skillsoft

Earnings Supplement

Q3 FY2026

December 10, 2025

Cautionary Notes Regarding Forward Looking Statements

This document includes statements that are, or may be deemed to be, “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. For all such statements, we claim the protection of the safe harbor for forward-looking statements provided by such sections and the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, are forward-looking statements. These forward-looking statements include, but are not limited to, statements that address activities, events or developments that we expect or anticipate may occur in the future, including statements related to our outlook (including our Full Year Fiscal 2026 Financial Outlook), our product development and planning, our pipeline, future capital expenditures, future share repurchases, anticipated financial results, the impact of regulatory changes, our current and evolving business strategies, including with respect to acquisitions and dispositions, demand for our services, our competitive position, the benefits of new initiatives, growth of our business and operations, the effectiveness of our products, the outcomes of litigation proceedings and claims, the state and future of skilling in the workplace, our ability to successfully implement our plans, strategies, objectives, and our expectations and intentions. Forward-looking statements may, without limitation, be preceded by, followed by, or include words such as “may,” “will,” “would,” “anticipate,” “believe,” “estimate,” “expect,” “intend,” “plan,” “contemplate,” “continue,” “project,” “forecast,” “seek,” “outlook,” “target,” “goal,” “objective,” “potential,” “possible,” “probably,” or similar expressions, or employ such future or conditional verbs as “may,” “might,” “will,” “could,” “should,” or “would,” or may otherwise be indicated as forward-looking statements by grammatical construction, phrasing or context. Such statements are based upon the current beliefs and expectations of Skillsoft’s management and are subject to significant risks and uncertainties. Actual results may differ materially from those set forth in the forward-looking statements. All forward-looking disclosure is speculative by its nature, and we caution you against unduly relying on these forward-looking statements.

Factors, many of which are beyond our control, that could cause or contribute to such differences include those described under “Part I - Item 1A. Risk Factors” and “Part II, Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A”)” in our Annual Report on Form 10-K for the fiscal year ended January 31, 2025 (“2025 Form 10-K”)[, “Part II, Item 1A – Risk Factors” and “Part I – Item 2. MD&A” of our Quarterly Report on Form 10-Q for the period ended October 31 2025 (“Q3 26 10-Q”). These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements included in the 2025 Form 10-K, the Q3 26 10-Q, in this document and in our other filings with the Securities and Exchange Commission ("SEC"). The forward-looking statements contained in this document represent our estimates only as of the date of this document and should not be relied upon as representing our estimates as of any subsequent date. While we may elect to update these forward-looking statements in the future, we specifically disclaim any obligation to do so, whether to reflect actual results, changes in assumptions, changes in other factors affecting such forward-looking statements, or otherwise, except as required by law. You are advised, however, to review any further factors and risks we describe in reports we file from time to time with the SEC after the date hereof.

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

This presentation includes non-GAAP financial measures. Non-GAAP financial measures do not have any standardized meanings prescribed by U.S. GAAP and may not be comparable to similar measures presented by other public companies. Non-GAAP financial measures are not measures of performance under U.S. GAAP and should not be considered in isolation or as a substitute for any U.S. GAAP financial measures. We do not provide reconciliations for forward-looking non-GAAP financial measures. Forward-looking non-GAAP financial measures may vary materially from the corresponding U.S. GAAP financial measures. See the Appendix for further detail.

Today's Call

- Opening Remarks
- Business Update
- Q3 FY2026 Financial Highlights
- FY2026 Outlook
- Q&A
- Closing Remarks

Ron Hovsepian

EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

John Frederick

CHIEF FINANCIAL OFFICER

Stephen Poe

INVESTOR RELATIONS

Webcast Details

Webcast Link: https://event.choruscall.com/mediaframe/webcast.html?webcastid=IxlF5Af3

Audio Dial-in: Toll-free (877) 407-3088 | International: (201) 389-0927

"Our TDS segment continues to make progress with the September announcement of the Skillsoft Percipio Platform, with agentic AI capabilities, and with the signing of our first four large enterprise customers. In addition, AI now drives more than half of our design, curation, and production work for learning content. This is changing how we operate and strengthening the value we deliver to customers. In an effort to remain aligned with our company growth timeline and customer needs for multimodal learning, we have undertaken a full strategic review of the Global Knowledge segment and concluded that a partnership-driven model is more appropriate than continued ownership."

Ron Hovsepian
Executive Chairman and
Chief Executive Officer

"GK has had a considerable negative impact on revenue, earnings, and cash flow in the quarter and in the year-to-date period, and as a result, masked TDS enterprise stabilization. We are moving with speed to reach a strategic solution. In the meantime, continued cost efficiencies are softening the effects on consolidated income. We are highly confident that we are nearing an inflection point toward growth for our core TDS enterprise business."

John Frederick
Chief Financial Officer

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Recent Business Highlights

- Launched the next-generation Skillsoft Percipio Platform, the first AI-native skills intelligence platform built for the human + AI era.
- LTM DRR* for the quarter of 99%, 1 percentage point higher than the year ago period.
- Reduced cost structure in line with transformation strategy, helping maintain adjusted EBITDA margin* performance.
- TDS federal business recovering with DRR* of 104% in the quarter.

* Denotes a non-GAAP financial measure or key performance metric. See "Note Regarding Non-GAAP Financial Measures." Also see the Appendix for the definition and uses of this non-GAAP financial measure, and a reconciliation to the most directly comparable GAAP financial measure for specified periods.

Q3 FY2026 Financial Highlights

Continued strong profitability

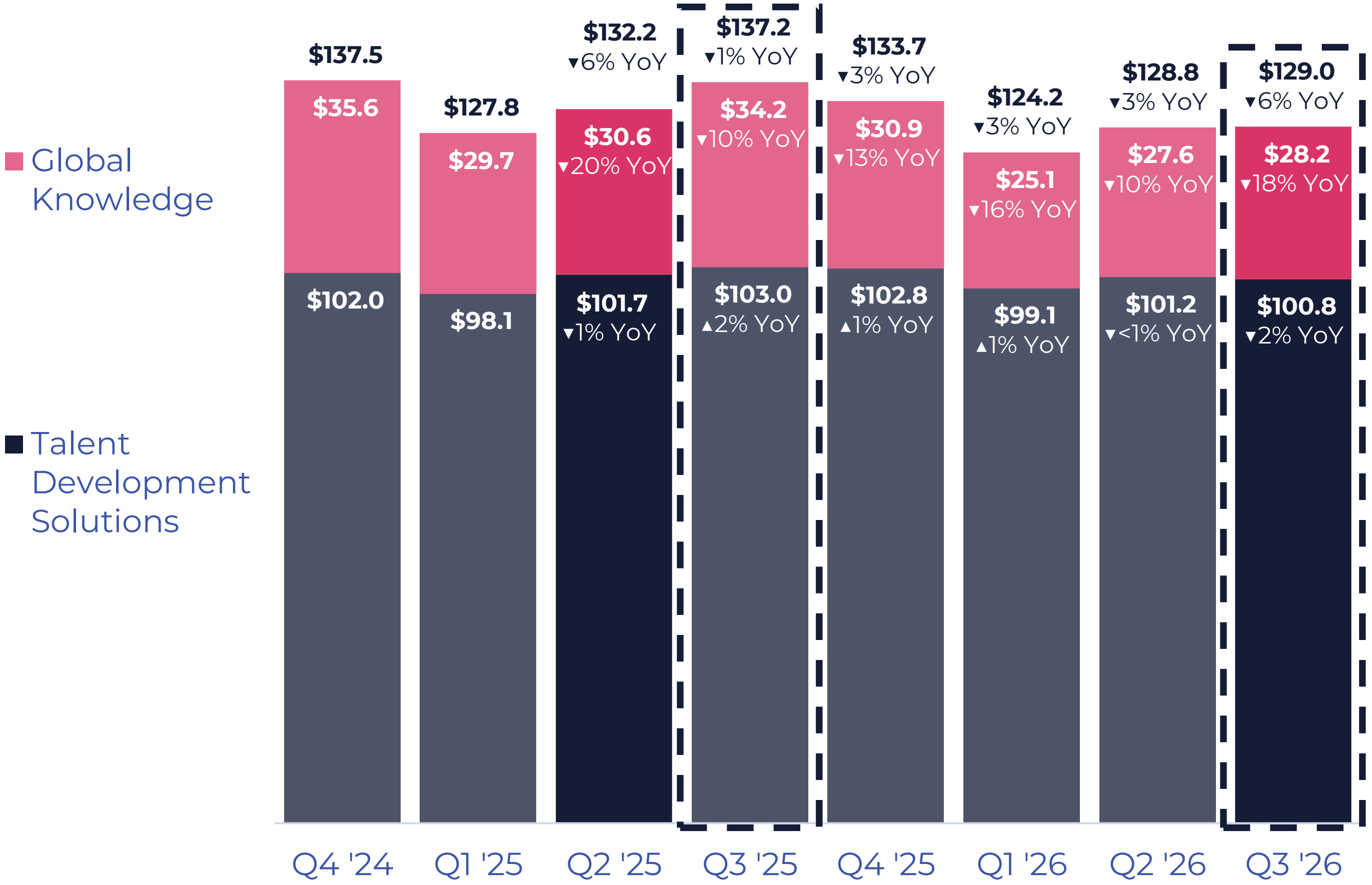
Q3 FY26 Talent Development Solutions Revenue	LTM Dollar Retention Rate[1]	Q3 FY26 Adjusted EBITDA[1] *% of Revenue*
$100.8M	**~99%**	**$28.0M** *22%*
▼ **$2.2** vs. Prior Year[1]	▲ **1%** vs. Prior Year[1]	▼ **~160Bps** vs. Prior Year[1]

[1] See the Appendix for the definitions and uses of various non-GAAP financial measures, key performance metrics, and a reconciliation of such non-GAAP financial measures to the most directly comparable GAAP financial measures for specific periods."

Revenue

- Talent Development Solutions declined 2% in Q3 '26
- Global Knowledge Revenue declined 18% in Q3 '26
- Total Revenue declined 6% in Q2 '26
- 78% of Revenue from the Talent Development Solutions segment; 22% from the Global Knowledge segment
- Geographic mix: 65% United States, 26% EMEA, 9% rest of world

Macroeconomic uncertainty, including the U.S. government shutdown, created a challenging environment, resulting in revenue softness during the quarter



Note: $MM's; totals may not match due to rounding.

Adjusted EBITDA and Free Cash Flow [1]

- Q3 '26 Adjusted EBITDA of $28.0M, down 12% YoY or $3.9M YoY
- Q3 '26 Adjusted EBITDA margin of 22%, down 160 basis points YoY
- Q3 '26 Free Cash Flow of ($23.6M), Driven by normal seasonality trends, the timing of collections and certain disbursements this quarter, as well as cash impacts resulting from the government shutdown and the Canadian Post strike.
  - Expect to generate positive free cash flow for fiscal year 2026
- Q3 '26 Adjusted Operating Expenses of $101.0M, favorably down 4.1% YoY

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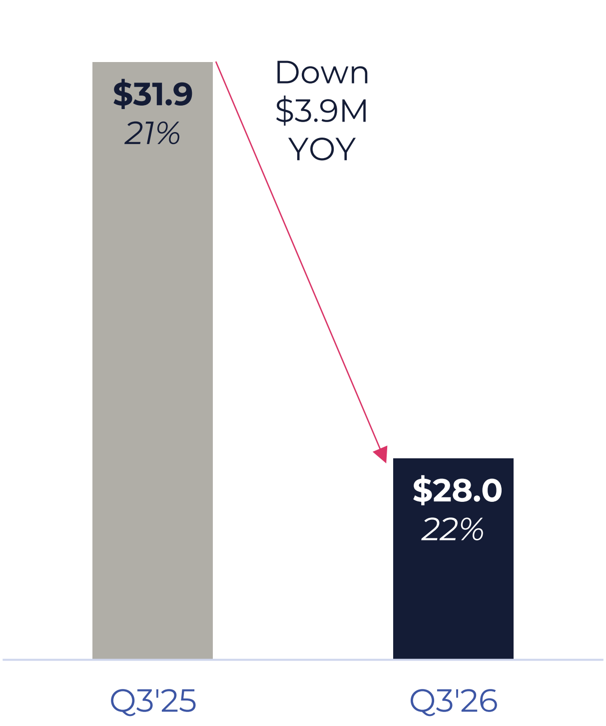
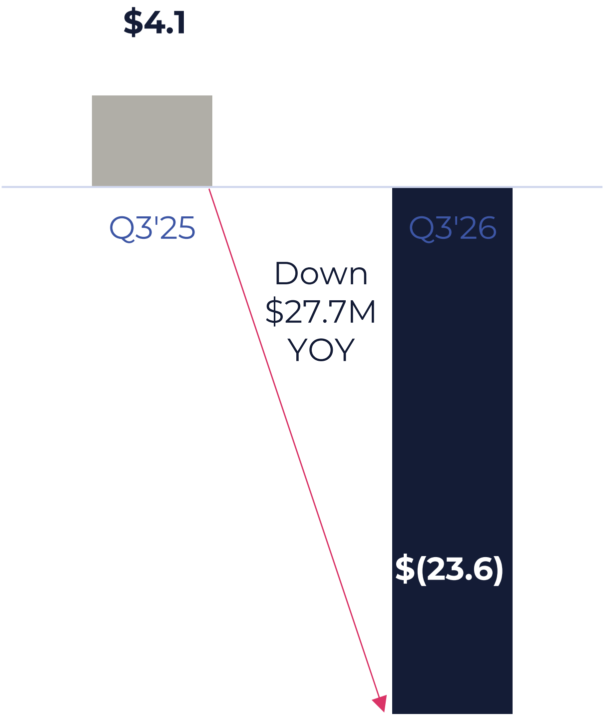
Transformation initiatives and disciplined expense management help maintain strong Adjusted EBITDA, while free cash flow weakened on softer GK performance and delayed customer cash collections

Adjusted EBITDA ($Ms)



Free Cash Flow ($Ms)



[1] See the Appendix for the definitions and uses of various non-GAAP financial measures and a reconciliation of such non-GAAP financial measures to the most directly comparable GAAP financial measures for specific periods."

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Appendix

Reconciliation of Non-GAAP Financial Measures

In addition to disclosing detailed operating results in accordance with U.S. GAAP, Skillsoft provides supplementary non-GAAP financial measures to consider in evaluating our operating performance. We track the non-GAAP financial measures that we believe are key financial measures of our success. Non-GAAP measures are frequently used by securities analysts, investors, and other interested parties in their evaluation of companies comparable to us, many of which present non-GAAP measures when reporting their results. These measures can be useful in evaluating our performance against our peer companies because we believe the measures provide users with valuable insight into key components of U.S. GAAP financial disclosures. In addition, management uses these non-GAAP financial measures to assess operating performance, financial leverage and the effective use and allocation of resources; to provide more normalized period-to-period comparisons of operating results; to enhance investors' understanding of the core operating results of our business; and to set management incentive targets. We believe investors use both U.S. GAAP and non-GAAP financial measures to assess management's decisions associated with our priorities and capital allocation, as well as to analyze how our business operates in, or responds to, macroeconomic trends or other events that impact our core operations. We disclose the non-GAAP financial measures included in this press release because we believe that they provide meaningful supplemental information. However, non-GAAP financial measures have limitations as analytical tools. Because not all companies use identical calculations, our presentation of non-GAAP financial measures may not be comparable to other similarly titled measures of other companies. They are not presentations made in accordance with U.S. GAAP, are not measures of financial condition or liquidity, and should not be considered as an alternative to profit or loss for the period determined in accordance with U.S. GAAP or operating cash flows determined in accordance with U.S. GAAP. As a result, these non-GAAP financial measures should not be considered in isolation from, or as a substitute analysis for, results of operations as determined in accordance with U.S. GAAP.

We have provided at the back of this document reconciliations of non-GAAP financial measures to the most directly comparable U.S. GAAP financial measures for the three and nine month periods ended October 31, 2025 and 2024. We do not reconcile our forward-looking non-GAAP financial measures to the most directly comparable U.S. GAAP financial measures, due to variability and difficulty in making accurate forecasts and projections and/or certain information not being ascertainable or accessible; and because not all of the information necessary for a quantitative reconciliation of these forward-looking non-GAAP financial measures to the most directly comparable U.S. GAAP financial measures is available to us without unreasonable efforts. For the same reasons, we are unable to address the probable significance of the unavailable information. We provide non-GAAP financial measures that we believe will be achieved, however we cannot accurately predict all of the components of the adjusted calculations, and the U.S. GAAP financial measures may be materially different than the non-GAAP financial measures.

Key Performance Metric

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

We disclose the following non-GAAP financial measures and key performance metrics in our press release and/or this presentation because we believe these non-GAAP financial measures and key performance metrics provide meaningful supplemental information.

- Adjusted net income (loss) - is defined as net income (loss) excluding non-cash items, discrete and event-specific costs that do not represent normal cash operating expenses necessary for our business operations, and certain accounting income and/or expenses. Management believes these exclusions enhance the comparability of our results from period to period, and as compared to peers, and are useful in assessing our operating performance, and consist of the following (including the related tax effects), when applicable to the periods presented:
  - Impairment charges – Non-cash goodwill and intangible asset impairment charges.
  - Amortization of acquired intangible assets – Non-cash amortization expense of finite-lived intangible assets recognized as a part of business combination accounting.
  - Acquisition and integration related costs – Costs incurred to effectuate an acquisition, including contingent compensation expenses, and integration -related costs.
  - Restructuring charges – Charges related to strategic cost saving initiatives, including severance costs, losses associated with the abandonment of right-of-use assets, and contract termination costs.
  - Transformation costs – Costs incurred to transform our operations through significant strategic non-ordinary course transactions.
  - System migration costs – Costs of temporary resources needed for the migration of content and customers from our legacy system to a global platform.
  - Long-term incentive compensation expenses – Charges associated with long-term incentive compensation programs, including stock-based compensation, cash awards tied to stock performance, and awards granted in-lieu of stock that are intended to be settled in cash.
  - Executive exit costs – Costs associated with the departure of executives.
  - Fair value adjustments – Mark-to-market adjustments of warrants and hedge instruments.
  - Other (income) expense, net – Unrealized and realized gains or losses primarily resulting from fluctuations of U.S. dollar appreciating or depreciating against other currencies, and impairments associated with property and equipment and other tangible assets when their carrying values are not recoverable.

Reconciliation of Non-GAAP Financial Measures

- Adjusted net income (loss) per share is defined as adjusted net income (loss) divided by the number of diluted weighted average shares outstanding, and adjusted net income (loss) margin % is defined as adjusted net income (loss) as a percentage of revenue.
- Adjusted EBITDA is defined as net income (loss) excluding (when applicable to the periods presented) the same exclusions set forth above for the determination of adjusted net income (loss) plus the additional exclusions set forth below. Management believes these exclusions enhance the comparability of our results from period to period, and as compared to peers, and are useful in assessing our operating performance. The additional exclusions are:
  - Amortization of intangible assets – Non-cash amortization expense for finite-lived intangible assets other than those recognized as a part of business combination accounting.
  - Depreciation expense – Non-cash depreciation expense for property and equipment assets.
  - Provision for (benefit from) income taxes – Current and deferred federal, state and foreign income tax expense (benefit).
- Adjusted EBITDA margin % is defined as adjusted EBITDA as a percentage of revenue.
- Adjusted total operating expenses are defined as costs of revenues, content and software development expenses, selling and marketing expenses, and general and administrative expenses, in each case excluding (where applicable) depreciation expense, long-term incentive compensation expense, system migration costs and transformation costs, as applicable.
- Adjusted contribution margin is defined as revenue less adjusted total operating expenses, divided by revenue for the same period.
- Business unit contribution profit - Segment ("business unit") contribution profit is defined as business unit revenue, less business unit cost of revenues, business unit content and software development expenses, and business unit product research and management expenses.
- Business unit contribution margin is defined as business unit contribution profit divided by business unit revenue for the same period.
- Business unit cost of revenues is defined as cost of revenues attributable to the business unit, excluding, where applicable, depreciation expense, long-term incentive compensation expense, system migration costs, and transformation expenses.
- Business unit content and software development expenses are defined as content and software development expenses attributable to the business unit, excluding, where applicable, depreciation, long-term incentive compensation, system migration costs, and transformation expenses.
- Business unit product research and management expenses are defined as certain selling and marketing costs attributable to the business unit reflected in the business unit contribution profit.
- Free cash flow is defined as net cash provided by (used in) operating activities less net purchases of property and equipment and internally developed software. Note that free cash flow does not represent residual cash flow available to Skillsoft for discretionary expenditures.
- Adjusted free cash flow (levered) is defined as free cash flow plus the cash impact of the charges excluded in the determination of adjusted EBITDA. Note that adjusted free cash flow (levered) does not represent residual cash flow available to Skillsoft for discretionary expenditures.
- Free cash flow conversion is defined as free cash flow divided by adjusted EBITDA for the same period.
- Adjusted net leverage is defined as current maturities of long-term debt, plus borrowings under our accounts receivable facility, plus long-term debt, less cash and equivalents and restricted cash, divided by adjusted EBITDA for the preceding twelve-month period.

Reconciliation of Non-GAAP Financial Measures

SKILLSOFT CORP.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(in thousands, except percentages, number of shares and per share amounts, unaudited)

	Three Months Ended October 31, 2025	Three Months Ended October 31, 2024	Nine Months Ended October 31, 2025	Nine Months Ended October 31, 2024
Revenues				
Talent Development Solutions	$ 100,798	$ 102,998	$ 301,131	$ 302,725
Global Knowledge	28,200	34,227	80,890	94,516
Total revenues, as reported	**$ 128,998**	**$ 137,225**	**$ 382,021**	**$ 397,241**
Net income (loss), as reported	**$ (41,279)**	**$ (23,599)**	**$ (103,116)**	**$ (90,801)**
Amortization of acquired intangible assets (1)	28,860	29,538	86,511	89,187
Impairment of goodwill	20,771	—	20,771	—
Acquisition and integration related costs	17	931	1,327	3,349
Restructuring	4,150	3,095	7,653	15,361
Transformation costs	1,379	150	3,986	1,315
System migration costs	—	—	—	118
Long-term incentive compensation expenses	3,485	4,099	12,574	10,438
Executive exit costs	—	—	—	3,326
Fair value adjustment of interest rate swaps	1,478	822	3,606	(418)
Other (income) expense, net	1	538	2,508	(1,261)
Tax impact of adjustments	(4,526)	(4,292)	(11,152)	(12,615)
Adjusted net income (loss)	**14,336**	**11,282**	**24,668**	**17,999**
Interest expense, net	14,270	14,921	42,645	45,641
Expense (benefit from) income taxes, excluding tax impacts above	(4,273)	2,433	1,164	7,117
Depreciation	457	1,000	1,364	2,404
Amortization of capitalized internally developed software (1)	3,208	2,288	8,609	6,010
Adjusted EBITDA	**$ 27,998**	**$ 31,924**	**$ 78,450**	**$ 79,171**
Weighted average common shares outstanding:				
Basic and diluted	8,708,893	8,239,564	8,536,207	8,170,344
Basic and diluted per share information:				
Net income (loss) per share, as reported	$ (4.74)	$ (2.86)	$ (12.08)	$ (11.11)
Adjusted net income (loss) per share	$ 1.65	$ 1.37	$ 2.89	$ 2.20
Net income (loss) margin %	**(32.0)%**	**(17.2)%**	**(27.0)%**	**(22.9)%**
Amortization of acquired intangible assets (1)	22.4%	21.5%	22.6%	22.5%
Impairment of goodwill	16.1%	0.0%	5.4%	0.0%
Acquisition and integration related costs	0.0%	0.7%	0.3%	0.8%
Restructuring	3.2%	2.3%	2.0%	3.9%
Transformation costs	1.1%	0.1%	1.0%	0.3%
System migration costs	0.0%	0.0%	0.0%	0.0%
Long-term incentive compensation expenses	2.7%	3.0%	3.3%	2.6%
Executive exit costs	0.0%	0.0%	0.0%	0.8%
Fair value adjustment of interest rate swaps	1.1%	0.6%	0.9%	(0.1)%
Other (income) expense, net	0.0%	0.3%	0.9%	(0.2)%
Tax impact of adjustments	(3.5)%	(3.1)%	(2.9)%	(3.2)%
Adjusted net income (loss) margin %	**11.1%**	**8.2%**	**6.5%**	**4.5%**
Interest expense, net	11.0%	10.9%	11.0%	11.5%
Expense (benefit from) income taxes, excluding tax impacts above	(3.3)%	1.8%	0.3%	1.8%
Depreciation	0.4%	0.7%	0.4%	0.6%
Amortization of capitalized internally developed software (1)	2.5%	1.7%	2.3%	1.5%
Adjusted EBITDA margin %	**21.7%**	**23.3%**	**20.5%**	**19.9%**

(1) All amortization (not only amortization pertaining to finite-lived intangible assets recognized as part of business combination accounting) is excluded in the determination of Adjusted EBITDA.

Reconciliation of Non-GAAP Financial Measures

SKILLSOFT CORP.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES - continued
(in thousands, unaudited)

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2025	2024	2025	2024
Operating expenses:				
GAAP costs of revenues	$ 35,279	$ 34,312	$ 100,415	$ 101,254
Depreciation	(67)	(91)	(202)	(315)
Long-term incentive compensation expenses	(141)	(201)	(416)	(499)
Adjusted costs of revenues	35,071	34,020	99,797	100,440
GAAP content and software development expenses	13,789	14,937	42,208	45,436
Depreciation	(94)	(74)	(266)	(218)
Long-term incentive compensation expenses	(25)	(857)	(2,245)	(3,061)
System migration costs	—	—	—	(118)
Adjusted content and software development expenses	13,670	14,006	39,697	42,039
GAAP selling and marketing expenses	36,078	39,615	115,278	122,591
Depreciation	(145)	(161)	(430)	(531)
Long-term incentive compensation expenses	(772)	(1,595)	(2,752)	(3,648)
Transformation costs	—	—	—	(213)
Adjusted selling and marketing expenses	35,161	37,859	112,096	118,199
GAAP general and administrative expenses	21,175	21,686	63,594	66,390
Depreciation	(151)	(674)	(466)	(1,340)
Long-term incentive compensation expenses	(2,547)	(1,446)	(7,161)	(3,230)
Transformation costs	(1,379)	(150)	(3,986)	(1,102)
Executive exit costs	—	—	—	(3,326)
Adjusted general and administrative expenses	17,098	19,416	51,981	57,392
Total GAAP operating expenses	106,321	110,550	321,495	335,671
Depreciation	(457)	(1,000)	(1,364)	(2,404)
Long-term incentive compensation expenses	(3,485)	(4,099)	(12,574)	(10,438)
System migration costs	—	—	—	(118)
Transformation costs	(1,379)	(150)	(3,986)	(1,315)
Executive exit costs	—	—	—	(3,326)
Adjusted total operating expenses	$ 101,000	$ 105,301	$ 303,571	$ 318,070

SKILLSOFT CORP.
FREE CASH FLOW and ADJUSTED FREE CASH FLOW (LEVERED) RECONCILIATION
(in thousands, unaudited)

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2025	2024	2025	2024
Free cash flow reconciliation				
Net cash provided by (used in) operating activities	$ (18,859)	$ 8,717	$ (5,405)	$ 12,214
Purchase of property and equipment, net	(467)	(411)	(1,606)	(810)
Internally developed software - capitalized costs	(4,258)	(4,222)	(13,033)	(13,018)
Free cash flow	**(23,584)**	**4,084**	**(20,044)**	**(1,614)**
Cash impact for adjusted EBITDA excluded charges	6,043	10,089	15,581	17,187
Adjusted free cash flow (levered)	$ **(17,541)**	$ **14,173**	$ **(4,463)**	$ **15,573**