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For immediate release

10 July 2025

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

Government Funding and Trading Update

Northcoders (AIM:CODE), a market leader in technology training in the UK, today provides a Government funding and trading update.

On 25 April 2025, the Group confirmed that Government funding would move to a fully regional model whereby Skills Bootcamp programmes would be funded via localised structures.

It had been anticipated that many of the regional authorities would have made funding awards by this time, however, while multiple bids remain pending, several regional authorities have yet to issue tenders or confirm exact future funding allocations. We continue to receive updates suggesting delays, rather than cancellations.

We remain confident in the long term funding outlook due to our proven track record and reputation in the market, as evidenced by our recent OFSTED Outstanding accreditation and the demand for high quality Northcoders' graduates. Additionally, Skills England has highlighted several structural trends that strongly align with Northcoders' business and diversified delivery model: a shift towards modular, flexible and shorter-form training; increasing demand for AI and digital skills; and a growing preference among SMEs for fast-track upskilling programmes.

However, until greater clarity emerges, we cannot accurately predict the timing of income from Government-backed contracts. As a result, the Group expects revenue and profitability to be unpredictable for the remainder of the current year and we are therefore unable, with confidence, to support current market expectations.

Our B2B Counter® consultancy division continues to make positive progress, on which we look forward to updating the market in our upcoming trading update. Additional investment continues in areas such as AI, data engineering, corporate training solutions and adaptable learning models that meet the evolving needs of learners and employers.

In addition, the Group has taken decisive steps to control costs where possible. These include a reduction in annualised fixed costs of approximately £3.25 million, representing a 40% decrease on 2024's reported cost base. Cost reductions have been strategically planned to reduce risk while still allowing for continued investment into core areas of long-term growth and help, where possible, to protect gross margins. The Company's current cash balance is £2.25 million.

We remain confident in maintaining our positive cash position. The Group's existing £10 million contract with the DfE, which concludes later this year, continues to provide a solid foundation for the Group and helps offset some of the near-term headwinds, generating cash for many months ahead.

Chris Hill, Chief Executive Officer, commented:

"We are pleased with the continued progress made in diversifying Northcoders revenues whilst the Government funding transition takes place. However we are deeply frustrated by the delays, and believe that ultimately they are impacting the delivery of vital digital skills in the UK workforce. We remain confident that clarity regarding digital skills funding, which remains high on the Government's agenda for national growth, will crystallise soon and that our blend of technical excellence, strong employer relationships and new growth areas like Counter® will leave us in a stronger position once the landscape settles. Ultimately, we remain entirely aligned with the long-term direction of travel - skills, digital and AI remain

core national priorities. Northcoders is exceptionally well positioned to deliver future growth in these areas.

"I want to thank our team for their continued energy and resilience during this period. We have taken difficult but necessary steps to manage our cost base while continuing to invest in the areas experiencing strong demand, for example AI training, and in scaling our Counter consultancy division. The Board believes that these investments, along with the strength of our brand, operational capabilities and quality assurance, position us well for recovery and long-term success once the funding environment stabilises."

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Notes to Editors

Northcoders is a market leading provider of technology training for businesses and individuals with courses in, Software Engineering, Data Engineering and Platform Engineering. Founded in 2015, the Group's business model operates a hybrid structure with a flagship site in Manchester and other sites in Leeds, Birmingham and Newcastle supported by a proven digital offering to support its students across the UK.

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

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

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