

3 March 2026

Malvern International plc
("Malvern", the "Company" or the "Group")

Final results for the nine months ended 30 September 2025

Malvern International plc (AIM: MLVN), the global learning and skills development partner, announces its final results for the nine months ended 30 September 2025.

Financial highlights

- Underlying and statutory revenue, excluding university commission income for the nine months to 30 September 2025 ('the Period'), was £14.12m (12 months to 31 December 2024 ('FY2024'): £14.74m).
- Underlying operating profit was £0.38m (FY2024: £0.22m), with growth from Higher Education and Juniors.
- Underlying profit was £0.09m (FY2024: loss £0.13m), resulting in an Underlying profit per share of 0.39 pence (FY2024: loss 0.53 pence) with key contributors to the profit delivered by Higher Education and Juniors.
- The statutory loss was £1.29m (FY2024; loss £0.15m), with impairment of the full value of goodwill primarily relating to the Communicate School, Manchester of £1.42m, following the closure of Adult English Language Teaching ('ELT') in March 2026.
- Group debt reduced from £1.86m at FY2024 to £1.45m at the Period end, due to ongoing repayment of the Term Loan.
- Net cash generated from operating activities during the Period totalled £1.65m (FY2024: £0.17m); cash flow is expected to continue to improve.
- Cash balance at the Period end was £1.89m (FY2024: £1.39m).

Operating highlights

- Three new long-term university partnership contracts awarded, with a further contract awarded post Period end, now entering execution and scale phase.
- Strong summer season from Junior division across nine centres.
- Continued investment in people, sales and marketing, and compliance and admissions to scale the new contracts.
- Reshaped the ELT business to focus on scaling Junior divisions and closing Adult ELT post-Period end.

Richard Mace, Chief Executive Officer, said: "During the Period we successfully secured three new University Pathway contracts, and invested further in the division. In the meantime, we continued to service the existing partnerships, achieving high levels of student attainment and satisfaction. In ELT, we had a busy summer season with Juniors, while Adult ELT remained subdued. As a result, we made the decision to reshape ELT to focus on the Junior market.

Our actions over the past two years have resulted in a more resilient and diversified business, supported by long-term contracts, a capital-light operating model, and a proven track record of delivery. Following the recent fundraise of £1.95m net of expenses, we have the resources to develop and scale up the four University Pathways contracts won over the last 12 months."

For further information, please contact:

Malvern International Plc

www.malverninternational.com

Mark Elliott - Chairman

Via our website

Richard Mace - Chief Executive Officer

Zeus (NOMAD & Broker)

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Notes to Editors:

Malvern International is a learning and language skills development partner, offering international students essential academic and English language skills, cultural experiences and the support they need to thrive in their academic studies, daily life and career development.

University Pathways provides on- and off-campus in-session and pre-session programmes to support international students in progressing to a wide range of universities and undergraduate courses. Malvern assists its university partners with international student recruitment and conversion, admissions, fee collection, and course delivery, including teaching, orientation, and student support.

English Language Teaching is provided to young learners through fully immersive residential English language centres and customised language programmes at high-quality locations.

For further investor information, go to www.malverninternational.com.

CHAIRMAN'S STATEMENT

Our focus for 2025 was to secure new University Pathway contracts, enabling us, as a smaller, more agile operator, to scale effectively. Additionally, we continued to target growth in our Juniors offering by providing additional centres and diversifying our product range.

Leveraging our success in rapidly establishing one of the largest International Study Centres in the UK at the University of East London, we were pleased to secure three long-term university partnerships, as well as a one-year extension of our partnership with UEL.

We established a ten-year partnership with the University of Cumbria and a five-year partnership with the University of Wolverhampton, with the first cohort of students starting in September 2026. In July, we signed a five-year contract to create an international student centre at Liverpool Hope University, with the first cohort starting in January 2026.

With these contracts secured, our focus shifted to forward investment in student recruitment, admissions, and compliance, as well as recruiting teaching, student support, and pastoral care staff to maximise progression and attainment rates. Alongside this, we continued to pursue a pipeline of additional University Partnerships.

With the new University Partnerships signed, the Board decided to change the Group's financial reporting date from 31 December to 30 September. The new reporting date reflects a shift in the Group's focus towards the UK university academic year, and will enable a clearer assessment of the operating and financial performance of our partnerships. Consequently, this report covers the nine months ended 30 September 2025 ('the Period').

During the Period, the Board continued to review its strategy for the loss-making Adult ELT, as it remained well below pre-COVID performance levels. In February 2026, the Board decided to reshape the ELT operations to focus exclusively on Junior ELT and young learner camps, closing Adult ELT schools in Manchester and London in a deal with a competitor. The strategic closure has led to a full value impairment of goodwill relating to the Communicate School of £1.42m in the accounts, resulting in a Statutory loss of £1.29m in the Period.

Further, while the immediate short-term cost of closure for the year ended 30 September 2026 is expected to be approximately £0.30m, the Board expects to benefit from annual savings of between £0.30m and £0.60m from 30 September 2027 ('FY2027'), depending on the utilisation of the London King's Cross premises.

We now have a significantly larger portfolio of university partnerships, featuring multi-year agreements and improved payment terms, putting us in a much stronger position compared to the beginning of 2025. The recent announcement of a 15-year contract with London Metropolitan University further enhances our outlook. Additionally, we have a robust pipeline within the Juniors division and currently plan to conduct camps at 11 centres this summer. With Adult (ELT) no longer impacting the Group performance and the extra working capital available from a £1.95m (after expenses) fundraising in February 2026 (to be received across February and March), we are better positioned to scale the business quickly and take advantage of the operational gearing that successful scaling-up will create.

For the 2025/26 academic year, the university student recruitment numbers are expected to be 989 students, compared to 1,023 the previous year. This is due to softening intake at UEL and a partial recruitment cycle for the new partnerships secured during the Period. With these numbers established for FY2026, we anticipate the Group will incur an operating loss for the current financial year. However, with ongoing investment in Pathways, a full recruitment cycle for the universities of Wolverhampton, Cumbria, and Liverpool Hope, and the recent contract with London Metropolitan University, we expect the new partnerships to contribute significantly to profitability in FY2027 as we begin to scale student numbers.

The actions taken over the past two years have resulted in a more resilient and focused business, supported by long-term contracts, a capital-light and scalable operating model, and a proven track record of delivery. The Group's focus is now firmly on execution: scaling student recruitment at pace, delivering strong academic outcomes, and translating this growth into sustainable shareholder value.

Mark Elliott, Chairman

OPERATING REVIEW

Higher Education and University Pathways

In another successful Period for our Pathways business, student numbers increased 28.8% in the 2024/25 academic year. Students continue to achieve high levels of attainment and satisfaction.

We secured a one-year extension of our partnership with UEL for the 2025/26 academic year. In 2025 we established three new long-term contracts with universities, ranging from five to ten years in duration with the University of Wolverhampton in January, the University of Cumbria in February, and Liverpool Hope University in July. As expected, with a longer lead-in to the start of the academic year, student recruitment numbers were highest for Wolverhampton. We were also pleased to see a more than two-fold increase in student intake at our NCUK centre.

The Group invested significantly in Pathways growth during the Period. This investment in new partnerships included additional sales staff, recruitment activities and IT systems in preparation for delivering to a larger portfolio of university partners.

Our product offering is being well-received by our agent network. With the new contracts in place, we are investing significantly in University Pathway partnerships to create the structures needed to reach target student numbers and progression rates.

In addition to the new partnerships secured during the Period, we were pleased in January 2026 to secure a 15-year exclusive partnership (with the option to terminate every five years) with London Metropolitan University to rapidly expand its international student body from September 2026, providing a range of recruitment, education, and support services.

University student recruitment numbers are expected to be 989 students for the 2025/26 academic year, compared to 1,023 the previous year. This is due to softening intake at UEL and a partial recruitment cycle for the new partnerships secured during the Period. However, with ongoing investment in Pathways, a full recruitment cycle for the universities of Wolverhampton, Cumbria, and Liverpool Hope, and the recent contract with London Metropolitan University, we will begin to scale student numbers.

English Language Training ('ELT')

The Juniors division saw another strong summer season with circa £6.52m revenue from 3,471 students based across nine centres (FY2024: 3,405 students, £6.03m revenue and eight centres). The Period also saw the launch of the Global Futures Easter camp and Innovate Summer Academy.

We are very pleased with this performance, particularly the increase in student numbers from Turkey and Latin America, resulting from our increased sales and marketing in those regions.

Adult ELT tuition fee revenue, excluding agents' commission, decreased approximately 10% to circa £1.33m (FY2024: £1.69m) as a result of price competition leading to a reduction in course fees and student weeks in its year-round schools. Following a thorough review, the Board decided to reshape ELT to focus on the profitable Juniors segment, closing the Adult ELT in February 2026. More information in relation to this closure can be found in the Chairman's statement.

Our people

During the Period, we employed 195 permanent staff members, including 19 in Adult ELT. These numbers increase substantially with temporary staff during the peak summer season.

Following the announcement of our partnership with the Universities of Wolverhampton and Cumbria, we hired an additional 33 staff members during the Period to support these contracts and deliver our services. We continue to invest in our teams, ensuring we have the resources needed to scale our business.

New initiatives introduced during this Period included a focus on Mental Health Awareness, a salary sacrifice pension scheme, and offering LinkedIn Learning to all employees to support their personal and professional growth. We also implemented training programmes to enhance soft skills and career development, along with a rewards and recognition process that features quarterly winners.

In collaboration with the marketing department, we rolled out our internal corporate rebranding, which included a new Mission, Vision, and Values. These were communicated to all staff, and we continue to ensure that they are understood and incorporated into our daily activities.

The senior leadership team has been strengthened over the past two years with individuals who bring significant experience in scaling international higher education partnerships; the management is focused on disciplined execution as the Group moves into its next phase of growth.

Sales and marketing

2025 was a pivotal year for the sales and marketing departments. Following a strategic brand audit, Malvern refreshed its brands across corporate, and the Juniors and Pathway divisions to resonate better with target audiences. This was a wide-scope brand refresh, including an updated new look and updating our corporate values, mission and vision. To align with the new branding, new websites have been launched across our portfolio offering clear, informative, and easy-to-use access to our programmes and services.

A joined-up marketing strategy, working alongside our sales team, is strengthening our international student recruitment agent network, increasing sales leads across a wider range of sending markets.

To mark the launch of the three new pathway partnerships in 2025, Malvern held launch events across our key target markets in South Asia, East Asia, MENA and West Africa. Our sales teams have run regional roadshows and attended key industry events to expand our agent and partnership networks, including ICEF Berlin, ICEF Japan and Korea, Alphe UK, Alphe Frankfurt, NAFSA US, and EAIE Europe.

These efforts are positioning the Group to build student numbers for the 2026/7 academic year and beyond.

Financial and student administration

Our admissions and compliance department plays a vital role in managing student conversions and enrolments, ensuring regulatory compliance, and supporting our recruitment strategy. In 2025, we introduced a new student management software to uphold high standards as application volumes grow. As a result, we maintained high UK visa acceptance rates, reflecting strong quality control in university recruitment and applications.

Achieving high student attainment levels is a key contractual requirement in our university partnership contracts. We therefore closely monitor academic progress and ensure students meet the requirements to progress to their prospective degrees. This is essential for the long-term success of our partnerships and the attractiveness of universities to international students.

To achieve this, our centre administrative staff provide both academic and pastoral support, maintaining regular contact with students and implementing early intervention when needed.

Outlook

The financial year ending 30 September 2026 ('FY2026') is expected to be a period of preparation and investment, as the Group positions itself for accelerated growth in subsequent years.

The Group has secured four new long-term university partnerships in the last 12 months, which are expected to make a meaningful contribution to profitability from FY2027 onwards. Marketing activity for the London Metropolitan University centre has commenced, with early engagement from the agent network proving encouraging. In addition, FY2026 will represent the first full recruitment cycle across several existing university partners, providing an opportunity to continue building student volumes.

The Company intends to deploy a significant portion of the £1.95m raised (after expenses) to scale its new Pathway partnerships. This investment is expected to drive a material increase in operational gearing from FY2028. In the near term, FY2026 Pathway revenues and margins will be impacted by transitional changes to the Group's Pathway portfolio as it repositions towards higher-quality, longer-term partnerships.

The reshaping of the Group's ELT strategy via the exit from Adult ELT, enabling greater focus on faster-growing, cash generative, and profitable segments will deliver annual cost savings of approximately £0.30m from FY2027, increasing to up to £0.60m if the London King's Cross facility is fully utilised following the exit. Immediate short-term exit costs, largely staff redundancies, are expected to be circa £0.30m.

Taken together, these factors mean FY2026 is expected to be loss-making at the operating level. From FY2027 onwards, the Group's financial performance is expected to improve materially as student numbers scale across the new Pathway partnerships. With a strengthened leadership and a proven track record in executing Pathway contracts, the Directors are confident that the business will return to profitability in FY2027. This is supported by strong demand, a scalable operating model, and increasing operational leverage, is well positioned to deliver substantial profit growth in the years that follow.

Richard Mace, Chief Executive Officer

FINANCIAL REVIEW

Financial performance

Underlying and Statutory revenue, excluding university commission income, for the nine months ended 30 September 2025 ('the Period') was £14.12m (12 months ended 31 December 2024 ('FY2024'): £14.74m). The Group's strongest-performing areas continued to be Higher Education and Juniors, delivering an Underlying operating profit of £0.38m (FY2024: £0.22m).

The Underlying profit for the Period was £0.09m (FY2024 loss: £0.13m), resulting in an Underlying profit per share of 0.39 pence (FY2024: loss 0.53 pence). Student numbers in Higher Education and University Pathways increased 28.8% in the 2024/25 academic year, driving up profits from this part of the Group. Underperforming Adult ELT and forward investment associated with securing new Pathway contracts were the key contributors to partially offsetting the positive growth from increases in student numbers.

The Statutory loss for the Period was £1.29m (FY2024: loss £0.15m). The driver for this was the impairment for the full value of goodwill relating to the Communicate School, Manchester of £1.42m, following the closure of Adult ELT in March 2026. Other non-Underlying items included share-based payments and ongoing staff restructuring totalling £0.04m, offset by a favourable warrants revaluation of £0.06m.

Operating costs

Group salaries and benefits during the Period were £3.74m, compared to £3.89m in FY2024. The higher annualised cost base reflects the forward investment in staffing to support a larger portfolio of Pathway partnerships. This investment included new sales, admissions, conversion, centre, and teaching staff to deliver growth in student numbers and pass rate targets, as well as to secure additional HE partners.

Group Underlying other operating expenses during the Period were £2.39m compared to £2.77m in FY2024. On an annualised basis, costs have increased, primarily due to investment in Pathways IT systems and recruitment activities to support the new university partnerships. IT spend increased by

£0.16m during the Period, which included the implementation of two new Pathway systems. These systems will significantly improve our ability to convert students at higher rates and ensure all students are thoroughly assessed, so we can select the best-qualified students for our courses.

Financial position

We continue to make incremental improvements to our Financial Position. Group debt continues to be reduced by operating cash flow, down from £1.86m at the start of the Period to £1.45m at 30 September 2025. We expect to continue to reduce this balance monthly throughout FY2026. Net cash generated from operating activities during the Period totalled £1.65m (FY2024: £0.17m); cash flow is expected to continue to improve.

In addition, we continue to clear the remaining historical supplier balance of £0.14m from the COVID years (London rent arrears).

The cash balance at the end of the Period was £1.89m (FY2024: £1.39m), of which £1.44m is payable by the Group for summer accommodation costs due to late invoicing. In November 2025, we received a £2.23m payment from a large customer, in line with the typical payment cycle for that customer. We continue to manage expenditure tightly. Cash flow is expected to continue improving in 2026 and into 2027, as fees for the new University Partnerships are collected directly from students.

With the net proceeds of £1.95m from the recent successful fundraiser, the Group has sufficient working capital to scale the four contracts won over the last 12 months.

Daniel Fisher, Chief Financial Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	9 months ended 30 September 2025			12 months ended 31 December 2025		
		Underlying £	Non- Underlying £	Statutory £	Underlying £	Non- Underlying £	Statutory £
Revenue							
Sale of services	3	14,119,540	-	14,119,540	14,741,924	316	14,742,240
University commission income	3	1,132,480	-	1,132,480	1,890,258	-	1,890,258
Total revenue		15,252,020	-	15,252,020	16,632,182	316	16,632,498
Cost of sales							
Cost of services sold		(7,516,385)	(7,671)	(7,524,056)	(7,719,088)	16,034	(7,703,054)
University commission expense		(1,157,119)	13,273	(1,143,846)	(1,848,132)	20,180	(1,827,952)
Total cost of sales		(8,673,504)	5,602	(8,667,902)	(9,567,220)	36,214	(9,531,006)
Gross profit		6,578,516	5,602	6,584,118	7,064,962	36,530	7,101,492
Other income	4	173,178	-	173,178	136,017	-	136,017
Administrative expenses							
Salaries and employee benefits		(3,736,128)	(37,007)	(3,773,135)	(3,894,221)	(47,369)	(3,941,590)
Depreciation and amortisation of assets		(247,798)	-	(247,798)	(317,431)	884	(316,545)
Impairment of goodwill	8 & 9	-	(1,419,350)	(1,419,350)	-	-	-
Other operating expenses	6	(2,386,724)	63,341	(2,323,383)	(2,764,877)	(719)	(2,765,596)
Total administrative expenses		(6,370,650)	(1,393,016)	(7,763,666)	(6,976,529)	(47,204)	(7,023,733)
Operating profit/(loss)		381,044	(1,387,414)	(1,006,370)	224,450	(10,674)	213,769
Finance costs	5	(284,829)	-	(284,829)	(355,133)	(3,696)	(358,862)
Profit/(loss) before tax		96,215	(1,387,414)	(1,291,199)	(130,683)	(14,370)	(145,093)
Income tax charge		(5,240)	-	(5,240)	-	(6,077)	(6,077)
Profit/(loss) for the Period being total comprehensive income/(expenses)		90,975	(1,387,414)	(1,296,439)	(130,684)	(20,447)	(151,170)

attributable to owners of the parent

Total comprehensive income/(expense) for the Period		90,975	(1,387,414)	(1,296,439)	(130,684)	(20,447)	(151,1
Attributable to: Equity holders of the parent		90,975	(1,387,414)	(1,296,439)	(130,684)	(20,447)	(151,1
Profit/(loss) per share attributed to equity holders of the Company (in pence)							
Basic	7	0.39	(5.68)	(5.29)	(0.53)	(0.06)	(0.59)
Diluted	7	0.39	(5.68)	(5.29)	(0.53)	(0.06)	(0.59)

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION

	Note	Group		Company	
		9 months ended 30 September 2025	12 months ended 31 December 2024	9 months ended 30 September 2025	12 months ended 31 December 2024
		£	£	£	£
TOTAL ASSETS					
Non-current assets					
Property, plant, and equipment		123,215	71,525	-	-
Intangible assets		76,139	16,080	-	-
Goodwill	9	-	1,419,350	-	-
Investment in subsidiaries		-	-	107,155	1,419,350
Right-of-use assets		1,266,698	1,406,850	-	-
Total non-current assets		1,466,052	2,913,805	107,155	1,419,350
Current assets					
Inventories		36,016	19,624	-	-
Trade receivables		373,847	791,743	-	-
Other receivables and prepayments		2,766,460	1,565,947	161,313	131,736
Amounts due from subsidiaries		-	-	8,749	-
Cash and cash equivalents		1,893,357	1,391,605	6,153	4,733
Total current assets		5,069,680	3,768,920	176,215	136,469
Total assets		6,535,732	6,682,725	283,370	1,555,819
EQUITY AND LIABILITIES					
Non-current liabilities					
Term Loan	10	794,699	1,023,238	772,259	992,282
Warrants	10	290,622	353,963	290,622	353,963
Lease liabilities	10	1,242,290	1,532,549	-	-
Total non-current liabilities		2,327,611	2,909,750	1,062,881	1,346,245
Current liabilities					
Trade payables		730,234	1,462,756	99,199	88,310
Contract liabilities		3,424,907	3,080,256	-	-
Other payables and accruals		4,066,899	1,899,193	327,919	292,755
Amounts due to the subsidiary		-	-	7,320,816	5,772,490
Lease liabilities	10	613,782	563,460	-	-
Term Loan	10	556,445	670,763	542,813	653,516
Total current liabilities		9,392,267	7,676,428	8,290,747	6,807,071
Total liabilities		11,719,878	10,586,178	9,353,628	8,153,316

Equity attributable to equity holders of the Company

	Note	Group		Company	
		9 months ended 30 September 2025 £	12 months ended 31 December 2024 £	9 months ended 30 September 2025 £	12 months ended 31 December 2024 £
Share capital	11	11,323,899	11,323,899	11,323,899	11,323,899
Share premium		6,797,950	6,797,950	6,797,950	6,797,950
Other reserves		30,624	17,141	30,624	17,141
Retained earnings		(23,333,642)	(22,042,443)	(27,222,731)	(24,736,487)
Translation reserve		(2,977)	-	-	-
Total equity		(5,184,146)	(3,903,453)	(9,070,258)	(6,597,497)
Total equity and liabilities		6,535,732	6,682,725	283,370	1,555,819

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial Period amounted to £3,177,280 (FY2024: £2,042,440).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £	Share premium £	Retained earnings £	Translation reserve* £	Other reserves	Total £
Balance at 1 January 2024	11,323,899	6,797,950	(21,895,871)	-	12,190	(3,761,832)
Total comprehensive expense for the year	-	-	(151,131)	-	-	(151,131)
Deferred tax	-	-	4,559	-	-	4,559
Share option expense (EMI options)	-	-	-	-	4,951	4,951
Balance at 31 December 2024	11,323,899	6,797,950	(22,042,443)	-	17,141	(3,903,453)
Total comprehensive expense for the Period	-	-	(1,296,439)	-	-	(1,296,439)
Foreign exchange translation differences	-	-	-	(2,977)	-	(2,977)
Share option expense (EMI options)	-	-	-	-	13,483	13,483
Balance at 30 September 2025	11,323,899	6,797,950	(23,338,882)	(2,977)	30,624	(5,184,146)

*Translation reserve represents the foreign exchange differences arising from the translation of transactions and balances between the newly established Nepal entity, where accounting records are maintained in Nepalese Rupees ('NPR'), and the UK parent company, which reports in Pounds Sterling ('GBP').

CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended 30 September 2025 £	12 months ended 31 December 2024 £
Cash flows from operating activities		
Loss after income tax from	(1,296,439)	(151,131)
Adjustments for:		
Depreciation of tangible assets	245,142	328,067
Amortisation of intangible assets	2,656	-
Assets written off	5,047	-
Deferred tax adjustment	5,240	-
Impairment of goodwill	1,419,350	-
Fair value movements - warrants	(63,341)	(61,318)
Share-based payments	13,483	4,951

Net impairment (charge)/credit on trade receivables	(273,572)	158,702
Increase in stocks	(16,391)	(11,459)
Taxation adjustment	-	4,559
Finance cost	263,372	354,854
	304,547	627,225
Changes in working capital		
(Increase)/decrease in receivables	(507,630)	(1,152,026)
Increase in payables	1,861,000	694,716
Net cash flows generated in operating activities	1,657,917	169,915
Cash Flows from investing activities		
Purchases of property, plant, and equipment	(80,565)	(27,597)
Investment in intangible assets	(143,880)	(16,080)
Net cash used in investing activities	(224,445)	(43,677)
Cash flows from financing activities		
Repayment of lease liabilities	(427,297)	(297,739)
Additional loan	-	22,336
Repayment of Term Loan	(384,943)	(515,003)
Interest payments	(116,506)	(140,726)
Net cash used in financing activities	(928,746)	(931,132)
Net change in cash and cash equivalents	504,729	(804,894)
Cash and cash equivalents at the beginning of the Period	1,391,605	2,196,499
Exchange losses on cash and cash equivalents	(2,977)	-
Cash and cash equivalents at the end of the Period	1,893,357	1,391,605

Notes to the financial statements

1. General information

Malvern International plc (the "Company") is a public limited company incorporated in England and Wales on 8 July 2004. The Company was admitted to the AIM on 10 December 2004. Its registered office is 3rd Floor 1 Ashley Road, Altrincham, Cheshire, United Kingdom, WA14 2DT. The registration number of the Company is 05174452.

The principal activity of the Group is to provide an educational offering that is broad and geared principally towards preparing students to meet the demands of business and management. The specific principal activities of the subsidiary companies are set out in note 13 to the financial statements. There have been no significant changes in the nature of these activities during the Period.

2. Significant accounting policies

Basis of Preparation

These financial statements of the Group and Company are prepared on a going concern basis, in accordance with International Financial Reporting Standards ('IFRS') and IFRIC interpretations issued by the International Accounting Standards Board ('IASB') and adopted by the United Kingdom, in accordance with the Companies Act 2006.

The parent company's financial statements have also been prepared in accordance with UK-adopted IFRS and the Companies Act 2006. The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets

Alternative performance measures ('APMs')

The consolidated financial statements include APMs as well as Statutory measures. The APMs used by the Group are not defined terms under IFRS and may therefore not be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for, or superior to, IFRS measures. All APMs relate to the current year's results and comparative periods where provided.

This presentation is also consistent with the way financial performance is measured by management and reported to the Board, the basis of financial measures for senior management's compensation schemes and provides supplementary information that assists the user in understanding the Group's financial performance, position and trends. See note 11 for a reconciliation of Statutory information to Underlying information.

Going concern

The financial statements have been prepared on a going concern basis. The Directors consider the going concern basis to be appropriate, having paid due regard to the Group and Company's projected results during the twelve months from the date the financial statements are approved and the anticipated cash flows, availability of loan facilities and mitigating actions that can be taken during that period.

The Group produced an Underlying profit for the 9 months to 30 September 2025 of £0.09m (FY2024: Underlying loss £0.13m).

Growth Lending (formerly BOOST&Co) is the Group's Term Loan provider. The current debt in Malvern International Plc's accounts is £1.45m. Growth Lending Limited, acting on behalf of IL2 (2018) Sarl, has again provided a letter of comfort to provide ongoing financial support to the Company for any short-term working capital requirements should it become necessary. It is the present policy of Growth Lending to ensure that the Company has adequate financial resources to meet its obligations and to continue as a going concern for at least 12 months from the date of signing the financial statements.

Before February 2026, the Company has not required any cash from Growth Lending or shareholders in the past three years, highlighting the Company's ability to cover its liabilities and historical debts with operating cash flow. Current forecasts indicate that the Company will not require further funding in the next 12 months.

Revenue growth continued in 2025, ending the 9-month period to September 2025 at circa 96% of the preceding 12 month period in 2024. Three new Pathway partnerships were signed in 2025, and one post Period end in January 2026, with the first intake of students for two of these partnerships due in September 2025, the third partnership in January 2026 and finally, the most recent partnership signed will start in September 2026. In all four partnerships, Malvern will collect cash directly from the students. The visibility of University Pathways revenue in FY2026 gives the Board confidence in Malvern's short and long-term prospects.

Despite recruitment restrictions in the Pakistan market for our Pathway division due to concerns about visa refusals and student withdrawals, student numbers have remained resilient compared with the prior academic year (September 25 vs. September 2024), reflecting the significant investment in this division. Our Junior summer camps continue to experience growth despite a downturn in Chinese students across the industry, delivering £6.46m (FY2024: £6.03m) in revenue to the Group. Pre-bookings for FY2026 summer camps are very encouraging, and revenue growth is expected to follow.

Increased investment in the Pathways division and the start-up cost of the new Pathway partnerships are expected to result in a loss in FY2026. Future profit and cash flow projections indicate that the Company is expected to return to profitability in FY2027. Significant improvements in cash flows are expected to follow. The long-term 5 to 15-year Pathway contracts give the Directors comfort to continue adopting the going concern basis in preparing the financial statements.

To help the Company accelerate the growth of the Pathways division, reshape the ELT division and to provide additional working capital to cover cash flow seasonality, the Company is undertaking a fundraise. This fundraise has generated £1.95m in new cash and will be finalised in March 2026.

UK and global macroeconomic factors continue to create some uncertainty in the Group's forecasts. Despite this, significant revenue growth was achieved in 2025 and is expected to continue through FY2026. The security of the four new long-term Pathway contracts and the continued commitment from the Group's lenders, in the form of a letter of support, provide the Group with confidence in respect of future funding.

3. Revenue

i. Sale of services

	9 months ended 30 September 2025 £	12 months ended 31 December 2024 £
Course fees	12,943,319	13,137,635
Application fees, registration and examination fees	91,035	122,320
Training fees, course materials and others	172,974	122,307
Accommodation fees	912,212	1,359,978
	14,119,540	14,742,240

ii. University commission income

	9 months ended 30 September 2025 £	12 months ended 31 December 2024 £
University commission income	1,132,480	1,890,258

University commission is received from a university partner. A significant portion is then passed directly to the Group's agents.

iii. Segments

The Directors consider that the Group has a single business segment, being the sale of education services. The operations of the Group are managed centrally with Group-wide functions covering sales and marketing, finance and administration. Geographically, operations are all UK-based. Revenue from customers who individually accounted for more than 10% of total Group revenue amounted to £6,069,119 (FY2024: £7,058,850).

4. Other income

	9 months ended 30 September 2025	12 months ended 31 December 2024
	£	£
Rental income	133,060	137,069
R&D credits*	-	(19,182)
Interest income	23,110	16,674
Other income	17,008	1,456
	173,178	136,017

*A R&D credit was refunded to HMRC during the Period.

5. Finance costs

	9 months ended 30 September 2025	12 months ended 31 December 2024
	£	£
Interest in leases (IFRS 16)	106,194	157,559
Interest in Term Loan	157,178	197,292
Other finance costs	21,457	3,979
	284,829	358,830

6. Operating expenses

	9 months ended 30 September 2025	12 months ended 31 December 2024
	£	£
Auditor's remuneration:		
- Fees payable to the Company's auditor for Statutory audit	99,522	67,345
- Fees payable to the Company's auditor for Statutory audit of subsidiary company	-	55,100
Consultant fees:		
- Non-audit fees for taxation compliance fees	-	8,500
Administrative and marketing expenses	1,963,004	2,360,413
Expected credit losses - trade receivables	324,198	335,556
Fair value movement - warrants	(63,341)	(61,318)
	2,323,383	2,765,596

7. Loss per share

The basic and diluted Statutory loss per share attributable to equity holders of the Company is based on the Statutory loss attributable to shareholders of £1,296,439 (FY2024: Statutory loss of £151,131). The weighted average number of ordinary shares in issue during the year is 24,442,400 shares (FY2024: 24,442,400 shares). The Statutory loss per share (in pence) before the income tax charge attributed to shareholders is 5.29 (FY2024: statutory loss per share of 0.59). Potential ordinary shares arising from share options and warrants have not been included in the calculation of diluted loss per share as they are anti-dilutive for the Period. Accordingly, diluted loss per share equals basic loss per share.

8. Reconciliation of Statutory information to Underlying information

Underlying information is provided because the Directors consider that it provides assistance in understanding the Group's Underlying performance. Further details in relation to alternative performance measures ('APMs') are contained within note 1.

The following table includes details of non-Underlying items and reconciles Statutory information to Underlying information:

	University commission income						
Sale of services		Revenue	Direct costs	Gross profit	Operating profit	Finance costs	

9 months ended 30 September 2025	£	£	£	£	£	£	£
Underlying results	14,119,540	1,132,480	15,252,020	(8,673,504)	6,578,516	381,044	(284,829)
Malvern House Brighton ^(a)	-	-	-	5,602	5,602	5,602	-
Share-based payments ^(b)	-	-	-	-	-	(13,483)	-
Warrants ^(c)	-	-	-	-	-	63,341	-
Staff restructure payments ^(d)	-	-	-	-	-	(23,524)	-
Impairment of goodwill ^(e)	-	-	-	-	-	(1,419,350)	-
Statutory results	14,119,540	1,132,480	15,252,020	(8,667,902)	6,584,118	(1,006,370)	(284,829)

	Sale of services	University commission income	Revenue	Direct costs	Gross profit	Operating profit	Finance costs
12 months ended 31 December 2024	£	£	£	£	£	£	£
Underlying results	14,741,924	1,890,258	16,632,182	(9,567,220)	7,064,962	224,450	(355,134)
Malvern House Brighton ^(a)	316	-	316	36,214	36,530	(24,931)	(3,696)
Share-based payments ^(b)	-	-	-	-	-	(4,951)	-
Warrants ^(c)	-	-	-	-	-	61,318	-
Staff restructure payments ^(d)	-	-	-	-	-	(42,110)	-
Statutory results	14,742,240	1,890,258	16,632,498	(9,531,006)	7,101,492	213,776	(358,830)

a) Malvern House Brighton

Expenses related to the closure of the former Brighton school.

b) Share-based payments

The Company has an Enterprise Management Incentive share option scheme for certain Directors and employees. Under the scheme, participants have been awarded options to acquire up to a prescribed level of shares.

c) Warrants

As part of the Term Loan agreement entered into in August 2019, the Group issued warrants over 2,072,623 shares to Growth Lending (formerly BOOST&Co). The warrants are revalued at fair value annually, any movement is expensed in the Consolidated Statement of Comprehensive Income. During the Period, the warrants were transferred from Growth Lending to shareholder 8 KPG Limited. The Group was not involved in this private transaction.

d) Staff restructure payments

The management of the Group are completing a staff review to ensure that we are using our resources as efficiently as possible.

e) Impairment of goodwill

The management of the Group are reviewing the carrying value of goodwill to ensure that it reflects the recoverable amount in accordance with applicable accounting standards. This assessment is being undertaken to confirm that the goodwill recognised continues to represent the expected future economic benefits to the Group. During the Period, the assessment of the future benefits indicated that the full value of goodwill was not recoverable and should therefore be impaired.

9. Goodwill

	9 months ended 30 September 2025 £	12 months ended 31 December 2024 £
Cost		
Balance as at the beginning of the Period	1,419,350	1,419,350
Balance as at the end of the Period	1,419,350	1,419,350
Provision for impairment of goodwill		
As at the beginning of the year	-	-
Impairment during the period	(1,419,350)	-
As at the end of the year	(1,419,350)	-
Net book value at the end of the year	-	-

Goodwill arose on the acquisition of Communicate English School Limited in 2018. Annual impairment reviews are undertaken each year using discounted future cash flows to ensure the carrying value is recoverable.

The carrying value of £1,419,350 of this cash-generating unit is in excess of the recoverable value and the value in use is negative, therefore it has been fully impaired during the Period. The following assumptions were used to calculate the amount recoverable:

- Discounted Cash Flow model produced modelling cash flow for Communicate over five years.
- Terminal value applied to cashflow from year 6 onwards.
- Discount rate of 10% (FY2024: 13.75%) applied reflecting the WACC of the Group.
- Dynamic growth rate applied, ranging from 4% (FY2024: 6%) in 2026, to 6% (FY2024: 3%) annual growth at the end of the five-year time horizon, consistent with industry data.

10. Financial liabilities

	Group		Company	
	9 months ended 30 September 2025 £	12 months ended 31 December 2024 £	9 months ended 30 September 2025 £	12 months ended 31 December 2024 £
Non-current liabilities				
Term Loan	794,699	1,023,238	772,259	992,282
Warrants	290,622	353,963	290,622	353,963
Lease liabilities	1,242,290	1,532,549	-	-
Deferred tax liabilities	5,240	-	-	-
	2,332,851	2,909,750	1,062,881	1,346,245
Current liabilities				
Term Loan	556,445	670,763	542,813	653,515
Lease liabilities	613,782	563,460	-	-
Trade and other payables	730,234	1,462,756	99,199	88,310
	-	-	7,320,816	-
Total	1,900,461	2,696,979	7,962,828	741,825

Term Loan

In August 2019, Malvern received a Term Loan from Growth Lending (formerly BOOST&Co) for £2,600,000. This loan originally carried an interest rate as the higher of (a) 10% per annum, or (b) 8% per annum plus LIBOR. The loan was restructured in March 2022, the new terms include a 12-month payment and interest holiday with monthly payments commencing from March 2023 over a five-year period, with the interest being set at 7% for the first two years and 10% for the subsequent three years. There are no early repayment penalties on this facility.

During 2020, the Group took advantage of the Government-backed Bounce Back Loan Scheme ('BBLS'), benefiting from a total of £100,000 to be repaid over a six-year period with a 2.5% fixed rate of interest. The first 12 months of this lending facility are free of any obligation to pay capital or interest. The balance outstanding at 30 September 2025 is £36,070 (FY2024: £48,203).

Warrants

As part of the Term Loan agreement entered into in August 2019 and subsequently amended in March 2022, the Group issued warrants entitling the holder to subscribe for ordinary shares in the Company.

Following the 2022 amendment and the share consolidation completed in November 2022, the warrants have the following principal terms:

- Exercise prices of 10p and 10.6p per ordinary share;
- An exercise period commencing on the relevant issue date and expiring on 4 March 2032;

The number of shares issuable under the warrants and the exercise price were determined in accordance with contractual formulas based on a percentage of the loan amount and the average market price of the Company's shares over a specified period;

Due to:

- The cashless settlement feature, under which the number of shares to be issued is determined by reference to a 28-day average market price at the date of exercise; and
- The contingent issuance of additional warrants linked to the outstanding debt facility;

the warrants do not meet the fixed-for-fixed criterion under IAS 32 and are therefore classified as financial liabilities.

At the reporting date, the warrants were exercisable into 2,072,623 ordinary shares based on the contractual formula. During the period, the warrants were transferred from Growth Lending to shareholder 8 KPG Limited. The Group was not involved in this private transaction.

The warrants are measured at fair value through profit or loss.

In addition, subject to the £2.6m debt facility remaining outstanding at specified future dates, further warrants totaling up to 695,022 ordinary shares may become issuable between 2026 and 2028.

At 30 September 2025, the fair value of the warrants was £290,622 (FY2024: £353,963).

The following estimates were used to calculate this fair value:

- Annualised volatility of 60.8% (FY2024: 65%), which is consistent with a lifetime and post COVID adjustment. This is a reduction from last year, but the pandemic-related volatility can now be viewed as an outlier and not consistent with the expected long-term evolution of the share price.
- Maturity of 47 months applied, reflecting the duration over which 8 KPG Limited could exercise these warrants.
- Risk free rate of 3.759% (FY2024: 4.014%), being the Yield on UK five-year Government bonds.
- Strike price of £0.10 for the share warrants issued in 2019 and 2020 and strike price if £0.106 for warrants issued thereafter.

11. Share capital

	Allotted, called up and fully paid				
	No. of ordinary shares	Nominal value of ordinary shares	No. of deferred shares	Nominal value of deferred shares	Nominal value of all shares
At 31 December 2024 - 0.1p ordinary shares and 0.1p, 1p & 5p deferred shares	24,442,400	244,424	3,025,620,350	11,079,475	11,323,899
Additions during the Period	—	—	—	—	—
At 30 September 2025 - 0.1p ordinary shares and 0.1p, 1p & 5p deferred shares	24,442,400	244,424	3,025,620,350	11,079,475	11,323,899*

* Excludes the accumulated share-based payment balance. Share-based payments are booked into equity under Other Reserves for £30,624 (FY2024: £17,141).

The Company has an Enterprise Management Incentive share option scheme for certain Directors and employees.

12. Share-based payments and share options

The Company has an Enterprise Management Incentive share option scheme for certain Directors and employees. Under the scheme, participants have been awarded options to acquire up to a prescribed level of shares following a three-year vesting period if the Company's share price has met the pre-determined target conditions. There are two market-based conditions, each accounting for 50% of the share options awarded to the

employee. In addition, the mid-market share price of the Company on the AIM Market of the London Stock Exchange must stay at or above the exercise price, for 40 consecutive business days.

The Group used the Black Scholes valuation framework for all share options awarded pre-2024. These options have also been valued using the Monte Carlo valuation method to validate the reasonableness of the results. The results from the Monte Carlo valuation were not considered materially different from the Black Scholes valuation.

The inputs into the Black Scholes model as at 30 September 2025 are as follows:

Grant date	EMI options*	Exercise price (pence)*	Strike price on grant date (pence)*	Vesting period (years)	Expected volatility	Risk free rate	Fair value	Deemed probability of achieving market condition
02/12/2020	275,000	50	15	3	12.30%	0.35%	0.34	5.02%
02/12/2020	275,000	90	15	3	12.30%	0.35%	0.74	0.37%
18/01/2022	60,000	50	15	3	11.98%	0.35%	0.35	5.30%
18/01/2022	60,000	90	15	3	11.98%	0.35%	0.75	0.37%
01/09/2022	207,500	60	22	3	10.45%	0.26%	0.38	1.10%
01/09/2022	207,500	110	22	3	10.45%	0.26%	0.87	0.00%

As with options containing performance-based market targets, the probability of achieving the set condition is factored into the determination of the value. These will not be remeasured at subsequent reporting dates.

The vesting probabilities presented are products of lognormal distribution modelling over a three-year period, based on the scaled mean and standard deviation from a prior 365-day period, to determine the likelihood of the vesting condition being reached.

The Group has used the Monte Carlo valuation framework for all share options awarded in 2025.

The inputs into the Monte Carlo model as at 30 September 2025 are as follows:

Grant date	EMI options	Hurdles (pence)	Strike price on grant date (pence)	Expiry (years)	Volatility	Option price (pence)	Share price (pence)
30/11/2022	192,500	60	10	3	50%	2.93	12
30/11/2022	192,500	110	10	3	50%	1.34	12
15/11/2023	143,750	115	23.5	3	70%	10.4	24.5
15/11/2023	143,750	150	23.5	3	70%	10.4	24.5
11/10/2024	122,500	115	18	3	66%	6.6	18
11/10/2024	122,500	150	18	3	66%	5.6	18
30/06/2025	75,000	115	20	5	61%	4.6	16.5
30/06/2025	75,000	150	20	5	61%	3.6	16.5

For options with hurdles, early exercise is assumed to take place as soon as the 40-day hurdle requirement is triggered after the three-year vesting period. The Monte Carlo simulation uses 50,000 iterations to enhance the accuracy of the predicted outcome.

Nine months ended 30 September 2025

	Number of options	Weighted average strike price
Outstanding at 1 January 2025	2,246,934	19.70p
Granted during the Period	150,000	20p
Exercised during the Period	-	-
Forfeited during the Period	(244,434)	-
Outstanding at 31 December 2025	2,152,500	19.94p
Exercisable	-	-

Of the options outstanding at 30 September 2025, 670,000 (FY2024: 670,000) options have an exercise price of 15 pence, 415,000 (FY2024: 415,000) options have an exercise price of 22 pence, 385,000 (FY2024: 385,000) options have an exercise price of 10 pence,

287,500 (FY2024: 287,500) options have an exercise price of 23.5 pence, 245,000 (FY2024: 489,434) options have an exercise price of 18 pence and 150,000 options have an exercise price of 20 pence (FY2024: nil).

The aggregate charge for share options recognised in the Group financial statements in the Period was £13,483 (FY2024: £4,951).

13. Subsequent events

Subsequent to the reporting date of 30 September 2025, the following non-adjusting events have occurred:

Pathway partnership agreement

In January 2026, the Company entered into a 15-year Pathway partnership agreement with London Metropolitan University. The first student intake under this agreement is expected in September 2026. As this agreement was entered into after the reporting date, no adjustment has been made to the financial statements.

Closure of Adult ELT schools

In February 2026, the Company announced the closure of its Adult English Language Teaching schools in Manchester and London. Students have been transferred to a competitor via an asset purchase agreement in February 2026. The Company will also sublease the Manchester building to the competitor from the end of February 2026. The London building will be retained by the Company as there are plans to use the space for higher education provision. As the decision was made after the reporting date, this represents a non-adjusting event.

Fundraising

In February 2026, the Company initiated a fundraising expected to raise approximately £1.95m in net proceeds. The fundraising was completed in March 2026. As this transaction occurred after the reporting date, no adjustment has been made to the financial statements.

The annual report and accounts together with the notice of AGM to be held on 31 March 2026, are expected to be uploaded to the Company's website and posted to shareholders in due course.

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