

*This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended ("MAR"). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.*

**27 January 2026**

**Northcoders Group plc**  
(‘Northcoders’ or the ‘Company’)

**Trading Update**

*‘Resilient performance in a challenging environment underpinned by disciplined cost management and a strong balance sheet’*

Northcoders (AIM:CODE), a market leading consultancy and technology training business, provides the following unaudited trading update for the year ended 31 December 2025 (‘FY2025’).

FY2025 was a challenging year following structural changes to the UK Government’s skills funding system via the Department for Education (‘DfE’), such as regional procurement and altered allocation schedules. These shifts led to a significant drop in the number of funded learners across the entire sector. In response, the Board focused on safeguarding the core of the business by maintaining disciplined cost controls, ensuring operational resilience, and prioritising higher-quality delivery, particularly in the B2B consultancy division.

Unaudited Group revenue for FY2025 was £5.0 million (FY2024: £8.8 million). Despite a significant drop in funded learners, the Group kept strong gross margins thanks to disciplined delivery, careful direct cost management, and a deliberate move away from a volume based funding approach that was adopted in some areas of the training sector.

During the year, the Group earned around £0.4 million from B2C training revenue not funded by government, showing promising early progress in expanding beyond government-backed programmes. This included initial positive results for the newly introduced Next Gen Data and AI training, which the Board views as having significant long-term growth potential in line with employer demand.

DfE funding, where there has been a previous track record of success, has proved to be supportive, with contracts won in Lancashire and the Greater London Authority (‘GLA’). These contracts have been awarded in line with our expected seat prices and milestone allocations and will provide students in those areas with life-changing outcomes. We look forward to expanding these contracts, especially in London, where demand has been encouraging, with over 30 applications for every available seat. As a result, further funding has been awarded, adding further revenue visibility to training bootcamps for the H1 2026 period.

Encouragingly Counter®, the Group’s B2B challenger consultancy brand, increased revenue significantly to £1.5 million for FY2025 (FY2024: £0.9 million), a rise of 67%. Total sales booked for the year reached approximately £2.5 million, with about £1.0 million of contracted revenue rolled over into FY2026, most of which is expected to be delivered in the first half of the year. The Counter® pipeline continues to grow and further details can be found in the Outlook below.

In FY2025, the Group carried out various restructuring and efficiency initiatives which are projected to generate annual savings of around £1.1million, relative to FY2024. The actions were swiftly implemented to adjust the cost structure to current market conditions while maintaining essential delivery capabilities.

As of 31 December 2025, the Group’s cash balance was £1.6 million, with approximately £1.2 million in outstanding loans. There are no financial covenants associated with any of the Group’s loan facilities. The Board views the Group’s balance sheet as robust and maintains prudent cash management.

The Group anticipates reporting a statutory loss for FY2025, mainly due to the effects of changes in government funding and impairment of assets no longer crucial in current delivery.

**Outlook**

The Board expects an improved first-half trading period relative to FY2025.

Given that external market conditions concerning government-funded skills programmes will remain uncertain in the short term, we continue to adopt a cautious and disciplined approach to forecasting, ensuring that robust and prudent cash management remains a priority.

The Group entered FY2026 with improved visibility and momentum, particularly within Counter®. The first quarter is expected to be predominantly delivery-focused, supported by contracted revenue carried forward from FY2025.

The Group continues to secure and deliver contract wins through the G-Cloud framework and other established public-sector procurement routes, thereby strengthening routes to market for Counter® and employer-aligned delivery.

With an increased focus on UK technology skills, particularly in AI, and an insistence that better training and security

awareness must be available to build future economic growth, the Group has a strong pipeline of opportunities across existing and new clients within Counter®,

With a simplified cost base, visible government funding, resilient gross margins, a strong balance sheet and an expanding B2B proposition, the Board believes the Group is well placed to grow sustainably as market conditions stabilise.

**Chris Hill, Chief Executive Officer of Northcoders commented:**

*"Whilst FY2025 was a challenging year for the Group, our performance has been resilient and our focus on margin resolute. Following significant changes to the UK skills funding landscape, the number of funded B2C learners decreased across the sector. In response, we acted decisively by resizing the business, maintaining strict cost discipline and protecting gross margins, while continuing to invest selectively in higher-quality, employer-aligned delivery.*

*"We have taken a series of swift, deliberate actions to reposition the business and create a solid base for the future. Importantly, we ended the year with a strong balance sheet, no covenant constraints and improving revenue visibility.*

*"Our challenger consultancy brand, Counter®, continues to build momentum, supported by contracted revenue, a healthy pipeline of opportunities across existing and new clients, and recent success in key public-sector frameworks. As we enter FY2026, with a simplified cost base and a greater delivery focus in the first quarter, the Board believes Northcoders is well positioned to build sustainably as market conditions stabilise."*

**- Ends -**

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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](mailto:investors.northcodersgroup.com).

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