Impala Bidco Ltd

Unaudited Financial Statements
Period: Q2 2026

Overview

Impala Bidco Ltd (together with its subsidiaries, the "Group"), trading as Ativion (formerly Impero), is a global provider of digital safety, safeguarding, wellbeing and monitoring solutions, delivering predominantly recurring, SaaS-based platforms to the education sector and an expanding range of public sector organisations.

The Group's solutions are mission-critical and compliance-driven, designed to safeguard users - particularly children and young people - while enabling institutions to operate secure, efficient, and effective digital environments. Its platforms support schools in addressing increasingly complex digital risks, enhancing teaching and learning, and enabling IT teams to manage and protect their infrastructure. This strong alignment to safeguarding, duty of care, and regulatory requirements underpins high levels of customer retention and resilient, long-term demand.

Building on its established leadership position in education, the Group is increasingly extending its capabilities into public sector settings, where similar requirements around safeguarding, compliance, and digital risk management are driving structural demand. The Group operates a portfolio of recognised solutions, including ContentKeeper, StudentKeeper, and EdPro, addressing complementary needs across safeguarding, filtering, and classroom management.

Headquartered in Nottingham (UK), the Group has an international footprint spanning the United States and Australia.

The Group is a trusted provider to UK secondary education and has a strong and expanding presence in the United States. Globally, it supports thousands of customers across 77 countries, with its software deployed in school districts, corporations and a growing base of public sector customers.

Founded in 2002, the Group has evolved from a provider of network management tools for schools into a scaled, multi-product SaaS platform focused on digital safety, safeguarding, and wellbeing.
The Group has further strengthened its platform and international footprint through targeted, strategically aligned acquisitions. Notably, the acquisition of ContentKeeper in 2022 expanded its presence in the United States and added a market-leading web filtering capability, while earlier investments, including Safeguarding Monitor, enhanced its compliance-driven safeguarding offering.

The Group remains focused on its core mission: enabling safer digital environments and better outcomes for learners and the public institutions that support them.

The Highlights

1. Recurring revenue mix increased to 95.5% in Q2 2026 (Q2 2025: 91.2%), reflecting continued progress toward a subscription-led revenue model.

2. Q2 2026 bookings totalled £2.84m TCV (94% recurring), compared to £2.88m TCV in Q2 2025 (84% recurring), indicating improved booking quality despite modestly lower volume.

3. In April 2026 StudentKeeper reached General Availability (GA) in the UK and was subsequently relaunched in the US, supporting continued product development and expansion across core education markets.

4. Administrative expenses reduced year-on-year, reflecting ongoing cost discipline and rationalisation of non-core spend.

CEO Commentary

The second quarter showed continued progress in the parts of the business most directly within our control, set against a revenue picture that still carries the effects of decisions taken well before this new phase began. Overall, I am encouraged by the direction of travel, while recognising that considerable further progress remains to be made.

A key milestone during the quarter was the completion of the broader balance sheet restructuring. In June our bondholders and shareholders agreed a debt-for-equity swap, alongside additional funding provided by our shareholders. I am grateful for that support, which was not a given. The revised structure provides a stronger foundation for the business and gives us room to do the operational work that matters.

Operationally, the first half of the year was also shaped by the completion of the Netop separation. Netop, legally carved out in December, has required some time from the organisation through the first half of this year. The process is expected to conclude in the third quarter.

In parallel, we have continued to rebuild our commercial capability and strengthened our product proposition. We further invested in sales and marketing resources, where we previously had very little of either. StudentKeeper reached general availability in the UK during the quarter and was relaunched in the United States, in line with the product commitments outlined in March. New business in the UK and EMEA more than doubled year on year; while this is from a modest base, it represents the clearest sign yet that the rebuilt team is beginning to gain traction.

Customer retention and service quality were also important areas of focus during the quarter. Some of the most valuable work to date went into retention. Students across the markets have been using proxy sites to circumvent web filtering, and our engineering teams delivered detection capabilities for it quickly enough to matter. The response from affected districts has been the most positive I have had from the field since joining. Service improved alongside it: the time taken to deliver and run a proof of concept fell from forty-five days to seven, support resolution times reduced substantially across our main products, and we maintained customer satisfaction above 94%.

Stabilisation of revenue remains the principal area of focus for the next quarters. Revenue declined year on year mainly due to legacy contracts running off, a deliberate reduction in non-core and one-off revenue, and churn among customers contracted in FY24/25. That churn is regrettable. It is largely historic, and it is concentrated: most of it sits in legacy platforms that we have been sunsetting as part of our product consolidation strategy, sold on terms and against service levels we have since changed. At the same time, the quality of revenue is improving; recurring revenue stood at 95.5% of trading revenue, compared with 91.2% a year ago, and 94% of bookings were recurring, compared with 84%, on a broadly similar volume. What we have not yet done is replace that legacy revenue at the rate the business needs.

We have also strengthened how the organization and the way the business is managed. A Chief People Officer joined during the quarter, our first employee engagement survey is complete and being acted on, and a Chief Financial Officer joins in August. Since June, the management team has been more focused on performance, metrics and reporting, driving better understanding, focus and alignment. We have aligned our product taxonomy and pricing book to give clean, defensible revenue and product definitions. Automated renewals are now live for direct customers below a threshold value. We have worked hard to reset the cost base, with administrative expenses reduced year on year, and that work continues.

None of this progress would have happened without the people doing the work, who have carried a demanding year while looking after schools whose reliance on us is not simply commercial but impactful because this software helps keep children safe. We are still short of capability in places, and I have been open about where, but the commitment I have seen has been considerable.

The second half is about commercial delivery, and that is where our attention and our resources will be focused.

Jason Tomlinson
Group Chief Executive Officer, Ativion

The Financials

1. Q2 2026 Financial Commentary

- Total trading revenue for Q2 2026 decreased 17% year-on-year to £3.48m (Q2 2025: £4.20m), reflecting lower activity levels, the run-off of legacy contracts, and the ongoing transition in the business model. Recurring revenue declined 13% to £3.33m (Q2 2025: £3.83m), while non-recurring revenue decreased by £0.21m (57%), consistent with the continued reduction of non-core and one-off activities.

- Gross margin for Q2 2026 was 79.7% (Q2 2025: 77.7%), with cost of sales decreasing to £0.70m (Q2 2025: £0.92m). On a trailing twelve-month basis to June 2026, gross margin was 77.3%, reflecting changes in revenue mix and the impact of lower volumes during the period.

- Administrative expenses decreased 10% year-on-year to £3.16m (Q2 2025: £3.51m), reflecting continued cost discipline and the rationalisation of non-critical spend.

- Adjusted EBITDA for Q2 2026 was £(0.41)m, compared with £(0.36)m in Q2 2025, with the year-on-year decline primarily driven by lower revenue levels. This reflects the transitional nature of the business as it shifts toward a more recurring, subscription-led model, with revenue quality improving ahead of reported performance.

- Exceptional costs increased to £0.57m (Q2 2025: £0.37m), reflecting one-off costs including transformation and restructuring activities.

- Finance costs increased 20% to £2.32m (Q2 2025: £1.94m), reflecting compounding and additional borrowings in the trailing twelve months. Going forward the interest expense will is expected to reduce to the Bond debt-for-equity swap carried out in June 2026.

2. Consolidated Income Statement (Unaudited IFRS)

	Q2 2026 £'000	Q2 2025 £'000	TTM Jun-26 £'000
Revenue	3,466	4,139	14,835
Cost of sales	(703)	(922)	(3,372)
Gross profit	2,763	3,218	11,463
Administrative expenses	(3,161)	(3,514)	(12,052)
Exceptional costs	(568)	(367)	(2,333)
Ebitda	(965)	(664)	(2,921)
Depreciation & amortisation	(1,229)	(909)	(17,290)
Finance costs	(2,323)	(1,943)	(8,979)
Exchange rate variance	823	(4,990)	1,382
Gain/Loss - Disposal of Netop	-	-	(5,858)
Loss before tax	(3,694)	(8,507)	(33,665)
Tax	(1)	(2)	-
Loss after tax, Continued Operations	(3,696)	(8,509)	(33,665)
Profit/Loss, Discontinued Operations	-	541	(632)
Profit/Loss	(3,696)	(7,968)	(34,297)

Revenue			
Revenue	3,466	4,139	14,835
Reversal of unwind of deferred revenue haircut*	16	65	126
Trading revenue**	**3,483**	**4,204**	**14,962**
Recurring revenue	3,325	3,833	13,925
Non-recurring revenue	158	371	1,037
Total	**3,483**	**4,204**	**14,962**

Ebitda to adjusted ebitda bridge			
Ebitda	(965)	(664)	(2,921)
Exceptionals	568	367	2,333
Reversal of unwind of deferred revenue haircut*	16	65	126
Adjusted Ebitda***	**(381)**	**(231)**	**(463)**

***Deferred revenue haircut**
Deferred revenue haircut is the fair value adjustment required to be recognised when accounting for business combinations under IFRS3, to discount the book value of deferred revenue acquired to remove the profit element relating to sales and marketing effort performed prior to the business combination, leaving an amount reflecting the fair valuation of the delivery element only.

****Trading revenue**
Trading revenue is calculated as reported revenue excluding the impact of deferred revenue haircut. This reflects the revenue that would be recognised in accordance with accounting standards had the acquired entity always been a part of the group and is the reflective continuing revenue of the combined group on a normalised basis.

*****Adjusted EBITDA**
Adjusted EBITDA is calculated as Earnings before net finance cost, tax, depreciation and amortisation, impairment, loss on disposal of assets, foreign exchange gain or loss, exceptional items and deferred revenue haircut.

Adjusted pro-forma EBITDA
Adjusted pro-forma EBITDA is calculated as adjusted EBITDA plus the impact of cost saving initiatives in the period as if they were in effect for the full period

3. Consolidated Statement of Financial Position (Unaudited IFRS)

	Jun-26	Dec-25	Jun-25
	£'000	£'000	£'000
Non-current assets			
Intangible assets	69,459	71,434	96,261
Property, plant and equipment	1,183	1,186	1,176
	70,642	72,620	97,437
Current assets			
Inventories	1,408	1,069	1,247
Trade and other receivables	5,725	4,676	4,479
Cash and cash equivalents	4,198	4,894	844
	11,331	10,638	6,569
Current liabilities			
Trade and other payables	(6,752)	(6,790)	(5,778)
Group Payables	-	(0)	(11,249)
Contract liabilities ST	(7,308)	(8,171)	(8,511)
Lease liabilities ST	(140)	(140)	(147)
	(14,201)	(15,102)	(25,686)
Non-current liabilities			
Contract liabilities LT	(3,644)	(3,581)	(3,717)
Lease liabilities LT	(274)	(319)	(321)
Borrowings (non-current)	(54,383)	(64,200)	(62,115)
Deferred tax liabilities	(10,556)	(10,556)	(10,081)
	(68,857)	(78,656)	(76,235)
Net assets	**(1,085)**	**(10,500)**	**2,086**
Equity			
Share capital	6,698	2,235	2,235
Share premium	42,219	41,919	41,919
Other Reserves	16,730		
Retained earnings	(66,733)	(54,654)	(42,069)
Total equity	**(1,085)**	**(10,500)**	**2,086**

- Year-on-year, trade and other receivables increased £1.25m from Q2 2025 to Q2 2026.
- Cash increased year-on-year by £3.35m from Q2 2025 to Q2 2026. Q2 2026 received £4.63m of financing inflows, £2.76m in operating inflows, and was offset by £4.76m of outflows from operational activities, driven by a combination of tax outflows, lease payments, movement in working capital, and EBITDA results.
- Other loans – in addition to the April 2023 working capital facility agreement totaling SEK 25m SEK (c. USD 2.5m), July 2023 USD 2.5m shareholder loan, the February 2024 £5m loan provided by Impala Holdings Limited, the June 2024 £2.36m loan provided by Impala Holdings Limited, and the November 2024 £2.31m loan provided by Impala Holdings Limited, a loan of £1.59m was provided by Impala Holdings Limited in December 2024, a loan of £1.85m was provided by existing shareholders in January 2025, a loan of £1.5m was provided by existing shareholders in August 2025, and is subordinated to the existing SEK bonds and is only redeemable after the SEK bonds are fully discharged. The loan accrues interest accruing towards the ending debt balance (PIK interest).
- In June 2026, the Company confirmed that all conditions precedent in the written procedure initiated on 25 November 2025 and of the written procedure initiated on 5 May 2026 had been satisfied. Accordingly, the debt-for-equity swap contemplated by the Written Procedures was successfully completed followed by the write-down of the Bonds, as of 26 June 2026.

4. Consolidated Cashflow Statement (Unaudited)

	Q2 2026 £'000	Q2 2025 £'000	TTM Jun-26 £'000
Ebitda	(965)	(664)	(2,921)
Movement in WC	(942)	352	(2,326)
Tax receipts/(payments)	(40)	(124)	(803)
Lease payments	(57)	(71)	(295)
Operational cashflow	**(2,004)**	**(506)**	**(6,345)**
Investing			
Purchase of tangibles/intangibles	(264)	(469)	(1,262)
Proceeds From Sale of Netop	-	-	4,622
Acquisition of subsidiary net of cash	-	-	-
	(264)	**(469)**	**3,360**
Financing			
Loans drawn/(repaid)	-	-	1,512
Share Issue	4,828	-	4,828
(Deferred consideration)/Capital raised	-	-	-
Interest paid	(0)	0	(0)
	4,828	**0**	**6,339**
Opening	1,638	1,819	844
Cashflow	2,560	(975)	3,354
Closing	**4,198**	**844**	**4,198**

5. Accounting Policies and Notes to the Financial Statements

Impala Bidco Ltd is registered and incorporated in the United Kingdom. The registered office is Seventh Floor, East West, Tollhouse Hill, Nottingham, NG1 5FS. The Group consists of Impala Bidco Ltd (the “parent company”) and all its subsidiaries, of which Impala Bondco plc is one. The operations of the Group comprise of the development and provision of software to provide safe learning environments for learners globally.

These financial statements are prepared in alignment with International Financial Reporting Standards (“IFRS”) in conformity with the requirements of the Companies Act 2006.

Company Information

Name:	Impala Bidco Ltd
Address:	Seventh Floor, East West Tollhouse Hill Nottingham NG1 5FS United Kingdom
Company Registration Number:	10878303
Financial Year:	January 1 – December 31
Website:	www.imperosoftware.com
Board of Directors:	Gilbert Kamieniecky Roberta Vezzoli