Impala Bidco Ltd

Unaudited Financial Statements
Period: Q3 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 94% in Q3 2026 (Q3 2025: 88%, re-presented excluding Netop), reflecting continued progress toward a subscription-led revenue model.

2. Q3 2026 bookings totalled £4.8m TCV (97% recurring), compared to £4.7m TCV in Q3 2025 (93% recurring), reflecting both a modest increase in volume and improved booking quality.

3. The separation of Netop, legally carved out in December 2025, was completed during the quarter, allowing the Group to focus fully on its core safeguarding and filtering business.

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

CEO Commentary

The third quarter was the first full quarter under our new capital structure. It showed progress in what we control directly (cost, cash and the quality of our revenue), but revenue has not yet stabilised and we still have much to do.

The debt-for-equity swap and write-down of the Bonds, completed on 26 June, are now reflected in our results. Finance costs fell 19% year on year to £1.7m. Net assets were £1.1m at 30 September, compared with a deficit of £10.6m at the end of 2025. We ended the quarter with £4.7m of cash, up from £4.2m at the end of June. That reflects operating cash inflow of £0.8m in the quarter, which came mainly from billing for the renewal season rather than from trading profit.

Revenue remains the central focus. Trading revenue for the quarter was £3.2m, 21% lower than a year ago. Recurring revenue fell 15% to £3.0m, reflecting churn and downsell in contracts sold in FY24/25, much of it on legacy platforms we are retiring. Non-recurring revenue fell 60% as we continued to move away from one-off and non-core work. The result is a smaller but better-quality revenue base: recurring revenue was 94% of trading revenue, compared with 88% a year ago. Bookings for the quarter were £4.8m TCV, 97% of which were recurring, compared with £4.7m and 93% in Q3 2025.

Adjusted EBITDA was a loss of £0.6m, compared with a small profit in Q3 2025. The fall came from lower gross profit, partly offset by a 5% reduction in administrative expenses to £3.1m. Exceptional costs halved to £0.2m as restructuring activity eased. We are also reviewing hosting and infrastructure costs, which have not fallen in line with revenue. The costs of hosting are increasing, and we are reviewing what initiatives can be actioned to reduce these costs.

Retention is now one of our key commercial focus areas. In product, StudentKeeper has been relaunched in the United States after reaching general availability in the UK. The proxy-detection capability we delivered earlier in the year continues to support renewals among districts dealing with filter circumvention. Service levels have held up: proof-of-concept lead times remain well below historic levels and customer satisfaction remains strong.

The leadership team is nearly complete. Excellent progress has been made. Our Chief Financial Officer joined in August, alongside the Chief People Officer appointed earlier in the year, and we have tightened our performance reporting, cash forecasting and collections. The separation of Netop, which was legally carved out in December 2025, was completed during the quarter. That ends a process that took up a significant share of management time in the first half of the year and lets the whole organisation focus on the core safeguarding and filtering business.

Looking ahead, early fourth-quarter trading confirms that stabilising recurring revenue will take time. The outcome of each season therefore sets much of the following year's recurring revenue, for us and for the market as a whole.

Our priorities for the rest of the year follow from this: reduce churn, rebuild new business and non-recurring sales, bring hosting costs back into line, and turn our cost discipline into cash.

None of this progress would have been possible without our people. They have carried a demanding year while continuing to support thousands of customers across 77 countries, helping them keep the children and young people in their care safe online. That responsibility goes well beyond a commercial relationship, and the commitment shown across the business has been exceptional. It gives me confidence that we can deliver the commercial recovery the next phase requires.

Jason Tomlinson
Group Chief Executive Officer, Ativion

The Financials

1. Q3 2026 Financial Commentary

- Total trading revenue for Q3 2026 decreased 21% year-on-year to £3.2m (Q3 2025: £4.1m), reflecting lower activity levels, the run-off of legacy contracts, and the ongoing transition in the business model. Recurring revenue declined 15% to £3.0m (Q3 2025: £3.6m), while non-recurring revenue decreased by £0.3m (60%), consistent with the continued reduction of non-core and one-off activities.

- Gross margin for Q3 2026 was 75% (Q3 2025: 79%), with cost of sales decreasing to £0.8m (Q3 2025: £0.8m). On a trailing twelve-month basis to September 2026, gross margin was 76%, reflecting changes in revenue mix and the impact of lower volumes during the period.

- Administrative expenses decreased 5% year-on-year to £3.1m (Q3 2025: £3.2m), reflecting continued cost discipline and the rationalisation of non-critical spend.

- Adjusted EBITDA for Q3 2026 was £(0.6)m, compared with a small profit in Q3 2025, with a year-on-year decline of £0.7m, primarily driven by a £0.8m reduction in gross profit, partly offset by lower administrative expenses. 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 decreased to £0.2m (Q3 2025: £0.4m), reflecting a reduction of one-off costs including transformation and restructuring activities.

- Finance costs decreased 19% to £1.7m (Q3 2025: £2.1m), primarily reflecting the reduction in bond principal following the debt-for-equity swap and write-down of the Bonds completed on 26 June 2026, partly offset by compounding interest and additional borrowings on other loans.

- Following the sale of Netop on 9 December 2025, Netop's results are presented as discontinued operations and prior-period comparatives have been re-presented on a continuing-operations basis. Q3 2025 trading revenue and Adjusted EBITDA therefore differ from previously reported figures by £0.9m and £0.2m respectively, being Netop's contribution in that quarter.

2. Consolidated Income Statement (Unaudited IFRS)

	Q3 2026 £'000	Q3 2025 £'000	TTM Sep-26 £'000
Revenue	3,217	4,035	13,813
Cost of sales	(799)	(843)	(3,329)
Gross profit	2,418	3,192	10,485
Administrative expenses	(3,056)	(3,212)	(12,104)
Exceptional costs	(182)	(381)	(2,133)
Ebitda	(820)	(401)	(3,753)
Depreciation & amortisation	(1,220)	(1,390)	(17,050)
Finance costs	(1,713)	(2,104)	(8,588)
Exchange rate variance	450	(276)	2,109
Gain/Loss - Disposal of Netop	-	-	(6,047)
Loss before tax	(3,303)	(4,171)	(33,329)
Tax	(0)	-	-
Loss after tax, Continued Operations	(3,303)	(4,171)	(33,329)
Profit/Loss, Discontinued Operations	-	370	(1,002)
Profit/Loss	(3,303)	(3,802)	(34,331)
Revenue			
Revenue	3,217	4,035	13,813
Reversal of unwind of deferred revenue haircut*	7	40	298
Trading revenue**	**3,224**	**4,074**	**14,111**
Recurring revenue	3,030	3,583	13,372
Non-recurring revenue	194	491	739
Total	**3,224**	**4,074**	**14,111**
Ebitda to adjusted ebitda bridge			
Ebitda	(820)	(401)	(3,753)
Exceptionals	182	381	2,133
Reversal of unwind of deferred revenue haircut*	7	40	298
Adjusted Ebitda***	**(632)**	**20**	**(1,321)**

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.

3. Consolidated Statement of Financial Position (Unaudited IFRS)

	Sep-26 £'000	Dec-25 £'000	Sep-25 £'000
Non-current assets			
Intangible assets	68,507	71,295	95,213
Property, plant and equipment	1,159	1,186	1,118
	69,666	72,481	96,330
Current assets			
Inventories	1,346	1,069	1,454
Trade and other receivables	5,804	4,676	3,918
Cash and cash equivalents	4,719	4,894	2,266
	11,869	10,638	7,638
Current liabilities			
Trade and other payables	(6,703)	(6,790)	(5,534)
Group Payables	5,265	(0)	(10,688)
Contract liabilities ST	(8,974)	(8,171)	(9,599)
Lease liabilities ST	(140)	(140)	(57)
	(10,552)	(15,102)	(25,877)
Non-current liabilities			
Contract liabilities LT	(3,929)	(3,581)	(3,827)
Lease liabilities LT	(251)	(319)	(330)
Borrowings (non-current)	(55,167)	(64,200)	(65,899)
Deferred tax liabilities	(10,556)	(10,556)	(10,081)
	(69,903)	(78,656)	(80,138)
Net assets	**1,080**	**(10,639)**	**(2,046)**
Equity			
Share capital	6,720	2,270	2,235
Share premium	42,179	41,879	41,919
Other Reserves	16,122	(970)	-
Retained earnings	(63,942)	(53,818)	(46,200)
Total equity	**1,080**	**(10,639)**	**(2,046)**

- Year-on-year, trade and other receivables increased £1.9m from Q3 2025 to Q3 2026.
- Cash increased year-on-year by £2.5m from Q3 2025 to Q3 2026. Q3 2026 received £4.1m in operating inflows and was offset by £3.3m 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 £5.0m loan provided by Impala Holdings Limited, the June 2024 £2.4m loan provided by Impala Holdings Limited, and the November 2024 £2.3m loan provided by Impala Holdings Limited, a loan of £1.6m was provided by Impala Holdings Limited in December 2024, a loan of £1.9m 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 procedures initiated on 25 November 2025 and 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)

	Q3 2026 £'000	Q3 2025 £'000	TTM Sep-26 £'000
Ebitda	(820)	(401)	(3,753)
Movement in WC	1,634	748	(819)
Tax receipts/(payments)	(20)	(29)	(794)
Lease payments	(29)	(124)	(200)
Operational cashflow	**765**	**194**	**(5,567)**
Investing			
Purchase of tangibles/intangibles	(244)	(283)	(1,430)
Proceeds From Sale of Netop	-	-	4,622
Acquisition of subsidiary net of cash	-	-	-
	(244)	**(283)**	**3,192**
Financing			
Loans drawn/(repaid)	-	1,512	-
Share Issue	-	-	4,828
(Deferred consideration)/Capital raised	-	-	-
Interest paid	(0)	(0)	(0)
	(0)	**1,512**	**4,828**
Opening	4,198	844	2,266
Cashflow	521	1,423	2,453
Closing	**4,719**	**2,266**	**4,719**

5. Accounting Policies and Notes to the Financial Statements

Impala Bidco Ltd is registered and incorporated in the United Kingdom. The registered office is Bridgford Business Centre, 29 Bridgford Road, West Bridgford, Nottingham, NG2 6AU. 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:	Bridgford Business Centre 29 Bridgford Road West Bridgford Nottingham NG2 6AU United Kingdom
Company Registration Number:	10878303
Financial Year:	January 1 – December 31
Website:	www.imperosoftware.com
Board of Directors:	Gilbert Kamieniecky Roberta Vezzoli Jason Tomlinson Mark Simmonds