

FY21 FINANCIAL RESULTS

31 DECEMBER 2021



CHANGE OF FINANCIAL YEAR-END

- Year-end changed to 31 December to align with academic calendar
- 'Transitional financial year' reflects 6 months to 31 December 2021
- For statutory reporting purposes, the comparison period is the 12 months ended 30 June 2021
- To provide more meaningful comparative information to investors, FY21 referred to in this presentation is for the 12 months ended 31 December 2021 and is compared to the 12 months ended 31 December 2020 (FY20)
- Key operating metrics in this presentation are also presented on a December year-end basis

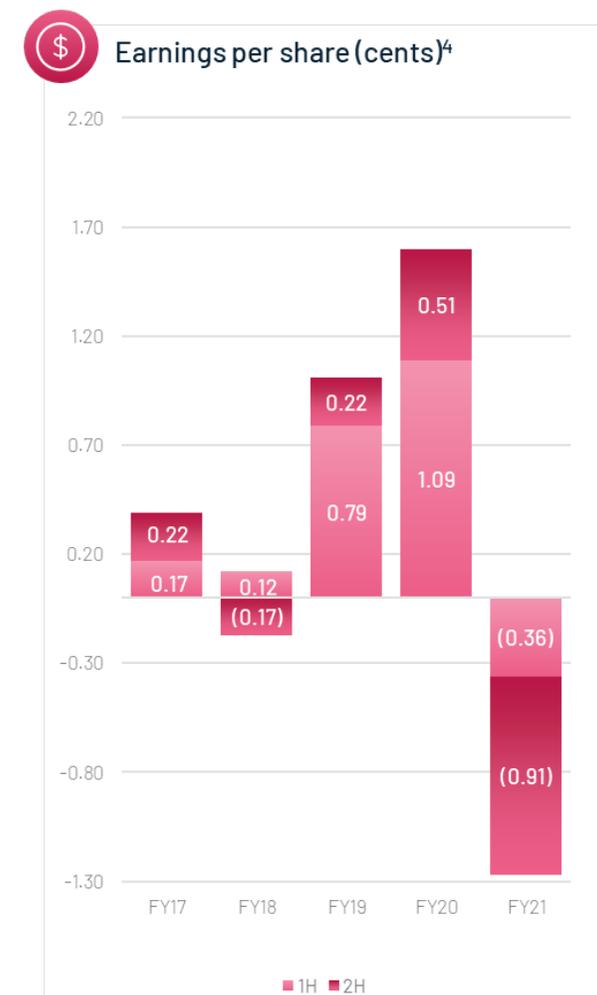
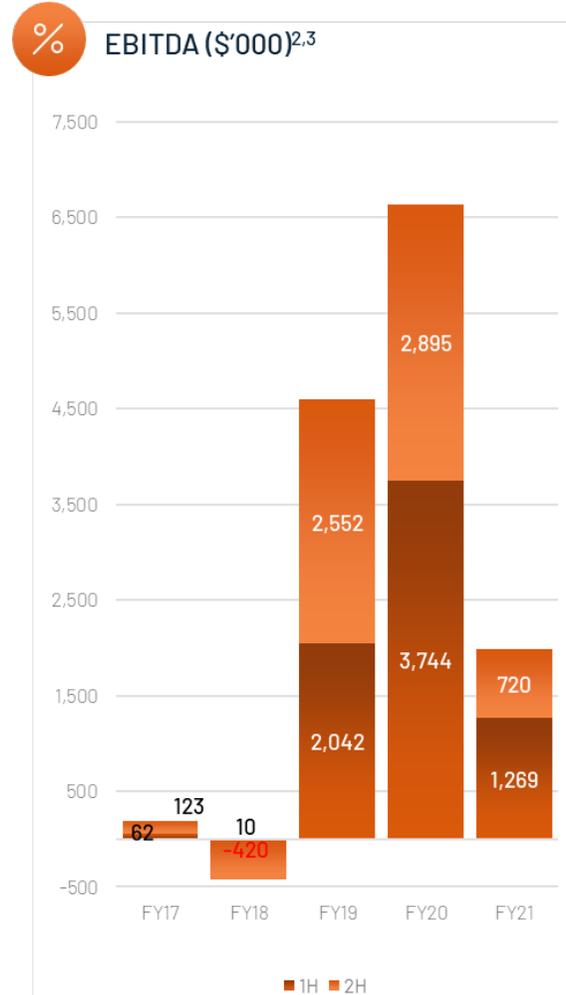
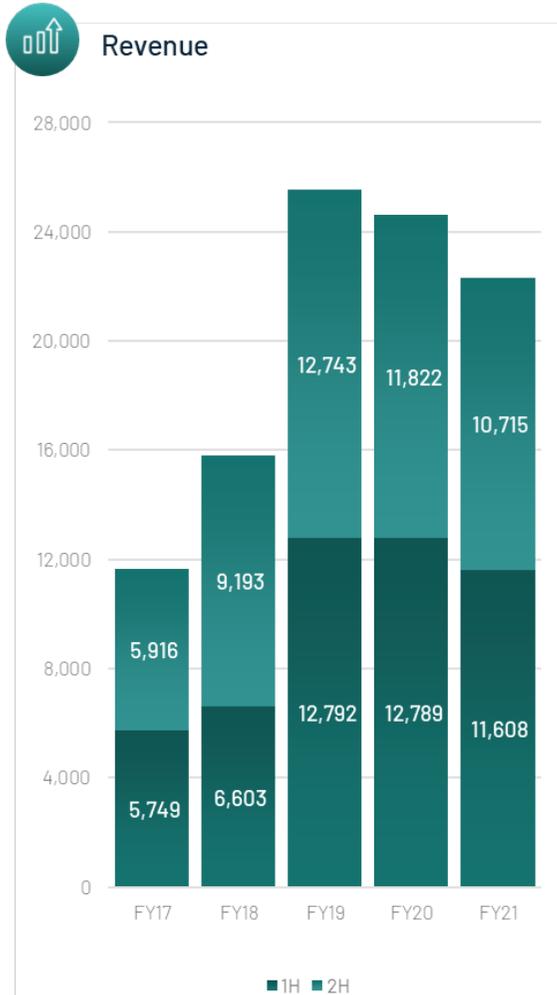
FINANCIAL SUMMARY

Group	Statutory result		Pro-forma	
	6 months ended 31 Dec 2021	12 months ended 30 Jun 2021	12 months ended 31 Dec 2021	12 months ended 31 Dec 2020
Revenue	\$10.7m	\$23.4m	\$22.3m	\$24.6m
Cost of sales	(\$5.2m)	(\$11.1m)	(\$10.9m)	(\$10.8m)
Gross profit	\$5.5m	\$12.3m	\$11.4m	\$13.8m
Operating expenses	(\$4.8m)	(\$8.1m)	\$9.5m	\$7.2m
EBITDA	\$0.7m	\$4.2m	\$1.9m	\$6.6m
EBITDA Margin	6.5%	17.9%	8.5%	26.8%
Tax benefit / (expense)	\$0.4m	\$0.1m	\$0.7m	(\$0.5m)
(Loss) / profit before one-off items ¹	(\$1.1m)	\$0.2m	(\$1.5m)	\$1.9m
Profit / (loss)	\$0.8m	(\$0.6m)	(\$0.3m)	\$1.7m
EPS before one-off items ¹	(0.91 cents)	0.15 cents	(1.27 cents)	1.60 cents
EPS	0.65 cents	(0.49 cents)	(0.29 cents)	1.47 cents

¹ One-off items include the \$1.9m proceeds from the disposal of the Company's shares in Gradability and due diligence and transaction costs, largely in relation to the proposed acquisition of RedHill Education Limited, the offer for which lapsed in July 2021

KEY FINANCIAL METRICS^{1,2}

Year ended 31 December 2021



1 The Company's financial year ends 31 December. 1H refers to the 1st half of the financial year, from 1 January to 30 June. 2H refers to the 2nd half of the financial year, from 1 July to 31 December

2 The financial results for 2H21 include \$0.3m of JobSaver income. For the 12 months ended 31 December 2021, the results included \$0.5m (2020: \$2.2m) of COVID-19 government and other relief measures, largely recognised against the corresponding expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income

3 EBITDA represents the earnings of the Group before interest, tax, depreciation and amortisation, before one-off items

4 Basic earnings per share from continuing operations before one-off items

FY21 KEY HIGHLIGHTS¹

Growth in Ikon enrolments²

41.8%
Total enrolments

110.9%
Sydney

20.4%
Melbourne



New Ikon programs gaining traction²

89 Early Childhood Education enrolments

40 online enrolments



Resilience in ALG enrolments

Down 16.6%³ due to extended border closure

Rebound in new student commencements in Term 1, 2022 – up 55.1%⁴ against the prior term



Community Services proportion growing

59.0%
of ALG enrolments (2020: 52.5%)³



COVID impact to earnings mitigated

Proactive cost management, but mindful of recovery and long-term growth

\$1.9m gain and proceeds from sale of non-core holding in Gradability



Balance sheet intact

\$6.3m
Gross cash

\$3.5m
Net cash⁵



¹ Comparisons are against the PCP, unless otherwise stated

² Ikon student numbers are for the trimester ended just prior to year-end i.e. Trimester 3, 2021 and comparatives shown are against Trimester 3, 2020

³ ALG student enrolments are the sum of enrolments in the four academic terms during each 12-month period ended 31 December

⁴ New student commencements in Term 1, 2022 were 152 compared to 98 in Term 4, 2021

⁵ Debt comprises \$2.8m acquisition facility and net cash is shown before \$1.0m bank guarantee facility

GROUP OVERVIEW

HEALTH & COMMUNITY SERVICES FOCUS

underpinned by strong
domestic employment
opportunities

MULTI-SECTOR EDUCATION PROVIDER

vocational and higher
education

QUALITY EDUCATION, EXPERIENCE & OUTCOMES

'work-ready'
graduates

CAMPUS & ONLINE DELIVERY

national footprint

DIVERSIFIED STUDENT BASE

mix of domestic,
international, VET
and HE

GROWTH STRATEGY

organic and
acquisitions

EXPERIENCED BOARD & MANAGEMENT TEAM

successful track record
in education
sector and in M&A

OPERATING BUSINESS UNITS



	12 months ended 31 Dec 2021	12 months ended 31 Dec 2020
Revenue:	\$16.3m	\$18.5m
EBITDA:	\$2.9m	\$5.1m
Education sector ¹ :	Vocational	
Student market ¹ :	International (100%)	
Student numbers ² :	1,603	
Student recruitment ¹ :	Education agents	
Funding source ¹ :	Fee-for-service	

	12 months ended 31 Dec 2021	12 months ended 31 Dec 2020
Revenue:	\$6.0m ⁴	\$6.1m ⁴
EBITDA:	\$0.4m	\$2.5m
Education sector ¹ :	Higher Education	
Student market ¹ :	Domestic (80%)	
Student numbers ² :	495	
Student recruitment ¹ :	Direct	
Funding source ¹ :	FEE-HELP ³	

1. Represents the primary education sector, student market, recruitment channel and funding source

2. In the term or trimester ended just prior to year-end ie. Term 4, 2021 for ALG and Trimester 3, 2021 for Ikon

3. Government loan program that assists eligible domestic students to pay their tuition fees

4. Decrease in revenue due to intentional wind-down of non-core revenue, lower study load in part due to lock-downs and scholarship pricing for the new program

STRATEGY ON TRACK

Short to medium-term



- Build scale in Ikon
- Position ALG to participate in recovery
- Accelerate program development in both ALG and Ikon
- Enhance online/digital capabilities in student recruitment and delivery
- Prudent cost management, whilst supporting continued investment in academic quality

Long-term



- Expand course offering – HE and VET
- Extend customer lifetime value through pathways and packaging
- Increased focus on online
- Strategic acquisitions



VET Certificates

Typical duration: 9 months

Typical price: \$7,000



VET/HE Diplomas

Typical duration: 12-24 months

Typical price: \$16,000



HE Degrees

Typical duration: 3-4 years

Typical price: \$54,000

	FY17	FY18	FY19	FY20	FY21
Education sectors	VET	VET	VET, HE	VET, HE	VET, HE
Qualifications offered	14	14	22	24	22
ALG international enrolments (VET) ¹	1,329	1,624	2,288	2,220	1,603
Ikon enrolments (HE) ¹	-	219	315	349	495
Campus capacity (rooms)	22	48	56	52	55

1. In the term or trimester ended just prior to year-end

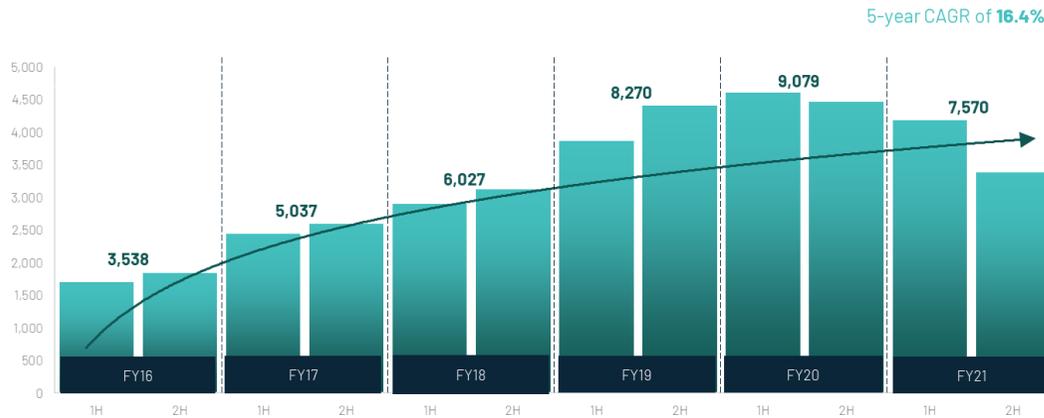
OPERATING HIGHLIGHTS



STUDENT ENROLMENTS¹



Student Enrolments (by half)

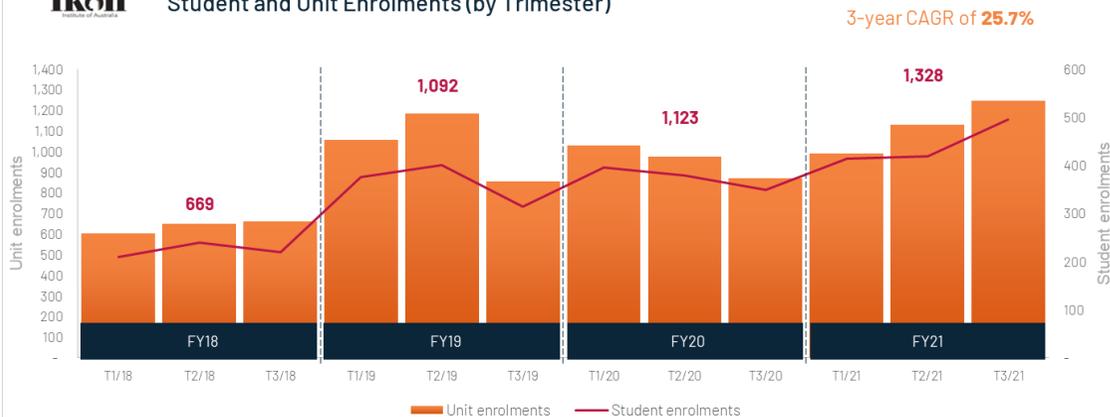


ALG

- FY21 enrolments down 16.6%² on PCP, due to extended border closure
- Community Services courses (with strong job and migration prospects) remain a 'bright-spot' – now 59.0% of total enrolments, declining only 6.3% on PCP
- Return to growth expected in 2H22 – Australian border now open to international students and tourists
- 'Green shoots' emerging – new commencements in Term 1, 2022 up 55.1%³ on prior term



Student and Unit Enrolments (by Trimester)



Ikon

- FY21 enrolments up 18.3%²
- Trimester 3, 2021 enrolments up 41.8% on PCP as new programs and online delivery gain traction
- Encouraging Trimester 1, 2022 intake (pre-census) bodes well for further enrolment growth in 2022

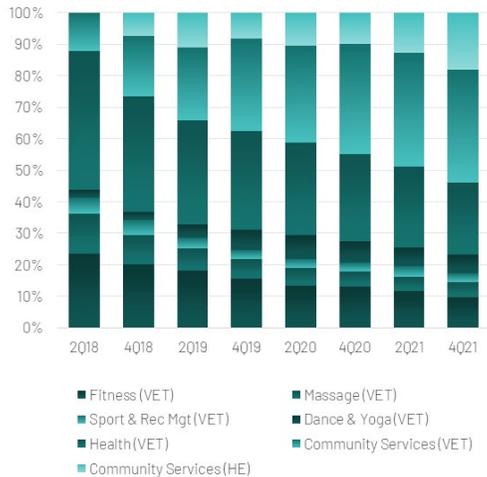
1. Student enrolment metrics referred to on this page reflect the primary education sectors for ALG and Ikon, being international VET and HE (domestic and international) respectively
 2. FY21 enrolments are the sum of enrolments in the 12 months ended 31 December
 3. New student commencements in Term 1, 2022 were 152 compared to 98 in Term 4, 2021

STUDENT PROFILE¹

By Course

Product diversification strategy underway

Community services represents **67.6%** of total student enrolments in 2021³ (60.2% in 2020³)



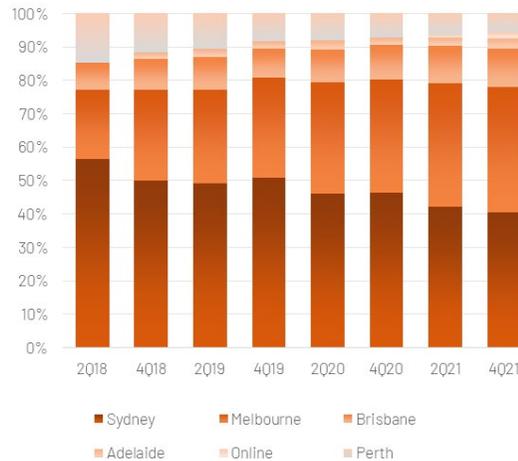
By Location

Geographic diversification strategy working

↓ **Sydney now 40.4%**
down from peak - 56.4% of enrolments

Online enrolments gaining traction

↑ **Melbourne now 37.5%**
up from 20.2% at the end of 2017

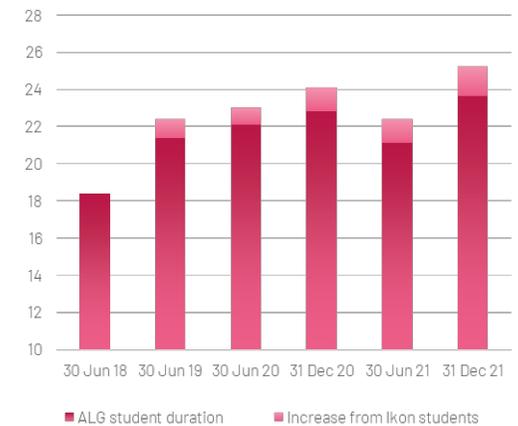


Average Duration (months)²

Duration extension strategy paying off, now 25.2 months

↖ **Ikon HE programs** delivering much of the growth 3 or 4-year programs

↑ **ALG VET Diplomas now 57.3%⁴** of enrolments (32.1% in 2018⁴)



1. All student enrolment metrics referred to on this page reflect the primary education sectors for ALG and Ikon, being international VET and domestic HE
 2. Average duration of the combined student population of ALG and Ikon
 3. Student enrolments are the sum of the enrolments in the term or trimester ended just prior to year-end and half year-end
 4. Enrolments in the last term of the calendar year (Term 4)

FOUNDATIONS FOR GROWTH



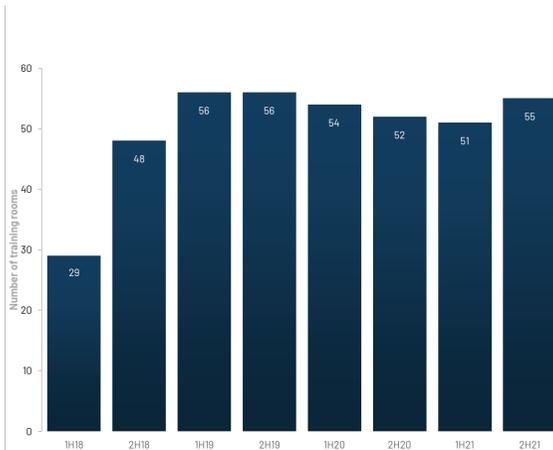
Training Rooms



National campus footprint optimised since 1H20, flexibility maintained



New Ikon Melbourne campus established to facilitate growth from 2H21



Course Offering



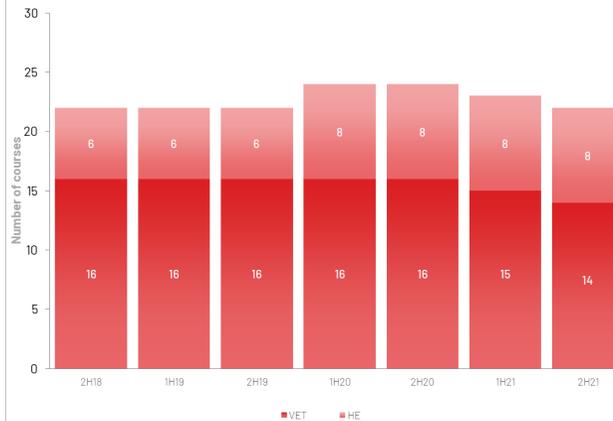
14 VET qualifications



Underperforming courses **rationalised**



8 HE programs including new programs accredited in 2020, launched 2021



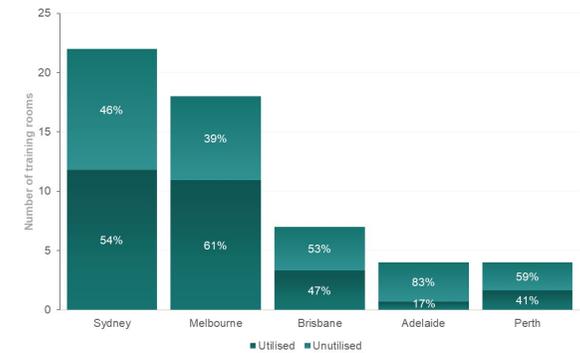
Room Capacity – By City¹



Surplus capacity in all states to accommodate volume rebuilding, despite optimisation over last 2 years



New Ikon Melbourne campus (Sep 2021) has expanded capacity – **Melbourne room availability now 39%**



1. In May 2020, the Company exited one of its leases in Melbourne, reducing the number of available rooms. In September 2021, the Company entered into a new short-term lease in Melbourne to regain capacity.

FINANCIAL RESULTS



KEY HIGHLIGHTS

Revenue (\$'000)



Ikon 2021 enrolments up 18.3%

ALG 2021 enrolments declined 16.6%

Total revenue down 9.3%

Operating EBIT (\$'000)¹



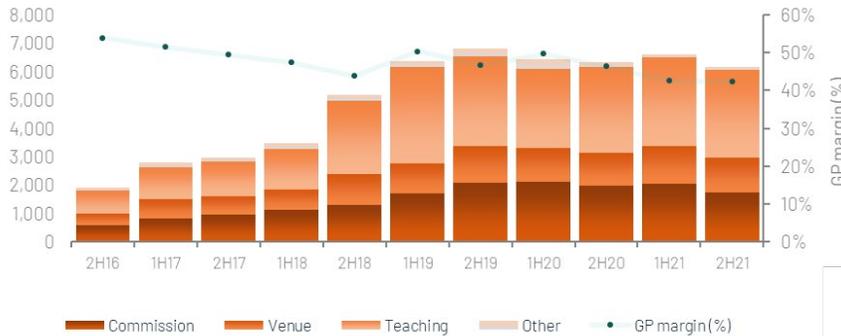
Operating scale achieved pre-pandemic

FY20 benefited from government support, rent and other relief and cost initiatives

FY21 impacted by lower student numbers (in ALG), costs returning to pre-pandemic levels and continued investment in quality



Cost of sales (\$'000)²



FY21 GP margin down by 5.0% pts to 51.3%

JobKeeper, rent relief and other government incentives ended in early 2021

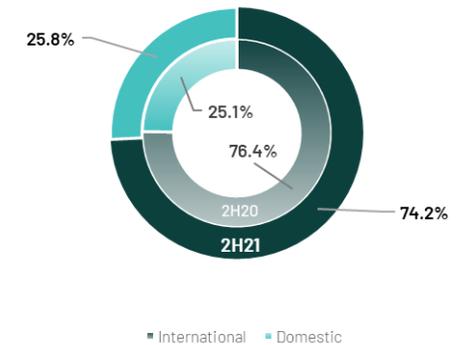
Launch of HE Early Childhood Education program with scholarship pricing

Tuition fee increases on hold, despite costs returning to pre-pandemic levels

Sales mix



Domestic vs international revenue mix relatively unchanged on PCP



1. Operating EBIT represents the earnings of the Group's operating businesses (ALG and Ikon) before interest and tax, excluding corporate costs and one-off items

2. Venue costs have been added back in from 2H19 onwards to provide a more meaningful comparison (as such from 2H19, numbers are not in accordance with AASB 16)

GROUP PROFIT AND LOSS

Financial Performance Impacted by Pandemic

Group	6 months ended 31 Dec 2021	12 months ended 31 Dec 2021	12 months ended 31 Dec 2020	Variance	Variance
	\$'000	\$'000	\$'000	\$'000	%
ALG and Ikon					
Total revenue	10,715	22,323	24,611	(2,288)	(9.3%)
Cost of sales	(5,160)	(10,871)	(10,751)	(120)	(1.1%)
Gross profit	5,555	11,452	13,860	(2,408)	(17.4%)
Gross margin (%)*	51.8%	51.3%	56.3%	n/a	(5.0%)
Operating expenses	(4,155)	(8,110)	(6,301)	(1,809)	(28.7%)
Operating EBITDA	1,400	3,342	7,559	(4,217)	(55.8%)
Operating EBITDA margin (%)*	13.1%	15.0%	30.7%	n/a	(15.7%)
EDU Holdings					
Corporate costs	(680)	(1,353)	(920)	(433)	(47.1%)
EBITDA	720	1,989	6,639	(4,650)	(70.0%)
EBITDA margin (%)*	6.7%	8.9%	27.0%	n/a	(18.1%)
Depreciation & amortisation					
- Lease related	(1,256)	(2,304)	(2,268)	(36)	(1.6%)
- Plant & equipment	(331)	(656)	(605)	(51)	(8.4%)
- Intangible assets	(224)	(430)	(370)	(60)	(16.2%)
Total depreciation & amortisation	(1,811)	(3,390)	(3,243)	(147)	(4.5%)
EBIT	(1,091)	(1,401)	3,396	(4,797)	n/a
EBIT margin (%)*	(10.2%)	(6.3%)	13.8%	n/a	(20.1%)
Interest on lease liabilities	(346)	(700)	(781)	81	10.4%
Interest and borrowing expenses	(80)	(163)	(227)	64	28.2%
Income tax benefit / (expense)	447	770	(532)	1,302	n/a
Net loss / (profit) before one-off items	(1,070)	(1,494)	1,856	(3,350)	n/a
Due diligence and transaction costs	(76)	(753)	(132)	(621)	(470.5%)
Gain from disposal of assets	1,912	1,912	-	1,912	n/a
Net profit / (loss) for the period	766	(335)	1,724	(2,059)	n/a

* Movement in percentage points



Diversification across VET and HE, domestic and international student market assisted in minimising **revenue decline**



\$1.9m one-off gain and proceeds from disposal of Group's interest in Gradability



Corporate costs returning to steady-state level after Director and management remuneration waivers in FY20, together with additional costs for year-end change (tax, audit etc.)



Gross margin **declined by 5.0% pts** with increased teaching costs due to smaller class sizes, unwinding of COVID relief, Ikon scholarship pricing and deferral of ALG price increases



OPEX impacted by unwinding of COVID relief, investment in organisational capability and return of ALG staff to full-time basis



Due diligence and transaction costs related to bid for RedHill Education Limited - offer lapsed in July 2021

ALG

Community Services Programs Supporting Business In Challenging Market Conditions

ALG	6 months ended 31 Dec 2021	12 months ended 31 Dec 2021	12 months ended 31 Dec 2020	Variance	Variance
	\$'000	\$'000	\$'000	\$'000	%
Revenue					
International student revenue	7,039	15,808	17,705	(1,897)	(10.7%)
Domestic student and other revenue	346	504	840	(336)	(40.0%)
Total revenue	7,385	16,312	18,545	(2,233)	(12.0%)
Cost of sales					
Commission	1,649	3,660	3,984	(324)	(8.1%)
Venue	178	510	196	314	160.2%
Teaching	1,742	4,004	4,278	(274)	(6.4%)
Other	98	187	491	(304)	(61.9%)
Total cost of sales	3,667	8,361	8,949	(588)	(6.6%)
Gross profit	3,718	7,951	9,596	(1,645)	(17.1%)
<i>Gross margin (%)*</i>	50.3%	48.7%	51.7%	n/a	(3.0%)
Operating expenses	2,522	5,031	4,510	521	11.6%
Operating EBITDA	1,196	2,920	5,086	(2,166)	(42.6%)
<i>Operating EBITDA margin (%)*</i>	16.2%	17.9%	27.4%	n/a	(9.5%)
Depreciation & amortisation					
- Lease related	810	1,616	1,852	(236)	(12.7%)
- Plant & equipment	309	613	580	33	5.7%
- Intangible assets	88	171	167	4	2.4%
Total depreciation & amortisation	1,207	2,400	2,599	(199)	(7.7%)
EBIT	(11)	520	2,487	(1,967)	(79.1%)
<i>EBIT margin (%)*</i>	(0.1%)	3.2%	13.4%	n/a	(10.2%)
Net finance expense - lease related	201	451	637	(186)	(29.2%)
Income tax (benefit) / expense	(210)	(89)	411	(500)	n/a
Net (loss) / profit for the period	(2)	158	1,439	(1,281)	(89.0%)

* Movement in percentage points



Total enrolments down 16.6%, Community Services down only 6.3%



Course delivery challenges largely overcome – can now pivot relatively easily between face-to-face and online



Revenue down 12.0%, aided by \$0.3m of JobSaver



Closed borders since 2020 have impacted student volume. Recent opening of international border and positive government initiatives to support return of international students



Gross profit down 17.1%, principally volume related with 3.0%pts decline in gross margin due to smaller class sizes, unwinding of JobKeeper and other relief (\$0.38m), and reopening of external 'practical' venues such as gyms



Targeted promotions to reactivate offshore market and support onshore students and agents



Operating expenses up 11.6% due to unwinding of JobKeeper and other relief (\$0.55m) and return of staff to full-time for 2021



International student arrivals have commenced, 'green shoots' emerging – momentum will build during 2022

IKON

Investing 3-5 Years Ahead Significant Growth Opportunity

Ikon	6 months ended 31 Dec 2021	12 months ended 31 Dec 2021	12 months ended 31 Dec 2020	Variance	Variance
	\$'000	\$'000	\$'000	\$'000	%
Revenue					
International student revenue	674	1,001	783	218	27.8%
Domestic student and other revenue	2,656	5,010	5,283	(273)	(5.2%)
Total revenue	3,330	6,011	6,066	(55)	(0.9%)
Cost of sales					
Commission	94	140	124	16	12.9%
Venue	27	102	140	(38)	(27.1%)
Teaching	1,355	2,245	1,533	712	46.4%
Other	17	23	5	18	360.0%
Total cost of sales	1,493	2,510	1,802	708	39.3%
Gross profit	1,837	3,501	4,264	(763)	(17.9%)
<i>Gross margin (%)*</i>	<i>55.2%</i>	<i>58.2%</i>	<i>70.3%</i>	<i>n/a</i>	<i>(12.1%)</i>
Operating expenses	1,633	3,079	1,791	1,288	71.9%
Operating EBITDA	204	422	2,473	(2,051)	(82.9%)
<i>Operating EBITDA margin (%)*</i>	<i>6.1%</i>	<i>7.0%</i>	<i>40.8%</i>	<i>n/a</i>	<i>(33.7%)</i>
Depreciation & amortisation					
- Lease related	446	688	416	272	65.4%
- Plant & equipment	22	43	25	18	72.0%
- Intangible assets	63	117	58	59	101.7%
Total depreciation & amortisation	531	848	499	349	69.9%
EBIT	(327)	(426)	1,974	(2,400)	n/a
<i>EBIT margin (%)*</i>	<i>(9.8%)</i>	<i>(7.1%)</i>	<i>32.5%</i>	<i>n/a</i>	<i>(39.6%)</i>
Net finance expense - lease related	145	246	145	101	69.7%
Income tax (benefit) / expense	(38)	(106)	445	(551)	n/a
Net (loss) / profit for the period	(434)	(566)	1,384	(1,950)	n/a

* Movement in percentage points

** 1st year represents students in their 1st year of study with Ikon (commenced in the last 12 months), 2nd year represents students in their 2nd year of study and so on

↑ Enrolments up 18.3% scholarship pricing of new BECE program impacting average revenue

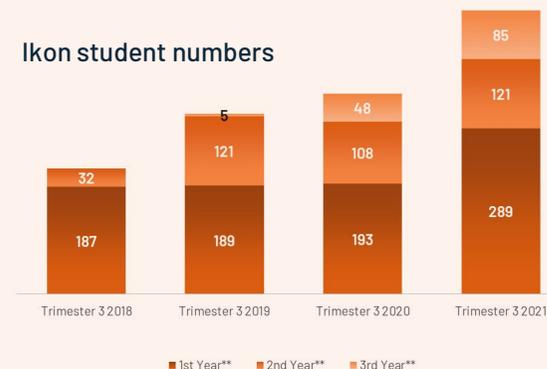
🎓 Bachelor and Diploma of Early Childhood Education launched Trimester 1 2021 - 89 enrolments in Trimester 3, achieving break-even

📈 Core revenue up 10.5% \$nil non-core in 2021 (2020: \$0.48m). Now solely focused on HE opportunity

🌐 Online HE offer launched Trimester 1 2021 - 40 enrolments in Trimester 3, meaningful growth opportunity

🔄 Gross margin and earnings down FY21 had \$0.75m less COVID-19 relief than FY20. FY21 (particularly 2H21) impacted by BECE start-up costs, increased investment in academic quality, product development and digital marketing spend.

👥 Course development team in place, further programs underway



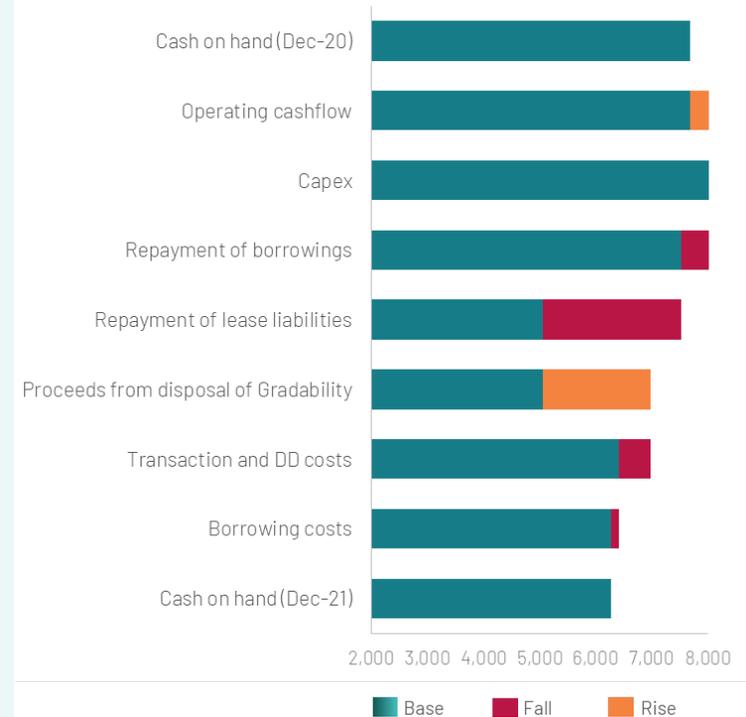
BALANCE SHEET AND CASHFLOW

Balance Sheet Intact Despite Pandemic

	31 Dec 21	30 Jun 21	31 Dec 20
	\$'000	\$'000	\$'000
Cash & cash equivalents	6,275	7,818	7,686
Trade & other receivables	293	1,412	550
Goodwill	11,918	11,918	11,918
Intangibles	1,663	1,690	1,907
Plant & equipment	2,627	2,846	3,092
ROU assets	11,835	12,298	13,383
Other assets	1,984	1,770	1,337
Total assets	36,595	39,752	39,873
Contract liabilities	1,586	4,947	2,619
Trade & other payables	3,392	3,153	3,034
Borrowings	2,750	3,250	3,833
Lease liabilities	13,759	13,933	14,737
Other liabilities	3,261	3,499	3,684
Total liabilities	24,748	28,782	27,907
Net assets	11,847	10,970	11,966

- Cash balance relatively stable with **net cash down by \$0.4m against PCP**, including proceeds from Gradability
- Negative operating cashflow (\$1.2m) for the 6 months ended 31 December 2021
- Capex minimised during the 6-month period - \$0.2m
- Other liabilities largely relate to advance receipts of FEE-HELP received during CY19 and CY20 under the Higher Education Relief Package¹ - repayable over the 7-year period calendar 2022 - 2029

Cashflow Movements²



1. Under the Relief Package, the Department of Education, Skills and Employment guaranteed the payment of approved 2020 FEE-HELP estimates for all Higher Education Providers, with any excess FEE-HELP advances paid in 2020 to be repaid over the calendar 2022 - 2029 years. Excess FEE-HELP advances from 2019 (originally due for repayment in 2021) are now also repayable over this period. Ikon received excess FEE-HELP advances of \$0.5m during 2019 and \$2.6m during 2020. \$0.4m is recorded as a current liability with the remaining \$2.7m recorded as a non-current liability

2. Under AASB16, lease payments are not classified as operating cashflow. FY21 operating cashflow less repayment of lease liabilities was (\$2.5m)

DEBT STRUCTURE

Gearing Improved, Net Cash Slightly Down on PCP

Gearing	31 Dec-21	30 Jun-21	Variance	31 Dec-20	Variance
	\$'000	\$'000	\$'000	\$'000	\$'000
Acquisition facility	2,750	3,250	(500)	3,833	(1,083)
Bank guarantee facility	1,021	925	96	901	120
Total gross debt	3,771	4,175	(404)	4,734	(963)
Cash and cash equivalents	6,275	7,818	(1,543)	7,686	(1,411)
Net cash / (debt)	2,504	3,643	(1,139)	2,952	(448)

Gearing ratio	31 Dec-21	30 Jun-21	Variance*	31 Dec-20	Variance*
Gearing ratio - gross debt ¹	24.1%	27.6%	(3.5%)	29.4%	(5.3%)
Gearing ratio - net debt ²	(26.8%)	(49.7%)	22.9%	(35.0%)	8.2%

* Movement in percentage points

1. Calculated as debt / (debt + equity)

2. Calculated as (debt - cash) / (debt - cash + equity)

\$6.3m cash balance
31 December 2021



Typical **gearing and cash-flow loan covenants in place**, waived for Mar 2022 quarter



Loan amortising
\$250k per quarter



'Balloon' loan payment
\$2.0m due October 2022
Current intention to refinance
- discussions underway



FY22 PRIORITIES & OUTLOOK



FY22 PRIORITIES



Student volume and
scale



Online capability -
recruitment and
delivery



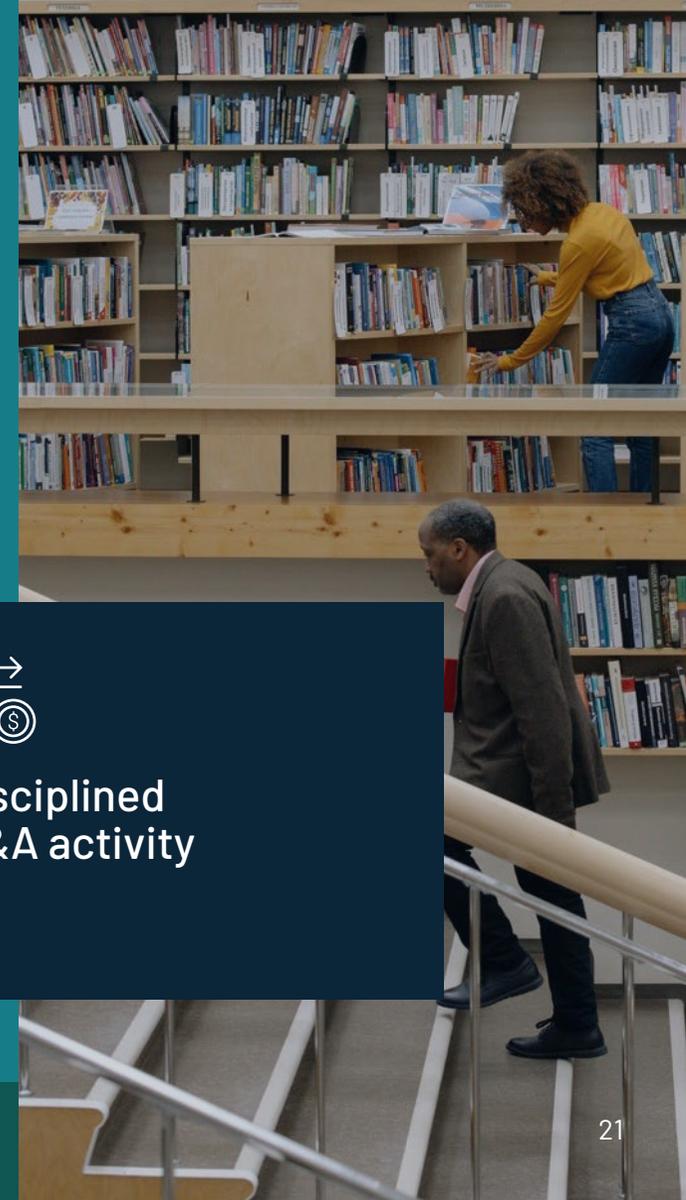
Governance, academic
quality and student
experience



Program
development



Disciplined
M&A activity



FY22 OUTLOOK



- 'Green shoots' emerging - new student commencements in Term 1, 2022 up 55.1% on prior term
- Total enrolments still declining with exits exceeding new commencement - turnaround expected towards back-end of 2022, accelerating in 2023
- EBITDA loss in FY22 - maintaining long-term focus (no further cost-outs planned)
- Positive EBITDA in FY23 as volume and scale return



- Growth in student numbers, unit enrolments and revenue continuing
- FY22 EBITDA leverage emerging with increase in scale
- Continued investment in product development and operational capability



GROUP

- EBITDA loss in FY22 - growth in Ikon not fully offsetting decline in ALG
- Return to growth and EBITDA positive in FY23
- Long-term strategy on track

APPENDICES



GROUP

Half on half analysis

	6 months ended 31 Dec 2021	6 months ended 31 Dec 2020	Variance	Variance*	6 months ended 30 Jun 2021	6 months ended 30 Jun 2020	Variance	Variance*
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%
ALG and Ikon								
Total revenue	10,715	11,822	(1,107)	(9.4%)	11,608	12,789	(1,181)	(9.2%)
Cost of sales	(5,160)	(5,402)	242	4.5%	(5,711)	(5,349)	(362)	(6.8%)
Gross profit	5,555	6,420	(865)	(13.5%)	5,897	7,440	(1,543)	(20.7%)
Gross margin (%)*	51.8%	54.3%	n/a	(2.5%)	50.8%	58.2%	n/a	(7.4%)
Operating expenses	(4,155)	(3,067)	(1,088)	(35.5%)	(3,955)	(3,234)	(721)	(22.3%)
Operating EBITDA	1,400	3,353	(1,953)	(58.2%)	1,942	4,206	(2,264)	(53.8%)
Operating EBITDA margin (%)*	13.1%	28.4%	n/a	(15.3%)	16.7%	32.9%	n/a	(16.2%)
EDU Holdings								
Corporate costs	(680)	(458)	(222)	(48.5%)	(673)	(462)	(211)	(45.7%)
EBITDA	720	2,895	(2,175)	(75.1%)	1,269	3,744	(2,475)	(66.1%)
EBITDA margin (%)*	6.7%	24.5%	n/a	(17.8%)	10.9%	29.3%	n/a	(18.4%)
Depreciation & amortisation								
- Lease related	(1,256)	(1,085)	(171)	(15.8%)	(1,048)	(1,183)	135	11.4%
- Plant & equipment	(331)	(324)	(7)	(2.2%)	(325)	(281)	(44)	(15.7%)
- Intangible assets	(224)	(195)	(29)	(14.9%)	(206)	(175)	(31)	(17.7%)
Total depreciation & amortisation	(1,811)	(1,604)	(207)	(12.9%)	(1,579)	(1,639)	60	3.7%
EBIT	(1,091)	1,291	(2,382)	n/a	(310)	2,105	(2,415)	n/a
EBIT margin (%)*	(10.2%)	10.9%	n/a	(21.1%)	(2.7%)	16.5%	n/a	(19.2%)
Interest on lease liabilities	(346)	(376)	30	8.0%	(354)	(405)	51	12.6%
Interest and borrowing expenses	(80)	(99)	19	19.2%	(83)	(128)	45	35.2%
Income tax benefit / (expense)	447	(220)	667	n/a	323	(312)	635	n/a
Net loss / (profit) before one-off items	(1,070)	596	(1,666)	n/a	(424)	1,260	(1,684)	n/a
Due diligence and transaction costs	(76)	(76)	-	-	(677)	(56)	(621)	(1108.9%)
Gain from disposal of assets	1,912	-	1,912	n/a	-	-	-	n/a
Net profit / (loss) for the period	766	520	246	47.3%	(1,101)	1,204	(2,305)	n/a

* Movement in percentage points

ALG	6 months ended	6 months ended	Variance	Variance*	6 months ended	6 months ended	Variance	Variance*
	31 Dec 2021	31 Dec 2020			30 Jun 2021	30 Jun 2020		
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%
Revenue								
International student revenue	7,039	8,564	(1,525)	(17.8%)	8,769	9,141	(372)	(4.1%)
Domestic student and other revenue	346	335	11	3.3%	158	505	(347)	(68.7%)
Total revenue	7,385	8,899	(1,514)	(17.0%)	8,927	9,646	(719)	(7.5%)
Cost of sales								
Commission	1,649	1,947	(298)	(15.3%)	2,011	2,037	(26)	(1.3%)
Venue	178	159	19	11.9%	332	37	295	797.3%
Teaching	1,742	2,391	(649)	(27.1%)	2,262	1,887	375	19.9%
Other	98	173	(75)	(43.4%)	89	318	(229)	(72.0%)
Total cost of sales	3,667	4,670	(1,003)	(21.5%)	4,694	4,279	415	9.7%
Gross profit	3,718	4,229	(511)	(12.1%)	4,233	5,367	(1,134)	(21.1%)
<i>Gross margin (%)*</i>	50.3%	47.5%	n/a	2.8%	47.4%	55.6%	n/a	(8.2%)
Operating expenses	2,522	2,174	348	16.0%	2,509	2,336	173	7.4%
Operating EBITDA	1,196	2,055	(859)	(41.8%)	1,724	3,031	(1,307)	(43.1%)
<i>Operating EBITDA margin (%)*</i>	16.2%	23.1%	n/a	(6.9%)	19.3%	31.4%	n/a	(12.1%)
Depreciation & amortisation								
- Lease related	810	838	(28)	(3.3%)	806	1,014	(208)	(20.5%)
- Plant & equipment	309	306	3	1.0%	304	274	30	10.9%
- Intangible assets	88	89	(1)	(1.1%)	83	78	5	6.4%
Total depreciation & amortisation	1,207	1,233	(26)	(2.1%)	1,193	1,366	(173)	(12.7%)
EBIT	(11)	822	(833)	n/a	531	1,665	(1,134)	(68.1%)
<i>EBIT margin (%)*</i>	(0.1%)	9.2%	n/a	(9.3%)	5.9%	17.3%	n/a	(11.4%)
Net finance expense - lease related	201	269	(68)	(25.3%)	250	368	(118)	(32.1%)
Income tax (benefit)/ expense	(210)	81	(291)	n/a	121	330	(209)	(63.3%)
Net (loss) / profit for the period	(2)	472	(474)	n/a	160	967	(807)	(83.5%)

Half on half analysis

Ikon	6 months ended	6 months ended	Variance	Variance*	6 months ended	6 months ended	Variance	Variance*
	31 Dec 2021	31 Dec 2020			30 Jun 2021	30 Jun 2020		
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%
Revenue								
International student revenue	674	384	290	75.5%	327	399	(72)	(18.0%)
Domestic student and other revenue	2,656	2,539	117	4.6%	2,354	2,744	(390)	(14.2%)
Total revenue	3,330	2,923	407	13.9%	2,681	3,143	(462)	(14.7%)
Cost of sales								
Commission	94	53	41	77.4%	46	71	(25)	(35.2%)
Venue	27	42	(15)	(35.7%)	75	98	(23)	(23.5%)
Teaching	1,355	640	715	111.7%	890	893	(3)	(0.3%)
Other	17	(3)	20	n/a	6	8	(2)	(25.0%)
Total cost of sales	1,493	732	761	104.0%	1,017	1,070	(53)	(5.0%)
Gross profit	1,837	2,191	(354)	(16.2%)	1,664	2,073	(409)	(19.7%)
<i>Gross margin (%)*</i>	55.2%	75.0%	n/a	(19.8%)	62.1%	66.0%	n/a	(3.9%)
Operating expenses	1,633	893	740	82.9%	1,446	898	548	61.0%
Operating EBITDA	204	1,298	(1,094)	(84.3%)	218	1,175	(957)	(81.4%)
<i>Operating EBITDA margin (%)*</i>	6.1%	44.4%	n/a	(38.3%)	8.1%	37.4%	n/a	(29.3%)
Depreciation & amortisation								
- Lease related	446	247	199	80.6%	242	169	73	43.2%
- Plant & equipment	22	18	4	22.2%	21	7	14	200.0%
- Intangible assets	63	31	32	103.2%	54	27	27	100.0%
Total depreciation & amortisation	531	296	235	79.4%	317	203	114	56.2%
EBIT	(327)	1,002	(1,329)	n/a	(99)	972	(1,071)	n/a
<i>EBIT margin (%)*</i>	(9.8%)	34.3%	n/a	(44.1%)	(3.7%)	30.9%	n/a	(34.6%)
Net finance expense - lease related	145	109	36	33.0%	101	36	65	180.6%
Income tax (benefit)/ expense	(38)	295	(333)	n/a	(68)	150	(218)	n/a
Net (loss) / profit for the period	(434)	598	(1,032)	n/a	(132)	786	(918)	n/a

* Movement in percentage points

CAPITAL STRUCTURE

Meaningful Shareholder and Board Alignment

	Number	% Diluted
Ordinary shares	117,514,448	95.3%
Performance rights ^{1,2,3}	5,800,000	4.7%
Fully diluted	123,314,448	100.0%

	\$'000
Market capitalisation - \$0.16 per share ^{4,5}	18,802
Cash	(6,275)
Debt	2,750
Enterprise value	15,277



- 2,200,000 performance rights approved at the November 2021 AGM, exercisable 3 years from issue date, 1/3rd exercisable if the 20-day VWAP exceeds \$0.20, 1/3rd exercisable if the 20-day VWAP exceeds \$0.24 and 1/3rd exercisable if the 20-day VWAP exceeds \$0.27
- 2,350,000 performance rights approved at the November 2020 AGM, exercisable 3 years from issue date, half exercisable if the 20-day VWAP exceeds \$0.28 and half exercisable if the 30-day VWAP exceeds \$0.32
- 1,250,000 performance rights approved at the November 2019 AGM, exercisable 3 years from issue date, if the 20-day VWAP exceeds \$0.42
- As at 10 February 2022
- Undiluted basis

COURSE OFFERING

Health and Community Services Focus

HE Courses – Ikon	Typical Job Outcomes
 Arts Therapy	Counselor or Art Therapist
 Counselling and Psychotherapy	Counselor or Psychotherapist
 Early Childhood Education	Early Childhood Teacher

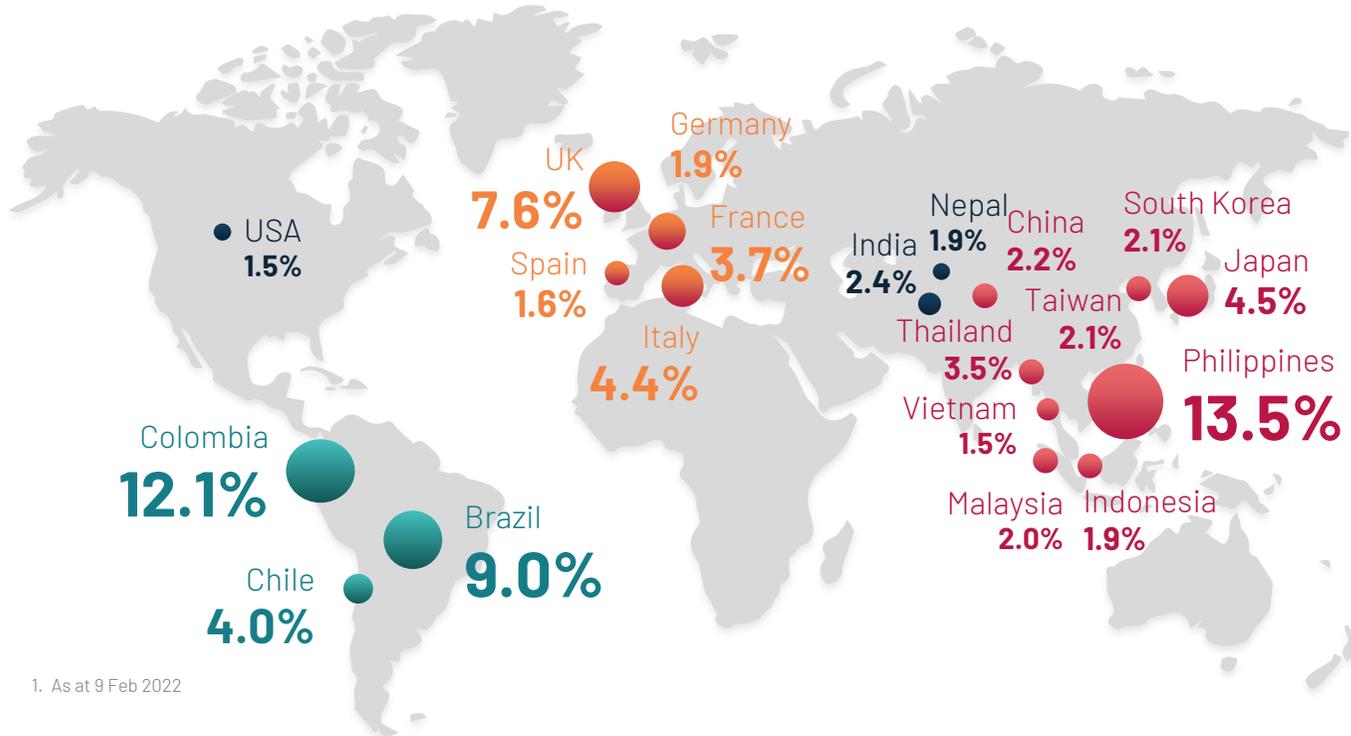
VET Courses – ALG	Typical Job Outcomes
 Ageing Support	Residential Care Worker
 Community Services	Community Care Worker or Manager
 Counselling	Counselor
 Early Childhood Education and Care	Childcare Worker or Childcare Centre Manager
 Fitness	Personal Trainer or Gym Instructor
 Mental Health	Mental Health Worker
 Remedial Massage	Massage Practitioner
 Sport and Recreation Management	Manager in Sports Industry
 Yoga Teaching	Yoga Teacher

ALG INTERNATIONAL STUDENT DIVERSITY

Diverse student base with low source country concentration risk



Student enrolments by source country (Top 20)¹



1. As at 9 Feb 2022

Immigration Risk Rating – Level 1

Highly diverse student population with students from over **70 source countries**

Wide student recruitment network with over **250 active education agents** in Australia and offshore

Low concentration risk of any individual source country or education agent

Well-positioned for recovery now that **Australian border open to international students** and tourists

EXECUTIVES AND DIRECTORS

Adam Davis, BAppFin (Macquarie University)
Chief Executive Officer and Managing Director

Adam has extensive experience in the education sector as founder and CEO of formerly ASX-listed Tribeca Learning Limited. Under Adam's stewardship, Tribeca acquired and integrated numerous education businesses servicing the financial services sector, consolidating the market and creating the leading national provider. The company was acquired by Kaplan, Inc. in 2006. Adam holds a Bachelor of Applied Finance from Macquarie University.

Lyndon Catzel, BEc (Sydney University), CA
Chief Financial Officer and Company Secretary

Lyndon has over 25 years' financial, operational and strategic experience as a CEO, CFO and COO across numerous private businesses in funds administration, financial services, healthcare, software and wholesale distribution. He has a proven track record of financial management, capital raising, development of management teams and strategy execution. Lyndon is a Chartered Accountant and holds a Bachelor of Economics (Finance and Accounting) from the University of Sydney.

Gary Burg, BAcc (Wits), MBA (Wits)
Non-Executive Chair

Gary has been involved with Global Capital Group since 1995 in South Africa and in Australia since 2001. In Australia, Gary has been involved in numerous businesses across a range of sectors including life insurance, financial services and education. Gary is currently a director of ClearView Limited which is listed on the ASX.

Peter Mobbs, B.Com, LL.B (WSU), Grad Dip
 Legal Practice (College of Law), GAICD
Non-Executive Director

Peter is Managing Director of Greyrock, a private investment company with a focus on education and technology.

Prior to establishing Greyrock, Peter was an entrepreneur and executive operating within the private education industry, where he holds 15+ years' experience across higher education, vocational and corporate training sectors.

Peter led the private equity backed merger of his business, Ivy College, with the education arm of the Australian Institute of Management (AIM) – a 75 year-old brand. Peter was the inaugural Group CEO and is a director and shareholder of the merged group – Scentia. He holds degrees in commerce and law, is admitted to practise in the Supreme Court of NSW, is a member of YPO Sydney and is a graduate of the AICD Company Directors course.

Jonathan Pager, MEd (Macquarie University)
Non-Executive Director

Jonathan has over 25 years' experience as a management consultant and corporate adviser across a wide range of industries in Australia and overseas.

He has a Masters of Economics and qualified as a Chartered Accountant with Deloitte, where he commenced his career. Jonathan has restructured and listed

a range of public companies and been a director of publicly listed companies in the resources and industrial sectors.

CONTACTS

Adam Davis

Chief Executive Officer

E: adam@eduholdings.com.au

P: +61 2 9112 4541

M: 0408 400 888

Lyndon Catzel

Chief Financial Officer

E: lyndon@eduholdings.com.au

P: +61 2 9112 4540

M: 0414 907 384

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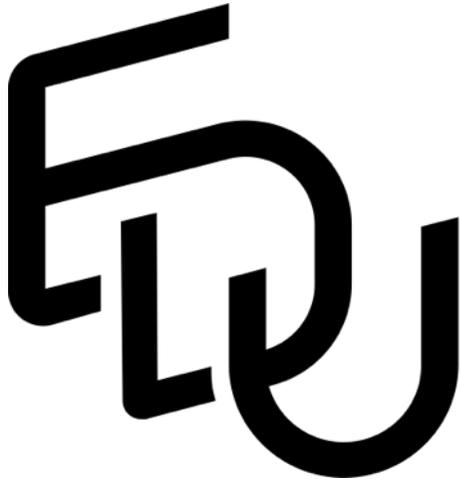
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H o l d i n g s

