



Q1 FY2023 EARNINGS SUPPLEMENT

JUNE 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. These forward-looking statements include information about possible or assumed future results of our operations. 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, 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 operations, 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,” “projects,” “forecasts,” “seeks,” “outlook,” “target,” “goals,” “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. Actual results may differ from those set forth in the forward-looking statements. 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;
- 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 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.

Q1 FY2023 HIGHLIGHTS

\$170M

Adjusted Revenue⁽¹⁾

101%

Dollar Retention
Rate
(Content)

31%

Content Bookings
Y/Y Growth

22%

Content Bookings
Y/Y Pro Forma
Growth⁽²⁾

\$33M

Adjusted EBITDA⁽¹⁾

19%

Margin

- Closed Codecademy transaction and started the integration.
- Working with 50 enterprise customers who have expressed interest in Codecademy offering, including some of the world's largest banks, healthcare companies, and professional services firms.
- Skillsoft Content segment had 31% new business growth, 13% increase in new logos, and 16% increase in average deal size.

HISTORICAL QUARTERLY FINANCIAL PERFORMANCE

(\$M)

	FY2020A	FY2021A					FY2022A					FY2023A
	Total	Q1A	Q2A	Q3A	Q4A	Total	Q1A	Q2A	Q3A	Q4A	Total	Q1A
Content Bookings	\$347	\$39	\$59	\$74	\$164	\$334	\$39	\$64	\$78	\$168	\$349	\$51
GK/ILT Bookings	291	57	49	55	53	214	65	64	62	60	250	56
SumTotal Bookings	138	32	24	28	40	124	25	27	29	41	123	19
Total Bookings	\$776	\$128	\$131	\$157	\$256	\$672	\$130	\$155	\$169	\$268	\$721	\$125
Content ARR	\$327	\$327	\$331	\$329	\$317	\$317	\$319	\$318	\$322	\$321	\$321	\$337
GK/ILT ARR	7	6	6	7	11	11	14	15	13	13	13	12
SumTotal ARR	111	107	101	101	99	99	97	96	96	97	97	90
Total ARR	\$445	\$440	\$438	\$438	\$427	\$427	\$430	\$429	\$430	\$431	\$431	\$439
Content DRR	92%	88%	88%	96%	94%	93%	91%	99%	98%	98%	97%	101%
SumTotal DRR	94%	96%	79%	99%	93%	92%	95%	99%	101%	102%	99%	73%
Content	\$366	\$85	\$86	\$87	\$88	\$346	\$82	\$85	\$87	\$86	\$341	\$90
GK/ILT	288	61	50	51	55	217	55	61	62	60	237	51
SumTotal	148	33	32	31	31	128	29	30	30	30	120	29
Total Adj Gross Revenue	\$802	\$180	\$168	\$169	\$174	\$691	\$166	\$176	\$179	\$176	\$698	\$170
GK/ILT Reseller Fees	(34)	(7)	(5)	(7)	(7)	(27)	(8)	(6)	(8)	(10)	(33)	(6)
Total Adj Net Revenue	\$768	\$172	\$163	\$162	\$166	\$664	\$158	\$170	\$171	\$166	\$665	\$164
Adj. EBITDA	\$221	\$43	\$42	\$49	\$29	\$164	\$38	\$43	\$49	\$36	\$167	\$33

Proforma⁽¹⁾ Adjustments for Codecademy – Q1

Content Bookings growth of 22% vs prior year of \$42M

Content Adj Gross Revenue growth of 5% vs prior year of \$85M

Total Bookings growth of -5% vs prior year of \$133M

Total Adj Gross Revenue growth of 1% vs prior year of \$169M

Adj EBITDA growth of -12% vs prior year of \$37M

NOTES:

ALL FISCAL YEARS REFLECT PERIOD ENDING JANUARY 31

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

FY2023 BOOKINGS, ADJ REVENUE, AND ADJ EBITDA INCLUDE CODECADEMY FOR APPROXIMATELY ONE MONTH FOR APRIL FY2023

⁽¹⁾ PROFORMA ADJUSTMENT ADDS CODECADEMY FOR APPROXIMATELY ONE MONTH FOR APRIL FY2022

⁽²⁾ PROFORMA ADJUSTMENT ADDS CODECADEMY FOR THREE MONTHS ENDING JULY FY2022

Proforma⁽²⁾ Adjustments for Codecademy – FY2022 Q2

Content Bookings of \$75M

Content Adj Gross Revenue of \$96M

Total Bookings of \$166M

Total Adj Gross Revenue of \$187M

Adj EBITDA of \$39M

FY2023 OUTLOOK

\$M	
	LOW HIGH
BOOKINGS	\$790 - \$825
ADJUSTED REVENUE ⁽¹⁾	\$765 - \$790
ADJUSTED EBITDA ⁽¹⁾	~\$167

- Bookings and Adj. Revenue trending towards low-end of ranges because of softness within Global Knowledge business.
- Initiated actions that we believe can positively impact 2HFY23 revenue.
- Expect to deliver to our Adj. EBITDA guidance of approximately \$167M even if GK does not see improving 2H results.

Expect at least low double digit FY2024 Adjusted EBITDA growth

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.

CAPITAL STRUCTURE OVERVIEW

CAPITAL STRUCTURE (\$M)

TOTAL DEBT⁽¹⁾	\$665
CASH⁽¹⁾	\$76
NET DEBT	\$589

NET DEBT / PRO FORMA LTM ADJ. EBITDA⁽²⁾	4.1X
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DEBT TERMS (\$M)

TERM LOAN B FACILITY	\$640
MATURITY	2028
PRICING	SOFR + 525bps (0.75% SOFR floor)
PREPAYMENT	102 hard call premium through 7/16/22 101 soft call from 7/17/22 to 1/16/23 Par thereafter

Notes:

(1) Based on outstanding principle balance as of April 30, 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.

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 Skillsoft 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 APRIL 30, 2022

\$ millions

	<i>Skillsoft Corp.</i>	<i>Non-GAAP Revenue Adjustments ⁽¹⁾</i>	<i>Combined</i>
Revenues:			
Total revenues	\$ 164	\$ 6	\$ 170
Operating expenses			
Cost of revenues	48	6	54
Content and software development	23	-	23
Selling and marketing	45	-	45
General and administrative	30	-	30
Amortization of intangible assets	44	-	44
Recapitalization and acquisition-related costs	13	-	13
Restructuring	4	-	4
Total operating expenses	206	6	213
Operating loss:	\$ (42)	\$ -	\$ (42)
Other income (expense), net	11	-	11
Interest income	0	-	0
Interest expense	(12)	-	(12)
Loss before benefit from income taxes	(43)	-	(43)
Benefit from income taxes	(22)	-	(22)
Net loss	\$ (22)	\$ -	\$ (22)
 EBITDA Computation			
Interest expense, net	\$ 12	\$ -	\$ 12
Benefit from income taxes	(22)	-	(22)
Depreciation and amortization	46	-	46
EBITDA	15	-	15
 Adjusted EBITDA Computation			
Plus: Non-recurring retention and consulting costs	1	-	1
Plus: Recapitalization and acquisition-related costs	13	-	13
Plus: Restructuring and contract terminations	4	-	4
Plus: Integration and migration related	2	-	2
Plus: Warrant fair value adjustment and foreign currency	(11)	-	(11)
Plus: Stock-based compensation expense	8	-	8
Plus: Other add backs	(0)	-	(0)
Adjusted EBITDA	\$ 33	\$ -	\$ 33

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES:

THREE MONTHS ENDED APRIL 30, 2021

\$ millions

	<u>GK</u>	<u>Skillssoft Corp.</u>	<u>Non-GAAP Revenue Adjustments ⁽¹⁾</u>	<u>Combined</u>	<u>Codecademy ⁽²⁾</u>	<u>Proforma</u>
Revenues:						
Total revenues	\$ 47	\$ 92	\$ 28	\$ 166	\$ 3	\$ 169
Operating expenses						
Cost of revenues	23	25	8	55		
Content and software development	0	17		17		
Selling and marketing	11	29		40		
General and administrative	9	12		21		
Amortization of intangible assets	1	35		36		
Recapitalization and acquisition-related costs	-	2		2		
Restructuring	3	1		3		
Total operating expenses	47	119	8	174		
Operating loss:	\$ (0)	\$ (28)	\$ 20	\$ (8)		
Other income (expense), net	1	(0)	-	1		
Interest income	-	0	-	0		
Interest expense	(10)	(11)	-	(22)		
Loss before benefit from income taxes				(28)		
Benefit from income taxes	(1)	(2)	-	(3)		
Net loss	\$ 1	\$ 2	\$ -	\$ (26)		
EBITDA Computation						
Interest expense, net	\$ 10	\$ 11	\$ -	\$ 22		
Benefit from income taxes	(1)	(2)	-	(3)		
Depreciation and amortization	3	37	-	40		
EBITDA	13	49	-	33		
Adjusted EBITDA Computation						
Plus: Non-recurring retention and consulting costs	-	1	-	1		
Plus: Recapitalization and acquisition-related costs	1	2	-	3		
Plus: Restructuring and contract terminations	3	1	-	3		
Plus: Integration and migration related	-	1	-	1		
Plus: Warrant fair value adjustment and foreign currency	(0)	0	-	(0)		
Plus: Impact of fresh-start and purchase accounting	-	18	(20)	(2)		
Plus: Stock-based compensation expense	-	-	-	-		
Plus: Other add backs	(2)	0	-	(1)		
Adjusted EBITDA	\$ 15	\$ 71	\$ (20)	\$ 38		

(1) 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.

(2) Non-GAAP revenue adjustment includes one month of proforma Codecademy revenue to allow better comparison against the three months ended April 30, 2022.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES:

TWELVE MONTHS ENDED JANUARY 31, 2022

\$ millions

	For the Twelve Months Ended January 31, 2022				
	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 1/31/22	Non-GAAP Revenue Adjustments ⁽²⁾	Combined
	Global Knowledge	Skillsoft	Skillsoft Corp. ⁽¹⁾		
Revenues:					
Total revenues	\$ 72	\$ 140	\$ 428	\$ 59	\$ 698
Operating expenses:					
Cost of revenues	35	36	126	33	230
Content and software development	-	24	47	-	71
Selling and marketing	16	42	106	-	164
General and administrative	20	17	72	-	109
Amortization of intangible assets	3	51	96	-	149
Recapitalization and acquisition-related costs	-	7	20	-	27
Restructuring	3	(1)	4	-	6
Total operating expenses	77	176	471	33	757
Operating loss:	\$ (5)	\$ (37)	\$ (43)	\$ 26	\$ (59)
Other income, net	1	-	(2)	-	(1)
Fair value adjustment of warrants	-	-	17	-	17
Interest expense	(12)	(17)	(24)	-	(53)
Reorganization items, net	-	-	-	-	-
Loss before benefit from income taxes	(16)	(53)	(52)	26	(95)
Provision for (benefit from) income taxes	-	(4)	(5)	-	(8)
Net loss	\$ (17)	\$ (49)	\$ (47)	\$ 26	\$ (87)
EBITDA Computation					
Interest expense, net	\$ 12	\$ 17	\$ 24	\$ -	\$ 53
Benefit from income taxes	-	(4)	(5)	-	(8)
Depreciation and amortization	4	54	102	-	161
EBITDA	-	18	75	26	119
Adjusted EBITDA Computation					
Plus: Non-recurring retention and consulting costs	-	1	6	-	7
Plus: Recapitalization and acquisition-related costs	9	7	20	-	36
Plus: Restructuring and contract terminations	3	(1)	4	-	6
Plus: Integration and migration related	-	1	2	-	3
Plus: Warrant fair value adjustment and foreign currency	-	-	(15)	-	(15)
Plus: Impact of fresh-start and purchase accounting	-	23	-	(26)	(2)
Plus: Stock-based compensation expense	-	-	15	-	15
Plus: Other add backs	(1)	-	(1)	-	(2)
Adjusted EBITDA	\$ 11	\$ 50	\$ 106	\$ -	\$ 167

(1) GAAP results of Skillsoft Corp. 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.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES:

TWELVE MONTHS ENDED JANUARY 31, 2021

\$ millions

	For the Twelve Months Ended January 31, 2021				
	For the Period from 2/1/20 to 1/31/21	For the Period from 2/1/20 to 8/27/20	For the Period from 8/28/20 to 1/31/21	Non-GAAP Revenue Adjustments ⁽¹⁾	Combined
	Global Knowledge	Predecessor (PL)	Predecessor (SLH)		
Revenues:					
Total revenues	\$ 189	\$ 274	\$ 109	\$ 119	\$ 691
Operating expenses					
Cost of revenues	103	52	41	29	225
Content and software development	2	39	30	-	72
Selling and marketing	42	75	55	1	173
General and administrative	34	37	22	-	93
Amortization of intangible assets	15	34	40	-	89
Impairment of intangible assets	60	332	-	-	392
Recapitalization and acquisition-related costs	-	32	16	-	48
Restructuring	8	1	4	-	13
Total operating expenses	263	604	208	30	1,105
Operating loss:	\$ (74)	\$ (330)	\$ (99)	\$ 89	\$ (414)
Other income (expense), net	(2)	1	3	-	3
Interest income	-	-	-	-	-
Interest expense	(33)	(168)	(20)	-	(221)
Reorganization items, net	-	3,329	-	-	3,329
Loss before benefit from income taxes	(108)	2,832	(116)	89	2,697
Provision for (benefit from) income taxes	-	68	(22)	-	47
Net loss	\$ (109)	\$ 2,764	\$ (94)	\$ 89	\$ 2,651
EBITDA Computation					
Interest expense, net	\$ 33	\$ 168	\$ 20	\$ -	\$ 221
Benefit from income taxes	-	68	(22)	-	47
Depreciation and amortization	21	42	42	-	105
Impairment of goodwill and intangible assets	60	332	-	-	392
EBITDA	5	3,375	(54)	89	3,415
Adjusted EBITDA Computation					
Plus: Non-recurring retention and consulting costs	2	11	2	-	15
Plus: Recapitalization and acquisition-related costs	4	31	17	-	52
Plus: Restructuring and contract terminations	5	1	4	-	11
Plus: Integration and migration related	-	3	(1)	-	3
Plus: Foreign currency and other non-cash expense	1	(1)	(3)	-	(4)
Plus: Impact of fresh-start and purchase accounting	-	(3,329)	86	(89)	(3,332)
Plus: Stock-based compensation expense	-	-	-	-	-
Plus: Other add backs	2	-	2	-	4
Adjusted EBITDA	\$ 19	\$ 91	\$ 53	\$ -	\$ 164

(1) 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.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES:

FISCAL YEAR ENDED JANUARY 31, 2020

(\$M)

	\$ millions	Fiscal Year Ended January 31, 2020		
		Skillsoft	Global Knowledge	Combined
Net Revenue		\$514	\$254	\$768
Impact of fresh-start and purchase accounting		--	--	--
One-time impact of the deconsolidation of Canada		--	--	--
Adjusted Net Revenue		\$514	\$254	\$768
Reseller Fees		--	34	34
Adjusted Revenue		\$514	\$288	\$802
Net income (loss) - GAAP		(\$849)	(\$23)	(\$872)
Interest expense, net		430	26	456
Provision for income taxes		11	0	12
Depreciation and amortization		106	22	128
Impairment of goodwill and intangible assets		441	0	441
Impact of fresh-start and purchase accounting		--	--	--
EBITDA		\$138	\$25	\$164
Non-recurring retention and consulting costs		10	1	11
Recapitalization and transaction-related costs		16	1	17
Restructuring and contract terminations		3	3	6
Integration and migration related		6	4	10
Foreign currency and other non-cash expense		11	1	11
Other add backs		0	2	2
Adjusted EBITDA		\$185	\$36	\$221