles	Total
					£'000	£'000	£'000	£'000
Cost								
At 1 January 2023	5,668	374	393	6,435	470	21,265	77	21,812
Additions	1,111	12	69	1,192	102	3,044	-	3,146
Foreign exchange differences	(314)	262	(180)	(232)	(1)	204	-	203
Reclassified as assets held for sale	-	-	-	-	-	74	-	74
Disposals	(1,799)	(28)	(139)	(1,966)	-	(7,109)	-	(7,109)
At 31 December 2023	4,666	620	143	5,429	571	17,478	77	18,126
Additions	875	4	98	977	-	2,187	140	2,327
Foreign exchange differences	(40)	(1)	(5)	(56)	(1)	84	1	84
Disposals	(391)	(270)	(190)	(851)	(24)	(4,957)	-	(4,981)
At 31 December 2024	5,101	353	46	5,500	546	14,792	218	15,556
Accumulated Depreciation								
At 1 January 2023	3,136	116	326	3,578	327	9,633	44	10,004
Charge for the year	1,189	137	166	1,492	131	3,584	26	3,741
Reclassified as assets held for sale	-	-	-	-	-	1	-	1
Disposals	(1,711)	(27)	(103)	(1,841)	-	(2,432)	-	(2,432)
Foreign exchange differences	(25)	254	(246)	(17)	-	-	-	-
At 31 December 2023	2,589	480	143	3,212	458	10,786	70	11,314
Charge for the year	1,158	53	97	1,308	37	2,944	21	3,002
Disposals	(294)	(247)	(190)	(731)	(12)	(2,930)	-	(2,942)
Foreign exchange differences	(40)	-	(4)	(44)	-	-	-	-
At 31 December 2024	3,413	286	46	3,745	483	10,800	91	11,374
Net book value								
At 31 December 2023	2,077	140	-	2,217	113	6,692	7	6,812
At 31 December 2024	1,688	67	-	1,755	63	3,992	127	4,182

The above property, plant, equipment and right-of-use assets are held as security as part of the fixed and floating charge over the assets of the Group. Refer to note 22 for further details of the Group's borrowings.

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13. Intangible assets

	Goodwill	Customer contracts and relationships	Branding	Acquired software and Intellectual Property	Internal Software Development	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 January 2023 (restated) *	356,912	201,702	17,275	99,631	37,816	713,336
Additions	-	-	-	-	12,883	12,883
Disposals	-	-	-	-	(124)	(124)
Foreign exchange differences	(16,019)	(4,999)	(794)	(4,606)	(1,825)	(28,243)
At 31 December 2023 (restated) *	340,893	196,703	16,481	95,025	48,750	697,852
Additions	-	-	-	-	11,127	11,127
Disposals	-	-	-	-	(113)	(113)
On sale of non-core businesses (note 33)	(14,300)	(26,560)	-	-	(2,942)	(43,802)
Foreign exchange differences	4,515	2,345	228	1,289	813	9,190
At 31 December 2024	331,108	172,488	16,709	96,314	57,635	674,254
Accumulated amortisation and impairment losses						
At 1 January 2023 (restated) *	5,401	96,254	6,377	37,177	22,913	168,122
Amortisation charged in year	-	18,736	2,822	11,148	8,845	41,551
Disposals	-	-	-	-	(115)	(115)
Foreign exchange differences	-	(1,766)	(289)	(1,763)	(904)	(4,722)
At 31 December 2023 (restated) *	5,401	113,224	8,910	46,562	30,739	204,836
Amortisation charged in year	-	15,520	2,251	10,507	9,544	37,822
Disposals	-	-	-	-	(113)	(113)
On sale of non-core businesses (note 33)	-	(20,197)	-	-	(1,958)	(22,155)
Foreign exchange differences	-	2,008	473	830	567	3,878
At 31 December 2024	5,401	110,555	11,634	57,899	38,779	224,268
Carrying amount						
At 31 December 2023	335,492	83,479	7,571	48,463	18,011	493,016
At 31 December 2024	325,707	61,933	5,075	38,415	18,856	449,986

* The opening amounts for cost and accumulated amortisation and impairment losses at 1 January 2023 have been restated to reflect impairment losses of £8,538,000 in 2022 which were originally shown as deductions from cost. These impairment losses by asset category are as follows: - Goodwill: £5,401,000, Customer contracts and relationships: £2,581,000, Branding: £497,000 and Acquired software and Intellectual Property: £59,000. These are now presented as if they had originally been added to accumulated amortisation and impairment losses. This representation has no effect on the opening and closing carrying amounts.

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13. Intangible assets (continued)

The above intangible assets were held as security as part of the fixed and floating charge over the assets of the Group. Refer to note 22 for further details of the Group's borrowings.

Goodwill and acquisition-related intangible assets recognised have arisen from acquisitions. Internal software development reflects the recognition of development work undertaken in-house.

The amortisation charge for the year of £37.8 million (2023: £41.6 million) includes £28.3 million (2023: £32.7 million) relating to acquired intangibles. Amortisation is included within operating expenses in the Statement of Comprehensive Income.

The goodwill acquired in each of the acquisitions is not expected to be deductible for tax purposes except where arising in the US as an acquisition of a single member limited liability company, this is treated as an asset purchase for tax purposes and hence tax deductible.

Annual impairment review

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ('CGUs') that are expected to benefit from that business combination. The Group has eight (2023: eight) CGUs. The carrying amount of goodwill has been allocated as follows:

CGU	Goodwill		Growth rate for years 2 to 5		Post-tax discount rate	
	2024 £'000	2023 £'000	2024 %	2023 %	2024 %	2023 %
Content & learning services	2,180	2,180	n/a	7%	n/a	10.8%
Diversity & inclusion	19,721	19,434	n/a	5%	n/a	10.3%
Software solutions	131,113	143,568	n/a	2%	n/a	10.8%
GP Strategies – Global Services	45,095	66,586	n/a	4%	n/a	10.3%
GP Strategies – Americas	110,797	87,175	n/a	4%	n/a	10.3%
GP Strategies – Europe	2,328	1,839	n/a	4%	n/a	12.0%
GP Strategies – AMEA	2,531	3,443	n/a	5%	n/a	11.2%
GP Strategies – Effective People	11,942	11,768	n/a	6%	n/a	12.0%
	<u>325,707</u>	<u>335,993</u>				

The difference between the net book value of the Goodwill generated on acquisitions as at 31 December 2023 of £335,492,000 and the £335,993,000 stated above relates to £501,000 of Goodwill relating to assets classified as held for sale (note 32).

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The recoverable amount of the CGU is determined from the higher of value in use ("VIU") and fair value less cost of disposal ("FVLCOD").

In the prior year, the recoverable amounts of the CGUs were determined by VIU.

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13. Intangible assets (continued)

Due to the offer for LTG from General Atlantic, which was approved by LTG's shareholders after the reporting date, the Directors used FVLCO for impairment purposes for each CGU for the year ended 31 December 2024. The approved offer creates an absolute certainty of the value of the Company and the implied EBITDA multiple, based on fair value less costs of disposal, has been applied to each CGUs 2024 EBITDA to determine the recoverable amount.

Based on the assessment performed, each CGUs within the group had sufficient amounts of headroom and therefore the Directors concluded there is no impairment required for the year ended 31 December 2024. There is no reasonably possible change in a key assumptions which would cause a CGUs recoverable amount to fall below its carrying amount.

14. Investments accounted for using the equity method

Joint ventures

The Group held 17% of the ordinary shares of LEO Brasil Tecnologia Educacional Ltda and accounted for this joint venture using the equity method. On 5 September 2023, the Group sold its 17% investment for proceeds of R\$3 million (£0.4 million), realizing a gain on sale of £0.4 million.

The principal activity of LEO Brasil Tecnologia Educacional Ltda, incorporated in Brazil, was that of Bespoke e-learning. There were no transactions with this company during 2024 or 2023.

15. Trade receivables

	31 Dec 2024 £'000	31 Dec 2023 £'000
Trade receivables	98,080	113,080
Allowance for impairment losses	(5,125)	(5,118)
	92,955	107,962

The Group's normal trade credit term is 30-60 days. Other credit terms are assessed and approved on a case-by-case basis.

The fair value of trade receivables approximates their carrying amount, as the impact of discounting is not significant. No interest has been charged to date on overdue receivables.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and aging. The amounts receivables on contacts have similar risk characteristics to the trade receivables for similar types of contracts.

The expected loss rates are based on the Group's historical credit losses experienced in the previous period and then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers.

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15. Trade receivables (continued)

The expected credit loss rate and the aged gross trade receivables and aged loss allowance as at 31 December are as follows:

31 December 2024	Expected Loss rate	Gross Trade receivable	Allowance for impairment losses
		£'000	£'000
Not past due	0.3%	85,153	287
Past due:			
- Less than three months	5.4%	4,919	266
- Three to six months	3.4	1,131	38
- Past six months	65.9%	6,877	4,534
Gross amount		98,080	5,125

31 December 2023	Expected Loss rate	Gross Trade receivable	Allowance for impairment losses
		£'000	£'000
Not past due	-%	97,988	297
Past due:			
- Less than three months	8%	5,512	422
- Three to six months	31%	1,713	524
- Past six months	49%	7,867	3,875
Gross amount		113,080	5,118

The movement in the allowance for expected credit loss is as below:

	2024	2023
	£'000	£'000
At 1 January	5,118	4,926
Additions	156	763
Utilised/released	(14)	(401)
Foreign exchange	(135)	(170)
At 31 December	5,125	5,118

As at 31 December 2024 trade receivables of £1,152,000 (2023: £1,192,000) had lifetime expected credit losses of the full value of the receivables. The receivables due at the end of the financial year relate to 70 customers (2023: 59 customers) and have been fully provided based on the aged profile of the debt or public information available to management indicating the customers may be unable to settle the debt.

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16. Other receivables and prepayments

Current assets

	31 Dec 2024 £'000	31 Dec 2023 £'000
Sundry receivables	5,423	5,179
Prepayments	8,811	9,195
	14,234	14,374

Non-current assets

	31 Dec 2024 £'000	31 Dec 2023 £'000
Sundry receivables	1,990	2,093
	1,990	2,093

Sundry receivables include rent deposits and other sundry receivables.

17. Amount recoverable on contracts

	31 Dec 2024 £'000	31 Dec 2023 £'000
Current assets		
Contract assets	28,449	25,757
	28,449	25,757

See note 4 for disclosure of the amount of revenue that will be recognised in future periods when remaining performance obligations will be satisfied.

Disclosure of the expected credit losses tables are not included as they are not material.

18. Cash and cash equivalents, restricted cash and short-term deposits

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less:

	31 Dec 2024 £'000	31 Dec 2023 £'000
Cash and bank balances	105,076	72,522

Restricted cash balances comprise amounts held on behalf of third parties and employees as part of the Employee Stock Purchase Plan ('ESPP'):

	31 Dec 2024 £'000	31 Dec 2023 £'000
Restricted cash	2,743	2,389

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19. Deferred tax assets and liabilities

The deferred tax balances relate to temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred tax assets are recognised to the extent that it is probable that the future taxable profits will allow the deferred tax assets to be recovered.

The movements in deferred tax assets and liabilities prior to offsetting are shown below:

Deferred tax assets	Share options £'000	Tax losses £'000	Short-term timing differences £'000	Intangibles £'000	Total £'000
At 1 January 2023	3,622	5,248	12,814	10,857	32,541
Deferred tax (charged)/credited directly to the income statement	(281)	(226)	7,141	(17)	6,617
Deferred tax charged directly to equity	(520)	-	-	-	(520)
Exchange rate differences credited/(charged) directly to OCI	2	(151)	308	(531)	(372)
Changes in tax rate credited/(charged) to the income statement	4	-	307	(414)	(103)
At 31 December 2023	2,827	4,871	20,570	9,895	38,163
Deferred tax credited/(charged) directly to the income statement	901	(644)	(329)	(865)	(937)
Deferred tax credited directly to equity	599	-	-	-	599
Exchange rate differences credited/(charged) directly to OCI	29	154	(198)	220	205
Changes in tax rate (charged)/credited to the income statement	(10)	199	(296)	(46)	(153)
At 31 December 2024	4,346	4,580	19,747	9,204	37,877

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19. Deferred tax assets and liabilities (continued)

Deferred tax liabilities	Intangibles £'000	Accelerated tax depreciation £'000	Short-term timing differences £'000	Total £'000
At 1 January 2023	37,739	(423)	2,648	39,964
Deferred tax (credited)/charged directly to the income statement	(3,958)	587	(41)	(3,412)
Exchange rate differences (credited)/charged directly to OCI	(1,362)	17	876	(469)
Changes in tax rate (credited)/charged directly to the income statement	1,667	(1)	11	1,677
At 31 December 2023	34,086	180	3,494	37,760
Deferred tax (credited)/charged directly to the income statement	(9,865)	1,107	1,199	(7,559)
Exchange rate differences charged/(credited) directly to OCI	20	32	(150)	(98)
Changes in tax rate (credited)/charged directly to the income statement	(69)	(3)	6	(66)
At 31 December 2024	24,172	1,316	4,549	30,037

The total deferred tax assets and liabilities subject to offsetting are presented below:

	Total Deferred tax assets		Total Deferred tax liabilities	
	31 Dec 2024 £'000	31 Dec 2023 £'000	31 Dec 2024 £'000	31 Dec 2023 £'000
At 31 December prior to offsetting	37,877	38,163	30,037	37,760
Offset of tax	(25,714)	(32,016)	(25,714)	(32,016)
At 31 December after offsetting	12,163	6,147	4,323	5,744

The Group has recognised £4.6 million (2023: £4.9 million) of deferred tax assets relating to carried forward tax losses, including those arising in the US of amount £2.7 million (2023: £3.1 million). These have been recognised as it is probable that future taxable profits will allow these deferred tax assets to be recovered. The Group has performed a continuing evaluation of its ability to recognise deferred tax assets on an annual basis to estimate whether sufficient future taxable income will be generated to permit their use.

Deferred tax assets of £17.8 million, relating primarily to trading losses carried forward arising in the US totalling £84.8 million (2023: £86.2 million), consisting of £29.5 million available for utilisation for the period 2028-2038 and £55.3 million to be carried forward indefinitely, continue to be unrecognised. The Group undertook a US federal tax study in 2022 and a US state tax study in 2023 that confirm the availability of these losses. During the year the Group utilised approximately £3.8 million of trading losses (2023: £7.5 million) and recognised deferred tax assets of amount £2.7 million relating to trading losses of £17.4 million that are expected to be utilised in the period 2025-2027.

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20. Trade and other payables

	31 Dec 2024 £'000	31 Dec 2023 £'000
Trade payables	26,964	24,979
Contract liabilities	53,848	63,398
Tax and social security	9,913	15,158
Contingent consideration	-	20
Acquisition-related contingent consideration and earn-outs	-	145
Accruals	33,266	30,250
	123,991	133,950

The contract liabilities balance relates to the Group's right to access licences, support and maintenance and hosting contracts which are recognised over the contract term as the customer receives and consumes the benefits of the service. All of the current contract liabilities balance at 31 December 2023 was recognised as revenue in 2024 and the current contract liabilities balance at 31 December 2024 is expected to be recognised as revenue in 2025. See note 4 for disclosure of the amount of revenue that will be recognised in future periods when remaining performance obligations will be satisfied.

The 2023 contingent consideration balance relates to Moodle News and having been assessed as no longer payable, was credited to the statement of comprehensive income during 2024. The 2023 acquisition-related contingent consideration and earn-outs balance relates to the acquisition of Learning Media Services and Patheer and was settled during 2024.

21. Other long-term liabilities

	31 Dec 2024 £'000	31 Dec 2023 £'000
Contract liabilities	467	405
	467	405

The non-current contract liabilities balance relates mainly to the Group's right to access licences, support and maintenance and hosting contracts which are recognised over the contract term as the customer receives and consumes the benefits of the service. The non-current contract liabilities balance at 31 December 2024 is expected to be recognised during 2026.

22. Borrowings

As at 31 December 2024, The Group had a debt facility dated 15 July 2021 with HSBC UK Bank PLC, HSBC Innovation Bank Limited, Barclays Bank PLC, Fifth Third Bank NA and The Governor and Company of the Bank of Ireland.

The facility comprises a Term Facility A committed facility, with an original commitment of \$265.0 million available to the Group until October 2025, a \$50.0 million committed Revolving Credit Facility (£39.9 million at the year-end exchange rate) and a \$50.0 million uncommitted accordion facility (£39.9 million at the year-end exchange rate), both available until July 2025. In addition, a 12 month extension request is available to the Group for Term Facility A and the RCF.

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22. Borrowings (continued)

The term facility attracts variable interest based on LIBOR plus a margin of between 1.50% and 2.75% per annum, based on the Group's leverage to December 2022, following this it attracts SOFR plus the margin noted above and an adjusted credit spread until repaid.

The Term Facility A is repayable by quarterly instalments, starting December 2022, of \$9.6 million (c £7.7 million at the year-end exchange rate) with the balance repayable on the expiry of the loan in October 2025. During the year the Group also made a voluntary additional repayment of \$25 million (2023: \$25 million (c £20.5 million)). There were no utilisations of the Revolving Credit Facility or uncommitted accordion facility in either of the years ended 2024 or 2023.

The bank loan is secured by a fixed and floating charge over the assets of the Group and is subject to financial covenants that are tested quarterly based on a calendar year.

The financial covenants are that the Group must ensure that its interest cover ratio is at least 4.0 times and its leverage ratio does not exceed 3.0 times. The interest cover and leverage ratios are not statutory measures and so the basis and composition may differ from other leverage measures published by other companies.

The interest cover ratio is the ratio of adjusted EBITDA, as defined in the agreement, to Finance Charges. The leverage ratio is total net debt on the last day of the relevant period to adjusted EBITDA for that relevant period. Both numerator and denominator in each calculation comprise several adjustments as defined in the debt facility agreement and as such are not directly calculable from the financial statements.

The Group was compliant with all financial covenants throughout the year and as at 31 December 2024, the Group's interest cover was 10.04 (2023: 8.34) and its leverage ratio was nil (2023: 0.71).

On 19 February 2025 the Group made an additional voluntary repayment of \$60 million on the term loan. A further \$52 million was paid on 31 March 2025 and the remaining principal balance of \$16.7 million was paid to settle the outstanding debt in full on 11 April 2025. See note 34.

The lease liabilities have arisen on adoption of IFRS 16 and are secured by the related underlying assets. See note 31 for the undiscounted maturity analysis of lease liabilities at 31 December 2024.

	31 Dec 2024 £'000	31 Dec 2023 £'000
Current interest-bearing loans and borrowings	102,055	30,091
Non-current interest-bearing loans and borrowings	-	120,984
Current lease liabilities	3,169	4,423
Non-current lease liabilities	3,761	6,913
	108,985	162,411

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22. Borrowings (continued)

Net cash/(debt) reconciliation

Net cash/(debt), which excludes lease liabilities, is analysed as follows:

	31 Dec 2024 £'000	31 Dec 2023 £'000
Cash and cash equivalents	105,076	72,522
Borrowings:		
- Revolving credit facility	-	-
- Term loan	(102,055)	(151,075)
Net cash/(debt)	3,021	(78,553)

23. Lease liabilities

This note provides information for leases where the group is a lessee.

	2024 £'000	2023 £'000
At 1 January	11,336	14,874
Additions	2,391	4,346
Interest expense	352	546
Lease payments (principal and interest)	(4,569)	(5,738)
Disposals	(2,563)	(3,204)
Liabilities in disposal group held for sale	-	(76)
Foreign exchange movements	(17)	588
At 31 December	6,930	11,336

The split of the lease liabilities due in less than and greater than one year is presented in note 22.

Additional profits or losses and cash flow information

	31 Dec 2024 £'000	31 Dec 2023 £'000
Income from subleasing office premises	-	3
Total cash outflow in respect of leases in the year	(4,569)	(5,738)
Expense related to short term leases not accounted for under IFRS 16	(154)	(217)
Additions to right-of-use assets	2,327	3,147

The Group's accounting policy for leases is set out at note 2. Details of Income statement charges are set out at notes 6 and 7. The right-of-use asset categories on which depreciation is incurred are presented at note 12. Interest expense incurred on lease liabilities is presented at note 6. The maturity of undiscounted future lease liabilities is set out at note 31.

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24. Provisions

	Property provisions ¹ £'000	Litigation and regulation provisions ² £'000	Onerous contract provisions ³ £'000	Closure and restructuring provisions ⁴ £'000	Total £'000
At 1 January 2023	1,003	921	488	1,047	3,459
Released to the income statement	(87)	(320)	(475)	-	(882)
Paid in the year	(37)	-	-	(1,733)	(1,770)
Additions	6	208	-	1,792	2,006
Foreign exchange movements	(65)	(43)	(13)	(45)	(166)
At 31 December 2023	820	766	-	1,061	2,647
Released to the income statement	(95)	(9)	-	-	(104)
Paid in the year	(143)	-	-	(1,082)	(1,225)
Additions	-	1,000	-	-	1,000
Foreign exchange movements	15	11	-	21	47
At 31 December 2024	597	1,768	-	-	2,365
Current	327	768	-	-	1,095
Non-current	270	1,000	-	-	1,270
Total provisions	597	1,768	-	-	2,365

- 1 The Group is party to a number of leasehold property contracts. Provision has been made for the unavoidable non-rent costs on those leases where the property is now vacant. As a result of the implementation of IFRS 16 the rental elements of certain property provisions are now included within lease liabilities. In addition, the Group has provided for dilapidation costs expected to be incurred at the end of property leases.
- 2 Litigation and regulation provisions relate to estimates for potential liabilities which may arise in the Group as a result of client claims and past practices. Whilst the nature of legal claims means that the timing of settlement can be uncertain, we expect all claims to be settled in the next 1 to 2 years. Whilst the provisions are based on management's best estimate of the likely liability for obligations that exist at the year end date, the maximum potential exposure could be higher than the provisions made as there is a range of potential outcomes.
- 3 Onerous contract provisions relate to provisions made for certain software contracts where the unavoidable costs of meeting the obligation under the contract, exceed the economic benefits expected to be received under the contract.
- 4 Closure and restructuring provisions in prior years related to redundancy costs and facility obligations in relation to the closure of the UK apprenticeship business, announced prior to 31 December 2022, given the nature of the customer relationships and quality of the offering in the business do not match the high standards elsewhere in the Group. The UK apprenticeship business ceased trading on 31 March 2023. In 2023, the redundancy provisions related to resizing the organisation due to a more challenging macro economic environment.

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25. Share capital

Shares were issued during the year as follows:

	Number of shares	Share capital £'000	Share premium £'000	Merger reserve £'000	Total £'000
At 1 January 2024	791,160,022	2,967	318,698	31,983	353,648
Shares issued on the exercise of options	1,327,871	5	926	-	931
At 31 December 2024	792,487,893	2,972	319,624	31,983	354,579

The par value of all shares is £0.00375. All shares in issue were allotted, called up and fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meetings of the Company.

On 3 March 2015 the Group incorporated Learning Technologies Group (Trustee) Limited, a wholly owned subsidiary of the Company. The purpose of the company is to act as an Employee Benefit Trust ('EBT') for the benefit of current and previous employees of the Group. At 31 December 2024 the EBT held no (2023: 304,340) ordinary shares in the Company. The movement during the year related to the exercise of share options, with the effective cost being immaterial.

A total of 1,327,871 (2023: 1,335,181) ordinary shares were issued during the course of the year as a result of the exercise of employee share options.

On 31 March 2025 the entire share capital of the Company was acquired by General Atlantic (note 34).

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26. Share-based payment transactions

Until the acquisition of the Group by General Atlantic (note 34), the Group operated an Approved and Unapproved share option plan and a number of contributory share save schemes. Following the acquisition these plans have been settled and/or cancelled as appropriate in accordance with the terms of the acquisition. Details of the impact of the acquisition on these plans are provided at note 34. The Group's share-based payment arrangements were as follows.

(a) Share option plans

As part of its strategy for executive and key employee remuneration, on Admission to AIM the Company established a Share Option Scheme under which share options may be granted to officers and employees or members of the Group. Under the rules of the Share Option Scheme, the Company may grant EMI options and/or unapproved options. Prior to the reverse takeover by LTG in November 2013, Epic Group Limited ran their own share option scheme. Option holders in this plan either exercised their options or modified them into share options in the new scheme, such that they had a neutral effect on the option holders immediately before and after the amendment of the options.

There is no limit on the number of shares, or the percentage of issued share capital, that can be used by the Company for share options. The rules of the Share Option Scheme do not comply with the ABI's guidelines on policies and practices in respect of executive remuneration.

Approved share option plan – Enterprise Management Incentive ('EMI'):

	2024		2023
	Number of options	Weighted average exercise price (pence)	Number of options
			Weighted average exercise price (pence)
At 1 January	36,600	15.50	380,545
Cancelled	(36,600)	15.50	-
Exercised during the year	-	-	(343,945)
At 31 December	-	-	36,600
			15.50

EMI options are granted to employees of the Group and vesting criteria are subject to challenging performance targets such as share price growth or other criteria such as annual sales. Except where agreed by the Board, options will lapse if an option holder ceases to be an employee of the Group. All EMI options are settled by equity.

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26. Share-based payment transactions (continued)

Unapproved share option plan:

	2024		2023
	Number of options	Weighted average exercise price (pence)	Number of options
			Weighted average exercise price (pence)
At 1 January	21,378,331	56.62	27,846,574
Granted by Company	225,000	0.375	2,205,000
Forfeited	(5,307,917)	51.25	(7,225,743)
Cancelled	(162,500)	0.375	(400,000)
Exercised during the year	(525,000)	57.39	(1,047,500)
At 31 December	15,607,914	58.20	21,378,331

Unapproved options are granted to employees of the Group and vesting criteria are subject to challenging performance targets such as revenue and Adjusted EBIT growth or other criteria such as annual sales. Except where agreed by the Board, options will lapse if an option holder ceases to be an employee of the Group. All unapproved options are settled by equity.

Long term Incentive ('LTIP') share option plan:

	2024		2023
	Number of options	Weighted average exercise price (pence)	Number of options
			Weighted average exercise price (pence)
At 1 January	17,016,667	0.375	18,216,667
Forfeited	(1,516,667)	0.375	(1,200,000)
At 31 December	15,500,000	0.375	17,016,667

LTIP options are granted to Senior Management of the Group and are subject to challenging performance targets such as achieving different levels of compound annual growth rates across both total shareholder return ('TSR') and adjusted diluted earnings per share ('EPS'). The awards vesting date is split with 50 per cent in four years and 50 per cent in five years.

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26. Share-based payment transactions (continued)

(b) Sharesave option scheme

In the UK, the Company established the 2016, 2017, 2018, 2019, 2020, 2022 and 2023 Learning Technologies Group plc Sharesave Scheme in April 2016, April 2017, April 2018, April 2019, October 2020, July 2022 and May 2023, respectively. In October 2020 the Company established a Colombian share save scheme. The schemes enable UK and Colombian permanent employees of the Group to buy shares in the Company at a discount on maturity of a three-year savings contract, unless they are made redundant, in which case they can exercise their options at the time of redundancy. The savings are held with the Yorkshire Building Society and the Link Group for UK employees and with Alianza Fiduciaria S.A for Colombian employees.

Each member of the scheme may save a fixed amount of up to £500 (\$COL 2,500,000) per month for three years at the end of which period, each employee may buy shares at a fixed price of 29.6, 40.8, 68.4, 55.0, 94.7, 99.4 and 81.1 pence per share respectively (the 'Option Price'), being a discount of 20% on the share price as of 26 April 2016, 20 April 2017, 11 April 2019, 9 April 2020, 9 October 2020, 1 July 2022 and 12 May 2023, respectively. At the end of three years, an employee may either opt to buy shares at the Option Price or take the savings in cash.

	2024		2023	
Sharesave Option Scheme:	Number of options	Weighted average exercise price (pence)	Number of options	Weighted average exercise price (pence)
At 1 January	2,992,310	91.36	3,221,496	97.64
Granted by Company	-	-	1,160,400	81.12
Forfeited	(1,315,791)	91.34	(1,345,850)	99.10
Exercised during the year	-	-	(43,736)	58.85
At 31 December	1,676,519	91.10	2,992,310	91.36

(c) Employee stock purchase plan

The Company established the Learning Technologies Group plc U.S. and Canada 2019, 2020, 2022 and 2023 Employee Stock Purchase Plan (ESPP) in May 2019, November 2020, July 2022 and May 2023, respectively. The scheme enables US and Canadian permanent employees of the Group to buy shares in the Company at a discount on maturity of a two-year savings contract. The savings are held by Learning Technologies Group Inc. and treated as restricted cash.

Each member of the scheme may save a fixed amount each month over the two-year period, at the end of which each employee may buy shares at a fixed price of 70.6, 102.0, 94.61 and 86.2 pence per share (the 'Option Price'), being a discount of 15% on the share price as of 17 May 2019, 2 November 2020, 1 July 2022 and 12 May 2023. No participant may purchase more than 40,000 shares during an offering period. At the end of two years, a participant's option to purchase shares will be exercised automatically on the purchase date provided that the fair market value of the shares is greater than the purchase price, otherwise the accumulated payroll deductions held on behalf of a participant will be repaid promptly.

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26. Share-based payment transactions (continued)

	2024		2023
	Number of options	Weighted average exercise price (pence)	Number of options
			Weighted average exercise price (pence)
Employee Stock Purchase Plan:			
At 1 January	2,772,552	90.58	2,615,108
Granted by Company	-	-	891,839
Forfeited	(1,336,910)	94.28	(734,395)
Exercised during the year	(817,770)	94.60	-
At 31 December	617,872	86.60	2,772,552

At 31 December 2024, options granted to subscribe for ordinary shares of the Company, and the valuation criteria, are as follows:

Date of grant	LTIP / Unapproved scheme	Sharesave Scheme / ESPP	Exercise Price (pence)	Remaining vesting period	Fair value of options (pence)	Life	
						(years)	Volatility
May 2017	1,160,000	-	37.500	-	29.63	10	34%
Dec 2017	500,000	-	60.114	-	30.10	10	38%
Jul 2018	1,000,000	-	102.000	-	52.61	10	38%
Aug 2018	3,050,000	-	103.490	-	56.14	10	40%
Aug 2018	750,000	-	103.490	Jan'25	56.14	10	40%
Apr 2019	3,141,664	-	75.200	-	55.64	10	68%
Apr 2019	200,000	-	75.200	Jan'25	55.64	10	68%
Apr 2020	50,000	-	115.000	-	74.82	10	56%
Oct 2020	70,000	-	0.375	-	110.04	10	52%
Oct 2020	35,000	-	0.375	-	187.03	10	52%
Oct 2020	105,000	-	0.375	Jan'25 to Jan'26	110.04 to 187.03	10	52%
Oct 2020	300,000	-	114.300	-	62.03	10	52%
Oct 2020	300,000	-	114.300	Jan'25 to Jan'26	62.03	10	52%
Oct 2020	100,000	-	120.00	-	65.46	10	52%
Nov 2020	-	3,801	94.7000	-	50.97	3	52%
Aug 2021	15,500,000	-	0.375	Jan'25 & Jan'26	27.61 to 177.54	10	42%
Jan 2022	3,037,500	-	0.375	Jan'25 to Jan'27	93.80	10	42%
Jul 2022	-	912,775	99.40	Jul'25	34.99	3	42%
Jul 2022	125,000	-	0.375	May'25	101.97	10	42%
Jan 2023	1,518,750	-	0.375	Jan'26 to Jan'28	62.38 & 105.46	10	48%
Jun 2023	-	617,872	86.2	Jun'25	31.78	2	46%
Jun 2023	-	759,943	81.12	Jun'26	30.87	3	46%
Jan 2024	137,500	-	0.375	Jan'26	70.02	2	45%
Oct 2024	27,500	-	0.375	Jan'25	47.15	0.25	49%
Totals	31,107,914	2,294,391					

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26. Share-based payment transactions (continued)

An option-holder has no voting or dividend rights in the Company before the exercise of a Share option.

The weighted average share price at grant date of options granted during the year in the Unapproved Share Option Scheme at grant date was £0.609 (2023: £1.204) and the estimated fair value of each share option granted was £0.486 (2023: £0.839).

The weighted average share price at grant date of the Sharesave Scheme was £nil (2023: £0.966) and the estimated fair value of each share option was £nil (2023: £0.309). It is assumed that 50% of members will remain in the Group after three years.

The weighted average share price at grant date of the ESPP was £nil (2023: £0.966) and the estimated fair value of each share option was £nil (2023: £0.273). It is assumed that 50% of members will remain in the Group after two years.

A 0.26% - 0.29% (2023: 0.26% - 0.29%) risk-free interest rate has been assumed for the unapproved, ESPP or Sharesave schemes. The estimated fair value was calculated by applying a Black-Scholes option pricing model. The expected volatility of the Group's share price is calculated based on an assumption of historical volatility.

The LTIP awards have been valued using a Stochastic model for the TSR element, a Black-Scholes option pricing model for the EPS element and a Chaffee model for the one year holding period. A 0.73% risk free interest rate has been used for the awards vesting in four years and a 0.82% risk free interest rate has been used for the awards vesting in five years.

The option life factored into the model for EMI and Unapproved options is 10 years, for Sharesave scheme options 3 years, for ESPP options 2 years and for PPT options 1 year.

The expense and equity reserve arising from share-based payment transactions recognised in the year ended 31 December 2024 was £2,092,000 (year ended 31 December 2023: £4,381,000).

The weighted average share price at the date of exercise of options under the EMI Share Option Scheme was £nil (2023: £1.408).

The weighted average share price at the date of exercise of options under the Unapproved Share Option Scheme was £0.867 (2023: £1.283).

The weighted average share price at the date of exercise of options under the Sharesave Scheme was £nil (2023: £1.503).

The weighted average share price at the date of exercise of options under the ESPP Scheme was £0.822 (2023: £nil).

The number of options that are exercisable at 31 December 2024 is 10,022,965 (2023: 8,756,633).

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27. Subsidiaries of the Group

The subsidiaries of the Group, all of which are private companies limited by shares, as at 31 December 2024, are as follows:

Company	Country of Registration or Incorporation	Registered Office	Principal Activity	Percentage of ordinary shares held by Group
Held directly by Learning Technologies Group Limited (formerly Learning Technologies Group Plc):				
Learning Technologies Group Holdings (UK) Limited	England and Wales	3 New Street Square, London EC4A 3BF	Holding company	100%
Learning Technologies Group (Trustee) Limited	England and Wales	3 New Street Square, London EC4A 3BF	Employee Benefit Trust	100%
Learning Technologies Group Holdings Limited	England and Wales	3 New Street Square, London EC4A 3BF	Holding company	100%
Learning Technologies Acquisition Corporation	USA	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	Holding company	100%

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27. Subsidiaries of the Group (continued)

Held indirectly:

Company	Country of Registration or Incorporation	Registered Office	Principal Activity	Percentage of ordinary shares held by Group
Leo Learning Inc	USA	c/o Corporation Service Company, 80 State Street, Albany, NY 12207	Bespoke e-learning	100%
Preloaded Limited	England and Wales	The Arts Building, Morris Place, London N4 3JG	Educational Games	100%
Preloaded Productions Limited	England and Wales	The Arts Building, Morris Place, London N4 3JG	Educational Games	100%
Learning Technologies Group (UK) Limited	England and Wales	3 New Street Square, London EC4A 3BF	Bespoke e-learning	100%
Eukleia Training Limited	England and Wales	3 New Street Square, London EC4A 3BF	Bespoke e-learning	100%
Rustici Software LLC	USA	c/o Corporation Service Company, 2908 Poston Avenue, Nashville, TN 37203	e-learning interoperability	100%
Watershed Systems, Inc	USA	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	SaaS Learning Analytics Platform	100%
Learning Technologies Group (Hong Kong) Limited	Hong Kong	21/F, Fairmont House, 8 Cotton Tree Drive, Central Hong Kong SAR	e-learning software licencing and services	100%
NetDimensions, Inc.	USA	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	e-learning software licencing and services	100%
NetDimensions (UK) Limited	England and Wales	3 New Street Square, London EC4A 3BF	e-learning software licencing and services	100%
NetDimensions (China) Limited	Hong Kong	21/F, Fairmont House, 8 Cotton Tree Drive, Central Hong Kong SAR	e-learning software licencing and services	100%
Learning Technologies Group Pty Limited	Australia	Level 4, 91 William Street, Melbourne VIC 3000	e-learning software licencing and services	100%
NetDimensions Asia Limited	Hong Kong	21/F, Fairmont House, 8 Cotton Tree Drive, Central Hong Kong SAR	e-learning software licencing and services	100%
NetDimensions Services Asia Limited	Philippines	16/F, Robinsons Cyberscape Gamma, Topaz and Ruby Roads, Ortigas Center, Pasig City, Philippines	e-learning software licencing and services	100%
Learning Technologies Group GmbH	Germany	Dieningholt 9, 59387 Ascheberg, Germany	e-learning software licencing and services	100%
E-Creators Pty Ltd.	Australia	Level 4, 91 William Street, Melbourne VIC 3000	SaaS learning management system	100%

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27. Subsidiaries of the Group (continued)

Company	Country of Registration or Incorporation	Registered Office	Principal Activity	Percentage of ordinary shares held by Group
NetDimensions (Holdings) Limited	Cayman Islands	c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	Dormant	100%
Gomo Learning Limited	England and Wales	3 New Street Square, London EC4A 3BF	Mobile e-learning	100%
PeopleFluent Holdings Corp.	USA	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	Holding company	100%
Learning Technologies Group Inc.	USA	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	Integrated talent management and learning solutions	100%
Learning Technologies Group (Canada) Inc	Canada	345 Victoria Avenue, Suite 401 Westmount, Quebec H3Z2N2	Integrated talent management and learning solutions	100%
Bedford HCIT Holdings Corp	USA	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	Holding company	100%
Gomo Learning Inc.	USA	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	Video distribution software	100%
PeopleFluent Limited	England and Wales	3 New Street Square, London EC4A 3BF	Integrated talent management and learning solutions	100%
Learning Technologies Group Brasil Servicos de Tecnologia Ltda	Brazil	Alameda ITU 215, Conj 52 Sala 7, Jardim Paulista, 01421001 Sao Paulo	SaaS learning management system	100%
LTG UK MEX SDRL	Mexico	Montecito 38, Piso 16, Oficina 27, WTC, Napoles, Benito Juarez, 03810 CDMX, Mexico	SaaS learning management system	100%
Learning Technologies Group (Colombia) S.A.S.	Colombia	Cr 7 #71 52 To A of 706, Bogota, D.C.	SaaS learning management system	100%
Breezy HR, Inc.	USA	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	SaaS Talent Acquisition Platform	100%
Open LMS LLC (formerly eThink Education LLC)	USA	c/o Corporation Service Company 251 Little Falls Drive Wilmington, DE 19808	SaaS learning management system	100%
eThink Education Limited	England and Wales	3 New Street Square, London EC4A 3BF	SaaS learning management system	100%
Reflektive, Inc.	USA	c/o Corporation Service Company 251 Little Falls Drive Wilmington, DE 19808	Integrated talent management solutions	100%
Reflektive Labs Private Limited	India	43 Residency Rd, Shanthala Nagar, Ashok Nagar, Bengaluru 560025, Karnataka, India	Integrated talent management solutions	100%
Reflektive Solutions D.O.O.	Serbia	Old Town, Belgrade, Gospodar Jovanov 23b/1, 11000	In Liquidation	100%
getBridge LLC	USA	c/o The Corporation Service Company 251 Little Falls Drive Wilmington, DE 19808	Integrated talent management solutions	100%
Learning Technologies Group Kft.	Hungary	c/o HABEMUS Kft. Homokos u. 68. 2049 Diósd Hungary	Integrated talent management solutions	100%
LTG PPT Nominees Pty Ltd.	Australia	Level 4, 91 William Street, Melbourne VIC 3000	Corporate Trustee	100%
LTG Peak Performance Trust	Australia	Level 4, 91 William Street, Melbourne VIC 3000	Employee Unit Trust	N/A
Learning Media Services Limited	England and Wales	3 New Street Square, London EC4A 3BF	Non-trading	100%

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27. Subsidiaries of the Group (continued)

Company	Country of Registration or Incorporation	Registered Office	Principal Activity	Percentage of ordinary shares held by Group
The People Development Team Limited	England and Wales	3 New Street Square, London EC4A 3BF	Diversity & Inclusion	100%
GP Strategies Argentina S.R.L.	Argentina	Uruguay 775 Piso 8° Ciudad Autónoma de Buenos Aires	Custom Training & Consulting Services	100%
GP Strategies Australia Pty Limited	Australia	Level 24, 1 O'Connell Street, Sydney NSW 2000, Australia	Custom Training & Consulting Services	100%
TTi International (Australia) Pty Ltd	Australia	Level 24, 1 O'Connell Street, Sydney NSW 2000, Australia	Custom Training & Consulting Services	100%
GP Bahamas Ltd	Bahamas	C/O Dupuch & Turnquest & Co. 308 East Bay Street P.O. Box N-8181 Nassau, Bahamas	Holding Co.	100%
GP Treinamento Brasil Ltda	Brazil	Nex Coworking Rua Francisco Rocha, 198 Studio 09 Batel – 80420-130 Curitiba – PR, BRAZIL	Custom Training & Consulting Services	100%
GP Strategies Canada ULC	Canada	1212-1175 Douglas Street, Victoria, BC V8W 2E1, Canada	Custom Training & Consulting Services	100%
GP Strategies Chile Ltda	Chile	Camino Lonquen 13070 La Casona San Bernardo Santiago, Chile	Custom Training & Consulting Services	100%
GP Strategies Capacitación Chile Ltda	Chile	Camino Lonquen 13070 La Casona San Bernardo Santiago, Chile	Custom Training & Consulting Services	100%
TTi Consulting (Beijing) Limited	China (Beijing)	Room07, Floor23, Tower1, No. 36 Xiaoyun Road, Chaoyang District, Beijing, China	Custom Training & Consulting Services	100%
GP (Shanghai) Co., Ltd.	China (Shanghai)	Room 317, Block D8 No. 718 Ling Shi Road, Jing'an District 200072 Shanghai, China	Custom Training & Consulting Services	100%
GP Strategies Colombia Ltda	Colombia	Carrera 11B # 99-25 Oficina 6-133, Edificio Wework Bogota, Colombia	Custom Training & Consulting Services	100%
GP Strategies Cyprus Limited	Cyprus	195, Arch. Makariou III Ave., Neocleous House, 3030, Limassol, Cyprus	Custom Training & Consulting Services	100%
Effective People A/S (formerly GP Strategies Nordic A/S)	Denmark	Øster Allé 56, 1. Th, 2100 København Ø, Copenhagen, Denmark	Custom Training & Consulting Services	100%
GP Strategies Denmark ApS	Denmark	Øster Allé 56, 1. Th, 2100 København Ø, Copenhagen, Denmark	Custom Training & Consulting Services	100%

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27. Subsidiaries of the Group (continued)

Company	Country of Registration or Incorporation	Registered Office	Principal Activity	Percentage of ordinary shares held by Group
GP Strategies Egypt, LLC	Egypt	Unit 101, 13 Mohamed Ali Gannah Street – Garden City – Cairo	Custom Training & Consulting Services	100%
GP Strategies France S.A.R.L.	France	45 Allée des Ormes – BP1200 06250 Mougins CEDEX France	Custom Training & Consulting Services	100%
GP Strategies Finland Oy	Finland	Bulevardi 3, 00120 HELSINKI Finland	Custom Training & Consulting Services	100%
GP Strategies Deutschland GmbH	Germany	Max-Planck-Str. 3, High-Tech-House 85716 Unterschleißheim Germany	Custom Training & Consulting Services	100%
GP Strategies (Hong Kong) Limited	Hong Kong	Level 18, China Building 29 Queen's Road Central, Hong Kong	Custom Training & Consulting Services	100%
GP Strategies Hungary Kft	Hungary	1136 Budapest, Tatra u. 12/B. 2. Em. 2, Hungary	Custom Training & Consulting Services	100%
GP Strategies India Pvt. Ltd.	India	No. 4/363 Kandanchavadi Block B, 1 st & 2 nd floor (Max Fashion Building) Old Mahabalipuram Road, Chennai, Tamil Nadu INDIA 600096	Custom Training & Consulting Services	99%
Total Training Innovations Private Limited	India	F-7, Laxmi Mills, Shakti Mills Lane, off Dr. E. Moses Road, Mahalakshmi (west), Mumbai, Maharashtra, India – 400011	Custom Training & Consulting Services	99%
GP Strategies Ireland Limited	Ireland	Registered Address Service: c/o DHKN Limited 78 Merrion Square Dublin D02R251	Custom Training & Consulting Services	100%
GP Strategies Japan G.K.	Japan	413 the SOHO, 2-7-4 Aomi, Koto-Ku Tokyo, JAPAN	Custom Training & Consulting Services	100%
TTi – Japan Corporation	Japan	413 the SOHO, 2-7-4 Aomi, Koto-Ku Tokyo, JAPAN	Custom Training & Consulting Services	100%
GP Strategies Malaysia Sdn. Bhd.	Malaysia	ZICO Registered Address Service: Level 13A-6, Menara Milenium Jalan Damania, Pusat Bandar Damansara 50490 Kuala Lumpur Malaysia	Custom Training & Consulting Services	100%
General Physics Corporation Mexico, S.A. de C.V.	Mexico	Av. Ejército Nacional #769 2nd floor, Suite 219 Colonia Ampliacion Granada Alcantaria Miguel Hidalgo Ciudad de México, Mexico 11520	Custom Training & Consulting Services	100%
GP Strategies Netherlands B.V.	Netherlands	Mercuriusplein 1, 2132 HA Hoofddorp Netherlands	Custom Training & Consulting Services	100%

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27. Subsidiaries of the Group (continued)

Company	Country of Registration or Incorporation	Registered Office	Principal Activity	Percentage of ordinary shares held by Group
TTi Peru S.A.C.	Peru	German Schreiber 291 Oficina 301 Lima, Perú	Custom Training & Consulting Services	100%
GP Strategies Philippines, Inc.	Philippines	22/F Mega Tower, EDSA corner J. Vargas Avenue, Brgy. Wack-Wack – Greenhills, Mandaluyong City 1555 Philippines	Custom Training & Consulting Services	100%
TTi Global Philippines, Inc.	Philippines	2/F Unit 210, Building C, Aria Place, Jose Abad Santos Avenue, Dolores, San Fernando City, Pampanga, Philippines	Custom Training & Consulting Services	40%
GP Strategies Poland sp. Z.o.o	Poland	Ocean Office Park, Building A, 4 th floor ul. Pana Tadeusza 2 30-727 Kraków	Custom Training & Consulting Services	100%
Treinova Portugal, Unipessoal Ltda	Portugal	Avenida António Augusto de Aguiar nº 19 – 4º Dto., Sala B, 1050-012 Lisboa (Parish Avenida Novas)	Custom Training & Consulting Services	100%
GP Strategies Performance Training S.R.L.	Romania	Charles de Gaulle Plaza, 15 Charles de Gaulle Square, 1st District Bucharest, 011857 Romania	Custom Training & Consulting Services	100%
GP Strategies Singapore (Asia) Pte. Ltd.	Singapore	18 Robinson Road Level 02-03 Singapore 048547	Custom Training & Consulting Services	100%
TTi Global Consultancy South Africa Proprietary Limited	South Africa	Co-Work at Midstream, Midlands Office Park West, Mount Quray Road Midstream Estates, Centurion, 0181 South Africa	Custom Training & Consulting Services	100%
Team Core Investments No. 8 Proprietary Limited	South Africa	Co-Work at Midstream, Midlands Office Park West, Mount Quray Road Midstream Estates, Centurion, 0181 South Africa	Holding Co.	100%
Team Core Investments No.10 Proprietary Limited	South Africa	Co-Work at Midstream, Midlands Office Park West, Mount Quray Road Midstream Estates, Centurion, 0181 South Africa	Holding Co.	100%
GP Strategies Korea Y.H.	South Korea	Regus – Virtual Office: 16 th Floor, Gangnam Building, 1321-1 Seocho-dong, Seocho-gu Seoul, 137-070 Republic of Korea	Custom Training & Consulting Services	100%
TTi Global Consultancy S.L.	Spain	Avd/ JOSEPH TARRADELLAS Nº123, 9, 08029 BARCELONA	Custom Training & Consulting Services	100%

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27. Subsidiaries of the Group (continued)

Company	Country of Registration or Incorporation	Registered Office	Principal Activity	Percentage of ordinary shares held by Group
GP Strategies Sweden AB	Sweden	P.O. Box 16285 103 25 Stockholm Sweden	Custom Training & Consulting Services	100%
GP Strategies Switzerland GmbH	Switzerland	Registered Address Service: c/o Markus Alder Thouvenin Rechtsanwälte & Partner Klausstrasse 33 8034 Zürich	Custom Training & Consulting Services	100%
GP Strategies Taiwan Ltd.	Taiwan	The Great Taipei Business Center Co., Ltd. 12F.-8, No. 155, Sec. 1 Keelung Rd., Xinyi Dist. Taipei City, Taiwan	Custom Training & Consulting Services	100%
GP Strategies (Thailand) Co., Ltd.	Thailand	Office No. 3071, 3/F, Summer Hill, 1106 Sukhumvit Road, Phrakhanong, Klongtoey, Bangkok 10110, Thailand	Custom Training & Consulting Services	100%
GP Strategies Automotive (Thailand) Co., Ltd.	Thailand	1739/1 Soi Sukhumvit 66/1, Prakanong Tai Sub-district, Prakanong District, Bangkok 10260	Automotive Training Services	100%
GP Strategies Danışmanlık Limited Şirketi	Turkey	Regus (Virtual Office): Hakki Yeten Cad. Selenium Plaza No: 10/c Kat: 5-6, 34349 Fulya, Besiktas, Istanbul	Custom Training & Consulting Services	100%
GP Strategies Middle East Training L.L.C	United Arab Emirates (UAE)	Exponenta Business Center Crystal Tower 10 th Floor, Unit no. 1001-29 P.O. Box: 34534 Business Bay, Dubai, UAE	Custom Training & Consulting Services	49%
General Physics (UK) Ltd.	England and Wales	3 New Street Square, London EC4A 3BF	Custom Training & Consulting Services	100%
GP Strategies Holdings Limited	England and Wales	3 New Street Square, London EC4A 3BF	Holding Co.	100%
GP Strategies Ltd	England and Wales	3 New Street Square, London EC4A 3BF	Custom Training & Consulting Services	100%
GP Strategies Training Ltd.	England and Wales	3 New Street Square, London EC4A 3BF	Custom Training & Consulting Services	100%
GP Strategies Automotive Limited	England and Wales	3 New Street Square, London EC4A 3BF	Automotive Repair Services	100%

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27. Subsidiaries of the Group (continued)

Company	Country of Registration or Incorporation	Registered Office	Principal Activity	Percentage of ordinary shares held by Group
GP Strategies Corporation	USA	251 Little Falls Drive Wilmington, Delaware 09808	Custom Training & Consulting Services	100%
GP International Holdings LLC	USA	251 Little Falls Drive Wilmington, Delaware 098018	Holding Co.	100%
GP International Holdings 2 LLC	USA	251 Little Falls Drive Wilmington, Delaware 098018	Holding Co.	100%
TTI Global, Inc.	USA	3410 Belle Chase Way, Suite 600, Lansing, MI 48911	Custom Training & Consulting Services	100%
Worldwide Staffing Solutions, Inc.	USA	3229 Dunstable Drive, Land O'Lakes, FL 34638	Holding Co.	100%
Staffing Latin America, Inc.	USA	848 First Avenue, Suite 300 Naples, FL 34102	Holding Co.	100%
GP Strategies Government Solutions, Inc.	USA	251 Little Falls Drive Wilmington, Delaware 09808	Custom Training & Consulting Services	100%

28. Reserves

The share premium account represents the amount received on the issue of ordinary shares by the Company in excess of their nominal value and is non-distributable.

The merger reserve arose on the acquisition of Learning Technologies Group (UK) Limited (formerly LEO Learning Limited and Epic Performance Improvement Limited) by Epic Group Limited in 1996, and the Company's reverse acquisition of Epic Group Limited. The merger reserve also includes the merger relief on the issue of shares to acquire Line Communications Holding Limited on 7 April 2014, Preloaded Limited on 12 May 2014, Eukleia Training Limited on 31 July 2015 and Rustici Software LLC on 29 January 2016.

The reverse acquisition reserve was created in accordance with IFRS3 'Business Combinations'. The reserve arises due to the elimination of the Company's investment in Epic Group Limited. Since the shareholders of Epic Group Limited became the majority shareholders of the enlarged Group, the acquisition is accounted for as though there is a continuation of the legal subsidiary's Financial Statements. In reverse acquisition accounting, the business combination's costs are deemed to have been incurred by the legal subsidiary.

The share-based payment reserve arises from the requirement to value share options in existence at the grant date; it is the recognition of the fair value over the vesting period. (see note 26).

The foreign exchange translation reserve represents cumulative foreign exchange differences arising from the translation of the Financial Statements of foreign subsidiaries and is not distributable by way of dividends.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

29. Related party transactions

Balances and transactions between the Company and its subsidiaries are eliminated on consolidation and are not disclosed in this note. Balances and transactions between the Group and other related parties are disclosed below.

Remuneration of Directors and other transactions

During the year there were no material transactions between the Company and the Directors, other than their emoluments (disclosed at note 9) and the payments described below. The Executive Directors of the Company are considered to be the key management personnel of the Group.

Andrew Brode is the Chairman of LTG and RWS Holdings plc. During the normal course of business, the Group purchased translation services from subsidiaries of RWS Holdings plc ("RWS Group") totalling £695,000 in the year ended 31 December 2024 (2023: £704,000). The amount due/accrued to RWS Group at 31 December 2024 was £30,000 (31 December 2023: £47,000). These balances are included in trade and other payables (refer to note 20).

30. Dividends

	31 Dec 2024 £'000	31 Dec 2023 £'000
Final dividend paid	9,569	9,094
Interim dividend paid	3,565	3,558
	13,134	12,652

On 28 October 2024 the Company paid an interim dividend of 0.45 pence per share (2023: 0.45 pence per share) amounting to a total dividend payment of £3.6 million. The Directors do not propose to pay a final dividend for the year ended 31 December 2024 (2023: 1.21 pence per share).

31. Financial instruments

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

a Financial risk management policies

The Group's policies in respect of the major areas of treasury activity are as follows:

i. Market risk

Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Pounds Sterling. The currencies giving rise to this risk are primarily the United States Dollar and Euro. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

31. Financial instruments (continued)

The Group maintains a natural hedge whenever possible, by matching the cash inflows (revenue stream) and cash outflows used for purposes such as capital and operational expenditure in the respective currencies.

The carrying amounts of the Group's foreign currency denominated financial assets and liabilities at the end of year were as follows:

		31 Dec 2024 £'000	31 Dec 2024 £'000	31 Dec 2023 £'000	31 Dec 2023 £'000
		Financial assets	Financial Liabilities	Financial assets	Financial Liabilities
United States	Dollar	115,785	115,780	97,338	161,773
Brazilian	Real	4,878	251	5,088	253
Hong Kong	Dollar	116	157	4,018	225
Euro		20,419	2,332	17,949	3,295
Swiss	Franc	1,616	342	1,942	1,076
Canadian	Dollar	3,169	47	1,328	19
Australian	Dollar	4,802	137	3,608	55
Philippines	Peso	51	22	313	21
Colombian	Peso	701	95	965	67
Mexican	Peso	1,516	412	3,948	394
Japanese	Yen	2,519	58	1,376	181
Singapore	Dollar	2,356	14	1,116	141
New Zealand	Dollar	317	-	122	-
Hungarian	Forint	256	5	115	-
United Arab Emirates	Dirham	603	30	375	82
Czech	Koruna	22	9	13	9
Danish	Krone	10,604	3,996	6,631	2,123
Polish	Zloty	1,617	47	1,503	98
Qatari	Rial	-	-	4	-
Indian	Rupee	4,845	311	2,463	186
Malaysian	Ringgit	342	3	142	12
Chinese	Yuan	4,093	806	4,758	886
Argentine	Pesos	398	14	131	16
Egyptian	Pound	134	-	311	-
Swedish	Krona	84	9	182	4
Turkish	Lira	264	36	168	64
Taiwan	Dollar	197	-	327	-
Thai	Baht	2,195	52	1,471	490
Chilean	Peso	825	12	-	-
Romanian	Leu	232	-	35	9
Peruvian	Sol	39	-	147	3
South Korean	Won	11	-	9	8
South African	Rand	1,342	18	1,394	2
Norwegian	Krone	-	-	19	1
		186,348	124,995	159,309	171,493

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to possible changes in the relative values of the above financial assets and liabilities held in foreign currencies to which the Group is exposed as at the end of each year, with all other variables held constant. We have disclosed the sensitivities above £100,000 below:

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Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

31. Financial instruments (continued)

	31 December 2024		31 December 2023	
	Strengthened by 10% increase/ (decrease) £'000	Weakened by 10% increase/ (decrease) £'000	Strengthened by 10% increase/ (decrease) £'000	Weakened by 10% increase/ (decrease) £'000
Effect on profit after tax and equity				
United States Dollar	4	(4)	(6,444)	6,444
Euro	1,809	(1,809)	1,465	(1,465)
Swiss Franc	127	(127)	87	(87)
Canadian Dollar	312	(312)	131	(131)
Australian Dollar	467	(467)	355	(355)
Polish Zloty	157	(157)	141	(141)
Chinese Yuan	329	(329)	387	(387)
Japanese Yen	246	(246)	120	(120)
Brazilian Real	463	(463)	484	(484)
Danish Krone	661	(661)	451	(451)
Hong Kong Dollar	(4)	4	379	(379)
Mexican Peso	110	(110)	355	(355)
Thai Baht	214	(214)	98	(98)
Indian Rupee	453	(453)	228	(228)
South African Rand	132	(132)	139	(139)
Singapore Dollar	234	(234)	98	(98)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate risk sensitivity analysis

The Group's external borrowings at the balance sheet date comprise loan facilities on floating interest rates at a margin over a base LIBOR or SOFR. The Group considers the exposure to interest rate risk acceptable.

If the interest rates had been 50 basis points higher and all other variables were held constant, the Group's profit for the year ended 31 December 2024 and net assets at that date would decrease by £665,000 (2023: £957,000). This is attributable to the Group's exposure to movements in interest rate on its variable borrowings.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

31. Financial instruments (continued)

ii. Credit risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on the shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have a low risk profile as the Group has the right to bill the customer for work completed to date.

The expected loss rates are based on the historic payment profiles of sales and the credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information. Different loss rates have been calculated and applied to different business units, products and geography. The loss allowance calculated is detailed at note 15.

Credit risk concentration profile

The Group did not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics (2023: No significant credit risk exposure). The Group defines major credit risk as exposure to a concentration exceeding 10% of a total class of such asset.

Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of each reporting period.

The exposure of credit risk for trade receivables by geographical region is as follows:

	31 December 2024 £'000	31 December 2023 £'000
United Kingdom	8,499	15,687
North America	63,902	68,211
Europe	12,140	14,548
Asia Pacific	9,136	8,287
Middle East and Africa	748	1,032
South and Central America	3,655	5,315
Allowance for impairment losses	(5,125)	(5,118)
	92,955	107,962

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Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

31. Financial instruments (continued)

Ageing analysis

The ageing analysis of the Group's trade receivables is as follows:

	31 December 2024 £'000	31 December 2023 £'000
Not past due	85,153	97,988
Past due:		
- Less than three months	4,919	5,512
- Three to six months	1,131	1,713
- Past six months	6,877	7,867
Gross amount	98,080	113,080

Trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

Collective impairment allowances are determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to experience of past defaults.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantial companies with good collection track records and no recent history of default.

iii. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. There is no seasonality to the Group's liquidity risk.

The Group manages its exposure to liquidity risk by reviewing the cash resources required to meet its business objectives through both short and long-term cash flow forecasts. The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due. All Current Liabilities are repayable within one year.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

31. Financial instruments (continued)

Ageing analysis

The table below summarises the maturity profile of the Group's financial liabilities, including interest payments, where applicable based on contractual undiscounted payments:

As at 31 December 2024	Less than 1 year £'000	1-2 years £'000	2-3 years £'000	>3 years £'000	Total £'000
Trade payables	26,964	-	-	-	26,964
Borrowings	105,464	-	-	-	105,464
Lease payments	3,669	1,926	898	675	7,168
	136,097	1,926	898	675	139,596

As at 31 December 2023	Less than 1 year £'000	1-2 years £'000	2-3 years £'000	>3 years £'000	Total £'000
Trade payables	24,979	-	-	-	24,979
Borrowings	32,173	32,372	96,984	-	161,529
Contingent consideration	20	-	-	-	20
Lease payments	3,664	2,760	1,378	3,925	11,727
	60,836	35,132	98,362	3,925	198,255

Refer to note 22 for a reconciliation of the Group's net debt position and details of the debt facilities available to the Group.

b Capital risk management

The Group defines capital as the total equity of the Group attributable to the owners of the parent Company and net cash.

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital and to provide funds for merger and acquisition activity.

The facilities available include Term Facility A, with an original commitment of \$265.0 million available to the Group until October 2025, a \$50.0 million committed Revolving Credit Facility (£39.9 million at the year-end exchange rate) with an additional maximum \$50.0 million (£39.9 million at the year-end exchange rate) uncommitted accordion facility option to extend the Revolving Credit facility, with both available until July 2025. This is the only external debt finance of the Group.

The Company made dividend distributions of 1.66 pence per share during the year ended 31 December 2024 (2023: 1.60 pence per share).

Total equity increased from £427.2 million to £477.9 million during the year and net cash increased from net debt of £78.6 million to net cash of £3.0 million.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

31. Financial instruments (continued)

c Classification of financial instruments

	31 Dec 2024 £'000	31 Dec 2023 £'000
Financial assets		
Financial assets at amortised cost		
Trade receivables	92,955	107,962
Amounts recoverable on contracts	29,120	25,757
Cash and bank balances	105,076	72,522
Restricted cash	2,743	2,389
	229,894	208,630
Financial liabilities		
Fair value through the profit and loss:		
Contingent consideration	-	20
	-	20
At amortised cost:		
Trade payables	26,964	24,979
Borrowings	102,055	151,075
Lease liability	6,930	11,336
	135,949	187,390

d Reconciliation of liabilities arising from financing activities

	Note	1 January 2024	Financing cash flows	Interest paid	Interest accrued / (credited)	Disposals	Foreign exchange movement	31 December 2024
Borrowings	22	151,075	(49,682)	(10,455)	9,990	-	1,127	102,055
Lease liabilities	23	11,336	(4,179)	(390)	352	(172)	(17)	6,930
Contingent consideration	20	20	-	-	-	(20)	-	-

Contingent consideration at 1 January 2024 assessed as no longer payable was credited to the statement of comprehensive income during the year.

	Note	1 January 2023	Financing cash flows	Interest paid	Interest accrued / (credited)	Additions	Foreign exchange movement	31 December 2023
Borrowings	22	214,658	(51,315)	(16,714)	13,614	-	(9,168)	151,075
Lease liabilities	23	14,874	(5,192)	(546)	546	1,065	589	11,336
Contingent consideration	20	21	-	-	-	-	(1)	20

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Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

31. Financial instruments (continued)

Refer to note 22 for details of the loan covenants attached to the loan from HSBC UK Bank, HSBC Innovation Bank Limited, Barclays Bank, Fifth Third Bank and the Governor and Company of the Bank of Ireland.

e Fair values of financial instruments

The financial assets and financial liabilities maturing within the next 12 months approximate their fair values due to the relatively short-term maturity of the financial instruments.

The Group holds certain financial instruments on the statement of financial position at their fair value. The following table provides an analysis of those that are measured subsequent to initial recognition at fair value through profit or loss, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 – Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Fair value measurements are those derived from inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly (derived from prices); and
- Level 3 – Fair value measurements are those derived from the valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The fair value of the contingent consideration is calculated using actual and forecast results to value the amount which will be payable according to the earnout metrics on acquisitions. These liabilities are discounted to their present value using the Group's weighted average cost of capital of 10%. Both the future cash flows and discount rate used are unobservable inputs. Management believes that reasonably possible changes to the unobservable inputs would not result in a significant change in the estimated fair value.

There have been no transfers between these categories in the current or preceding year.

There is no adjustment to the fair value of contingent consideration during the year (2023: none).

2024

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Contingent consideration	-	-	-	-
	-	-	-	-

2023

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Contingent consideration	-	-	-	-
	-	-	-	-

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32. Assets and liabilities classified as held for sale

In December 2022, the Group decided to dispose the non-core Lorien Engineering business as soon as practicable and communicated this decision internally and to investors on 19 December 2022. This business was acquired as part of the GP Strategies acquisition in October 2021.

Following its classification as held for sale in 2022 the asset group is held at the lower of fair value less costs to sell and net book value. The asset was sold on 2 January 2024, details of which are included at Note 33.

Effect of the assets and associated liabilities on the financial position of the Group

	31 Dec 2023 £'000
Non-current assets	
Goodwill	501
Intangible assets	1,279
Property, plant and equipment	66
Right-of-use assets	97
	<u>1,943</u>
Current assets	
Trade receivables	5,079
Other receivables, deposits and prepayments	136
Amounts recoverable on contracts	849
	<u>6,064</u>
Assets in disposal groups classified as held for sale	<u><u>8,007</u></u>
Current liabilities	
Lease liabilities	-
Trade and other payables	5,238
	<u>5,238</u>
Non-current liabilities	
Lease liabilities	97
Liabilities directly associated with assets in disposal groups classified as held for sale	<u><u>5,335</u></u>

The net assets of the Lorien Engineering business held for sale as at 31 December 2023 excluded deferred tax assets of £25,000 and current tax liabilities of £659,000 which remained within the Group tax position. There are no tax balances relating to the Lorien Engineering business within the Group tax position at 31 December 2024.

The Group recovered greater than the net book value from the eventual sale which occurred on 2 January 2024 (note 33).

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

33. Disposal of non-core businesses

Disposal of Lorien Engineering Solutions ("Lorien")

On 2 January 2024, the Group sold Lorien for a cash consideration of \$21.4 million (£16.8 million) on a cash and debt free basis. The net proceeds after customary adjustments were \$20.6 million (£16.1 million) resulting in profit on disposal of \$15.5 million (£12.1 million, see note 5).

Disposal of Vector VMS ("Vector")

On 1 July 2024, the Group sold Vector for a cash consideration of \$50 million (£39.5 million) on a cash and debt free basis. The net proceeds after customary adjustments were \$47.2 million (£36.9 million), resulting in profit on disposal of \$17.1 million (£13.4 million, see note 5).

The carrying amount of the assets and liabilities sold as at the date of the respective disposal were as follows:

	Lorien £'000	Vector £'000	Total £'000
Non-current assets			
Goodwill	501	14,300	14,801
Intangible assets	1,279	7,347	8,626
Property, plant and equipment	66	-	66
Right of use assets	97	-	97
	<u>1,943</u>	<u>21,647</u>	<u>23,590</u>
Current assets			
Trade receivables	3,147	593	3,740
Amounts due from related parties	-	1,065	1,065
Other receivables, deposits and prepayments	135	76	211
Amounts recoverable on contracts	691	-	691
Cash and bank balances	-	523	523
	<u>3,973</u>	<u>2,257</u>	<u>6,230</u>
Total Assets	5,916	23,904	29,820
Current liabilities			
Lease liabilities	97	-	97
Trade and other payables	2,865	393	3,258
	<u>2,962</u>	<u>393</u>	<u>3,355</u>
Total Liabilities	2,962	393	3,355
Net Assets	<u>2,954</u>	<u>23,511</u>	<u>26,465</u>
Net proceeds	15,012	36,861	51,873
Profit on disposal, before tax	<u>12,058</u>	<u>13,350</u>	<u>25,408</u>

The associated tax charges relating to the disposal of the Lorien business and Vector are £1.4m and £7.5m respectively and these are included in the current tax charge of £25.7m (note 10).

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Annual Report and Financial Statements for the year ended 31 December 2024

Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

34. Events since the reporting date

Acquisition by General Atlantic

On 4 December 2024, the Boards of Directors of LTG and Leopard UK Bidco Limited ("Bidco"), a newly formed company owned by funds managed by GASC APF, L.P. and certain of its managed funds (including Atlantic Park), accounts and/or affiliates, announced that they had reached agreement on the terms and conditions of a recommended cash acquisition by Bidco of the entire issued and to be issued share capital of LTG (the 'Acquisition'). To become effective, the Acquisition was required to be approved by a majority number of LTG shareholders representing at least 75% of the LTG shares held.

On 6 February 2025 the requisite majority of LTG Scheme Shareholders voted to approve the Scheme at the Court Meeting and the requisite majority of LTG Shareholders voted to pass the Special Resolution to implement the Scheme and amend the Articles at the General Meeting.

On 24 March 2025, LTG announced that the Court had sanctioned the Scheme at the Sanction Hearing held earlier on the same date, and on 31st March the Scheme became effective. As a result, LTG delisted from the London Stock Exchange through cancellation of the LTG shares traded on AIM. It re-registered as a private limited company on 23 April 2025. The Acquisition valued the entire issued and to be issued ordinary share capital of LTG at approximately £802m on a fully diluted basis. The offer price represented a 34% premium to the undisturbed share price.

The ultimate controlling party and ultimate parent of the Company and the Group is Leopard Jersey TopCo Limited, a company registered in Jersey.

Change of name

On 23 April 2025, Learning Technologies Group plc was renamed as Learning Technologies Group Limited.

Settlement of borrowings

At 31 December 2024, loans payable amounted to \$128 million (£102 million at the year-end exchange rate) (note 22).

On 19 February 2025, a \$60m voluntary repayment was made. A further \$52m was paid on 31 March, including the mandatory \$9.6m quarterly instalment (c £7.7 million at the year-end exchange rate), and on 11 April 2025 the remaining principal balance of \$16.7m was paid to settle the outstanding debt, along with any accrued interest and related fees. The \$50m RCF was not utilised and so no repayment was required. These facilities have now expired and are no longer available to the Group.

Funding in the new Group headed by Leopard Jersey TopCo Limited

On 8 April, the enlarged Group headed by Leopard Jersey TopCo Limited (the "Parent") entered into new financing arrangements with Arcmont Asset Management Limited, PSP Investments Credit Europe L.P and Nicodemus Place, LLC.

This facility comprises a Term Facility committed loan, with an original commitment of \$526.4 million available to the Group until April 2032. The term facility attracts variable interest based on SOFR/Base rate plus a margin of between 4.0% and 5.75% per annum, based on the Group's leverage. Cash interest is payable on a monthly or quarterly basis depending on the interest period election as permitted under the terms of the agreement.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

34. Events since the reporting date (continued)

The Term Facility is repayable through a combination of asset sales sweeps, excess cashflow sweeps from 2027 onwards or through voluntary prepayments although there are time-bound penalties associated with the latter option. The cash flows of the LTG Group are used to service the interest and capital payments and the results of the Group are included in the Covenant Compliance tests. In addition, the Company and certain of its subsidiaries are obligors to the loan, for which there is an annual compliance test.

The financial covenants are tested quarterly based on the last twelve months. There are two financial covenants which relate firstly to the Term Facility loan where the leverage ratio must not exceed 6.70 times, and a second calculation where the Revolving Credit Facility ("RCF") has been drawn down and the leverage ratio on this basis must not exceed 7.44 times. The Term Facility leverage reflects the ratio of term facility debt net of any cash balances and cash equivalents (excluding any restricted cash) to Consolidated EBITDA. The RCF leverage ratio is the term facility and RCF debt combined net of any cash balances and cash equivalents (excluding any restricted cash) to Consolidated EBITDA. The RCF compliance test is performed when net RCF debt exceeds 30% of the then outstanding revolving credit commitments on the test date. These leverage ratios are not a statutory measure and so its basis and composition may differ from other leverage measures published by other companies. Both numerator and denominator in each calculation comprise several adjustments as defined in the debt facility agreement and as such are not directly calculable from the financial statements.

The Group headed by Leopard Jersey TopCo Limited has a \$76.7 million committed Revolving Credit Facility (RCF) with HSBC and Barclays, available until April 2030. The RCF attracts a variable interest rate based on the currency rate plus a margin of between 2.0% and 4.5% per annum based on the Group's leverage. As at 31 August 2025, the facility remains undrawn.

In addition, \$291.3 million preference shares were issued by Leopard Jersey TopCo Limited carrying an 11% coupon, of which 6% is paid quarterly assuming available funds and 5% PIK carried forward. The cash flows of the Group are used to service the interest payments on the preference shares.

As at 31 August 2025, the Company and its subsidiaries owed the Immediate Parent (note 14 to the Company financial statements) £19,952,000 and was due £3,277,000 from the ultimate parent (note 14 to the Company financial statements). These borrowings are contractually repayable on demand; however the Directors have received a confirmation letter from the Immediate Parent whereby the Immediate Parent will not seek repayment of the borrowings for a period through to at least 30 September 2026.

Closure of share option plans

As at the date of acquisition of LTG by General Atlantic as detailed above, the LTG share option plans ceased and were cancelled. Because of closing the share plans, net settlements of approximately £6.3m were made in April/May 2025.

Other events

There have been no other notifiable events between the 31 December 2024 and the date of this Annual Report and Financial Statements.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Notes to the Consolidated Financial Statements for the year ended 31 December 2024 (continued)

35. Audit exemption provided to certain UK Group subsidiaries

The Company is providing certain wholly owned UK subsidiaries (as disclosed at note 27 and which are included within these Group consolidated financial statements) with guarantees of their respective debts in the form prescribed by section 479c of the Companies Act 2006 ("The Act") such that they can claim exemption from requiring an audit in accordance with section 479A of the Act. These guarantees cover all the outstanding actual and contingent liabilities of these companies as at 31 December 2024:

Subsidiary	Company No.
Learning Media Services Ltd	06762544
Learning Technologies Group Holdings (UK) Limited	03175632
Learning Technologies Group (Trustee) Limited	09468450
Learning Technologies Group Holdings Limited	10740745
GP Strategies Automotive Ltd	11524006
Preloaded Limited	04195538
Learning Technologies Group (UK) Limited	02371375
Eukleia Training Limited	05312722
NetDimensions (UK) Limited	07167352
Gomo Learning Limited	04131113
PeopleFluent Limited	03988180
eThink Education Limited	11793630
The People Development Team Limited	03752079
General Physics (UK) Limited	03424328
GP Strategies Holdings Limited	06340333
GP Strategies Limited	08003789
GP Strategies Training Limited	08003851
Preloaded Productions Limited	15424008

36. Prior period adjustment

Following an internal review of a contract with a customer, it was determined that the provision of services partly using subcontractors had been accounted for under an agency revenue arrangement in error. Following an assessment under IFRS15 it was determined that the revenue for these services met the definition of being accounted for as gross under the principal revenue arrangements, with the 2023 comparative for both revenue and operating expenses being restated, increasing both by £6,169,000 with no effect on operating profit.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Company Statement of Financial Position

(Registered number: 07176993)

As at 31 December 2024

	Note	31 Dec 2024 £'000	31 Dec 2023 £'000
Non-current			
Investment in subsidiaries	3	152,937	181,867
Deferred tax assets	4	458	-
		153,395	181,867
Current assets			
Trade and other receivables	5	318,930	388,281
Cash and bank balances		15,695	392
Restricted cash balances		1,728	928
		336,353	389,601
Current liabilities			
Trade and other payables	8	104,120	34,623
		104,120	34,623
		232,233	354,978
Net current assets			
		385,628	536,845
Total assets less current liabilities			
Non-current liabilities			
Trade and other payables	9	-	120,984
		385,628	415,861
Net Assets			
Capital and Reserves			
Share capital	6	2,972	2,967
Share premium	7	319,624	318,698
Merger reserve	7	9,714	9,714
Share-based payment reserve	7	20,075	18,974
Foreign exchange translation reserve		(12,907)	(18,810)
Retained profits		46,150	84,318
		385,628	415,861

Capital and reserves includes total comprehensive expense for the year of the parent company of £20.1 million (2023: income of £38.5 million).

The notes on pages 115 to 120 form an integral part of these Financial Statements.

The Financial Statements on pages 113 to 120 were approved and authorised for issue by the Board of Directors on 26 September 2025 and were signed on its behalf by:

Jonathan Satchell
Director
26 September 2025

DocuSigned by:
Jonathan Satchell
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Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Company Statement of Changes in Equity
For the year ended 31 December 2024

	Share capital	Share premium	Merger Reserve	Share-based payment reserve	Translation reserve	Retained Profits	Total
Note	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2023	2,962	318,183	9,714	14,714	-	39,592	385,165
Profit for the period	-	-	-	-	-	57,340	57,340
Other comprehensive expense	-	-	-	-	(18,810)	-	(18,810)
Total comprehensive (expense) / income for the period	-	-	-	-	(18,810)	57,340	38,530
Issue of shares net of share issue costs	6	5	515	-	-	-	520
Credit to equity for equity settled share-based payments	-	-	-	4,381	-	-	4,381
Distribution in respect of cancelled share options	-	-	-	(121)	-	-	(121)
Exercise of share options through Trust	-	-	-	-	-	38	38
Payment of dividends	-	-	-	-	-	(12,652)	(12,652)
Transactions with owners	5	515	-	4,260	-	(12,614)	(7,834)
At 31 December 2023	2,967	318,698	9,714	18,974	(18,810)	84,318	415,861
Loss for the period	-	-	-	-	-	(26,003)	(26,003)
Other comprehensive income	-	-	-	-	5,903	-	5,903
Total comprehensive income / (expense) for the period	-	-	-	-	5,903	(26,003)	(20,100)
Issue of shares net of share issue costs	6	5	926	-	-	-	931
Credit to equity for equity settled share-based payments	-	-	-	2,092	-	-	2,092
Distribution in respect of cancelled share options	-	-	-	(157)	-	-	(157)
Exercise of share options through Trust	-	-	-	-	-	135	135
Transfer on exercise and lapse of share options	-	-	-	(834)	-	834	-
Payment of dividends	-	-	-	-	-	(13,134)	(13,134)
Transactions with owners	5	926	-	1,101	-	(12,165)	(10,133)
At 31 December 2024	2,972	319,624	9,714	20,075	(12,907)	46,150	385,628

The notes on pages 115 to 120 form an integral part of these Financial Statements.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Notes to the Company Financial Statements for the year ended 31 December 2024

1. General information

The Company is a private limited company, domiciled in England and incorporated and registered in England and Wales. The address of its registered office is 3 New Street Square, London, England, EC4A 3BF. The registered number of the Company is 07176993.

The Company was a public limited company, listed on the AIM Market of the London Stock Exchange at 31 December 2024. Following the acquisition by General Atlantic (note 13) on 31 March 2025, its shares were cancelled from trading on AIM on 1 April 2025 and on 23 April 2025 the Company was reregistered as a private company.

2. Summary of material accounting policies

(a) Basis of preparation

The Company's Financial Statements have been prepared in accordance with applicable law and accounting standards in the United Kingdom and under the historical cost accounting rules (Generally Accepted Accounting Practice in the United Kingdom).

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The Company has taken advantage of Section 408 of the Companies Act 2006 and has not included a Profit and Loss account in these separate Financial Statements. The loss attributable to members of the Company for the year ended 31 December 2024 is £26,003,000 (year ended 31 December 2023: profit of £57,340,000).

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments

(b) Fixed asset investments

Fixed asset investments in Group undertakings are carried at cost less any provision for impairment.

The recoverable amount of investments is tested for impairment annually or when events or changes in circumstance indicate that it might be impaired. Impairment charges are deducted from the carrying value and recognised immediately in the income statement.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Notes to the Company Financial Statements for the year ended 31 December 2024 (continued)

2. Summary of material accounting policies (continued)

(c) Foreign currencies

The financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency"), which in the case of the Parent Company is the United States Dollar ("USD"). For presentation purposes, these financial statements are presented in Pound Sterling ("GBP") as the Company believes that this is how international investors analyse the financial statements, particularly as the Company was listed on the London Stock Exchange.

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, deposits with financial institutions and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(e) Income taxes

The charge for taxation is based on the profit/loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date.

(f) Pensions

The policy for the Company's defined contribution plan can be found at note 2 to the Consolidated Financial Statements.

(g) Share-based payment arrangements

The policy for the Company's share-based payment arrangements can be found at note 2 to the Consolidated Financial Statements.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Notes to the Company Financial Statements for the year ended 31 December 2024 (continued)

3. Investment in subsidiaries

	31 Dec 2024 £'000	31 Dec 2023 £'000
Cost		
At 1 January	181,867	168,299
Additions	2,092	39,536
Disposals	-	(17,578)
Exchange differences	2,781	(8,390)
At 31 December	186,740	181,867
Amortisation/impairment:		
At 1 January	-	-
Provision for impairment	(33,803)	-
Disposals	-	-
At 31 December	(33,803)	-
Net Book Value	152,937	181,867

Additions in the year relate to the recognition of share-based payment transactions between the Company and its subsidiaries. Additions in the prior year relates to the recognition of share-based payment transactions between the Company and its subsidiaries as well as a purchase of a subsidiary of the Group from another subsidiary, and subsequent sale to another entity of the Group.

The provision for impairment for the year represents the amount by which the Directors assess that the carrying value of the investments is not supported by their underlying net assets and forecast growth.

Details of the Company's subsidiaries as at 31 December 2024 are set out in note 27 to the Consolidated Financial Statements.

4. Deferred tax

The deferred tax balance relates to temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred tax assets are recognised to the extent that it is probable that the future taxable profits will allow the deferred tax assets to be recovered.

The movements in deferred tax assets are shown below:

	Short-term timing differences £'000	Total £'000
Deferred tax assets		
At 1 January 2023 and 31 December 2023	-	-
Deferred tax credited directly to the income statement	458	458
At 31 December 2024	458	458

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
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Notes to the Company Financial Statements for the year ended 31 December 2024 (continued)

5. Trade and other receivables

	31 Dec 2024 £'000	31 Dec 2023 £'000
Amounts due from subsidiary undertakings	318,300	388,092
Corporation tax receivable	282	-
Prepayments	348	189
	318,930	388,281

Amounts due from subsidiary undertakings are unsecured, repayable on demand and interest free, with the exception of £293,478,000 as of 31 December 2024 (2023: £327,646,000) which attracts interest ranging from base rate plus 1.5% to base rate plus 3.5%.

6. Share capital

Details of the Company's authorised, called-up and fully paid share capital are set out at note 25 to the Consolidated Financial Statements.

The ordinary shares of the Company carry one vote per share and an equal right to any dividends declared.

7. Reserves

The share-based payment reserve arises from the requirement to value share options in existence at the fair value at the date they are granted; it is the recognition of the fair value over the vesting period.

The share premium account represents the amount received on the issue of ordinary shares by the Company, other than those recognised in the merger reserve described below, in excess of their nominal value and is non-distributable.

The merger reserve represents the amount received on the issue of ordinary shares by the Company in excess of their nominal value on acquisition of subsidiaries where merger relief under section 612 of the Companies Act 2006 applies. The merger reserve consists of the merger relief on the issue of shares to acquire Line Communications Holding Limited on 7 April 2014, Preloaded Limited on 12 May 2014, Eukleia Training Limited on 31 July 2015 and Rustici Software LLC on 29 January 2016.

The foreign exchange translation reserve represents the translation differences arising on the presentation of the results of the Company in Pounds Sterling, whereas with effect from 1 January 2023 the functional currency of the Company was deemed to be United States Dollars.

8. Trade payables: amounts falling due within one year

	31 Dec 2024 £'000	31 Dec 2023 £'000
Trade creditors	888	162
Other creditors and accruals	1,177	2,069
Borrowings	102,055	30,091
Corporation tax	-	2,301
	104,120	34,623

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Notes to the Company Financial Statements for the year ended 31 December 2024 (continued)

9. Trade payables: amounts falling due after more than one year

	31 Dec 2024 £'000	31 Dec 2023 £'000
Borrowings	-	120,984
	-	120,984

Refer to note 22 to the Consolidated Financial Statements for further details of the Company's borrowings.

10. Related party transactions

The only key management personnel of the Company are the Directors. Details of their remuneration are contained at note 9 to the Consolidated Financial Statements.

The following transactions with subsidiaries occurred in the year:

	31 Dec 2024 £'000	31 Dec 2023 £'000
Opening amount due from related parties	388,092	432,643
Amounts repaid by related parties	(85,897)	(63,380)
Amounts advanced from related parties	(18,303)	-
Management recharges	1,878	3,489
Interest charged on loans	23,275	5,871
Dividend income	-	26,000
Foreign exchange differences	9,255	(16,531)
Closing amount due from related parties	318,300	388,092

The amounts owing to/from related parties are unsecured and repayable on demand.

11. Share-based payments

Details of the Group share-based plans are contained in note 26 to the Consolidated Financial Statements.

The Company operates an Approved share option plan. The Company's share-based payment arrangements are summarised below.

An option-holder has no voting or dividend rights in the Company before the exercise of a share option.

No options were exercised during the year (2023: none). No options were granted, forfeited or expired during the year (2023: none).

The number of options that are exercisable at 31 December 2024 is nil (2023: nil).

Share-based payments which were expensed in the entity and taken to equity in the year ended 31 December 2024 amounted to £nil (year ended 31 December 2023: £nil). The remaining difference between the share-based payments which were expensed as per note 26 to the Consolidated Financial Statements and the entity, relate to the options over the Company's share capital held by employees of subsidiaries.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Notes to the Company Financial Statements for the year ended 31 December 2024 (continued)

12. Dividends paid

Disclosure of dividends paid can be found at note 30 to the Consolidated Financial Statements.

13. Subsequent events

Disclosures in relation to events after 31 December 2024 are shown at note 34 to the Consolidated Financial Statements.

14. Ultimate controlling party

With effect from 31 March 2025, the immediate parent of Learning Technologies Group Limited (formerly Learning Technologies Group plc) was Leopard UK Bidco Limited, a company registered in England and Wales (no. 16077744) (note 34 to the Consolidated Financial Statements).

The ultimate controlling party and ultimate parent of the Company and the Group is Leopard Jersey TopCo Limited, a company registered in Jersey.

Learning Technologies Group Limited (formerly Learning Technologies Group plc)
Annual Report and Financial Statements for the year ended 31 December 2024

Glossary

Alternative Performance Measures

In reporting financial information, the Group presents alternative performance measures, “APMs”, which are not defined or specified under the requirements of IFRS. The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional useful information on the underlying trends, performance and position of the Group and are consistent with how business performance is measured internally. The alternative performance measures are not defined by IFRS and therefore may not be directly comparable with other companies’ APMs. The key APMs that the Group uses are outlined below.

	Closest equivalent IFRS measure	Reconciling items to IFRS measure	Definition and purpose
Income Statement Measures			
Adjusted EBIT	Operating profit	Adjusting items	Adjusted EBIT excludes adjusting items. A reconciliation from Adjusted EBIT to Operating profit is provided in the Consolidated statement of comprehensive income on page 43.
Adjusting items	None	Refer to definition	Items which are not considered part of the normal operating costs of the business, are separately disclosed because of their size, nature or incidence and are treated as adjusting. The Group believes the separate disclosure of these items provides additional useful information to users of the financial statements to enable a better understanding of the Group’s underlying financial performance. An explanation of the nature of the items identified as adjusting is provided at note 5 to the Consolidated Financial Statements.
SaaS and long-term contracts	Revenue		Recurring revenue is defined as the revenue streams of the Group that are predictable and expected to continue into the future upon customer renewal.
Transactional	Revenue		Non-recurring revenue is defined as the revenue streams of the Group that arise from one-off fees or services that may or may not happen again.
Balance Sheet Measures			
Net cash / debt	None	Refer to note 22	Net cash / debt is defined as Cash and cash equivalents and short-term deposits, less bank overdrafts and other current and non-current borrowings. Lease liabilities are excluded from net debt. A reconciliation is provided at note 22 to the Consolidated Financial Statements.