

Risk Factors Comparison 2025-04-14 to 2024-04-15 Form: 10-K

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An investment in our securities involves a high degree of risk. You should carefully consider the following risk factors, together with all of the other information included in this Annual Report ~~on Form 10-K (this "Form 10-K" or "Annual Report")~~, before making an investment decision. The occurrence of one or more of the events or circumstances described in these risk factors and elsewhere in this Annual Report or subsequent filings that we make with the SEC, alone or in combination with other events or circumstances, may have a material an and adverse effect on our business, cash flows, financial condition, and results of operations. You should also carefully consider the following risk factors in addition to the other information included in this Annual Report, including matters addressed in the section entitled "Cautionary Note Regarding Forward-Looking Statements". We may face additional risks and uncertainties that are not presently known to us or that we currently deem immaterial, which may also impair our business, cash flows, financial condition, and results of operations. Therefore, the risk factors below should not be considered a complete list of potential risks that we may face. The following discussion should be read in conjunction with the financial statements and notes to the financial statements included herein. ~~9Risks-~~ Risks Related to Our Business and Operations The market for online learning solutions may not grow as we expect, which may harm our business and results of operations. Our future success will depend in part on the growth, if any, in the demand for online learning solutions. It is difficult to predict learner or partner demand for our platform, learner or partner adoption and renewal, the rate at which existing learners and partners ~~may~~ expand their engagement with our platform, the size and growth rate of the market for our platform, the entry of competitive offerings into the market, or the success of existing competitive offerings. It may take customers a substantial amount of time and resources to fully transition to an online platform or companies may face delays in doing so due to budget constraints, weakening economic conditions, or other factors. We cannot assure you that adoption of our platform will also increase as market demand increases. If the market for online learning solutions does not grow as we expect or our platform does not achieve widespread adoption, it could result in reduced customer spending, learner and partner attrition, and decreased revenue, any of which would adversely affect our business and results of operations. ~~Increased-6Increased~~ Increased competition may result in decreased demand for our products and services, which may result in reduced revenue and gross profits and loss of market share. The market for corporate learning and talent development solutions is highly fragmented, rapidly evolving, and competitive. In addition to increased competition from new companies entering the market, established ~~providers-~~ companies are entering the market through acquisitions of smaller ~~entities-~~ companies, which directly compete with us, and this trend is expected to continue. We may also face competition from publishing companies, educational institutions, vendors of enterprise application software, and human resource outsourcers, including those vendors with whom we have formed development and marketing alliances. Our primary sources of direct competition are: • enterprise software application providers with solutions they have developed to meet the needs of human capital management; • technology companies that offer learning courses covering their own products; • suppliers of digital or distance learning solutions; • free learning content; • internal education and training departments and human resources outsourcers of potential customers; • value-added resellers and network integrators; and • educational institutions. Growing competition may result in price reductions, reduced revenue and gross profits, and loss of market share, any one of which would have a material adverse effect on our business. Current and potential competitors have and may have substantially greater financial, technical, sales, marketing, and other resources, as well as greater name recognition, and we may face increasing price pressures from competitors as buyers demand more value for their learning and talent development budgets. Accordingly, we may be unable to provide digital learning and talent development solutions that compare favorably with new technology-led techniques, other interactive training software or human capital management platforms, or new learning solutions. Our future success will depend upon the extent to which we are able to develop and implement products which address emerging market requirements on a cost effective and timely basis. Product development is risky because it is difficult to foresee developments in technology, coordinate technical personnel, and identify and eliminate design flaws. Any significant delay in releasing new products could have a material adverse effect on the ultimate success of our products and could reduce sales of predecessor products. Emerging technologies also impact the competitive landscape for learning and talent development solutions. New content development methodologies and / or features and functionality, including artificial intelligence ("AI") and machine learning ("ML"), that enhance the learner experience could adversely impact our ability to compete in the market. Large language model programs such as OpenAI's ChatGPT have the potential to decrease the cost of producing content significantly and may decrease the willingness of buyers to purchase learning solutions altogether. New market entrants that provide technologies that improve the content delivery and / or management of learning solutions could also increase the level of competition in the market. In addition, even if companies implement technology-based learning solutions, they may still choose to design, develop, deliver, or manage all or part of their learning and development programs internally. If the shift to technology-based learning is not realized, or if companies do not use the products and services of third parties to develop, deliver, or manage their learning and development needs, then some of our products and services may not achieve commercial success. Lower priced solutions from competitors and access to free content will put pricing pressure on our solutions, and our ability to compete and maintain pricing will be dependent on our ability to differentiate our learning content and the learner experience our platform delivers. We have a history of losses, and we may not be able to generate sufficient revenue to achieve or maintain profitability in the future. We incurred net losses of \$ 121.9 million and \$ 349.3 million ~~and \$ 725.0 million~~ during the fiscal 2025 and fiscal years ended ~~January 31, 2024, and January 31, 2023,~~ respectively, and we had an accumulated deficit of \$ 1.34 billion as of January 31,

2024-2025. Our losses may continue as we make significant investments toward growing our business. We have invested, and expect to continue to invest, substantial financial and other resources in developing our platform, including expanding our platform offerings, developing or acquiring new platform features and services, integrating AI into our product offerings, expanding into new markets and geographies, and increasing our sales and marketing efforts. These expenditures will make achieving and maintaining profitability, if achieved, more difficult, and these efforts may also be more costly than we expect and may not result in increased revenue or growth in our business. Any failure to increase our revenue sufficiently to keep pace with our investments and other expenses could prevent us from achieving or maintaining profitability or positive cash flow on a consistent basis. As a result, we can provide no assurance as to whether or when we will achieve profitability. If we are not able to achieve and maintain profitability, the value of our business and our Class A common stock ("common stock") could decline significantly, and you investors could lose some or all of your their investment. We depend on senior leadership to manage and operate the business, and if we fail to retain and attract highly qualified employees our business could be harmed. Our success is largely dependent on the personal efforts and abilities of our senior management. Our compensation philosophies are designed to attract and retain senior management in a manner aligned with our financial performance. We compensate senior management through a combination of short-term cash and long-term equity participation incentives. The inability to meet the short-term incentives and prolonged stock price declines could adversely affect our ability to offer competitive compensation. Failure to retain these executives, or the loss of certain additional senior management personnel or other key employees and the associated loss of institutional knowledge and expertise, could have a material adverse effect on our business and future prospects. 10Skillsoft 7Skillsoft is a global business, and our success is also dependent, in part, on our ability to attract and retain qualified sales, marketing, and operational personnel capable of supporting a larger and more diverse worldwide customer base associated with our growth initiatives. The loss of a significant number of our technology, content or sales personnel and their services, particularly with respect to AI, could be disruptive to our innovation, development efforts and / or customer relationships. In addition, if any of our key employees joins a competitor or decides to otherwise compete with us, we may experience a material disruption of our operations and business strategy, which may cause us to lose customers or increase operating expenses and may divert our attention as we seek to recruit replacements for the departed employees. Issues in the development and use of AI artificial intelligence (including inclusive of GenAI) and machine learning may result in liability or reputational harm. We are building AI into many of our products and service offerings. AI presents new risks and challenges that could affect its use or application, and therefore our business. The challenges presented by AI include, but are not limited to, the following: • investing in AI is expensive, but insufficient investment in AI may cause us to fall behind competitors; • ineffective or inadequate AI development or deployment practices by us or others could result in incidents that impair the acceptance of AI solutions or cause harm to customers and users; • the costs of our AI products and services are likely to increase; • our AI may fail to work properly or be expensive to maintain; • datasets used in AI may be overbroad, insufficient, or contain biased information; • content generated by AI systems may be offensive, illegal, or otherwise harmful; • intellectual property rights relating to AI are currently unclear; • AI developments could subject us to regulatory action, legal liability, new applications of existing data protection, privacy, and intellectual property laws, and other laws; • some AI scenarios present ethical issues or may have broad impacts on society; • AI solutions may have unintended consequences or are controversial because of their impact on human rights, privacy, employment, or other social, economic, or political issues; and • the use of AI applications may result in increase the incidence of cybersecurity incidents. Demand for our products and services is susceptible to general global market and economic conditions. Weakness in the United States, the European Union and / or the worldwide economy has had and could continue to have a negative effect on demand for our products and our results of operations. For example, certain of our key markets, including the United States, have experienced, and may continue to experience, historically high rates of inflation and our operating costs have increased and may continue to increase. We sell our products to business organizations and consumers whose decisions fluctuate based on general economic and business conditions. The revenue growth and potential profitability of our business depends on demand for digital learning content and enterprise human capital management application software generally, and for learning and talent development solutions in particular. Companies may not view training products and services as critical to the success of their businesses. If companies experience declines in their business or anticipate that they will experience such declines, whether as a result of adverse economic conditions, competitive issues or other factors, they may decrease or forgo employee education and training expenditures to lower their expenses and may do so before limiting their other types of expenditures. In addition, during economic or financial downturns, companies may slow the rate at which they pay us or may become unable to pay their debts as they become due, which would have a negative effect on our results of operations and financial condition. In addition, a portion of our customer contract value is attributable to the number of users of our products at each of our customers, which in turn is influenced by the employment and hiring patterns of our customers and potential customers globally. To the extent that economic uncertainty or weak economic or financial conditions cause our customers and potential customers to freeze or reduce their headcount, demand for our products and services may be negatively affected. Additionally, economic downturns have historically resulted in overall reductions in spending on information technology and learning and talent development solutions as well as pressure from customers and potential customers for extended billing terms. If economic, political, or market conditions deteriorate, including as a result of actions taken by governmental entities, or if there is uncertainty around these conditions, our customers and potential customers may elect to decrease their information technology and people development budgets by deferring or reconsidering product purchases, which would limit our ability to grow our business and negatively affect our operating results. New products introduced by us may not be successful. An important part of our growth strategy is the continued development and enhancement of our existing offerings and the introduction of new learning content and the delivery of enhanced platform features and functionality, which includes the integration of AI into our products and services. These activities can open new revenue streams, ensure the currency of our content portfolio, and support customer

renewals and upgrades. Despite our efforts, we cannot assure you that we will be successful in updating and enhancing our current learning assets, developing and introducing new learning content, or delivering enhanced or new platform features and functionality, or that what we develop or introduce will be met with commercial acceptance. The failure to successfully introduce new, and enhance existing, learning content and platform functionality will not only hamper our growth prospects, but may also adversely impact our net income due to the development and marketing expenses associated with those offerings. Further, even if we are successful in introducing new learning content and platform functionality, our new offerings could decrease cannibalize the market share of our existing offerings, resulting in lower growth than anticipated. There can be no assurance that sales reductions cannibalization will not occur or become more significant in the future as we increase our presence in existing markets. ~~11~~ We rely ~~We may be unable to realize intended efficiencies and benefits from our comprehensive resource reallocation plan and go- to- market strategy, which may adversely affect our profitability, financial condition or our business. To operate more efficiently, we have undertaken a comprehensive resource reallocation plan, which includes reducing and realigning our cost structure, investing into areas of our business that we believe represent opportunities for significant growth, redesigning our go- to- market strategy and strengthening the focus on our core business. If we do not successfully manage our comprehensive resource reallocation plan and go- to- market strategy, our expected efficiencies and benefits might be delayed or not realized. The implementation of our comprehensive resource reallocation plan may also be disruptive to our operations, result in higher than anticipated restructuring charges, and otherwise adversely affect our results of operations and financial condition. Additional risks associated with the continuing impact of our comprehensive resource reallocation plan include employee attrition, the inability to hire new employees in the future, diversion of management attention, and adverse effects on employee morale. In addition, we may incur additional impairment charges related to goodwill or other intangible assets, which may be material and may exceed our current estimates. Furthermore, our ability to complete our comprehensive resource reallocation plan and go- to- market strategy and achieve anticipated benefits within the expected time frame, or at all, is subject to management's estimates and assumptions and may vary materially from our expectations, including as a result of factors that are beyond our control. Moreover, we could make changes to, or experience delays in executing our plans, which could cause further disruption and additional unanticipated expense, and our business may not be more efficient or effective than prior to their implementation.~~ ~~8~~ Our ILT offering relies on third parties to provide us with learning content, and subject matter expertise, and have content production relationships with third parties for our courses and learning content, and our relationships with these third parties may be terminated or fail to meet our requirements. We rely on independent third parties and subject matter experts to provide us with some of the learning content for certain of our courses and learning assets based on learning objectives and specific instructional design templates which we develop. We also have arrangements with content development partners for the production of our learning courseware and other digital learning assets. If these development partners and content providers / subject matter experts were to stop working with us, we cannot predict whether content would be available from reliable alternative sources or that we could enter into development partner relationships on reasonable terms and in a timely manner (or at all). In addition, a reliance on third- party subject matter experts and delivery partner organizations that could change their subject matter personnel, content, offerings, leadership, quality, or event schedule at any time, could cause revenue interruption. If one or more of these publishers were to terminate their license licenses with us, we may not be able to find substitute publishers for such content or we may be forced to pay increased royalties to these publishers to continue our licenses with them. In the event that we are unable to maintain or expand our current development relationships or enter into new development relationships, our operating results and financial condition could be materially adversely affected. In addition, the collaborative nature of the development process under these arrangements may result in longer development times and less control over the timing of delivery of certain product offerings. Our strategic partners may from time to time renegotiate the terms of their agreements with us, which could result in changes to the royalty or other economic terms, which could reduce our gross margins. The partners we rely on as part of the production process and for content or subject matter expertise may compete with us, which could harm our results of operations. Our agreements with these third parties generally do not restrict them from developing content for our competitors or from competing directly with us. Acquisitions of businesses or technologies may not....., which has since been remediated. If additional material weaknesses in our internal control over financial reporting are identified in the future, we may fail to meet our reporting obligations and our consolidated financial statements may contain a material misstatement, which, could result in the loss of investor confidence and negatively impact our stock price and financial condition. As a public company, we are required to maintain internal controls control over financial reporting and to report any material weaknesses in such internal controls control. Section 404 of the Sarbanes- Oxley Act (" SOX") requires that we evaluate and determine the effectiveness of our internal controls control over financial reporting. Our internal controls control over financial reporting will not prevent or detect all errors and fraud. Because of the inherent limitations in all control systems, no evaluation system of internal controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected. ~~Our~~ In connection with the preparation of our consolidated financial statements as of January 31, 2023 and for the fiscal year then ended, management concluded there was ~~has identified and remediated~~ a matter that constituted a material weakness in our internal controls over financial reporting relating to the Global Knowledge North America financial close processes that has since been remediated. Management additionally noted that no material errors were identified in the financial statements as a result of the material weaknesses. As a result of the material weakness, management hired additional qualified accounting and financial personnel with extensive experience in technical accounting and financial reporting and implemented remediation procedures and controls within the financial close process. Based on these -- the past improvements, management concluded the material weakness had been remediated as of January 31, 2024. ~~We~~ While our previous material weakness has been remediated, we cannot assure you that the measures we have taken to date, and actions we may take in the future, will be

sufficient to prevent or avoid potential future material weaknesses. Our current controls and any new controls that we develop may become inadequate because for a variety of reasons, including changes in conditions in our business. Further, additional weaknesses in our disclosure controls and / or internal controls— control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our operating results or cause us to fail to meet our reporting obligations and may result in a restatement of our annual or interim financial statements. This could also subject us to litigation or investigations requiring management resources and payment of legal and other expenses and negatively impact the price of our common stock. Our independent registered public accounting firm is expected—required to formally attest to the effectiveness of our internal controls— control over financial reporting each when the Company is scheduled to cease being an emerging growth company under applicable rules of the SEC, which we expect to occur as of our fiscal year ending January 31, 2025. Our At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our internal controls— control over financial reporting is documented, designed or operating. Ineffective disclosure controls and procedures and / or internal controls— control over financial reporting could also cause investors to lose confidence in our reported financial information, which would likely have a negative effect on the trading price of our common stock. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on the NYSE. Disruption to or failures of our platform and technology could result in our customers becoming unsatisfied with our platform and could harm our reputation. The performance and reliability of our platform and the underlying technology are critical to our operations, reputation, and ability to attract and retain partners and learners. Our partners rely on our platform to offer their courses and programs online, and learners must access our platform on a frequent and reliable basis. Our platform is complex and relies on infrastructure provided by third parties, and may contain defects, errors, or vulnerabilities, or may not perform as contemplated. These errors, defects, disruptions, breaches, or other performance problems with our platform could damage our or our partners' reputations, decrease partner and learner satisfaction and retention, negatively impact our ability to attract new learners and partners, and could result in large indemnity payments to learners and partners for losses suffered or incurred in connection with any such defects or errors on our platform, or other liabilities relating to or arising from our platform. In addition, sustained or recurring disruptions in our platform or its underlying technology could adversely affect our and our partners' compliance with applicable regulations and accrediting body standards. Further, if we fail to accurately predict the rate or timing of the growth of our platform or use of our other systems or networks, we may be required to incur significant additional costs to maintain reliability. We also depend on the development and maintenance of the Internet infrastructure, including maintenance of reliable Internet networks with the necessary speed, data capacity, and security. If we experience failures in our technology infrastructure or do not expand our technology infrastructure successfully, then our ability to attract and retain partners and learners, our growth prospects, and our business would suffer. We have experienced, and expect that in the future we will experience, interruptions, delays, and outages in service and availability from time to time due to a variety of factors, including infrastructure changes, human or software errors, website hosting disruptions, and capacity constraints, which could affect the availability of services on our platform and prevent or inhibit the ability of learners to access or complete courses and programs on our platform. Any disruption in its services, or any failure of a third- party provider to handle the demands of our platform, could significantly harm our business and damage our reputation. We do not have control over the operations of the facilities of the third- party providers that we use, and these facilities may be vulnerable to damage or interruption from natural disasters, cybersecurity attacks, terrorist attacks, power outages, and similar events or acts of misconduct. 13 We We are regularly subject to cybersecurity and other similar attacks. If our security measures are breached or unauthorized access to customer data is otherwise obtained, our platforms may be perceived as insecure, we may lose existing customers or fail to attract new customers, our reputation may be harmed, and we may incur significant liabilities. Our platform collects, stores, manages and otherwise processes third- party data, including our customers' data —and our own data. Our products and services, as well as our technologies, systems and networks have been subject to, and may in the future be subject to, cyberattacks cyber- attacks, computer viruses, ransomware or other malware, fraud, worms, social engineering, denial-of-service attacks, malicious software programs, intentional and unintentional insider threats and other cybersecurity incidents that have in the past, and may in the future, result in the unauthorized access, disclosure, acquisition, use, loss or destruction of sensitive personal or business data belonging to us and our customers. Cybersecurity Cybersecurity incidents can be caused by human error from our workforce or that of our third- party service providers, or other third parties on which we rely, by malicious third parties, acting alone or in groups, or by more sophisticated organizations. Cyberattacks may now be crafted with AI tools to directly attack information systems with increased speed and / or efficiency compared to a human threat actor or create more effective phishing emails. In addition, vulnerabilities could be introduced from the result of incorporating the output of an AI tool, such as AI generated source code, that includes a threat. The risk of state- sponsored or geopolitical- related cybersecurity incidents has also increased recently due to geopolitical tensions or incidents, such as the Russian invasion of Ukraine, the armed military conflict conflicts in Israel and the Gaza Strip Middle East and other international discord. New instances of Unauthorized unauthorized access to, or other security breaches of, our platforms or the other systems or networks used in our business, including those of our vendors, contractors, or those with which we have strategic relationships, could result in the loss, compromise or corruption of data, loss of business, reputational damage adversely affecting customer or investor confidence, regulatory investigations and orders, litigation, indemnity obligations, damages for contract breach, penalties for violation of applicable laws or regulations, significant costs for remediation, and other liabilities. Our platform and the other systems or networks used in our business are also at risk for breaches as a result of third- party action, or employee, vendor, or contractor error or malfeasance, including as a result of intentional or accidental misuse of authorized access to our systems. Additionally, we and many other companies with whom we interact increasingly rely on automated systems and processes, which creates and heightens certain security threats. Security is one of the learning curricula we provide on

our platform, which may cause our platform to be a target for hackers and others, and which may cause our brand, credibility, and reputation to be particularly sensitive to any security breaches. We have incurred and expect to continue to incur significant expenses to prevent security breaches, including deploying additional personnel and protection technologies, training employees, and engaging third- party experts and consultants. However, since the techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not identified until after they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. We may also experience security breaches that may remain undetected for an extended period and, therefore, have a greater impact on our platform, the proprietary and other confidential data contained therein or otherwise stored or processed in our operations, and ultimately on our business. We cannot assure you that any of our efforts to manage cybersecurity risk, including adoption of a comprehensive incident response plan and process for detecting, mitigating, and investigating security incidents that we regularly test through table- top exercises, testing of our security protocols through additional techniques, such as penetration testing, debriefing after security incidents, in efforts to improve our security and responses, and regular briefing of our directors and officers on our cybersecurity risks, preparedness, and management, will be effective in protecting us from such attacks. While we maintain insurance to cover operational risks, such as cyber risk and technology outages, our insurance may not be sufficient to cover all liability from cybersecurity incidents. These risks will likely increase as we expand our hosted offerings, integrate our products, services and solutions and store and process more data. Moreover, delayed sales, lower margins or lost customers resulting from disruptions caused by cyberattacks, overly burdensome preventative security measures or failure to fully meet information security control certification requirements could materially and adversely affect our financial results, stock price and reputation. Failure to effectively optimize, retain, expand, and continue to increase the productivity of our direct sales teams and develop and expand our indirect sales channel may impede our growth. We will need to continue to increase the productivity and enhance the efficiency and effectiveness of our sales and marketing infrastructure in order to grow our customer base and our business. Identifying, recruiting, and onboarding these **people team members** and partners requires significant time, expense, and attention. Our business will be seriously harmed, and our financial resources will be wasted, if our efforts do not generate a corresponding increase in revenue, and we may be required to sacrifice near- term growth and divert management time and attention in order to drive growth. In particular, if we are unable to successfully optimize our sales structure to strengthen core competencies, align incentives, improve retention, and grow new business, we may not be able to significantly increase our revenue, profitability, and / or free cash flows ~~, or we may experience declines.~~ **The Our market share** for instructor- led, synchronous learning may continue to decline. During fiscal **2025 and fiscal 2024 and fiscal 2023**, our **GK segment instructor- led training business**, which accounted for **27-23.6%** of our revenues in fiscal **2024-2025**, experienced a decline in bookings and revenue. The future success of **our ILT platform instructor- led training** will depend on our ability to offer **customers- clients** the learning solutions they need in the format they desire and trust. It remains unclear what evolving customer preferences will be on the in- classroom learning market and other instructor- led training, including synchronous remote learning. **14A- 10A** loss of our status as an authorized training provider with one or more key technology vendors could adversely affect our business. Our **GK instructor- led training** business derives a large portion of its revenue in any financial reporting period from delivering corporate training as an authorized training provider for certain technology companies, and has a concentrated portfolio of relationships with these technology companies. Our status as an authorized training partner for certain key technology companies provides certain benefits, including, among others, the ability to use official curricula created by key technology vendors, **to receive** subsidies, ~~marketing support~~ and other financial incentives provided by these technology vendors to support training on their products, representation on official training websites operated by the technology vendors, and the ability to issue certified training certificates from the technology vendors. Our operating results depend to a significant degree on our ability to maintain our status as an authorized training partner with such key technology vendors, and an inability to retain such status, or a significant change in our relationship with one or more of our technology vendors, could significantly reduce our revenue. Our worldwide operations are subject to risks that could negatively impact our future operating results. We expect that international operations will continue to account for a large portion of our revenue and are subject to inherent risks, including: • difficulties or delays in developing and supporting non- English language versions of our products and services; • difficulties in staffing and managing foreign subsidiary operations; • multiple, conflicting and changing governmental laws and regulations, including different data privacy and protection laws; • the influence of works councils or similar employee representative bodies on the procurement process and customer investment decisions; • protectionist laws and business practices that may favor local competitors; • difficulties in finding and managing local resellers; • **labor unrest and differences in regulations and statutes governing employee relations; • inflationary trends and rising costs; • changes in international political relations; • challenges in building and maintaining infrastructure to support operations;** • foreign currency fluctuations, including the Euro, pound sterling, Canadian dollar, Australian dollar, Indian rupee, Singapore dollar and related currencies; • potential adverse tax consequences; and • the absence or significant lack of legal protection for intellectual property rights. Any of these factors could have a material adverse effect on our future operations outside of the United States, which could negatively impact our future operating results. We intend to expand our international operations and continue to establish a worldwide partner and learner base. Our expansion efforts into international markets may not be successful. Additionally, our business and financial conditions have been, and may continue to be, impacted by worldwide macroeconomic and geopolitical conditions outside of our control, such as inflation, recessionary pressures, interest rate and exchange rate fluctuations, and volatility in ~~the~~ global financial markets, including instability in the banking sector. If we are not able to effectively prepare for and respond to changes in such conditions, our business, results of operations and financial condition could be materially adversely impacted. Increasing scrutiny, **complex regulations**, and evolving expectations from customers, partners, regulators, investors, and other stakeholders with respect to our environmental, social and governance practices may impose additional costs on us, expose us to new or additional risks, or harm our reputation. Companies are facing increasing

scrutiny from customers, partners, regulators, and investors related to their ~~environmental, sustainability and social impact~~ and ~~governance~~ (“ESG”) practices and disclosure. Additionally, public interest and legislative pressure related to public companies’ ESG practices continues to grow ~~along with various changing rules and regulations related to these types of matters from governmental and self-regulatory organizations. Conversely, anti-sustainability and anti-social impact sentiment has gained significant momentum in the United States, with recent executive orders from the new U. S. Administration and actions by the federal and certain state governments targeting various aspects of corporate practices and disclosure~~. If our ESG practices fail to meet regulatory requirements or investor or other industry stakeholders’ evolving expectations as they relate to the environment, health and safety, ~~diversity~~ ~~human capital management~~, labor conditions and human rights, product quality, supply chain management, corporate governance and ~~/or~~ transparency and employing ESG strategies in our operations, our reputation and employee retention may be negatively impacted, and customers may ~~reduce or~~ be unwilling to do business with us. Additionally, any disclosure we make may include our policies and practices on a variety of ESG matters, including corporate governance, environmental compliance, employee health and safety practices, human capital management, and workforce inclusion and diversity. It is ~~also~~ possible that stakeholders may not be satisfied with our ESG reporting, ~~our or~~ ESG practices ~~on these topics. As attitudes toward these matters and or our approach to these issues evolves, we cannot guarantee that our approach will align with the expectations~~ ~~our or~~ speed preferences of any particular stakeholders adoption. We could also incur additional costs and devote additional resources to monitor, report and implement various ESG practices. If we fail, ~~or are perceived unable to successfully manage divergent sustainability and social impact expectations, we could see a deterioration of stakeholder trust and we may be subjected~~ failing to meet scrutiny by the government, standards included in any sustainability disclosure or the expectations of media, ~~our or~~ various stakeholders in a manner that may adversely impact our reputation, it result in the loss of customers or potential customers, lead to government investigations and the potential for fines or other adverse regulatory action, or otherwise adversely affect our business. Navigating varying expectations of policymakers and other stakeholders has inherent costs, and any failure to successfully navigate such expectations may expose us to negative publicity, shareholder activism, and litigation or other engagement from pro- and anti-policy stakeholders, as well as the potential for civil investigations and enforcement by governmental authorities. In this regard, any scrutiny by governmental authorities of our human capital and strategic businesses practices, or our product and service offerings, may have a material adverse effect on us, our operations or financial results. Acquisitions of businesses or technologies may not produce the benefits we anticipate and could negatively harm our current operations. We have in the past acquired and may in the future seek to identify and acquire businesses or technologies that we believe will contribute to our future growth. We may not, however, be successful in identifying or consummating attractive acquisition opportunities. Moreover, any acquisitions we do consummate may not produce benefits commensurate with the purchase price we pay or our expectations for the acquisition. Acquisitions involve numerous risks, including: ● difficulties in integrating the technologies, operations, business systems, financial controls, and personnel of the acquired company; ● failure to realize expected synergies or capture the value required for the acquisition to be successful; ● difficulties in retaining or transitioning customers and employees of the acquired company; ● diversion of management time and focus; ● the incurrence of unanticipated expenses associated with the acquisition or the assumption of unknown liabilities or unanticipated financial, accounting or other problems of the acquired company; and ● accounting charges related to the acquisition, including restructuring charges, transaction costs, write-offs of in-process research and development costs, and subsequent impairment charges relating to goodwill or other intangible assets acquired in the transaction. Goodwill ~~and indefinite-lived intangible~~ recorded in connection with our acquisitions is subject to impairment, which could reduce our earnings. We review our goodwill ~~and indefinite-lived intangible~~ for impairment at least annually and when events or changes in circumstances indicate that the carrying value may not be recoverable. ~~Should~~ ~~11~~ ~~During the fourth quarter of fiscal 2024, we experience identified triggering events for impairment primarily attributable to the~~ ~~impact our reputation, customer of the observed prolonged and learner acquisition~~ ~~substantial decline in the Company’s stock price and retention~~ ~~market capitalization~~, access competitive market analysis and observable industry multiples, which increased our discount rate assumption. In addition, the estimated future cash flows for our ~~to two~~ capital reporting segments declined. As a result, the Company recorded aggregate impairment losses of \$ 202. 2 million associated with its goodwill and ~~employee retention~~ intangible assets. As of January 31, 2025, the Company has \$ 317. 1 million of goodwill and \$ 427. 2 million of intangible assets on its balance sheet. Should we experience business challenges or significant negative industry or general economic trends, we may be required to recognize additional impairments to our goodwill and indefinite-lived intangible assets. Any impairment of the value of goodwill or indefinite-lived intangible assets will result in a charge against earnings, which could have a material adverse impact on our reported results of operations and financial condition. As of January 1, 2025, we estimated the fair value of our indefinite-lived trademark intangible and, as of such date, the fair value was in excess of the carrying value. However, this excess was not substantial and changes in key assumptions could materially affect the estimated fair value of the indefinite-lived trademark intangible asset and result in future impairment charges. For additional information on goodwill impairments, see Note 5 to our Consolidated Financial Statements. Our business is subject to the risks of pandemics, earthquakes, ~~fires~~ ~~wildfire, droughts~~, floods and other natural catastrophic events, and to interruption by man-made problems such as power disruptions, computer viruses, data security breaches, terrorism or ~~wars~~ ~~war~~. Our operations are subject to interruption by natural disasters, flooding, ~~fires~~ ~~fire~~, power shortages, public health epidemics ~~emergencies~~, terrorism, political unrest, cyber-attacks, geopolitical instability, ~~wars~~ ~~war~~, the effects of climate change and other events beyond our control. A significant natural disaster, such as a ~~drought, wildfire, severe storm~~, hurricane, fire or flood, occurring at ~~our headquarters, at one of our other~~ facilities or where a partner or service provider is located could adversely affect our business, results of operations and financial condition. Climate change could result in an increase in the

frequency or severity of natural disasters. Further, if a natural disaster or man-made problem were to affect our service providers, this could adversely affect the ability of our customers to use our products and platform. Natural disasters, public health **emergencies** epidemics or pandemics, and geopolitical events, such as the war in Ukraine, the **Israel on-going Hamas war, and military** conflicts in the Middle East or other parts of the world, could cause disruptions in our businesses, national economies or the world economy as a whole, and may also negatively affect the financial resources available to learners or the operating budgets of our partners or customers, any of which could in turn negatively impact our business and operating results. We also rely on our network and third-party infrastructure and enterprise applications and internal technology systems for our sales and marketing activities and operations. Although we maintain incident management and disaster response plans, in the event of a major disruption caused by a natural disaster or man-made problem, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our development activities, lengthy interruptions in service, breaches of data security and loss of critical data, any of which could adversely affect our business, results of operations and financial condition.

Legal, Regulatory and Related Risks Significant changes to the size, structure, powers and operations of the federal, state, and local government may cause economic disruptions that could, in turn, adversely impact our business, results of operations and financial condition. The new U. S. Administration has and continues to implement significant changes related to the size and scope of the federal government and reform its operations to achieve stated goals that include reducing the federal budget deficit and national debt, improving the efficiency of government operations, and promoting innovation and economic growth. These changes, if implemented and / or maintained, may also have adverse effects on state and local governments that rely on federal funding as well as the economy as a whole, that are difficult to predict. In addition, U. S. President Trump has recently issued various executive orders which may have an impact on the Company's operations and financial condition. Certain of these executive orders require federal agencies to terminate any policies, programs, mandates, guidance, regulations, and other actions and orders involving diversity, equity, gender ideology, inclusion and accessibility practices based preferences, and to enforce federal civil rights laws to combat such preferences, mandates, policies, programs and activities of entities operating in the private sector including, but not limited to, entities that contract with the U. S federal government. While the enforceability of the executive orders and the steps that various federal agencies may take in response to them are uncertain at this time, these actions signal a material shift in federal policy that can be expected to have significant implications for the federal, state and local governments as well as the private sector. In addition, the Company maintains significant relationships with various governmental entities and agencies, and with private sector entities that maintain such relationships of their own, and any of these relationships may be adversely impacted by this shift in federal policy. Furthermore, as a U. S. government contractor we may be subject to the recent executive orders and related regulatory changes which may adversely affect various aspects of our operations. In addition, if we fail or are otherwise unable to comply with the new requirements, doing so could expose us to administrative, civil, or criminal liabilities, including fines, penalties, repayments or suspension or debarment from eligibility for future U. S. government contracts. Moreover, we may be required to incur significant costs responding to any such activity and our relationships and reputation with existing and prospective customers and third parties with which we do business could be affected as well. This, in turn, could have an adverse effect on our ability to attract and retain customers and employees and could have a negative impact on the market price for our securities. Certain of our customers, suppliers, or other stakeholders are also subject to such expectations and risks, which may result in additional or augmented risks to us. Finally, certain disclosure rules that had been advanced or were under consideration by the regulatory agencies in the last few years (e. g., disclosure rules regarding climate risk, human capital management, and board diversity) have been in some cases, or may be, abandoned by new leadership and other changes may be implemented, which could impact our expenses and / or results of operations.

Regulatory and legislative developments on the use of **AI artificial intelligence** and machine learning could adversely affect **the our** use of such technologies in our products and services. We use AI in our product and service offerings and throughout our business generally. As the regulatory framework for machine learning technology and **AI artificial intelligence** evolves, our business, financial condition, and results of operations may be adversely affected. The regulatory framework for **AI artificial intelligence**, machine learning technology, and automated decision making is evolving. It is possible that new laws and regulations will be adopted **in throughout** the United States and in **other non- U. S.** jurisdictions, or that existing laws and regulations may be interpreted in ways that would affect the operation of our learning platforms and the way in which we use **AI artificial intelligence** and machine learning technology . **Various U. S. states, including California and Colorado, have also recently adopted laws and regulations applicable to the development and use of AI systems and outputs, and U. S. federal AI legislation has also been introduced in the Senate. Additionally, the European Commission adopted the Artificial Intelligence Act (" AI Act ") , which is expected to take full effect in 2026. The AI Act would introduce significant compliance obligations and regulatory fines for breaches on all operators of AI systems and may potentially classify certain uses of AI systems in an educational context as high risk. Actual or alleged failures to comply with the AI Act may result in penalties of up to 35 million euros or up to 7 % of an operator's total worldwide annual turnover, whichever is greater. The full extent and applicability of these requirements to our business will not be certain until the proposal becomes effective .** Further, the cost to comply with such laws or regulations could be significant and would increase our operating expenses, which could adversely affect our business, financial condition and results of operations. Failure or perceived failure to comply with regulations relating to some career training services could result in the imposition of penalties or the interruption of our ability to provide services in certain jurisdictions. In many jurisdictions in which we operate, some career training services are subject to licensing requirements. We do not believe that the services we provide are subject to such licensing requirements. Regulators **could have disagreed in the past and may disagree in the future** with our assessment regarding the applicability of licensure requirements and take enforcement action against us, including by imposing penalties or

prohibiting us from offering career-related training services in a relevant jurisdiction until we are able to obtain the requisite license. For example, regulatory action has in the past been taken against us in respect of licensing requirements applicable to providers of career training services in certain jurisdictions and regulatory inquiries have occasionally been made about our licensure. Existing or future laws and regulations relating to privacy or data security could increase the cost of our products, limit their use and adoption, and subject us or our customers to litigation, regulatory investigations and penalties, and other potential liabilities. The U. S. federal government and various state governments have adopted or proposed laws and regulations governing the collection, use, storage, sharing and processing of personal data. Several foreign jurisdictions, including but not limited to the European Union (“EU”) and its member states, the United Kingdom (“UK”), Korea, Japan, Singapore, Australia, and India, have adopted legislation (including directives or regulations) that increase or change the requirements governing the collection, use, disclosure, and other processing of personal data of individuals in these jurisdictions. In some cases, these laws impose obligations not only on many of our customers, but also directly on us. These laws and regulations are complex, and their scope and number are expanding, with new laws and regulations proposed frequently. Some of the existing laws and regulations also are frequently updated, at times due to differing economic conditions and changes in political climate, and they are subject to different and sometimes conflicting interpretations. Monitoring and abiding by these laws and regulations entails costs that may be unpredictable, risks of penalties and reputational damage in the event of noncompliance, and may increase the cost and operational complexity of selling and delivering our solutions. For example, the EU’s General Data Protection Regulation (“GDPR”) imposes obligations on our customers and directly on us. Among other obligations under the GDPR, we are required to: provide detailed disclosures to individuals about how we collect, use, and share their personal data; contractually commit to data protection measures in our contracts with customers; maintain adequate data security measures; notify regulators and affected individuals of certain personal data breaches; meet extensive privacy governance and documentation requirements; and honor individuals’ expanded data protection rights, including their rights to access, correct, and delete their personal data. Companies that violate the GDPR can face fines of up to the greater of 20 million euros or 4 % of their worldwide annual revenue, and restrictions on data processing. Our customers’ or our vendors’ failure to comply with the GDPR could lead to significant fines imposed by regulators or restrictions on our ability to process personal information as needed to provide our services. We may also be obligated to assist our customers with their own compliance obligations under the GDPR. Given our receipt of personal data in the United States, the GDPR’s restrictions on cross-border transfers of personal data as well as attendant privacy and security requirements complicate our operations and make them more expensive to implement. Moreover, although the GDPR allows companies, subject to strict data protection requirements, to transfer personal data outside of the European Economic Area (“EEA”), the sufficiency of those requirements has faced ongoing legal challenges by privacy advocates in the EU, with a new challenge recently threatened. These challenges seek to invalidate the mechanisms on which we rely to transfer personal data from the EEA. Loss of our ability to lawfully transfer personal data out of the EEA to any other jurisdictions may cause reluctance or refusal by current or prospective European customers to use our products. Additionally, countries outside of the EEA have passed or are considering passing laws requiring local data residency (retaining personal data within those countries), which could increase the cost and complexity of delivering our services. In addition, many U. S. states have passed privacy laws giving residents rights similar to the individual rights given under the GDPR, including the right to access and delete their personal information, to opt-out of certain personal information sharing, and to receive detailed information about how their personal information is used and disclosed. These state laws have various enforcement mechanisms, including in some cases private rights of action as well as government agency enforcement authorities. Claims against us under these laws and their implementing regulations could expose us to significant fines and judgments, as well as reputational harm. The number of states with such laws has rapidly increased over the past five years and is anticipated to continue to increase. The U. S. Congress, while slower to act in recent years, also may pass comparable legislation, with potentially greater penalties, and more rigorous compliance requirements relevant to our business. 16The 13The costs of compliance with, and other burdens imposed by, privacy and data security laws and regulations may limit the use and adoption of our products and services, lead to negative publicity, reduce overall demand for our products and services, make it more difficult to meet expectations of or commitments to customers, require us to take on more onerous obligations in our contracts with customers, lead to significant fines, penalties or liabilities for noncompliance, or slow the pace at which we close sales transactions, any of which could harm our business. These laws could also impact our ability to offer, or our customers’ ability to deploy, our products and services in certain locations. The costs, burdens, and potential liabilities imposed by existing privacy laws could be compounded if other jurisdictions either in the United States or abroad begin to adopt similar or more stringent laws. Furthermore, concerns regarding data privacy and security may cause our customers’ customers to resist providing data that allows our customers to use our products and services more effectively. Even the perception that the privacy of personal information is not satisfactorily protected or does not meet regulatory requirements could inhibit sales of our products or services and could limit adoption of our cloud-based solutions. Any of these matters could materially adversely affect our business, financial condition, or operational results. We may be unable to protect our proprietary rights. Unauthorized use of our intellectual property may result in development of products or services that compete with ours. Claims that we infringe upon the intellectual property rights of others could result in costly litigation or royalty payments to third parties or require us to reengineer or cease sales of our products or services. Our success depends to a degree upon the protection of our rights in intellectual property. We rely upon a combination of trade secret, copyright, and trademark laws to protect our proprietary rights. We have also entered into, and will continue to enter into, confidentiality agreements with our employees, consultants and third parties to seek to limit and protect the distribution of confidential information. However, we may not have signed protective agreements in every case. Although we have taken steps to protect our proprietary rights, these steps may not be inadequate adequate. Existing trade secret, copyright, and trademark laws offer only limited protection. Moreover, the laws of other countries in which we market our products may afford little or no effective protection of our intellectual property.

Additionally, unauthorized parties may copy aspects of our products, services, or technology or obtain and use information that we regard as proprietary. Other parties may also breach protective contracts we have executed or will in the future execute. We may not become aware of, or have adequate remedies in the event of, a breach related to such agreements. Litigation may be necessary in the future to enforce or to determine the validity and scope of our intellectual property rights or to determine the validity and scope of the proprietary rights of others. Even if we were to prevail, such litigation could result in substantial costs and diversion of management and technical resources. Additionally, third parties have in the past and could in the future claim that our current or future products and services infringe upon their intellectual property rights. Any claim, **with or without merit**, could result in costly litigation or require us to reengineer or cease sales of our products or services, any of which could have a material adverse effect on our business. The risk of such claims is exacerbated by the fact that certain learning content is provided by third parties over whom we exert limited control. Infringement claims could also result in an injunction barring the sale of our products and services or require us to enter into royalty or licensing agreements. Licensing agreements, if required, may not be available on terms acceptable to us **or at all**. From time to time, we learn of parties that claim broad intellectual property rights in the learning and talent development area that might implicate our offerings. These parties or others could initiate actions against us in the future. Failure to comply with anti-bribery, anti-corruption, and anti-money laundering laws and regulations relating to our international operations could subject us to penalties and other adverse consequences. We are subject to the U. S. Foreign Corrupt Practices Act (“FCPA”), the UK Bribery Act, and other anti-corruption, anti-bribery, and anti-money laundering laws in various jurisdictions both domestic and abroad. We leverage third parties, including channel partners, to sell subscriptions to our solutions and conduct our business abroad. We and our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and may be held liable for the corrupt or other illegal activities of these third-party business partners and intermediaries, our employees, representatives, contractors, channel partners, and agents, even if we do not explicitly authorize such activities. While we have policies and procedures to address compliance with such laws, we cannot guarantee that all of our employees and agents will not take actions in violation of our policies and applicable law, for which we may be ultimately held responsible. Any violation of the FCPA, the UK Bribery Act, or other applicable anti-bribery, anti-corruption laws, and anti-money laundering laws could result in whistleblower complaints, adverse media coverage, investigations, loss of export privileges, severe criminal or civil sanctions, or suspension or debarment from U. S. or other government contracts, all of which may have an adverse effect on our reputation, business, operating results, and prospects. We could also be affected by nationalization of our international operations, unstable governments, unfamiliar or biased legal systems, intergovernmental disputes or animus against the United States. Any determination that our operations or activities did not comply with applicable U. S. or foreign laws or regulations could result in the imposition of fines and penalties, interruptions of business, terminations of necessary licenses and permits, and other legal and equitable sanctions. Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited. As of January 31, ~~2024~~ **2025**, ~~we~~ **the Company** had U. S. federal, state and foreign net operating loss (“NOL”) carryforwards of \$ ~~225.229~~ **3.0** million, \$ ~~295.316~~ **3.1** million, and \$ ~~70.62~~ **7.5** million, respectively. ~~Our~~ **If not utilized, our remaining** NOL carryforwards will expire at various dates beginning in ~~fiscal 2025~~ **2026 with the remainder not subject to expiration**. As such, there is a risk that ~~such applicable~~ **such applicable** NOL carryforwards could expire unused and be unavailable to offset future tax liabilities if we do not achieve sufficient profitability prior to ~~their~~ **their** expiration ~~of the NOLs~~. This may require us to pay taxes in future years even if our NOL carryforwards were otherwise sufficient to offset our taxable income in such years. There is also a risk that due to regulatory and economic changes, such as suspensions on the use of NOL carryforwards, or other unforeseen reasons, our existing NOL carryforwards, including those not currently subject to expiration, could expire or otherwise be unavailable to offset future tax liabilities. We have recorded a full valuation allowance related to certain of our NOL carryforwards and other deferred tax assets due to the uncertainty of the realization of the future benefits of these assets. If our NOL carryforwards and other tax attributes expire before utilization or are subject to limitations, our business and financial results could be harmed. In addition, under Section 382 of the Internal Revenue Code, if a corporation undergoes an “ownership change,” the corporation’s ability to use its pre-change NOL carryforwards and other deferred tax assets to offset its post-change taxable income, or reduce its tax liability, may be limited. In general, an “ownership change” occurs when there is a cumulative change in our equity ownership by “5 percent shareholders” that exceeds 50 percentage points over a rolling three-year period. Certain of our NOL carryforwards are subject to this limitation as a result of these ownership changes, and if it is determined that we have in the past experienced additional ownership changes or we experience such ownership changes in the future, which may be outside our control, our ability to use our NOL carryforwards and other deferred tax assets to reduce future taxable income and tax liabilities may be further limited. Similar limitations may apply under state and foreign tax laws. **See Note 6 to our Consolidated Financial Statements included herein.** ~~17~~ **Changes** ~~14~~ **Changes** in tax laws, unfavorable resolution of tax examinations, or exposure to additional tax liabilities could have a material adverse effect on our results of operations, financial condition, and liquidity. We operate in a number of tax jurisdictions globally, including in the U. S. and Ireland. Governments in the jurisdictions in which we operate implement changes to tax laws and regulations periodically. Any implementation of tax laws that fundamentally change the taxation of corporations in the U. S. ~~or~~ **Ireland, Luxembourg** and other applicable jurisdictions could materially impact our effective tax rate and could have a significant adverse impact on our financial results. In addition, our effective tax rate could fluctuate due to changes in the mix of earnings and losses in countries with differing statutory tax rates. Our tax expense could also be impacted by changes in non-deductible expenses, changes in the tax treatment of equity-based compensation, changes in the valuation of deferred tax assets and liabilities and our ability to utilize them, the applicability of withholding taxes, effects from acquisitions, and the evaluation of new information that results in a change to a tax position taken in a prior period. In August 2022, the U. S. enacted the Inflation Reduction Act of 2022 (“IRA”) which, among other provisions, implemented a 15% minimum tax on book income of certain large corporations. **We were not subject to the 15% minimum book tax in fiscal 2025, and** ~~Based~~ **based** on our evaluation of the IRA, we do not

believe we will be subject to the 15 % book minimum tax in **fiscal 2024-2026**. However, we will continue to monitor the application of the minimum tax and other provisions of the IRA in future periods. We are also subject to examinations of our tax returns by tax authorities in various jurisdictions around the world. We regularly assess the likelihood of adverse outcomes resulting from ongoing tax examinations to determine the adequacy of our provision for taxes. These assessments can require a high degree of judgment and estimation. Intercompany transactions associated with the sale of services and intellectual property and cost share arrangements are complex and affect our tax liabilities. The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations in multiple jurisdictions. Successful unilateral or multi-jurisdictional actions by various tax authorities, including in the context of our current or future corporate operating structure and third-party and intercompany arrangements (including transfer pricing and the manner in which we develop, value and use our intellectual property), may increase our **worldwide-global** effective tax rate, result in additional taxes or other costs or have other material consequences, which could harm our operations, financial results and condition. A difference in the ultimate resolution of tax uncertainties from what is currently estimated could have an adverse effect on our financial results and condition.

Risks Related to our Indebtedness and Certain Other Obligations Our degree of leverage could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, expose us to interest rate risk, and prevent us from meeting obligations on our indebtedness. Our degree of leverage could have potentially adverse consequences, including making it more difficult for us to make payments on our indebtedness; increasing our vulnerability to general economic and industry conditions; requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, thereby reducing our ability to use our cash flow to fund our operations, capital expenditures, research and development and future business opportunities; exposing us to the risk of increased interest rates under our credit facilities to the extent such facilities have variable rates of interest; limiting our ability to make strategic acquisitions and investments; limiting our ability to refinance our indebtedness as it becomes due; and limiting our ability to adjust quickly or at all to changing market conditions and placing us at a disadvantage compared to our competitors who are less highly leveraged. Our **debt-credit** agreements contain restrictions that limit our flexibility in operating our business. Our **financing-credit** agreements contain various covenants that limit our ability to engage in specific types of transactions. These covenants limit our and our subsidiaries' ability to incur or guarantee additional debt and issue or sell certain preferred stock; pay dividends on, redeem or repurchase our capital stock; make certain acquisitions or investments; incur or assume certain liens; enter into transactions with affiliates; and sell assets to, or merge or consolidate with, another company. A breach of any of these covenants could result in a default under our **debt-instruments-credit agreements**. We may not be able to generate sufficient cash to service all of our indebtedness, and we may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful. Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We cannot assure you that we will maintain a level of cash flow from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. Additionally, our subsidiaries may not be able to, or may not be permitted to, make distributions or debt repayments to enable us to make payments in respect of our indebtedness. Each such subsidiary is a distinct legal entity, and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from them. While our existing credit agreements limit the ability of our guarantor subsidiaries to incur consensual encumbrances and include restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to certain qualifications and exceptions. In the event that **we-these qualifications and exceptions** do not **permit us to** receive **a sufficient amount of** cash from our subsidiaries, we will be unable to make required principal and interest payments on our indebtedness. If our cash flow and capital resources are insufficient to fund our debt service obligations and operating lease obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In the absence of such operating results and resources, we could face substantial liquidity **issues-problems** and might be required to dispose of material assets or operations to meet our debt service and other obligations. Our existing credit agreements restrict our ability to dispose of assets and use the proceeds from the disposition. We may not be able to consummate those dispositions or to obtain the proceeds that we could otherwise realize from such dispositions and any such proceeds that are realized may not be adequate to meet any debt service obligations then due.

Risks-- Risks Related to Ownership of Our Class A common Stock **Common stock-Stock** Because there are no current plans to pay cash dividends on our Class A common stock for the foreseeable future, **you-investors** may not receive any return on investment unless **you-they** sell **their-your Class A** common stock for a price greater than **the price that which you-paid for it**. Skillsoft intends to retain future earnings, if any, for future operations, expansion and debt repayment and there are no current plans to pay any cash dividends for the foreseeable future. The declaration, amount and payment of any future dividends on shares of **Class A** common stock will be at the sole discretion of Skillsoft's Board of Directors **which-(the" Board")**. **Skillsoft's Board** may take into account general and economic conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax, and regulatory restrictions, implications on the payment of dividends by us to our stockholders or by our subsidiaries to us and such other factors as **they-our Board** may deem relevant. In addition, our ability to pay dividends is limited by covenants of Skillsoft's existing and outstanding indebtedness and may be limited by covenants of any future indebtedness Skillsoft incurs. As a result, stockholders must rely on their sales of **Class A** common stock after appreciation, which may never occur, as the only way to realize any future gains on their investments.

15We cannot guarantee that our share repurchase program will be fully implemented or that it will enhance long-term stockholder value. On July 10, 2024, our Board authorized Skillsoft to repurchase up to \$ 10 million of our common stock. The share repurchase authorization will terminate on July 11, 2028 and does not obligate us to purchase any minimum number of

shares of our common stock. Our Board may review the program periodically and may suspend, modify, or discontinue the program at any time without prior notice. The timing and number of shares of our common stock that may be purchased will depend on a variety of factors, including our share price of the common stock, general market conditions, alternative uses for capital, our financial performance, the terms of our credit agreements, and other considerations. As a result, there can be no guarantee around the timing or volume of our share repurchases. The program could affect the price of our common stock, increase volatility and diminish our cash reserves. The program may be suspended or terminated at any time and, even if fully implemented, may not enhance long-term stockholder value.

Future sales, or the perception of future sales, by Skillsoft or its stockholders in the public market could cause the market price for our **Class A** common stock to decline. As of April 8-7, 2024-2025, Skillsoft had a total of 8,080,320, 659,914 shares of **Class A** common stock outstanding and warrants to purchase an aggregate of 3,098,332 shares of **our Class A** common stock outstanding. We have registered the resale of 4,575,763 shares of **Class A** common stock beneficially owned by certain securityholders, and the market price of our **Class A** common stock could drop significantly if the holders of these shares sell them or are perceived by the market as intending to sell them. These sales, or the possibility that these sales may occur, also might make it more difficult for Skillsoft to sell equity securities in the future at a time and at a price that it deems appropriate. We might require additional capital to support our growth, and this capital might not be available on acceptable terms, if at all. We intend to continue to make investments to support our growth and may require additional funds to respond to business challenges, including the need to develop new features or enhance our existing platform or acquire complementary businesses, technologies, and **/or** content. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our **ordinary shares common stock**. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital-raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, we may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our growth and to respond to business challenges could be significantly impaired. ~~Our business and operations could be negatively affected if we become subject to any securities litigation or stockholder activism, which could cause us to incur significant expense, hinder execution of business and growth strategy, and impact our stock price. In the past, following periods of volatility in the market price of a company's securities, particularly for companies who have recently "gone public" through a deSPAC transaction, securities class action litigation has often been brought against that company. Stockholder activism, which could take many forms or arise in a variety of situations, has been increasing recently. Volatility in the stock price of our common stock or other reasons may in the future cause us to become the target of securities litigation or stockholder activism. Securities litigation and stockholder activism, including potential proxy contests, could result in substantial costs and divert management's and our board of directors' attention and resources from our business. Additionally, such securities litigation and stockholder activism could give rise to perceived uncertainties as to our future, adversely affect our relationships with service providers and make it more difficult to attract and retain qualified personnel. Also, we may be required to incur significant legal fees and other expenses related to any securities litigation and activist stockholder matters. Further, our stock price could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties of any securities litigation and stockholder activism.~~ Anti-takeover provisions in our organizational documents could delay or prevent a change of control. Certain provisions of our **Articles of Incorporation (or" Charter ")** and bylaws may have an anti-takeover effect and may delay, defer or prevent a merger, acquisition, tender offer, takeover attempt or other change of control transaction that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by our stockholders. These provisions provide for, among other things: • a staggered board, which means that our board of directors is classified into three classes of directors with staggered three-year terms and directors are only able to be removed from office for cause; • the ability of our board of directors to issue one or more series of preferred stock; • advance notice for nominations of directors by stockholders and for stockholders to include matters to be considered at our annual meetings; • certain limitations on convening special stockholder meetings; • limiting the ability of stockholders to act by written consent; and • providing that our board of directors is expressly authorized to make, alter or repeal our bylaws. These anti-takeover provisions could make it more difficult for a third party to acquire Skillsoft, even if the third-party's offer may be considered beneficial by many of our stockholders. As a result, our stockholders may be limited in their ability to obtain a premium for their shares. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and to cause Skillsoft to take other corporate actions you desire. The Charter designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with Skillsoft or its directors, officers, employees or stockholders. ~~19The~~ **The** Charter provides that, subject to limited exceptions, any (1) derivative action or proceeding brought on behalf of Skillsoft, (2) action asserting a claim of breach of a fiduciary duty owed by any director, officer, stockholder or employee to Skillsoft or its stockholders, (3) action asserting a claim arising pursuant to any provision of the Delaware General Corporate Law ("DGCL") or the Charter or our bylaws or (4) action asserting a claim governed by the internal affairs doctrine shall, to the fullest extent permitted by law, be exclusively brought in the Court of Chancery of the State of Delaware or, if such court does not have subject matter jurisdiction thereof, another state or federal court located within the State of Delaware. Any person or entity purchasing or otherwise acquiring any interest in shares of Skillsoft's capital stock shall be deemed to have notice of and to have consented to the provisions of the Charter described above. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with Skillsoft or its directors,

officers or other employees, which may discourage such lawsuits against Skillsoft and its directors, officers and employees. Alternatively, if a court were to find these provisions of the Charter inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, then Skillsoft may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect Skillsoft's business and financial condition. Notwithstanding the foregoing, ~~the these~~ **Charter provisions** will not apply to suits brought to enforce any liability or duty created by the Exchange Act, or any other claim for which the federal district courts of the United States of America shall be the sole and exclusive forum. While Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. ~~Any~~ **16Any** person or entity purchasing or otherwise acquiring any interest in any shares of our capital stock shall be deemed to have notice of and to have consented to the forum provisions in the Charter. If any action, the subject matter of which is within the scope of the forum provisions, is filed in a court other than a court located within the State of Delaware (a "foreign action") in the name of any stockholder, such stockholder shall be deemed to have consented to: (x) the personal jurisdiction of the state and federal courts located within the State of Delaware in connection with any action brought in any such court to enforce the forum provisions (an "enforcement action"); and (y) having service of process made upon such stockholder in any such enforcement action by service upon such stockholder's counsel in the foreign action as agent for such stockholder. This choice-of-forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with Skillsoft or its directors, officers, stockholders, agents or other employees, which may discourage such lawsuits. We note that there is uncertainty as to whether a court would enforce this provision, and the enforceability of similar choice of forum provisions in other companies' charter documents has been challenged in legal proceedings. Further, investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. It is possible that a court could find these types of provisions to be inapplicable or unenforceable, and if a court were to find this provision of the Charter inapplicable or unenforceable with respect to one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could materially and adversely affect our business, financial condition and results of operations and result in a diversion of the time and resources of our management and board of directors. The New York Stock Exchange ("NYSE") may not continue to list our securities, which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions. Our ~~Class A~~ common stock is currently listed on the NYSE ~~and we are, therefore, subject to its continued listing requirements, including requirements with respect to the market value of publicly held shares, market value of listed shares, minimum bid price per share, and minimum stockholder's equity, among others, and requirements relating to board and committee independence.~~ There can be no assurance that we will be able to comply with the continued listing standards of the NYSE. ~~During~~ **Given heightened volatility in the equity capital markets and the fact that the Company's stock had at times in fiscal 2023-2025, traded near the \$ 1.00 minimum share price requirement, our Board recommended, and our stockholders subsequently approved, that the Company effect a reverse stock split as one potential mechanism to address any potential future compliance requirements with the NYSE's continued listing standards. On September 29, 2023, the Company filed a Certificate of** ~~our~~ **Amendment to the Company's Certificate of Incorporation with the Secretary of State of the State of Delaware to effect a 1-for-20 reverse stock split (the "Reverse Stock Split") of the Company's issued and outstanding shares of Class A common stock** ~~ranged from~~ **As a result of the Reverse Stock Split, every twenty (20) shares of Class A common stock issued and outstanding were converted into one (1) share of Class A common stock. During fiscal 2024, the price of our Class A common stock decreased to \$ 14.51** ~~02-34 to \$ 31.08~~ **per share, as adjusted for the Reverse Stock Split, as of January 31, 2024.** If we are unable to maintain the price of our ~~Class A~~ common stock above \$ 1.00 per share or maintain compliance with the other continued listing standards of the NYSE, our ~~Class A~~ common stock would be subject to delisting. On October 24, 2023, the NYSE provided notice to us that it would halt trading in our warrants, and the following day, the NYSE provided notice to us and publicly announced that it had determined to commence proceedings to delist our warrants from the NYSE noting that our warrants were no longer suitable for listing based on an "abnormally low" price level. ~~Our~~ **On October 26, 2023, our** warrants **commenced trading on the over-the-counter market under the symbol "SKILW" and** were subsequently delisted from the NYSE ~~and currently trade on the over-the-counter market.~~ If the NYSE delists our ~~Class A~~ common stock from trading on its exchange for failure to meet the listing standards, our stockholders could face significant material adverse consequences including: • a limited availability of market quotations for our securities; • reduced liquidity for our securities; • a determination that the ~~Class A~~ common stock is a "penny stock" which will require brokers trading in such securities to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities; • a limited amount of news and analyst coverage; and • a decreased ability to issue additional securities or obtain additional financing in the future. **MIH Learning B. V. ("20Prosus -- Prosus")** and its affiliates may have interests that differ from those of other stockholders. As of April 8-7, 2024-2025, Prosus holds approximately 37-36.8% of the number of shares and voting power of Skillsoft's outstanding ~~Class A~~ common stock. Pursuant to the terms of the Prosus Subscription Agreement, **attached as Exhibit 10.4 hereto**, and subject to any required approval of Skillsoft's stockholders pursuant to the applicable rules and listing standards of the NYSE (which Skillsoft will use reasonable best efforts to obtain), if Skillsoft intends to issue New Securities (as defined in the Prosus Subscription Agreement) to any person, then, at least fifteen (15) business days prior to the issuance of the New Securities, Skillsoft shall deliver Prosus an offer (the "Offer") to issue New Securities to Prosus for cash in an aggregate amount, on a pro forma basis after giving effect to the issuance of the New Securities, that would result in Prosus maintaining beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of at least the percentage of the issued and outstanding shares of ~~Class A~~ common stock that it beneficially owns immediately prior to the issuance of such New Securities on a fully-diluted and as-converted basis ~~but, solely prior to the expiration of the earlier of (i) June 11, 2024 and (ii) the occurrence of a~~

Significant Event (as defined in the Prosus Subscription Agreement), not to the extent such issuance would result in Prosus having beneficial ownership of more than 35% of the issued and outstanding shares of Class A common stock on a fully-diluted and as converted basis (excluding any warrants issued to Prosus pursuant to the Prosus Subscription Agreement). Accordingly, Prosus may maintain its beneficial ownership in the Company at least through June 11, 2024. So long as Prosus and its affiliates continue to directly or indirectly own a significant amount of Skillsoft's outstanding ~~Class A~~ common stock, Prosus may be able to exert substantial influence on Skillsoft and may be able to exercise its influence in a manner that is not in the interests of Skillsoft's other stakeholders. Additionally, Prosus and its affiliates are in the business of making investments in companies and owning real estate and ~~may~~ from time to time acquire and hold interests in businesses that compete directly or indirectly with Skillsoft or that supply Skillsoft with goods and services. Prosus or its affiliates may also pursue acquisition opportunities that may be complementary to ~~or~~ competitive with ~~or~~ Skillsoft's business, and as a result those acquisition opportunities may not be available to Skillsoft. Stockholders should consider that the interests of Prosus may differ from their interests in material respects. **We are a smaller reporting company and intend to avail ourselves of certain reduced disclosure requirements applicable to smaller reporting companies, which could make our common stock less attractive to investors. We are a smaller reporting company, as defined in the Exchange Act, and we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not applicable to smaller reporting companies, including reduced disclosure obligations regarding executive compensation. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile. We intend to take advantage of certain of these reporting exemptions until we are no longer a smaller reporting company. 17**