

RedHill Education Limited

Material Impact of International Travel Bans upon FY20 Revenues and Revocation of Interim Dividend

RedHill Education Limited (RedHill) provides this update on the evolving impacts of the COVID-19 pandemic. Directors and management are actively managing the trading and operational impact of this public health emergency and are taking decisive actions to support the wellbeing of our students and employees at this difficult time.

1. IMPACT OF COVID-19 UPON FY20 PERFORMANCE

RedHill has not provided guidance on its earnings for the current financial year and is not in a position to provide a reliable forecast given the level of uncertainty around the impact of COVID-19. Existing analyst forecasts of earnings are also unreliable as they have been prepared on the basis of a more stable trading environment.

RedHill is activating a wide range of business continuity measures and is tightly managing its cashflow and working capital requirements.

RedHill reported a cash at bank balance of \$11.0 million at 31 December 2019, and it has no bank debt.

2. FY20 REVENUE TO BE MATERIALLY IMPACTED BY INTERNATIONAL TRAVEL BANS

RedHill expects its FY20 balance of year revenues to be materially impacted by international travel bans which were implemented by the Australian Government from 9:00pm (AEDT) last Friday, 20 March 2020. International students who had planned to enter Australia after that date will not be able to do so until travel bans are lifted and international airlines resume commercial flights into the country.

International students who are already in Australia may progress with their studies at RedHill, and they may also choose to extend their studies or enrol into new courses.

International students who are impacted by the travel bans will be permitted to retain their confirmed enrolments into RedHill courses and defer their study commencement dates.

3. MOVE TO 100% ONLINE DELIVERY

In response to the unprecedented times, and in the interests of the health and wellbeing of its students and employees, RedHill has temporarily ceased delivering face-to-face courses at all of its campuses since 18 March 2020.

RedHill's directors are pleased to confirm that all courses and programmes will be delivered 100% online commencing from today, and that no courses or programmes have been cancelled or deferred as part of this transition to online delivery.

RedHill has implemented online learning systems and developed online learning materials to ensure that its students continue to receive quality learning experiences and outcomes.

RedHill is well placed to continue delivering all of its courses 100% online for as long as COVID-19 pandemic circumstances require.

4. FY20 INTERIM DIVIDEND REVOCATION

RedHill's directors declared a fully franked dividend of \$0.02 per ordinary share, payable on 30 March 2020, out of retained profits at 31 December 2019.

The company's Constitution permits the directors to revoke a decision for them to pay a dividend before the time fixed for payment arrives. In the view of the extraordinary circumstances impacting RedHill because of the COVID-19 pandemic and Government responses, the directors regard it as prudent to conserve cash in view of the likely exigencies in the next six months or more, so they have revoked their decision to make that dividend payment.

RedHill's Chief Executive Officer, Glenn Elith, said:

"Since the onset of this pandemic, RedHill has been quick to initiate and implement appropriate measures to support the safety of our students and employees, and we have been agile in moving to contemporary online delivery for all of our courses and programmes.

Our directors and management are primed to execute further initiatives to mitigate the impacts of the COVID-19 pandemic, and we are focused on maintaining strong liquidity in these uncertain times."

Authorised for release to ASX by the Board of Directors of RedHill.

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ABOUT REDHILL

RedHill has a portfolio of quality education businesses at the premium end of the private education market to capitalise on the demand for higher education, vocational training and English language programmes. For further information refer to our website www.redhilleducation.com.