

1 July 2024

Company Announcements Office  
Australian Securities Exchange

Via ASX Online

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## ANNOUNCEMENT

### COMPANY UPDATE

#### 1. Directors' Loans

1.1 Recent Federal Government actions, especially decisions in relation to the granting of student visas, have had an adverse impact on the international education sector in Australia and on Academies Australasia Group Limited's (ASX: AKG) Australian operations.

1.2 In these circumstances, the Company, which also has operations in Singapore, is carefully reviewing all of its operations and in parallel is building up its cash resources to support its working capital position and to give the Company enhanced operational flexibility.

1.3 In this regard, AKG is pleased to announce strong Director support through the extension of unsecured loans to AKG. On 29 June 2024, AKG accepted a \$4.0 million unsecured loan from Chiang Meng Heng, while earlier, on 17 April 2024, four directors extended a total of \$1.0 million as unsecured loans: Dr John Schlederer - \$200,000; Chiang Meng Heng - \$700,000; Gabriela Rodriguez - \$50,000; and Sartaj Hans - \$50,000.

1.4 The material features of each of the above loans are:

- a. The interest rate applicable to each loan is 9% per annum calculated on a simple interest basis.
- b. Interest on each loan is paid quarterly.
- c. The principal must be paid within 12 months of the advance date.
- d. The loans are unsecured.
- e. The loan agreements contain warranty and covenant clauses standard for agreements of this nature.
- f. The loan agreements do not include any right to convert the loans to AKG shares.

## 2. Impact of Federal Government policy

2.1 The precise impact of the Federal Government's revised policy settings on the Company's financial performance for FY24 is not yet known. Draft, unaudited, management reports of performance for the eleven months to May 2024 ('the Period') show the following:

(\$'million)	<u>The Period</u>	<u>Previous Corresponding</u> <u>Period</u>	
i. Revenue	43.415	42.991	+0.424
ii. Profit from ordinary activities before tax ('PBT')	(10.451)	(2.294)	-8.157
iii. PBT after adjustments	<b>(2.289)</b>	0.153	-2.442
iv. EBITDA*	(2.673)	5.944	-8.617
v. EBITDA after adjustments	<b>3.344</b>	5.938	-2.594

*\*EBITDA (Earnings before interest, tax, depreciation and amortisation)  
is not a term prescribed by Australian Accounting Standards*

### PBT adjustments (See 'ii' and 'iii')

PBT	(10.451)	(2.294)	
Add back impairments/provisions			
- Goodwill	4.408	-	
- Right of use assets	0.575	-	
- Loans secured for shares under employee share plan	1.125	-	
Add back Goulburn Street			
- Depreciation, amortisation and outgoings	1.436	1.700	
- Finance costs	0.709	0.753	
Deduct Singapore Govt rental rebates	-	(0.006)	
Deduct Singapore Govt salary incentives	(0.091)	-	
<b>Adjusted PBT</b>	<b>(2.289)</b>	<b>0.153</b>	<b>-2.442</b>

### EBITDA adjustments (See 'iv' and 'v')

EBITDA	(2,673)	5.944	
Add back impairments/provisions			
- Goodwill	4.408	-	
- Right of use assets	0.575	-	
- Loans secured for shares under employee share plan	1.125	-	
Deduct Singapore Govt rental rebates	-	(0.006)	
Deduct Singapore Govt salary incentives	(0.091)	-	
<b>Adjusted EBITDA</b>	<b>3.344</b>	<b>5.938</b>	<b>-2.594</b>

Other relevant information

While revenue improved by \$0.424m (See '1'), gross margin dropped by 6% from 51% to 45% because of increases in student acquisition and teaching costs.

(\$'million)	<u>The Period</u>	<u>Previous Corresponding Period</u>	
- Acquisition	8.383	7.704	+0.679
- Teaching	15.151	13.332	+1.819

2.2 The Company will update the market in this regard in accordance with its Listing Rule 3.1 continuous disclosure obligations.

3. This release is issued with the authorisation of the Board of AKG.

Stephanie Noble  
Company Secretary

***For further information call Christopher Campbell on +61 2 9224 5555.***

***Academias Australasia has been operating for 116 years and listed on the Australian Securities Exchange for 47 years. The group comprises 18 separately licensed colleges operating in New South Wales, Queensland, South Australia, Victoria and Western Australia in Australia, and overseas in Singapore. The group offers a wide range of recognised courses at different levels – Certificate, Diploma, Advanced Diploma, Bachelor Degree, and Master Degree. Over the years, Academias Australasia colleges have taught more than 200,000 students from 136 countries.***