



Q2 FY2023 EARNINGS SUPPLEMENT

SEPTEMBER 2022



DISCLAIMER

FORWARD LOOKING STATEMENTS

This document includes statements that are, or may be deemed to be, “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created by those laws. All statements, other than statements of historical facts, that address activities, events or developments that we expect or anticipate may occur in the future, including such things as our outlook (including bookings, adjusted revenue, and adjusted EBITDA), our product development and planning, our pipeline, future capital expenditures, share repurchases, financial results, the impact of regulatory changes, existing and evolving business strategies and acquisitions and dispositions, demand for our services and competitive strengths, goals, the benefits of new initiatives, growth of our business and our ability to successfully implement our plans, strategies, objectives, expectations and intentions are forward-looking statements. Also, when we use words such as “may,” “will,” “would,” “anticipate,” “believe,” “estimate,” “expect,” “intend,” “plan,” “project,” “forecast,” “seek,” “outlook,” “target,” “goal,” “probably,” or similar expressions, we are making forward-looking statements. Such statements are based upon the current beliefs and expectations of Skillsoft’s management and are subject to significant risks and uncertainties. All forward-looking disclosure is speculative by its nature.

There are important risks, uncertainties, events and factors that could cause our actual results or performance to differ materially from those in the forward-looking statements contained in this document, including:

- our ability to realize the benefits expected from the business combination between Skillsoft, Churchill Capital Corp. II, and Global Knowledge, and other recent transactions, including our acquisitions of Pluma and Codecademy, and disposition of SumTotal;
- the impact of U.S. and worldwide economic trends, financial market conditions, geopolitical events, natural disasters, climate change, public health crises, the ongoing COVID-19 pandemic (including any variant), political crises, or other catastrophic events on our business, liquidity, financial condition and results of operations;
- our ability to attract and retain key employees and qualified technical and sales personnel;
- our reliance on third parties to provide us with learning content, subject matter expertise, and content productions and the impact on our business if our relationships with these third parties are terminated;
- fluctuations in our future operating results;
- our ability to successfully identify, consummate, and achieve strategic objectives in connection with our acquisition opportunities and realize the benefits expected from the acquisition;
- the demand for, and acceptance of, our products and for cloud-based technology learning solutions in general;
- our ability to compete successfully in competitive markets and changes in the competitive environment in our industry and the markets in which we operate;
- our ability to market existing products and develop new products;
- a failure of our information technology infrastructure or any significant breach of security, including in relation to the migration of our key platforms from our systems to cloud storage;
- future regulatory, judicial, and legislative changes in our industry;
- our ability to comply with laws and regulations applicable to our business;
- a failure to achieve and maintain effective internal control over financial reporting;
- fluctuations in foreign currency exchange rates;
- our ability to protect or obtain intellectual property rights;
- our ability to raise additional capital;
- the impact of our indebtedness on our financial position and operating flexibility;
- our ability to meet future liquidity requirements and comply with restrictive covenants related to long-term indebtedness;
- our ability to implement our share repurchase program successfully;
- our ability to successfully defend ourselves in legal proceedings; and
- our ability to continue to meet applicable listing standards.

The foregoing list of factors is not exhaustive and new factors may emerge from time to time that could also affect actual performance and results. For more information, please see the risk factors included in our Form 10-K-filed with the SEC for the fiscal year ended January 31, 2022 and our other filings with the SEC.

Although we believe that the assumptions underlying our forward-looking statements are reasonable, any of these assumptions, and therefore also the forward-looking statements based on these assumptions, could themselves prove to be inaccurate. Given the significant uncertainties inherent in the forward-looking statements included in this document, our inclusion of this information is not a representation or guarantee by us that our objectives and plans will be achieved. Annualized, pro forma, projected, and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results. Additionally, statements as to market share, industry data, and our market position are based on the most currently available data available to us and our estimates regarding market position or other industry data included in this document or otherwise discussed by us involve risks and uncertainties and are subject to change based on various factors, including as set forth above.

Our forward-looking statements speak only as of the date made and we do not undertake to update these forward-looking statements unless required by applicable law. With regard to these risks, uncertainties, and assumptions, the forward-looking events discussed in this document may not occur, and we caution you against unduly relying on these forward-looking statements.

DISCLAIMER (CONTINUED)

NON-GAAP FINANCIAL MEASURES AND KEY PERFORMANCE METRICS

We track several non-GAAP financial measures and key performance metrics that we believe are key financial measures of our success. Non-GAAP measures and key performance metrics are frequently used by securities analysts, investors, and other interested parties in their evaluation of companies comparable to us, many of which present non-GAAP measures and key performance metrics when reporting their results. These measures can be useful in evaluating our performance against our peer companies because we believe the measures provide users with valuable insight into key components of U.S. GAAP financial disclosures. For example, a company with higher U.S. GAAP net income may not be as appealing to investors if its net income is more heavily comprised of gains on asset sales. Likewise, excluding the effects of interest income and expense moderates the impact of a company's capital structure on its performance. However, non-GAAP measures and key performance metrics have limitations as analytical tools. Because not all companies use identical calculations, our presentation of non-GAAP financial measures and key performance metrics may not be comparable to other similarly titled measures of other companies. They are not presentations made in accordance with U.S. GAAP, are not measures of financial condition or liquidity, and should not be considered as an alternative to profit or loss for the period determined in accordance with U.S. GAAP or operating cash flows determined in accordance with U.S. GAAP. As a result, these performance measures should not be considered in isolation from, or as a substitute analysis for, results of operations as determined in accordance with U.S. GAAP. We do not reconcile our forward-looking non-GAAP financial measures to the corresponding U.S. GAAP measures, due to variability and difficulty in making accurate forecasts and projections and/or certain information not being ascertainable or accessible; and because not all of the information necessary for a quantitative reconciliation of these forward-looking non-GAAP financial measures to the most directly comparable U.S. GAAP financial measure is available to us without unreasonable efforts. For the same reasons, we are unable to address the probable significance of the unavailable information. We provide non-GAAP financial measures that we believe will be achieved, however we cannot accurately predict all of the components of the adjusted calculations and the U.S. GAAP measures may be materially different than the non-GAAP measures.

Key Performance Metrics

We use key performance metrics to help us evaluate our performance and make strategic decisions. Additionally, we believe these metrics are useful as a supplement to investors in evaluating the Company's ongoing operational performance and trends. These key performance metrics are not based on any standardized methodology prescribed by GAAP and are not necessarily comparable to similarly-titled metrics presented by other companies.

Annualized Recurring Revenue ("ARR")

Represents the annualized recurring value of all active subscription contracts at the end of a reporting period. We believe ARR is useful for assessing the performance of our recurring subscription revenue base and identifying trends affecting our business.

Dollar Retention Rate ("DRR")

For existing customers at the beginning of a given period, DRR represents subscription renewals, upgrades, churn, and downgrades in such period divided by the beginning total renewable base for such customers for such period. Renewals reflect customers who renew their subscription, inclusive of auto-renewals for multi-year contracts, while churn reflects customers who choose to not renew their subscription. Upgrades include orders from customers that purchase additional licenses or content (e.g., a new Leadership and Business module), while downgrades reflect customers electing to decrease the number of licenses or reduce the size of their content package. Upgrades and downgrades also reflect changes in pricing. We use our DRR to measure the long-term value of customer contracts as well as our ability to retain and expand the revenue generated from our existing customers.

Bookings

Bookings (previously referred to as Order Intake) in any particular period represents orders received during that period and reflects (i) subscription renewals, upgrades, churn, and downgrades to existing customers, (ii) non-subscription services, and (iii) sales to new customers. Bookings generally represents a customer's annual obligation (versus the life of the contract), and, for the subscription business, revenue is recognized for such Bookings over the following 12 months. We use Bookings to measure and monitor current period business activity with respect to our ability to sell subscriptions and services to our platform.

Q2 FY2023 HIGHLIGHTS

\$148M

Adjusted Revenue⁽¹⁾

98%

LTM Dollar
Retention Rate
(Content)

5%

Content Bookings
Y/Y Pro Forma
Growth⁽²⁾

9%

Content Bookings
LTM Y/Y Pro Forma
Growth⁽²⁾

\$33M

Adjusted EBITDA⁽¹⁾

22%

Margin

- Board of Directors authorized up to \$30 million share repurchase
- Closed SumTotal sale post Q2 close on Aug 15th
- Integrated Codecademy content into Percipio
- Closed multiple Codecademy enterprise sales and built a healthy pipeline for H2

FY2023 OUTLOOK

- Revised outlook ranges reflect the sale of SumTotal, foreign exchange, lower fundamentals due to the performance of our transactional Global Knowledge business, and some macro-economic uncertainty.

(\$M)	Previous Outlook	SumTotal Impact	Foreign Exchange Impact	Lower Fundamentals	Updated Outlook
Bookings	\$790 to \$825	(\$127)	(\$15)	(\$70)	\$580 to \$615
Adjusted Revenue	\$765 to \$790	(\$123)	(\$15)	(\$70)	\$545 to \$580
Adjusted EBITDA	~ \$167	(\$37)	(\$4)	(\$20)	\$105 to \$125

Note:

(1) Adjusted Revenue and Adjusted EBITDA are non-GAAP financial measures. The Company is unable to reconcile forward looking non-GAAP measures without unreasonable efforts.

HISTORICAL QUARTERLY FINANCIAL PERFORMANCE

(\$M)

	FY2020A	FY2021A					FY2022A					FY2023A	
	Total	Q1A	Q2A	Q3A	Q4A	Total	Q1A	Q2A	Q3A	Q4A	Total	Q1A	Q2A
Content Bookings	\$347	\$39	\$59	\$74	\$164	\$334	\$39	\$64	\$78	\$168	\$349	\$51	\$77
GK/ILT Bookings	291	57	49	55	53	214	65	64	62	60	250	56	\$46
Total Bookings	\$638	\$96	\$107	\$129	\$217	\$549	\$104	\$127	\$140	\$227	\$599	\$107	\$124
Content Bookings Growth (cc) ⁽¹⁾		1%	-6%	-3%	-5%	-4%	-2%	7%	6%	4%	4%	33%	23%
Content LTM Bookings Growth (cc) ⁽¹⁾						-4%	-4%	-2%	0%	5%	5%	9%	12%
Content ARR	\$327	\$327	\$331	\$329	\$317	\$317	\$319	\$318	\$322	\$321	\$321	\$337	\$336
GK/ILT ARR	7	6	6	7	11	11	14	15	13	13	13	12	12
Total ARR	\$334	\$333	\$337	\$337	\$328	\$328	\$333	\$333	\$335	\$334	\$334	\$349	\$348
Content Quarterly DRR	92%	88%	88%	96%	94%	93%	91%	99%	98%	98%	97%	101%	98%
Content LTM DRR	92%	91%	90%	92%	93%	93%	93%	95%	95%	97%	97%	98%	98%
Content Revenue	\$366	\$85	\$86	\$87	\$88	\$346	\$82	\$85	\$87	\$86	\$341	\$90	\$99
GK/ILT Revenue (Gross)	288	61	50	51	55	217	55	61	62	60	237	51	50
Gross Revenue	\$654	\$146	\$136	\$138	\$143	\$563	\$137	\$146	\$148	\$147	\$579	\$141	\$148
GK/ILT Reseller Fees	(34)	(7)	(5)	(7)	(7)	(27)	(8)	(6)	(8)	(10)	(33)	(6)	(8)
Net Revenue	\$619	\$139	\$131	\$131	\$135	\$536	\$129	\$140	\$140	\$136	\$546	\$135	\$141
Adj. EBITDA (less SumTotal)							\$29	\$34				\$24	\$33

NOTES:

ALL FISCAL YEARS REFLECT PERIOD ENDING JANUARY 31

PRODUCT LEVEL VIEW OF BOOKINGS / DRR / ARR / REVENUE FOR SKILLSOFT CONTENT AND GLOBAL KNOWLEDGE. RECONCILIATION OF NON-GAAP FINANCIAL MEASURES PROVIDED IN APPENDIX

FY2023 BOOKINGS, ADJ REVENUE, AND ADJ EBITDA INCLUDE CODECADEMY BEGINNING APRIL 5TH FY2023

(1) BOOKINGS GROWTH RATES ARE CALCULATED AT THE FX RATES USED TO REPORT PRIOR YEAR

HISTORICAL QUARTERLY FINANCIAL PERFORMANCE

PROFORMA VALUES WITH CODECADEMY IN ALL YEARS STARTING APRIL 5TH

(\$M)

	FY2020A	FY2021A					FY2022A					FY2023A	
	Total	Q1A	Q2A	Q3A	Q4A	Total	Q1A	Q2A	Q3A	Q4A	Total	Q1A	Q2A
Content Bookings	\$368	\$41	\$69	\$84	\$175	\$369	\$42	\$75	\$91	\$182	\$389	\$51	\$77
GK/ILT Bookings	291	57	49	55	53	214	65	64	62	60	250	56	46
Total Bookings	\$659	\$98	\$118	\$139	\$228	\$583	\$107	\$138	\$152	\$241	\$639	\$107	\$124
Content Bookings Growth (cc) ⁽¹⁾		5%	1%	1%	-3%	0%	-1%	7%	8%	5%	6%	24%	5%
Content LTM Bookings Growth (cc) ⁽¹⁾						0%	-1%	0%	2%	6%	6%	9%	9%
Content ARR	\$327	\$327	\$331	\$329	\$317	\$317	\$319	\$318	\$322	\$321	\$321	\$337	\$336
GK/ILT ARR	7	6	6	7	11	11	14	15	13	13	13	12	12
Total ARR	\$334	\$333	\$337	\$337	\$328	\$328	\$333	\$333	\$335	\$334	\$334	\$349	\$348
Content Quarterly DRR	92%	88%	88%	96%	94%	93%	91%	99%	98%	98%	97%	101%	98%
Content LTM DRR	92%	91%	90%	92%	93%	93%	93%	95%	95%	97%	97%	98%	98%
Content Revenue	383	87	95	96	97	375	85	96	98	97	377	90	99
GK/ILT Revenue (Gross)	288	61	50	51	55	217	55	61	62	60	237	51	50
Gross Revenue	\$670	\$148	\$145	\$147	\$152	\$592	\$140	\$157	\$160	\$158	\$614	\$141	\$148
GK/ILT Reseller Fees	(34)	(7)	(5)	(7)	(7)	(27)	(8)	(6)	(8)	(10)	(33)	(6)	(8)
Net Revenue	\$636	\$141	\$139	\$140	\$145	\$565	\$132	\$150	\$151	\$148	\$581	\$135	\$141
Adj. EBITDA (less SumTotal)							\$28	\$30				\$24	\$33

NOTES:

ALL FISCAL YEARS REFLECT PERIOD ENDING JANUARY 31

PRODUCT LEVEL VIEW OF BOOKINGS / DRR / ARR / REVENUE FOR SKILLSOFT CONTENT AND GLOBAL KNOWLEDGE. RECONCILIATION OF NON-GAAP FINANCIAL MEASURES PROVIDED IN APPENDIX

PROFORMA BOOKINGS, ADJ REVENUE, AND ADJ EBITDA INCLUDE CODECADEMY IN THE YEAR AGO PERIOD BEGINNING APRIL 5TH IN EACH YEAR

(1) BOOKINGS GROWTH RATES ARE CALCULATED AT THE FX RATES USED TO REPORT PRIOR YEAR

CAPITAL STRUCTURE OVERVIEW

CAPITAL STRUCTURE

(\$M)

	AS OF Q2 FY2023 (7/31/2022)	POST SALE OF SUMTOTAL ⁽³⁾ (8/15/2022)
TOTAL DEBT⁽¹⁾	\$657	\$626
CASH	\$43	\$187
NET DEBT⁽¹⁾	\$614	\$439
NET DEBT / PRO FORMA LTM ADJ. EBITDA⁽²⁾	4.2X	4.0X

DEBT TERMS

(\$M)

TERM LOAN B FACILITY	\$640
MATURITY	2028
PRICING	SOFR + 525bps (0.75% SOFR floor)
PREPAYMENT	101 soft call from 7/17/22 to 1/16/23 Par thereafter

Notes:

(1) Based on outstanding principle balance as of July 31, 2022 including Term Loan B and accounts receivable facility, excluding unamortized original issue discounts and issuance costs.

(2) Based on Skillsoft LTM Adjusted EBITDA pro forma for Codecademy.

(3) Includes net cash proceeds of approximately \$175 million and mandatory debt prepayment of \$31 million.

APPENDIX



SUMMARY OF SHARES OUTSTANDING AT VARIOUS PRICES

(SHARES IN M)

Share Price	Public IPO Shares	Total Shares Outstanding ⁽⁴⁾	Public Shares as % of Shares Outstanding (Incl / Excl Public Warrants) ⁽¹⁾
\$10.00	34.3	163.8	21.0% / 21.0%
\$12.00	35.3	166.2	21.2% / 20.6%
\$14.00	38.4	174.7	22.0% / 19.6%
\$16.00	40.8	181.1	22.5% / 18.9%
\$18.00	42.6	186.0	22.9% / 18.4%
\$20.00	42.6	187.5	22.7% / 18.3%

Notes:

- (1) Public shares including public warrants (on a TSM basis) as % of total shares outstanding / public shares excluding public warrants (on a TSM basis) as % of total shares outstanding.
- (2) 34,309,021 shares.
- (3) Includes 1.5M warrants payable to Churchill sponsor for loan to Churchill at Churchill sponsor's option.
- (4) Shares and warrants net for Treasury Stock Method ("TSM").

COMMENTARY

SHARES:

- Includes 34.3M public IPO shares⁽²⁾
- Includes 17.25M founder shares
- Includes 28.5M shares issued to Skillssoft shareholders
- Includes 53.0M shares issued to PIPE investors
- Includes 33.9M shares issued in connection with the Codecademy acquisition

WARRANTS:

- Includes 23.0M public warrants issued in connection with the IPO
 - Strike price of \$11.50 / share and forced redemption price of \$18.00 / share
- Includes 17.3M private placement warrants purchased or acquired by the sponsor⁽³⁾
 - \$11.50 strike price; no forced redemption
- Includes 16.7M warrants issued to PIPE investors at substantively identical terms as the public warrants
- Includes 5.0M warrants issued as consideration for Global Knowledge transaction
 - \$11.50 strike price; no forced redemption

EMPLOYEE EQUITY:

- Share count does not include employee equity expected to be issued pursuant to the incentive plan (up to 10% of shares outstanding at closing of the Merger).

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES:

THREE MONTHS ENDED JULY 31, 2022

(IN THOUSANDS)

	<i>For the Three Months Ended July 31, 2022</i>		
	Non-GAAP		
	Revenue		
	Skillsoft Corp.	Adjustments ⁽¹⁾	Combined
Revenues:			
Total revenues	\$ 140,574	\$ 7,808	\$ 148,382
Operating expenses			
Cost of revenues	34,998	7,808	42,806
Content and software development	19,693		19,693
Selling and marketing	41,848		41,848
General and administrative	26,367		26,367
Amortization of intangible assets	45,200		45,200
Impairment of goodwill and intangible assets	70,475		70,475
Recapitalization and acquisition-related costs	8,452		8,452
Restructuring	4,323		4,323
Total operating expenses	251,356	7,808	259,164
Operating loss:	\$ (110,782)	\$ -	\$ (110,782)
Other income (expense), net	80		80
Fair value adjustment of warrants	6,846		6,846
Fair value adjustment of hedge instruments	(15,065)		(15,065)
Interest income	10		10
Interest expense	(11,470)		(11,470)
Loss before benefit from income taxes	(130,381)	-	(130,381)
Benefit from income taxes	(3,065)		(3,065)
Loss from continuing operations	(127,316)	-	(127,316)
Income from discontinued operations, net of tax	5,817		5,817
Net loss	\$ (121,499)	\$ -	\$ (121,499)
Adjusted net income and Adjusted EBITDA:			
Amortization of intangible assets	45,200		45,200
Impairment of goodwill and intangible assets	70,475		70,475
Recapitalization and acquisition-related costs	8,452		8,452
Restructuring	4,323		4,323
Warrant fair value adjustment and foreign currency	(7,066)		(7,066)
Fair value adjustment of hedge instruments	15,065		15,065
Stock-based compensation expense	10,017		10,017
Tax impact of non-GAAP adjustments	(3,757)		(3,757)
Income from discontinued operations, net of tax	(5,817)		(5,817)
Adjusted net income from continuing operations	\$ 15,393	\$ -	\$ 15,393
Expense from income taxes, excluding tax impacts above	692		692
Interest expense, net	11,460		11,460
Depreciation	942		942
Non-recurring costs and other	4,098		4,098
Adjusted EBITDA from continuing operations	\$ 32,585	\$ -	\$ 32,585
Adjusted EBITDA Margin %			22%

(1) Non-GAAP revenue adjustments include reseller fees, which are presented on a net basis in GAAP revenue.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES:

SIX MONTHS ENDED JULY 31, 2022

(IN THOUSANDS)

	For the Six Months Ended July 31, 2022		
		Non-GAAP Revenue Adjustments ⁽¹⁾	Combined
	Skillsoft Corp.		
Revenues:			
Total revenues	\$ 275,413	\$ 14,139	\$ 289,552
Operating expenses			
Cost of revenues	73,008	14,139	87,147
Content and software development	36,026		36,026
Selling and marketing	81,410		81,410
General and administrative	55,711		55,711
Amortization of intangible assets	84,758		84,758
Impairment of goodwill and intangible assets	70,475		70,475
Recapitalization and acquisition-related costs	21,764		21,764
Restructuring	8,279		8,279
Total operating expenses	431,431	14,139	445,570
Operating loss:	\$ (156,018)	\$ -	\$ (156,018)
Other income (expense), net	1,132		1,132
Fair value adjustment of warrants	16,952		16,952
Fair value adjustment of hedge instruments	(15,065)		(15,065)
Interest income	170		170
Interest expense	(23,007)		(23,007)
Loss before benefit from income taxes	(175,836)	-	(175,836)
Benefit from income taxes	(25,402)		(25,402)
Loss from continuing operations	(150,434)	-	(150,434)
Income from discontinued operations, net of tax	7,292		7,292
Net loss	\$ (143,142)	\$ -	\$ (143,142)
Adjusted net income and Adjusted EBITDA:			
Amortization of intangible assets	84,758		84,758
Impairment of goodwill and intangible assets	70,475		70,475
Recapitalization and acquisition-related costs	21,764		21,764
Restructuring	8,279		8,279
Warrant fair value adjustment and foreign currency	(18,123)		(18,123)
Fair value adjustment of hedge instruments	15,065		15,065
Stock-based compensation expense	18,510		18,510
Tax impact of non-GAAP adjustments	(5,149)		(5,149)
Income from discontinued operations, net of tax	(7,292)		(7,292)
Adjusted net income from continuing operations	\$ 45,145	\$ -	\$ 45,145
Benefit from income taxes, excluding tax impacts above	(20,253)		(20,253)
Interest expense, net	22,837		22,837
Depreciation	2,360		2,360
Non-recurring costs and other	6,561		6,561
Adjusted EBITDA from continuing operations	\$ 56,650	\$ -	\$ 56,650
Adjusted EBITDA Margin %			20%

(1) Non-GAAP revenue adjustments include reseller fees, which are presented on a net basis in GAAP revenue.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES:

THREE MONTHS ENDED JULY 31, 2021

(IN THOUSANDS)

	For the Three Months Ended July 31, 2021						
	For the Period from 5/1/21 to 6/11/21	For the Period from 5/1/21 to 6/11/21	Period from 6/12/21 to 7/31/21	Non-GAAP Revenue Adjustments (2)	Combined	Codecademy (3)	Proforma
	Global Knowledge	Skillsoft	Skillsoft (1)				
Revenues:							
Total revenues	\$ 25,255	\$ 34,814	\$ 75,466	\$ 10,923	\$ 146,458	\$ 10,309	\$ 156,767
Operating expenses							
Cost of revenues	11,836	6,949	22,290	6,468	47,543		
Content and software development	258	4,510	6,208		10,976		
Selling and marketing	5,398	10,905	19,650		35,953		
General and administrative	10,765	4,652	16,824		32,241		
Amortization of intangible assets	1,063	14,575	18,493		34,131		
Recapitalization and acquisition-related costs	-	4,927	9,900		14,827		
Restructuring	146	(910)	287		(477)		
Total operating expenses	29,466	45,608	93,652	6,468	175,194		
Operating loss:	\$ (4,211)	\$ (10,794)	\$ (18,186)	\$ 4,455	\$ (28,736)		
Other income (expense), net	(852)	304	(992)		(1,540)		
Fair value adjustment of warrants	-	800	17,115		17,915		
Interest income	-	53	9		62		
Interest expense	(1,901)	(5,354)	(9,265)		(16,520)		
Loss before benefit from income taxes	(6,964)	(14,991)	(11,319)	4,455	(28,819)		
Provision for (benefit from) income taxes	481	(464)	(1,996)		(1,979)		
Loss from continuing operations	(7,445)	(14,527)	(9,323)	4,455	(26,840)		
Income from discontinued operations, net of tax	-	2,668	(2,531)		137		
Net loss	\$ (7,445)	\$ (11,859)	\$ (11,854)	\$ 4,455	\$ (26,703)		
Adjusted net income and Adjusted EBITDA:							
Amortization of intangible assets	\$ 1,063	\$ 14,575	\$ 18,493	\$ -	\$ 34,131		
Impact of fresh-start reporting		4,455		(4,455)			
Recapitalization and acquisition-related costs	7,469	4,927	9,900	-	22,296		
Restructuring	266	(910)	287	-	(357)		
Warrant fair value adjustment and foreign currency	-	(1,179)	(16,377)	-	(17,556)		
Stock-based compensation expense	-	-	4,817		4,817		
Tax impact of non-GAAP adjustments	608	3,106	2,432		6,145		
Income from discontinued operations, net of tax	-	(2,668)	2,531	-	(137)		
Adjusted net income from continuing operations	\$ 1,961	\$ 10,447	\$ 10,229	\$ -	\$ 22,636		
Benefit from income taxes, excluding tax impacts above	(127)	(3,570)	(4,428)	-	(8,124)		
Interest expense, net	1,901	5,301	9,256	-	16,458		
Depreciation	467	557	1,006	-	2,030		
Non-recurring costs and other	709	460	154	-	1,323		
Adjusted EBITDA from continuing operations	\$ 4,911	\$ 13,195	\$ 16,217	\$ -	\$ 34,323		
Adjusted EBITDA Margin %							23%

(1) GAAP results of Skillsoft include Global Knowledge subsequent to June 11, 2021.

(2) Non-GAAP revenue adjustments include the add back of (i) non-cash deferred revenue fair value adjustments and (ii) reseller fees, which are presented on a net basis in GAAP revenue.

(3) Non-GAAP revenue adjustment includes proforma Codecademy revenue to allow better comparison against the three months ended July 31, 2022.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES:

SIX MONTHS ENDED JULY 31, 2021

(IN THOUSANDS)

	For the Six Months Ended July 31, 2021						
	For the Period from 2/1/21 to 6/11/21	For the Period from 2/1/21 to 6/11/21	For the Period from 6/12/21 to	Non-GAAP Revenue Adjustments (2)	Combined	Codecademy (3)	Proforma
	Global Knowledge	Skillsoft	Skillsoft (1)				
Revenues:							
Total revenues	\$ 71,932	\$ 102,494	\$ 75,466	\$ 33,640	\$ 283,532	\$ 13,070	\$ 296,602
Operating expenses							
Cost of revenues	34,698	22,043	22,290	14,557	93,588		
Content and software development	492	15,012	6,208	-	21,712		
Selling and marketing	16,404	34,401	19,650	-	70,455		
General and administrative	19,765	16,471	16,824	-	53,060		
Amortization of intangible assets	2,646	46,492	18,493	-	67,631		
Recapitalization and acquisition-related costs	-	6,641	9,900	-	16,541		
Restructuring	2,764	(576)	287	-	2,475		
Total operating expenses	76,769	140,484	93,652	14,557	325,462		
Operating loss:	\$ (4,837)	\$ (37,990)	\$ (18,186)	\$ 19,083	\$ (41,930)		
Other income (expense), net	624	(167)	(992)	-	(535)		
Fair value adjustment of warrants	-	900	17,115	-	18,015		
Interest income	-	60	9	-	69		
Interest expense	(11,970)	(16,763)	(9,265)	-	(37,998)		
Loss before benefit from income taxes	(16,183)	(53,960)	(11,319)	19,083	(62,379)		
Provision for (benefit from) income taxes	(359)	(3,521)	(1,996)	-	(5,876)		
Loss from continuing operations	(15,824)	(50,439)	(9,323)	19,083	(56,503)		
Income from discontinued operations, net of tax	-	1,175	(2,531)	-	(1,356)		
Net loss	\$ (15,824)	\$ (49,264)	\$ (11,854)	\$ 19,083	\$ (57,859)		
Adjusted net income and Adjusted EBITDA:							
Amortization of intangible assets	\$ 2,646	\$ 46,492	\$ 18,493	\$ -	\$ 67,631		
Impact of fresh-start reporting		19,083		(19,083)	-		
Recapitalization and acquisition-related costs	8,862	6,641	9,900	-	25,403		
Restructuring	2,884	(576)	287	-	2,595		
Warrant fair value adjustment and foreign currency	-	(1,001)	(16,377)	-	(17,378)		
Stock-based compensation expense	-	-	4,817	-	4,817		
Tax impact of non-GAAP adjustments	(319)	10,033	2,432	-	12,145		
Income from discontinued operations, net of tax	-	(1,175)	2,531	-	1,356		
Adjusted net income from continuing operations	\$ (1,751)	\$ 30,233	\$ 10,229	\$ -	\$ 38,710		
Benefit from income taxes, excluding tax impacts above	(40)	(13,554)	(4,428)	-	(18,021)		
Interest expense, net	11,970	16,703	9,256	-	37,929		
Depreciation	1,473	1,776	1,006	-	4,255		
Non-recurring costs and other	(714)	626	154	-	66		
Adjusted EBITDA from continuing operations	\$ 10,938	\$ 35,784	\$ 16,217	\$ -	\$ 62,939		
Adjusted EBITDA Margin %							22%

(1) GAAP results of Skillsoft include Global Knowledge subsequent to June 11, 2021.

(2) Non-GAAP revenue adjustments include the add back of (i) non-cash deferred revenue fair value adjustments and (ii) reseller fees, which are presented on a net basis in GAAP revenue.

(3) Non-GAAP revenue adjustment includes proforma Codecademy revenue to allow better comparison against the three months ended July 31, 2022.