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ASX Market Release

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COVID-19 response

The Board of UCW Limited (**UCW** or **the Company**) advises that in response to the COVID-19 pandemic, the Company is implementing the following actions to best manage business risk and ensure the health and safety of its students, trainers, employees and the broader community.

Effective 23 March 2020, all face-to-face teaching will be temporarily suspended in both of UCW's operating businesses, Australian Learning Group (**ALG**) and Ikon Institute (**Ikon**). At that time:

- Ikon will implement a non-scheduled two-week recess period, following which teaching will resume, to be delivered online; and
- ALG will bring forward the end of its first academic term of the 2020 calendar year, which was scheduled to occur in approximately two weeks. The second academic term will commence as scheduled, with teaching to be delivered online.

All courses will continue to be delivered. The Board anticipates that classes will remain online until the Board determines it is safe and appropriate to revert to face-to-face teaching.

ALG and Ikon campuses remain open with employees working as per usual, adopting appropriate health and safety measures. If required, both businesses will activate their remote working strategies. Students, trainers and employees will continue to be provided with regular updates and support.

Student volumes are likely to be affected by the COVID-19 pandemic, including global travel bans and the recently announced restriction on non-Australian residents entering the country. The Board notes that over 80% of ALG's international students are recruited onshore.

At this stage the financial impact is unclear. The Board will provide further updates as the situation develops and as plans to mitigate the impact on the business are implemented.

This announcement was approved for release by the Board of Directors.

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About UCW

UCW operates in the tertiary education sector through two wholly owned subsidiaries:

- Australian Learning Group Pty Ltd (ALG), a vocational education provider, primarily focussed on the international student market; and
- Proteus Technologies Pty Limited, trading as Ikon Institute of Australia (Ikon), a higher education provider, primarily (currently) focussed on the domestic student market.

ALG and Ikon are both positioned as high-quality providers in Health and Community Services related fields of education, which the Board considers to be an attractive market segment with strong employment and migration opportunities for both international and domestic students.

The businesses provide UCW a level of diversification within the education sector and the opportunity to build study pathways across the student lifecycle.

ALG

ALG offers 16 qualifications at Certificate III, Certificate IV and Diploma level. The courses range in duration from six months to two years and are often packaged.

The majority of ALG's revenue is derived from international students, more than 90% of who are recruited through ALG's growing agent network. ALG currently has more than 250 active agents, located both in Australia and offshore, and students from over 75 source countries. Agents are paid a commission on tuition fees received.

Delivery is undertaken from ALG's campuses in Sydney, Melbourne, Brisbane and Perth. Students typically attend class two days per week during each of ALG's four academic terms per year. A number of ALG's courses have a work placement component.

ALG also has a fee-for-service, distance education offering for domestic students. A limited number of its qualifications are offered in this delivery format. Domestic distance-education students are recruited via direct marketing, primarily online.

ALG has a centralised administration function in Sydney where the majority of its staff are based.

Ikon

Ikon has two Degree programs, each with nested Diploma and Associate Degree exit points.

Ikon's revenue is primarily derived from domestic students, most of who pay their tuition fees via FEE-HELP. Students are recruited directly (ie. not through agents).

It operates a trimester model academic year (ie. three terms), with delivery undertaken from its campuses in Sydney, Melbourne, Brisbane, Perth, Byron Bay and Adelaide, where its head-office is based.

Ikon is also an accredited vocational education provider, however as of 1 July 2019, it is no longer accepting new enrolments into its VET courses.

Gradability

UCW also owns a 25% minority stake in Gradability, a leading national provider of the Professional Year Program (PYP). The PYP is a work-readiness program for international student graduates in the fields of accounting and information technology.