

APPENDIX 4E: PRELIMINARY FINAL REPORT

1. Company details

Name: Academies Australasia Group Limited
ABN: 93 000 003 725

Reporting Period (RP): Financial year ended 30 June 2025 (FY25)

Previous Period (PP): Financial year ended 30 June 2024 (FY24)

2. Results for announcement to the market

2.1 Revenue from ordinary activities was up 1.5% to \$47,537,000 (*See item 4.1*)

2.2 Loss from ordinary activities after tax attributable to members, was \$1,282,000, an improvement of 87% on the PP loss of \$9,653,000 (*See item 4.7*). After adjusting for non-cash impairments/provisions totalling \$370,000 (*See item 3.3*), the loss was \$912,000.

2.3 Net loss for the period attributable to owners of the parent entity, was \$1,272,000, an improvement of 87% on the PP net loss of \$9,779,000 (*See item 4.12*). After adjusting for non-cash impairments/provisions totalling \$370,000 (*See item 3.3*), the net loss was \$902,000.

2.4 Adjusted Earnings before interest, tax, depreciation and amortisation (EBITDA) (*See item 3.3*), improved by 111% from \$3,546,000 to \$7,497,000 in the RP.

[Note: 'EBITDA' is not a term prescribed by the Australian Accounting Standards ('AAS').]

3. Commentary

3.1 Overview

Notwithstanding another very challenging year, where growth opportunities were severely curtailed:

- Revenue improved, albeit by 1.5% (*See item 4.1*);
- Net operating cash flow improved by 766%, from \$441,000 to \$3,820,000 (*See item 6.6*); and
- Expenses from ordinary activities decreased by 6.5% from \$49,687,000 to \$46,473,000 (*See item 4.2*)

3.2 Adjustments

3.2.1 A provision for impairment of \$370,000 (FY24: \$1,150,000) was made against the non-recourse loans of \$2,000,000 that secure the 5,000,000 shares issued at 40 cents each under the employee incentive plan. The share price at 30 June 2025 was 9.6 cents compared to 17 cents at 30 June 2024. This provision is adjusted according to the share price while the loans are in place. At 30 June 2025 the total provision was \$1,520,000.

3.2.2 In the RP the lease at the Goulburn Street premises had an impact of \$2,463,000 (PP \$2,353,000) on the result, made up of depreciation and amortisation and finance costs. Renovation works for 9B-approval plans have been deferred pending better clarity on Federal Government policies towards international students.

- 3.2.3 The lease on levels 14 and 15 at 459 Little Collins Street, Melbourne, which housed Skills Training Australasia (STA) was not renewed after expiry on 30 June 2025. STA operations have relocated to 628 Bourke Street, Melbourne.

3.3 Profit / (loss) before tax after adjustments in 3.2		
	RP \$000	PP \$000
Loss from ordinary activities before tax (<i>See item 4.5</i>)	(1,777)	(11,009)
Add back impairments/provisions (<i>See item 4.16</i>)		
- goodwill	-	4,408
- right of use assets	-	575
- loans secured for the issue of shares in the employee incentive plan	370	1,150
Add back Goulburn Street		
- depreciation and amortisation (<i>See item 4.15</i>)	1,568	1,568
- finance costs (<i>See item 4.4</i>)	714	771
- outgoings, facilities etc (<i>See item 4.15</i>)	181	14
Add back relocation and make good STA (<i>See item 4.16</i>)	64	-
Deduct Government Grants (<i>See item 4.14</i>)	(110)	(91)
Adjusted profit / (loss) before tax	1,010	(2,614)

3.4 EBITDA after adjustments in 3.2.1 and 3.2.3		
	RP \$000	PP \$000
EBITDA	7,173	(2,496)
Add back impairments/provisions (<i>See item 4.16</i>)		
- goodwill	-	4,408
- right of use assets	-	575
- loans secured for the issue of shares in the employee incentive plan	370	1,150
Add back relocation and make good STA (<i>See item 4.16</i>)	64	-
Deduct Government Grants (<i>See item 4.14</i>)	(110)	(91)
EBITDA after adjustments	7,497	3,546

3.5 Acquisition of remaining interest in College of Sports & Fitness

On 30 June 2025, AKG3 Investment Holdings Pty Limited, a wholly owned subsidiary of AKG, acquired the remaining 32.46% of College of Sports & Fitness (CSF) which it did not own, for a consideration of \$100,000 to be paid in three instalments. The first instalment of \$40,000 was paid on 30 June 2025. The second and third instalments of \$30,000 shall be paid by 30 September and 31 December 2025.

3.6 Directors' and Director-related loans

- 3.6.1 On 17 December 2024 Christopher Campbell extended a one-year loan of \$1.0 million to AKG. A loan of \$200,000 for one-year was extended by his wife, Sarah Campbell, on 17 June 2025.

- 3.6.2 On 12 February 2025, AKG accepted a loan of \$800,000 from Dr John Schlederer. This loan was repaid on 2 May 2025.
- 3.6.3 The loans totalling \$1.0 million in April 2024 from Dr John Schlederer (\$200,000), Chiang Meng Heng (\$700,000), Gabriela Rodriguez (\$50,000), and Sartaj Hans (\$50,000) were repaid as scheduled on the due dates.
- 3.6.4 The one-year \$4.0 million loan extended by Chiang Meng Heng on 29 June 2024 has been extended to a date to be mutually agreed by Mr Heng and AKG. Apart from the revised repayment date all the other terms remain the same.
- 3.6.5 Generally, the material features of each of the above loans are:
- The interest rate applicable to each loan is 9% per annum calculated on a simple interest basis.
 - Interest on each loan is paid quarterly.
 - The principal must be paid within 12 months of the advance date.
 - The loans are unsecured.
 - The loan agreements contain warranty and covenant clauses standard for agreements of this nature.
 - The loan agreements do not include any right to convert the loans to AKG shares.
- 3.6.6 The total balance of all Directors' and Director-related loans at the end of the RP was \$5.2 million (PP \$5.0 million) (*See item 5.17*).

3.7 New Overseas Student Commencement (NOSC) allocations

- 3.7.1 The operating environment in the RP continued to be challenging. While the proposed 'caps' announced by the government in August 2024 did not eventuate, on 19 December 2024 the Australian Government announced a Ministerial Direction for a new prioritisation system for processing offshore visa applications from students wishing to study Vocational or Higher Education courses. The priority processing, which took effect from that day and is in place until the end of this year, is based on the provider's indicative 2025 NOSC allocation. This prioritisation system does not apply to visa applications lodged in Australia.
- 3.7.2 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 NOSC allocations in Vocational and Higher Education courses from 1 January 2026. This represents a 25,000 increase from the NPL in 2025.
- 3.7.3 Eight of the 18 Academies Australasia colleges are affected by the NOSC restrictions. These colleges are Academies Australasia Hair & Beauty, Academies Australasia Institute, Academies Australasia Polytechnic, Australian College of Technology, Clarendon Business College, College of Sports & Fitness, Skills Training Australasia and Supreme Business College. Those not affected are our college in Singapore, our five domestic RTOs, our three English language colleges, and our senior secondary school. The latter four colleges are registered on CRICOS, meaning that they are able to enrol international students.
- 3.7.4 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 of 101 per college is very disappointing. [*602 plus up to 80 each for providers with 100 or less NOSC allocations. Five of our eight colleges come under this category of providers].

3.8 Refunds

Visa rejections in the RP were significantly lower than in the PP. Refunds paid to students in the RP, mainly because of visa rejections, totalled \$1.9 million (PP \$6.2 million).

\$000

4. Condensed consolidated income statement

	Reporting Period	Previous Period
4.1 Revenue from ordinary activities <i>(See items 4.13 and 4.14)</i>	47,537	46,831
4.2 Expenses from ordinary activities <i>(See item 4.15)</i>	(46,473)	(49,687)
4.3 Other expenses – impairments /provisions <i>(See item 4.16)</i>	(434)	(6,133)
4.4 Finance costs *	(2,407)	(2,020)
4.5 Loss from ordinary activities before tax	(1,777)	(11,009)
4.6 Income tax expense on ordinary activities	495	1,356
4.7 Loss from ordinary activities after tax	(1,282)	(9,653)
4.8 Other comprehensive income		
4.9 Exchange differences on translating foreign controlled entities	(85)	3
4.10 Total comprehensive income	(1,367)	(9,650)
4.11 Profit attributable to non-controlling interest	(10)	126
4.12 Loss attributable to members of the parent entity	(1,272)	(9,779)
4.13 Revenue from services	47,030	46,371
4.14 Other revenue		
- Interest received	203	231
- Rent received	194	124
- Government Grants (Singapore)	110	91
- Other	-	14
4.15 Details of expenses		
- Depreciation, amortisation and loss on disposal of assets **	6,746	6,724
- Student acquisition and teaching costs	22,436	25,280
- Personnel expenses	12,097	12,308
- Premises expenses ***	3,007	2,834
- Other administration expenses	2,187	2,541
4.16 Other expenses – impairments / provisions		
- Goodwill	-	4,408
- Right of use assets	-	575
- Loans secured for the issue of shares in the employee incentive plan	370	1,150
- Relocation and make good STA	64	-

* Includes \$714,000 for the Goulburn Street premises. (PP \$771,000)

** Includes \$1,568,000 depreciation for the right of use asset arising from the lease on the Goulburn Street premises (PP \$1,568,000)

*** Includes \$181,000 for the Goulburn Street premises. (PP \$14,000)

\$000

5. Condensed consolidated balance sheet

	Reporting Period	Previous Period
Current assets		
5.1 Cash	2,715	5,832
5.2 Receivables	1,515	1,905
5.3 Other		
- Prepayments	1,311	2,049
- Other	867	359
5.4 Cash guarantees	455	-
5.5 Total current assets	6,863	10,145
Non-current assets		
5.6 Plant and equipment	1,768	2,337
5.7 Right of use assets	26,245	31,774
5.8 Deferred tax assets	7,384	6,647
5.9 Intangibles	28,369	28,372
5.10 Other non-current assets	-	850
5.11 Cash guarantees	3,141	3,736
5.12 Total non-current assets	66,908	73,716
5.13 Total assets	73,771	83,861
Current liabilities		
5.14 Tuition fees in advance (deferred income)	6,772	10,666
5.15 Trade and other payables	6,377	5,036
5.16 Current tax payable	292	219
5.17 Short-term borrowings	5,200	5,000
5.18 Short-term lease liabilities	6,952	7,013
5.19 Short-term provisions	3,879	3,712
5.20 Total current liabilities	29,472	31,646
Non-current liabilities		
5.21 Long-term lease liabilities	27,747	34,153
5.22 Long-term provisions	357	400
5.23 Total non-current liabilities	28,104	34,553
5.24 Total liabilities	57,576	66,199
5.25 Net assets	16,195	17,662
Equity		
5.26 Share capital	44,066	44,066
5.27 Retained profits (accumulated losses)	(27,859)	(26,482)
5.28 Foreign currency translation reserve	(12)	73
5.29 Non-Controlling Interest	-	5
5.30 Total equity	16,195	17,662

6. Condensed consolidated cash flow statement

	Cash flows from operating activities		
6.1	Receipts from customers	44,607	42,908
6.2	Payments to suppliers and employees	(38,423)	(42,371)
6.3	Interest received	203	231
6.4	Interest paid	(2,395)	(2,007)
6.5	Income taxes paid	(172)	1,680
6.6	Net operating cash flows	3,820	441
	Cash flows from investing activities		
6.7	Proceeds from sale of plant and equipment	-	14
6.8	Purchases of plant and equipment	(70)	(160)
6.9	Purchase of intangible assets	(175)	(117)
6.10	Expenditure on make good	(100)	-
	Net investing cash flows	(345)	(263)
	Cash flows from financing activities		
6.11	Directors' and Director-related loans	200	5,000
6.12	Acquisition of remaining NCI subsidiaries	(104)	(32)
6.13	Lease payments	(6,828)	(6,124)
6.14	Net financing cash flows	(6,732)	(1,156)
6.15	Net increase in cash held	(3,257)	(978)
6.16	Net cash at beginning of period	9,568	10,546
6.17	Net cash at end of period (See item 6.20)	6,311	9,568

6.18 Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows:

- None

6.19 Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

Cash (*See item 5.1*)

Cash guarantees (*See item 5.4 and 5.11*)

6.20	Net cash on hand and at bank (See item 6.17)	6,311	9,568
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7. Statement of retained earnings

\$000

	Reporting Period	Previous Period
7.1 Retained profits (accumulated losses) at the beginning of the financial period original	(26,482)	(17,292)
7.2 Net loss attributable to members (<i>See item 4.12</i>)	(1,272)	(9,779)
7.3 Acquisition of remaining 32.46% of CSF	(105)	-
7.4 Acquisition of remaining 25% of Language Links International	-	589
7.5 Retained profits (accumulated losses) at end of financial period	(27,859)	(26,482)

8. Dividends

There were no dividends paid or declared to the Company's shareholders during the year.

9. Dividend reinvestment plans

No dividend reinvestment plans were in operation during the reporting period or the previous corresponding period.

10. Net tangible Assets

	Reporting Period	Previous Period
Net tangible asset backing per ordinary share is based on 132,614,467 shares at 30 June 2025 and 30 June 2024.	(9.2) cents	(8.1) cents

11. Associates and joint venture entities

No member of the Group held an interest in, or participated in the results of, a joint venture.

12. Foreign entities

The Group owns 100% of ACA Investment Holdings Pte. Limited which owns 100% of Centre for Australian Education Pte. Limited and 100% of Academies Australasia College Pte. Limited. All these entities are incorporated in Singapore.

13. Commentary on results**13.1 Earnings per security (EPS)**

	Reporting Period	Previous Period
Basic EPS	(0.96) cents	(7.37) cents

Weighted average number of ordinary shares used in calculation of basic EPS.

132,614,467	132,614,467
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The earnings amount used was a loss of \$1,272,000 (PP loss \$9,779,000), on ordinary activities after tax attributable to members of the parent entity (*See item 4.12*).

13.2 Returns to shareholders.

There were no dividends paid or declared to the Company's shareholders during the year.

13.3 Significant features of operating performance.
Please see items 3.1 to 3.8.

13.4 The Company has only one operating segment: Education.

13.5 Ratios.

Loss before tax / revenue

Consolidated profit from ordinary activities before tax (*See item 4.5*) as a percentage of revenue (*See item 4.1*)

Loss after tax / equity interests

Consolidated net profit from ordinary activities after tax attributable to members of the parent entity (*See item 4.12*) as a percentage of equity at the end of the period (*See item 5.30*)

Reporting Period	Previous Period
(3.74) %	(23.51) %
(7.85) %	(55.37) %

14. This report is based on accounts which are in the process of being audited.

15. These accounts are not likely to be subject to dispute or qualification.

Stephanie Noble
Group Finance Manager

22 August 2025