

ASX RELEASE

21 November 2024

2024 Annual General Meeting – Chair’s Address and Chief Executive Officer Address

In accordance with Listing Rule 3.13.3, attached are the addresses to be delivered by Ms Cass O’Connor, Chair and Mr Mark Kehoe, CEO at this morning’s Annual General Meeting.

Also attached are copies of the slides to be used during the presentations at the meeting.

This announcement has been approved for release by the Board of NextEd Group Limited.

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NEXTED GROUP LIMITED
2024 ANNUAL GENERAL MEETING
CHAIR ADDRESS BY CASS O'CONNOR

Ladies and gentlemen, shareholders and employees,

On behalf of the Board of Directors, I welcome you to NextEd Group's Annual General Meeting for the financial year ending June 30, 2024.

Leadership Transition

First, I extend a very warm welcome to our new Chief Executive Officer, Mark Kehoe. Mark brings a wealth of experience in diverse industries undergoing external challenges, and has a proven track record of driving growth, innovation and transformative change. His strategic vision and understanding of the different forces facing our industry make him an ideal fit to lead NextEd into its next phase of development. The Board interviewed a number of very capable candidates for this role, and unanimously chose Mark, in part for his track record in positioning businesses to fit likely future operating profiles. Thank you, Mark, for accepting our invitation to join.

You will hear from Mark shortly.

At the same time, I express our sincere gratitude to Glenn Elith for his outstanding leadership during his tenure as CEO. Glenn and his team have built solid foundations for our company, positioning us at the high integrity / solid academic outcomes edge of Australia's tertiary education sector. This bodes well for future success. Glenn is serving his notice period into the latter half of Q1 2025, and is assisting Mark and the team with the required transitions. We wish him a well-deserved break from the sector.

Financial Performance

NextEd achieved record revenues of \$111.4 million for the 2024 financial year. Representing an increase of 8.9% from the previous year, this was a remarkable result given every single trading day of FY24 was negatively impacted by Federal Government policy. This revenue growth is a testament to our investments in new courses and campus expansions, and the team's ability to pivot towards opportunities which remain in the education sector.

Operating profit pre-impairment was slightly lower than FY23, and the sizeable impairment pushed all profit measures into negative territory. The Board considered it prudent to write down the carrying value of intangible assets – including goodwill, brand names and course materials - given the uncertainty created by the recent Federal Government actions to reduce international student numbers.

Michael will speak more on the financials in a few minutes.

Political Environment and Industry Challenges

The past 18 months have been marked by significant changes in the political landscape as it concerns international education policies. The continued attempts to fashion Education policies and legislation to drive migration outcomes have had the unfortunate results one usually finds when trying to fit a square peg in a round hole. The draft ESOS Bill and associated proposed student caps are the latest attempt, which as of today remains in limbo. The resultant uncertainty for the sector as a whole has forced a major review of our business and how we position ourselves within these constraints.

Should the ESOS Bill be ditched, Ministerial Direction 107 may continue for the foreseeable future which will only serve to continue the frustrating uncertainty the sector has faced over the past 18 months.

We anticipate the political environment will continue to present limitations in the short to medium term. Like other providers, we have recently been operating on the assumption the ESOS Bill will be passed, CY25 and/or CY26 will be affected, and some ongoing uncertainties will remain with the private education sector. However, we remain cautiously optimistic that over the longer term, government policy will evolve to protect international education export earnings and support Australia's future workforce requirements and economy.

Until that occurs, there will be much turmoil in the industry. We know competitors are hurting. We can all see the share price performance of those who are listed, and we expect more pain. We are determined to emerge from this environment in a stronger position with greater market share, with fewer players, while retaining our focus on quality education and outcomes.

Strategic Focus

In response to these challenges, NextEd is positioning itself to capitalize on government changes once they are clarified and to take advantage of the likely tightened competitive landscape. We are laser focused on:

1. Managing cash to ensure we can weather future uncertainty through cost-control and improved efficiency;
2. Diversifying our course offerings, with a particular emphasis on healthcare and other skills shortage industries, and career focused ELICOS courses; and
3. Strengthening our market position in key regions, as evidenced by our new Gold Coast campus, new Adelaide campus and expanded hours in our Perth campus.

Board Evolution

As we look to the future, we anticipate some evolution in our Board composition during the 2025 financial year. These changes will be aimed at ensuring we have the right mix of skills and experience to guide NextEd through these challenging operating and political landscapes, into a future which may be different to today.

Closing Remarks

In closing, I want to express my heartfelt thanks to you, our shareholders, for your continued patience and support during these challenging times. Your trust in – or at least patience with - NextEd is not taken lightly. We are acutely aware of the shareprice performance and the pain it has caused. Despite current obstacles, I am confident that with our strong leadership team, dedicated employees, and strategic focus, NextEd is well-positioned to navigate these challenges and emerge stronger.

Thank you for your attention. I now hand over to Mark and Michael.



NEXTED GROUP LIMITED
2024 ANNUAL GENERAL MEETING
CEO AND CFO ADDRESS BY MARK KEHOE AND MICHAEL FAHEY

Good morning.

My name is Mark Kehoe, and I am the newly appointed CEO of NextEd Group Limited. It's a privilege to join you today, and I'd like to thank the Board for their confidence in entrusting me with this role.

Although I've been with NextEd for just over a week, it's clear this is a business with strong foundations and a proud track record. Indeed, this is what attracted me to the role, and these are the attributes that make NextEd uniquely positioned. It's a well-run business with a highly experienced team, engaged workforce, solid balance sheet, healthy historical revenue growth, a track record of successfully navigating change, great brands, and is highly regarded in the market. NextEd operates in a significant and dynamic sector that is currently the subject of short-term political chaos but is also undergoing broader industry disruption and change. From my experience it is rare to find a company with such strong attributes which has significant further potential to leverage industry change, supported by an experienced and motivated board.

The challenge is how to leverage the great strengths of this business and reset the strategy for growth. I bring to this role a background in transformative leadership across industries experiencing significant disruption. From my time with organisations such as Grays Group, Virgin Australia, and Gumtree/CarsGuide/Autotrader, I've developed a focus on aligning strategy with market realities, fostering operational efficiency, and delivering sustainable growth. I intend to bring these skills to bear at NextEd as we tackle a changing regulatory landscape and sector-wide disruption.

I have a strong interest in the role education can have on people's lives. And I am delighted to be working with a team that is not only deeply passionate about education, but highly experienced. I look forward to bringing a fresh set of eyes to NextEd and the challenges it faces. With my background in digitally enabled businesses, I am also keen to see what role technology can play in driving innovation at NextEd and improving both operations and the student experience.

In my short time here, I've undertaken a rapid assessment of the business and am pleased to see there is an emphasis on disciplined cost management. This plus cash management are two key focus areas. We will execute on further opportunities to reduce our cost base, including reducing non-essential expenditure and renegotiating supplier contracts.

We're responding proactively to government measures impacting international student numbers, adapting our strategy to remain competitive and resilient. We continue to focus on developing areas that drive long-term value and enhance the student experience. This includes launching new courses tailored to high growth market demand such as Aged Care and Hospitality, which are already showing a strong up-take in student numbers.

This isn't the first time the company has had to quickly navigate factors largely outside of its control, and the ability of the business to respond with agility and determination bodes well for the future.

A detailed strategic review will commence next month. This will comprise many elements, including exploring strategic initiatives to diversify revenue streams and strengthen operational resilience. I look forward to presenting this strategy to the market by the fourth quarter of this financial year, with the aim of building an

even stronger foundation for long term growth that enhances sustainable shareholder value.

The government's approach to international students remains opaque, and at this stage, we are unable to provide further guidance on how this might impact our business in the future. However, what I can assure you is that we are laser-focused on controlling the elements within our influence.

I'll now hand over to our CFO, Michael Fahey, who will provide further detail on our financial performance for the 2024 financial year, and an operational update for this financial year to date.

Thank you Mark and I would also like to welcome attendees at today's meeting.

We delivered a solid financial performance in a difficult regulatory environment for the industry in which we operate. For the financial year ended 30 June 2024:

- We achieved record revenue of \$111.4 million, 8.9% higher than the prior financial year;
- EBITDA was 10% lower than the prior year at \$15.0 million, impacted by increased student visa rejection rates from January this year and the lower number of higher margin technology & design students;
- Net profit after tax adjusted for impairments, the impact of acquired intangibles and lease costs incurred pre-revenue generation was \$0.2 million;
- We generated positive operating cash flows of \$1.7 million for the full year; and
- Our cash position as at 30 June 2024 was \$19.3 million with no financial debt, and we continue to take measures to preserve our cash reserves.
- An impairment charge of \$28.9 million was recognised in FY24 against intangible assets including goodwill, brand names and training materials in the Technology & Design, International Vocational and Go Study segments. These non-cash charges are a direct result of future uncertainty created by recent Federal Government actions to reduce international student numbers.

The external environment remains unclear following the failure of the Government to pass the proposed legislation, making planning for calendar 2025 challenging. Irrespective of this, NextEd continues to innovate and compete strongly, and has significantly grown international vocational student numbers since the end of the financial year.

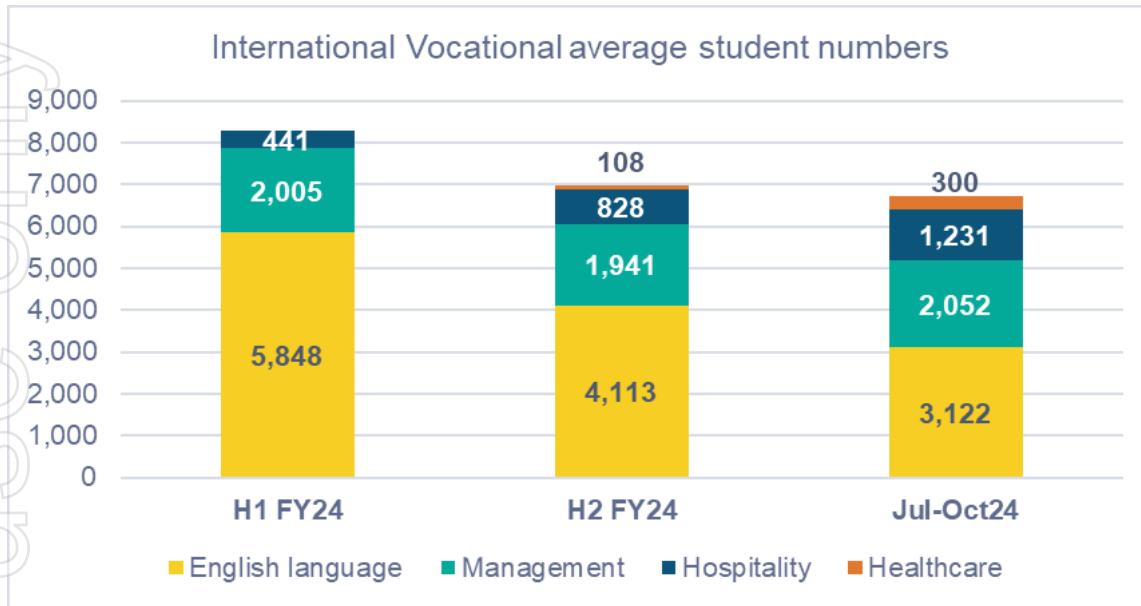
NextEd's initiative to introduce new courses to meet specific areas of demand is showing success with:

- vocational hospitality student numbers growing from 1,158 in July 2024 to 1,359 at the end of October 2024;
- vocational healthcare student numbers growing from 236 in July 2024 to 448 at the end of October 2024; and
- The Diploma of e-commerce and Advanced Diploma of Marketing Automation launched on 28 October with 48 students enrolled in the initial intake.

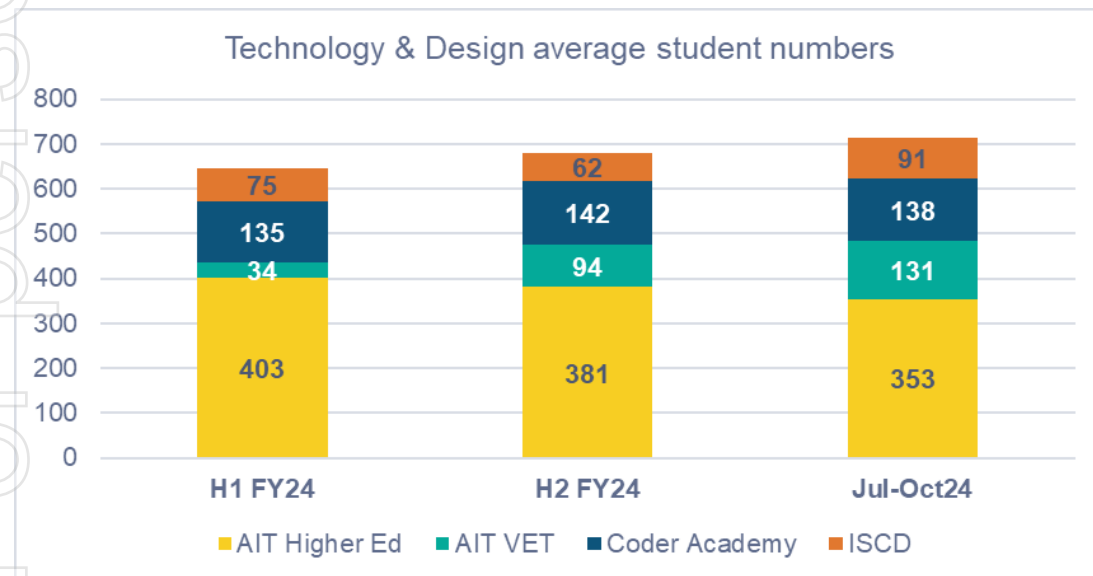
NextEd has also implemented a number of tactical responses helping to counteract the impact of changing market dynamics. These include:

- Prioritising longer duration vocational students into higher value courses;
- Deprioritising shorter duration vocational students;
- Implementing significant price increases for all newly commencing vocational students from January 2025; and
- Implementing annualised costs base reductions of approximately \$5.0 million, which are on track to be delivered.

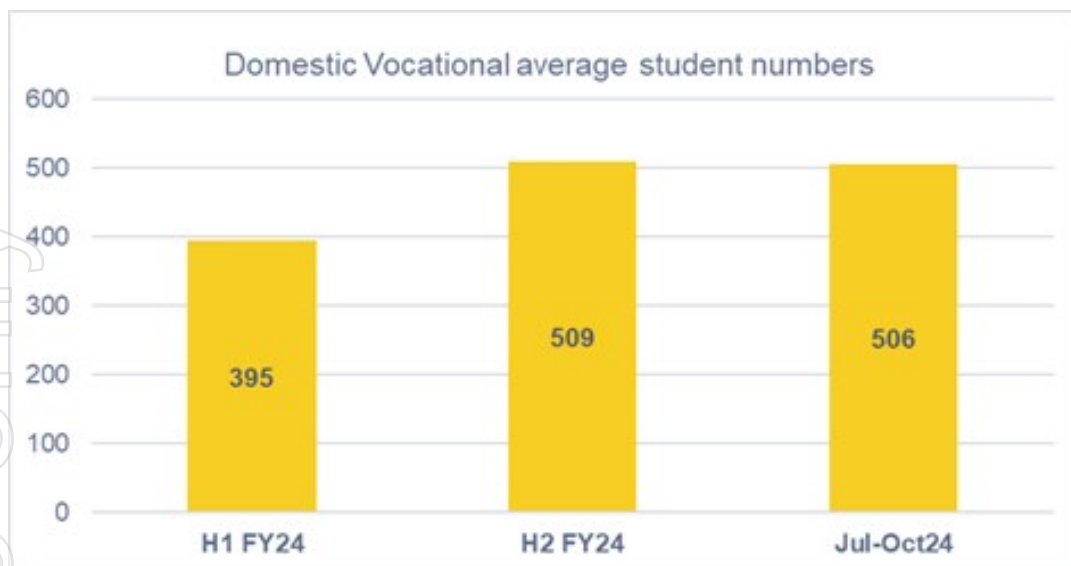
As mentioned, NextEd has generated growth in vocational student numbers, with that growth coming largely from new curriculum areas. English language student numbers have declined, as expected, due to the recent Federal Government actions to reduce international student numbers.



Growth has been achieved in vocational Technology & Design subject student numbers in the first four months of FY25. However, AIT Higher Education student numbers are down, impacted by Federal Government actions, and these students generate higher revenues so overall segment revenue in H1 FY25 will be lower than the prior corresponding period.



Domestic Vocational student numbers are in line with H2 FY24. However, student progression has improved resulting in double digit year to date revenue growth.



Cash management remains a key priority for NextEd. The campus expansion projects are finalised and total capital expenditure is expected to be less than \$1 million in FY25. We have implemented a cost reduction program that is on track to realise annualised cost savings of circa \$5 million in FY25. Cash on hand at the end of October was \$16.9 million.

NextEd will provide a further update on the current business performance and outlook at the time the half year results are reported in February 2025.

NextEd is fully committed to delivering a great student experience and we were delighted that at the 2024 NSW International Education Awards, held earlier this month, a Greenwich College student, Cristina Garcia from Ecuador was recognised as the NSW International Student of the Year in the Vocational Education and Training (VET) and English Language Intensive Courses for Overseas Students (ELICOS) category. The awards recognise the success and contributions of international students across NSW and celebrate organisations for their outstanding support for international education.

On behalf of our former CEO, Glenn Elith and myself, I would like to take this opportunity to thank the leadership team and all NextEd employees for their contributions and achievements over the last year. I am honored to be surrounded by colleagues who are experts in their field and passionate about helping students achieve their learning ambitions. Looking to what's ahead, I'm equally excited by the passion and energy that Mark will bring to the company as he leads NextEd through its next phase of growth.

I'll now hand you back to Mark to resume proceedings.

Thank you, Michael.

NextEd is a business built on strong foundations, with a solid reputation for delivering high-quality education across a diversified course range, equipping students with critical skills to meet areas of workforce demand.

While the regulatory and market environment presents challenges, the tightening competitive landscape also creates opportunities. NextEd has consistently demonstrated the ability to adapt to changing conditions, and we remain focused on leveraging our strengths to capitalise on these shifts.

As we look ahead, I'm optimistic about the long-term resilience of the business. I am committed to working with our talented leadership team to refine and execute a strategy that delivers value for our students, partners, and shareholders.

Thank you for your ongoing support. I look forward to leading NextEd on this exciting journey and to updating you on our progress as we move forward.

Let's now turn to the formal proceedings of today's meeting.

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ANNUAL GENERAL MEETING

21 NOVEMBER 2024

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WELCOME & INTRODUCTION



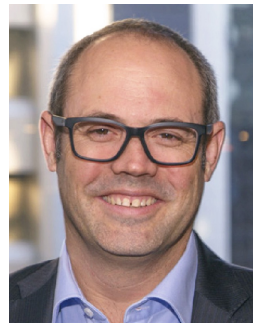
CASS O'CONNOR
CHAIR



SIMON TOLHURST
NON-EXECUTIVE DIRECTOR



SANDRA HOOK
NON-EXECUTIVE DIRECTOR



WILLIAM DEANE
NON-EXECUTIVE DIRECTOR



MARK KEHOE
CHIEF EXECUTIVE OFFICER



MICHAEL FAHEY
CHIEF FINANCIAL OFFICER



LISA JONES
COMPANY SECRETARY

CHAIR'S ADDRESS



CASS O'CONNOR
CHAIR

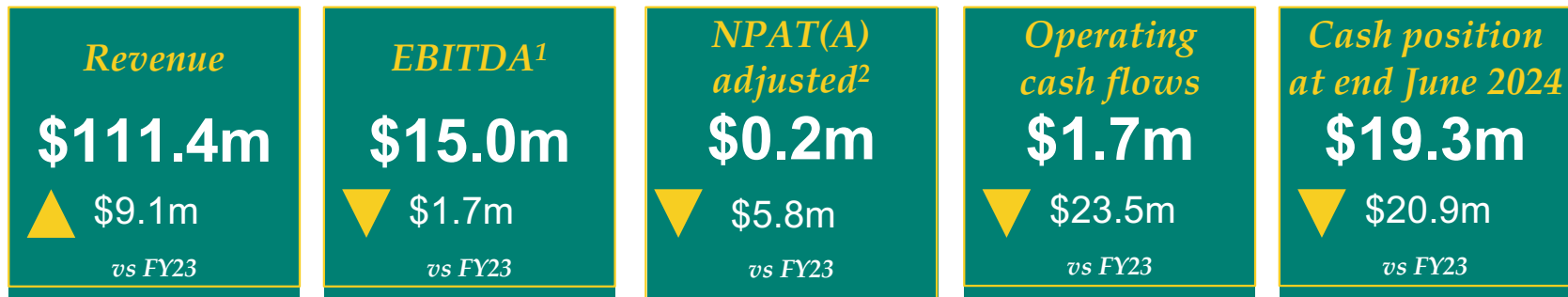
CEO'S ADDRESS



MARK KEHOE
CHIEF EXECUTIVE OFFICER

Solid results in difficult market conditions

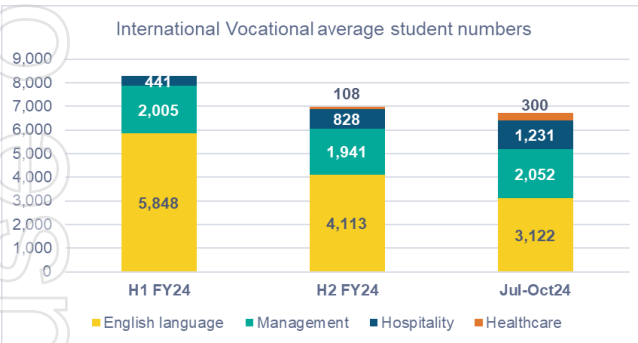
FY24 financial results



1. EBITDA (before impairment) is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the statutory profit under AAS adjusted for specific non-cash and significant items
2. NPAT(A) adjusted is calculated as the net profit after tax adjusted for impairment, the after-tax impact of amortisation associated with acquired intangible assets and interest and depreciation costs for leased premises undergoing fit out prior to any revenue generation

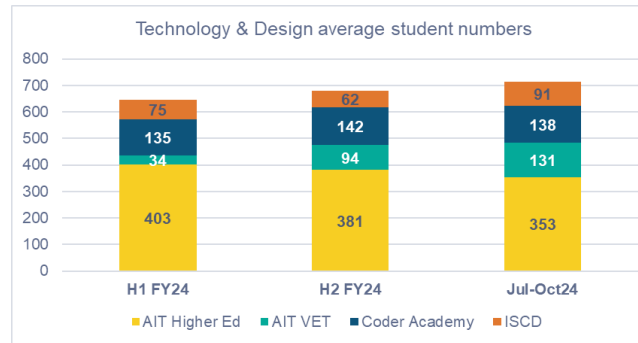
Student numbers to end October 2024

International Vocational



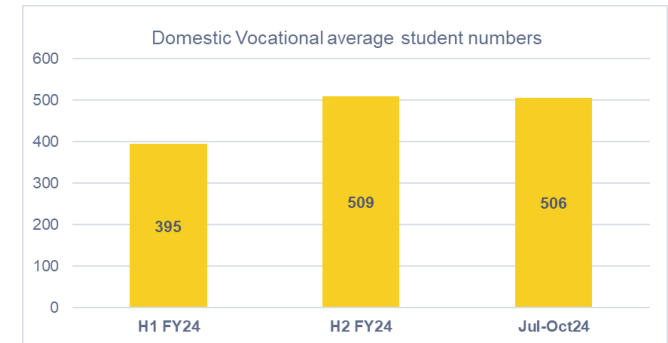
- Generating solid growth in uptake of vocational courses
- Partially offsetting the decline in English language studies.

Technology & Design



- Growth in vocational technology & design student numbers
- However, higher education courses attracting higher margins have been impacted by recent government actions.
- Overall segment revenues expected to decline in H1 FY25 vs pcp.

Domestic Vocational



- Domestic vocational student numbers are in line with H2 FY24.
- Focus on student progression underpinning strong revenue growth.

NextEd well positioned with strong foundations

- **Solid reputation** for delivering high-quality education
- Differentiated and **unique market proposition**, competitively well positioned
- **Diversified course range**, including in critical skills areas where there is strong workforce demand
- Deeply passionate and **highly experienced educators**
- **Track record** of successfully adapting to changes in market conditions and regulatory environment

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End of formal items of business

Thank You
