

CHAIRMAN'S ADDRESS TO SHAREHOLDERS

117th ANNUAL GENERAL MEETING

11.30am, 21 November 2025

Good morning

My name is Dr John Schlederer, and it is my pleasure to welcome you to the 117th Annual General Meeting of Academies Australasia Group Limited.

My colleagues and I appreciate your attendance.

Overview

The Annual Report for the year ended 30 June 2025 ('FY25') was released on 8 September 2025.

FY25 was another difficult year, but the Board is not unhappy with the Company's performance:

- Revenue grew 1.5%.
- EBITDA of \$7.2 million was \$9.7 million better than the negative \$2.5 million in FY24.
- Adjusted EBITDA was \$7.5 million, double that of FY24.
- Adjusted profit before tax was \$1.0 million, compared to a loss of \$2.6 million in FY24.
- Net operating cashflow of \$3.8 million was more than eight times the \$441,000 in FY24.
- Expenses from ordinary activities decreased by \$3.2 million (6.5%) to \$46.5 million.

Other significant items in FY25:

- a. Visa rejections in FY25 were significantly lower than in FY24, with refunds paid to students, mainly because of visa rejections, at \$1.9 million (FY24: \$6.2 million) - though it must be noted that there was less interest in recruiting offshore.
- b. Higher Education revenue more than doubled from \$6.5 million to \$16 million, mainly the result of significant expansion in our operations in Perth. Our Singapore operations grew by 26% from \$6 million to \$7.6 million and senior high school by 44% from \$523,000 to \$754,000.
- c. On the other hand, our English language operations declined by a substantial \$9 million or 46% from \$19 million to \$10 million.
- d. VET revenue declined from \$14 million to \$12 million.

- e. With the acquisition of the shares in CSF held by the minority shareholder, the Company is now the sole shareholder of all the colleges and other companies in the group.

July to October 2025

We continue to operate in a difficult market. Unaudited draft management accounts for the four months to October 2025 show that:

- a. Revenue at \$18 million is just 1% below PCP;
- b. EBITDA at \$3.6 million is 10% above PCP; and
- c. Profit (Normalised*) of \$1.9 million, is \$0.8 million above PCP

**After adding back, in respect to Goulburn Street (i) Depreciation and amortisation \$523k (PCP \$523k), (ii) Finance costs \$244k (PCP \$245k), and (iii) Outgoings, electricity and cleaning costs \$80k (PCP \$25k)*

Our three English language colleges, especially Discover English, have done us proud. The English language colleges have been recognised by International Development Program (IDP) for their commitment to excellence in English language education and IELTS preparation.

Discover English won the English Australia 2025 Award for Innovation, and the PIEoneer 'Language training provider of the year' global award for 2025.

In late August, Academies Test Centre which we own, started running the LanguageCert test centres in Melbourne and Sydney. The Australian Department of Home Affairs now recognises LanguageCert for all visa applications requiring proof of English proficiency.

Outlook

On 4 August 2025, the government announced that Australia's international education sector in 2026 will operate under a National Planning Level (NPL) of 295,000 New Overseas Student Commencement (NOSC) allocations in VET and HE courses from 1 January 2026. This represents a 25,000 increase from the NPL in 2025.

Eight of the 18 Academies Australasia colleges are affected by the NOSC restrictions. Those not affected are our college in Singapore, our five domestic RTOs, our three English language colleges and our senior high school.

The total indicative NOSC allocation for the eight colleges in calendar 2026 is (up to) 811. Although that's an increase of (up to) 220 or 37% on the 2025 total of 591, the average NOSC allocation of 101 per college is very disappointing.

On 10 November, the government announced Ministerial Direction 115, which replaces Ministerial Direction 111, as the new directive for processing Student visas.

The new direction closely resembles the current one, except that there will be an additional channel for processing student visa applications. This prioritisation system is also based on the indicative 2026 NOSC allocation and took effect from 14 November 2025. The prioritisation system does not apply to visa applications lodged in Australia. We do not see Ministerial Direction 115 improving the position of colleges with low NOSC allocations.

The management team will focus more on delivering courses overseas, especially in Singapore, and devoting more resources to delivering courses to students in Australia where NOSC restrictions do not apply or where there is no need for a student visa.

Re-Election of Gabriela Rodriguez Naranjo

Ms. Rodriguez Naranjo was appointed to the Board in October 2013. She had earlier been appointed Alternate Director to the then Chairman, Mr. Neville Thomas Cleary, from May 2011 (to December 2013). She is a Director of each of the Group's subsidiary companies and is the Group Chief Operating Officer and Joint Company Secretary. She was appointed Deputy Group Managing Director on 1 January 2019.

The Board appreciates your support of Ms. Rodriguez Naranjo's contribution and recommends that you vote in favour of her re-election.

Thank you.

I would like to express the appreciation of the Board to all our shareholders, students, clients, partners, associates, management, and staff for their contribution in FY25 and their continuing support.

Thank you.

Dr John Lewis Schlederer
Chairman
21 November 2025