



REDHILL EDUCATION LIMITED

2020 ANNUAL GENERAL MEETING

CHAIRMAN AND MANAGING DIRECTOR ADDRESSES

19 NOVEMBER 2020

Good afternoon, ladies and gentlemen and welcome to RedHill's 2020 Annual General Meeting. I am Bill Beerworth, the Chairman of RedHill and I will be chairing today's meeting. I confirm that there is a quorum present and I declare the meeting open.

This is RedHill's first virtual AGM. Like many other companies we decided that in order to protect the health and safety of our shareholders and our people, the most appropriate format for this meeting was virtually rather than at a physical venue. I assure you that every effort has been made to enable shareholders to participate in the virtual meeting and our hope is that this format may even allow more shareholders than usual to attend the meeting. You will be able to listen to a live webcast of the meeting, watch the presentations, submit questions and cast your vote.

I am joining you today from our share registry Computershare's Sydney office and with me are my fellow non-executive directors Sandra Hook who chairs our Nominations Committee and Stephen Heath who chairs our Remuneration Committee. Also here are Managing Director and CEO Glenn Elith, our Company Secretary Lisa Jones, and our Chief Financial Officer Michael Fahey. William Deane who chairs our Audit & Risk Management Committee and our audit partner, Gary Sherwood of RSM Australia Partners, join us by telephone.

Prior to delivering our addresses, I would like to outline the technology and procedural matters for this meeting. As outlined in our Notice of Meeting, shareholders and proxyholders may vote and submit questions during this meeting using the Lumi AGM platform. There is an Online Meeting Guide to help you which is available on RedHill's website. There is also a telephone help line should you have any technical difficulties, which is also available on the RedHill website.

Questions can be submitted at any time by shareholders and proxyholders. To ask a question press on the speech bubble icon which will open a new screen. At the bottom of that screen there is a section for you to type your question. Once you have finished typing please hit the arrow symbol to send.

I encourage you to submit your questions now if possible rather than waiting until later in the meeting. I also note that you may experience a delay in the streaming of the webcast, making it even more important that you lodge your questions early rather than waiting until we reach each relevant item of business.

We will respond to questions relating to each particular item of business during discussion on that item and we will answer other general questions at the end of the meeting.

Please note that your questions may be moderated or if we receive multiple questions on one topic, amalgamated together. If it is not possible to respond to all questions during the meeting, or if there are questions that might better be addressed on an individual basis, we will response to those after the meeting.

Following our Chair and CEO addresses, questions which are received during the meeting will be read to us by the Company Secretary, Lisa Jones.

Voting today will be conducted by way of a poll on all items of business. On behalf of the directors I advise you that we have formally withdrawn resolution 5 from consideration, which was regarding a proposed increase of our placement capacity by 10% under Listing Rule 7.1A. As was announced to ASX this morning, the board has made this decision following consultation with and feedback from some shareholders.

In order to provide you with sufficient time to vote, the poll is now open for all other resolutions.

If you are eligible to vote at this meeting, a polling icon will appear on your screen. Selecting this icon will bring up the list of resolutions and present you with voting options. To cast your vote simply select one of the options (for, against or abstain). You have the ability to change your vote, up until the time I declare voting closed.

Richard Powell from Computershare will act as the Returning Officer for the purposes of conducting and determining the results of the poll on each resolution, and the results will be announced through the ASX company announcements platform later today.

I confirm that I will vote all available proxies that I hold as Chairman in favour of each resolution. During the meeting, we will display on the presentation slides the number of proxies that were received prior to the meeting on each resolution.

If technical difficulties arise during the meeting, I will exercise my discretion as to whether and how the AGM should proceed or whether we need to adjourn the meeting, and will endeavour to provide clear guidance as to the approach and next steps, but if this is not possible then we will make an announcement through the ASX company announcements platform and on RedHill's website.

Before moving to the formal proceedings, I would like to make the following comments and I will then hand over to our Chief Executive Officer, Glenn Elith, to deliver his address.

CHAIRMAN'S ADDRESS BY BILL BEERWORTH

Notwithstanding the appalling impact of COVID-19 on our whole society and on all businesses, including ours, during FY 2020, you will see that there are some positive elements.

However, our intense focus was necessarily on ensuring RedHill's survival as a viable business on the assumption that significant inbound foreign student travel may not occur until at least the end of 2021.

This assumption underlays a series of decisions, including the accelerated development of more effective online teaching, the closing of some overseas offices, the reduction of various expenses, our analysis and treatment of leased premises, and the standing down or termination of some employees.

In addition, as you know, RedHill raised additional capital of approximately \$12 million to ensure that it could withstand a continuing drought of fees that would otherwise have been available but for the COVID-19 crisis and its effect on international travel and foreign student enrolments until the end of 2021.

I was appointed as Chairman of RedHill before its float 10 years ago.

I have given notice that I will retire shortly in order to permit a search for a new independent Chair to lead the Board in the development and execution of fresh strategies and opportunities as RedHill emerges on the other side of the COVID-19 pandemic.

I am confident that Australia will indefinitely remain as one of the world's key international education markets, and that RedHill will remain as a preeminent player in the Australian market.

I now invite Glenn Elith to provide his address.

MANAGING DIRECTOR AND CEO's ADDRESS BY GLENN ELITH

Thank you, Bill.

It's been a challenging and disruptive year for RedHill. In managing the difficulties associated with the COVID-19 pandemic, RedHill has demonstrated its agility, adaptability and determination to continue to provide quality education services to our students.

Before the extraordinary impacts of COVID-19 were felt, RedHill was achieving positive performance momentum across all areas of the organisation. Despite the material negative impacts of the pandemic in H2, FY20 financial performance featured:

- revenue growth of 10%; and
- profit growth excluding one-time items of 145%.

However, in preparing RedHill's FY20 financial statements we carefully considered the impacts of COVID-19 upon the carrying values of assets on the balance sheet and in relation to future liabilities and contractual obligations. We determined that it was prudent and appropriate to record a non-cash impairment charge of \$17.2 million in relation to goodwill, right of use assets, PP&E and copyrights. In addition, we determined it was appropriate to unrecognise a deferred tax asset of \$2.8 million, and to raise an onerous contract provision of \$0.5 million, after tax, associated with leases over surplus campus facilities.

The impairment charges, onerous contract provision, and unrecognition of the deferred tax asset are all non-cash accounting adjustments, and details on those charges against the FY20 profit and other accounting adjustments may be found in the FY20 Annual Report.

As we have explained in recent reports to the ASX, COVID-19 pandemic circumstances are having a materially negative impact upon RedHill's operations and financial performance. Approximately 85% of RedHill's FY20 revenues were generated from delivering courses and services to international students undertaking studies in Australia, and the number of international students studying at RedHill is expected to continue to decline until international border closures introduced by the Australian Government are lifted and international airlines resume commercial flights.

Since March this year we've been implementing a wide range of measures to ensure the safety of our employees and students, and to preserve cash so that the organisation is well placed to re-build when circumstances improve. Many of these remedial measures remain in place for the time being, including:

- temporarily closing of some campuses and overseas offices;
- moving to 100% or partial online course delivery;
- standing down of certain employees; and
- being an eligible employer to access the Australian Government's JobKeeper scheme.

We undertook a capital raising via an institutional placement and a non-renounceable entitlement offer in June 2020, and raised approximately \$12 million. I'd like to thank our existing and new RedHill shareholders for their participation in that capital raising, which ensures that the company has sufficient funds available to support the business during the economic uncertainties caused by the COVID-19 pandemic, and for future recovery and operational change initiatives when pandemic conditions improve.

The capital raised was expected to ensure that RedHill has sufficient funds to operate until at least the end of calendar year 2021, assuming international borders continued to remain closed at that point in time preventing a possible earlier recovery. We remain comfortable with that key assumption.

Despite the constraints caused by the COVID-19 pandemic, RedHill has continued to develop and implement initiatives to enhance its capabilities and to expand its course range and service offerings.

We have accelerated the development of our digital capabilities to support students throughout their education experience, and we believe these enhanced technology foundations will enable RedHill to expand its addressable markets, its course range, and its modes of course delivery.

We are closely monitoring possible changes in:

- prospective student behaviours and their desired learning experiences and outcomes;
- the demand for certain types of courses and modes of delivery;
- available government funding and student tuition support; and
- the appeal of certain international and domestic target markets.

A key objective for RedHill is to remain alert to emerging opportunities resulting from changes in market conditions, and to be ready to quickly adapt and take advantage of new revenue and growth opportunities.

Examples of innovations by RedHill during 2020 have included:

- launching 'Greenwich Online Academy' to deliver 100% online courses and programmes to international students within and outside of Australia;
- launching 'Go Study Canada', expanding upon RedHill's capabilities to service prospective tertiary students located in Europe and South America who may be considering Canada as a study destination as well as Australia; and
- launching a new accredited Cyber Security bootcamp in RedHill's Coder Academy business to take advantage of the growing demand for accelerated courses with strong industry partnerships and links to employment outcomes.

You will have likely read in the media that the Australian Government has identified the resumption of international student arrivals as part of its Roadmap to a COVID Safe Australia. RedHill has been involved in numerous meetings with Australian and State Government departments and with regulatory bodies to express our willingness to participate in pilot programmes to demonstrate that international students can be brought into Australia in a safe and supported manner. It is apparent from these meetings that there is a desire at both state and federal level to re-active the international student industry as an important component in rebuilding the Australian economy, and we remain hopeful that international students will be permitted to travel to Australia in meaningful numbers from some time in the first half of 2021.

The Australian Government recently updated its 'Protocols and preconditions for international student arrivals', which outlines the steps for states and education institutions to prepare for international student arrivals at scale in 2021. RedHill welcomes this guide for how Australia plans to rebuild its tertiary education industry, and is well placed to participate in programmes in compliance with these protocols when given an opportunity to do so.

I'd like to briefly comment on the operations of each of RedHill's 3 divisions so far in FY21.

Our GO STUDY AUSTRALIA student agency business has unfortunately needed to temporarily close all but 2 of its 10 overseas offices and stand down most overseas employees as a result of international border closures preventing prospective international students from entering Australia. However, we have been

pleased with the resilience of our 5 onshore offices which are supporting international students who had arrived into Australia before borders were closed and are seeking to continue and extend their studies.

In our GREENWICH division the 'English College' student numbers and revenues are declining in line with our expectations as a result of no new students arriving into Australia while international borders remain closed to foreign nationals. However, we have been pleased with the resilience of 'Management College' revenues as many students commencing those certificate and diploma courses were already in Australia undertaking English language studies when international borders closed, and because we are observing that students are selecting Greenwich over other competitor colleges because of its recognised financial strength providing them confidence that their courses will not be disrupted and that their education quality will not be compromised.

Our TECHNOLOGY AND DESIGN division's new international student commencements are declining in line with our expectations as a result of international border closures and aggressive tuition discounting by some other education organisations who are marketing to international students already in Australia. However, we have been pleased with the resilience of our domestic student numbers and revenues, which is particularly pleasing given most of our courses continue to be delivered 100% online for the time being.

We expect FY21 H1 consolidated revenue to be in the range of \$22.0 million to \$23.0 million, which will be a decline of approximately 32% to 35% against the prior corresponding half year period.

We are continuing with tight cashflow management, and expect our cash balance will be in the range of \$21.0 million to \$22.0 million at 31 December 2020.

Bill Beerworth has advised that he will depart RedHill at the end of this month after leading the organisation as Chairman for over 10 years. Before I hand proceedings back to Bill, I want to take this opportunity to thank him for the unwavering leadership and outstanding support he has provided to RedHill and myself. His stewardship over the recent ASX capital raising has ensured that he retires at a time when RedHill is in a sound financial position and is well placed to develop new strategies and initiatives to re-build and evolve when COVID-19 pandemic circumstances improve.

I'd also like to take this opportunity to thank all of RedHill's employees for their ongoing determination and dedication to servicing our students despite the pandemic circumstances, and in particular I thank our senior executives who continue to inspire their teams and myself with their collaborative styles, innovative spirit, and passion for delivering great outcomes for our students.

Lastly, I'd like to thank our shareholders for the support you have shown RedHill during this difficult and challenging year.

END



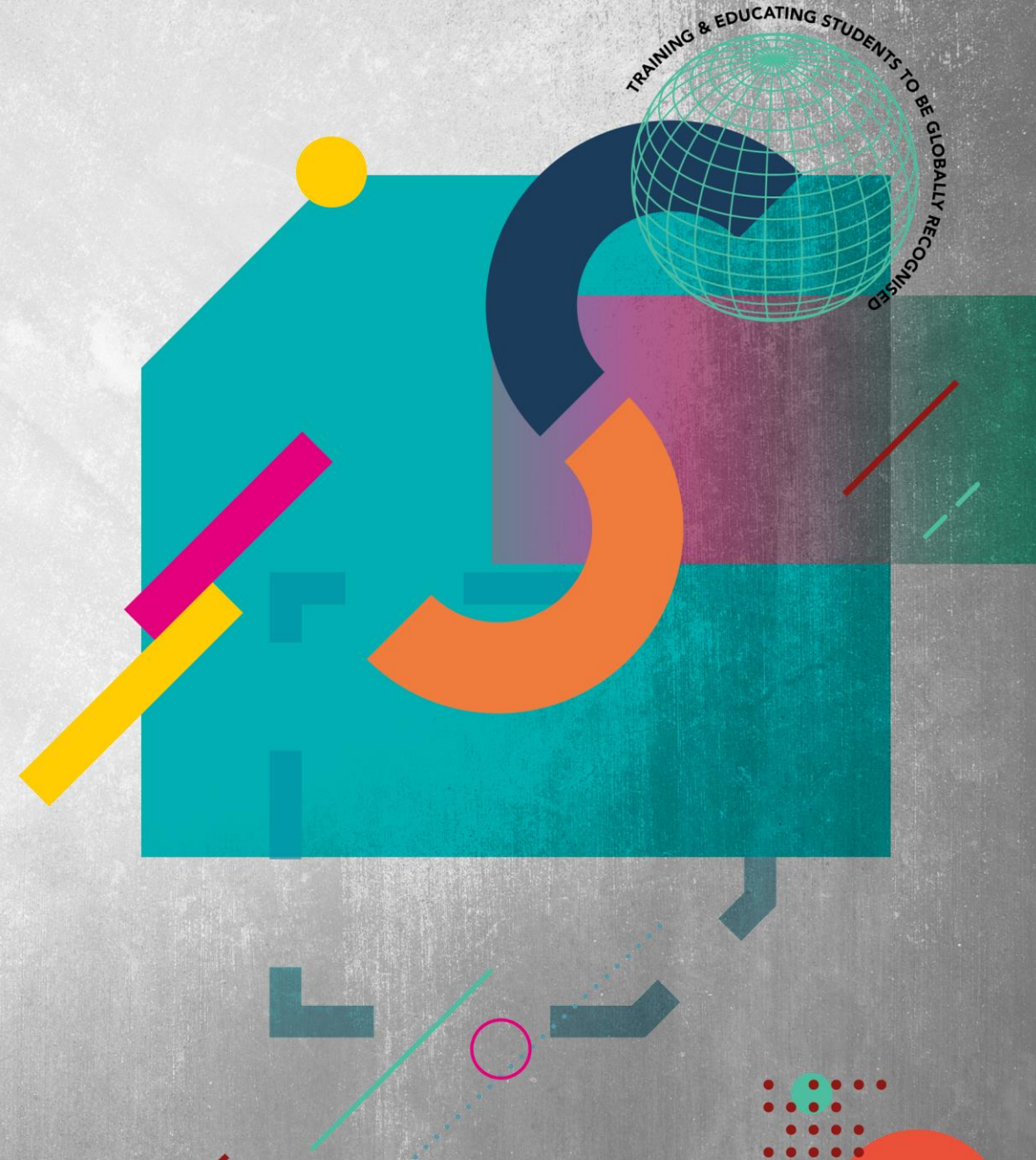
REDHILL EDUCATION LIMITED

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER'S ADDRESS

19 NOVEMBER 2020 – ANNUAL GENERAL MEETING

GLENN ELITH

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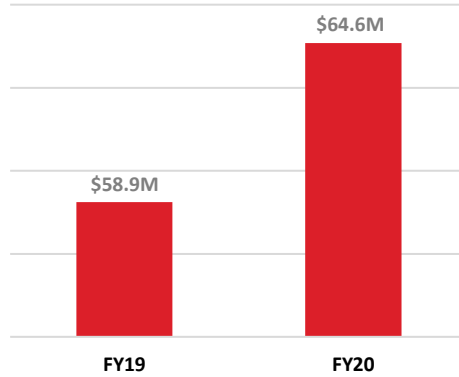




FY20 FINANCIAL PERFORMANCE

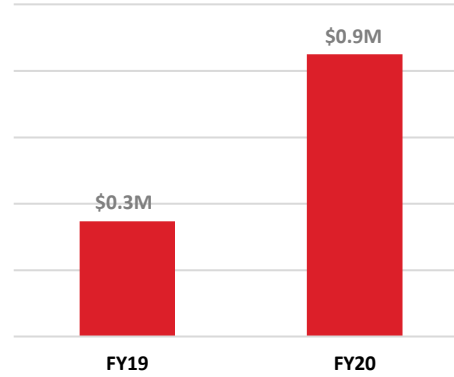
REVENUE

UP 10% VS PCP*



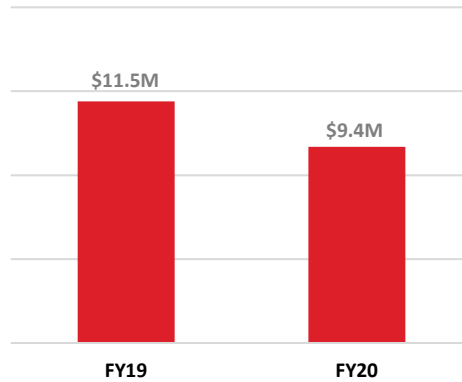
NPAT BEFORE ONE-TIME**

UP 145% VS PCP*



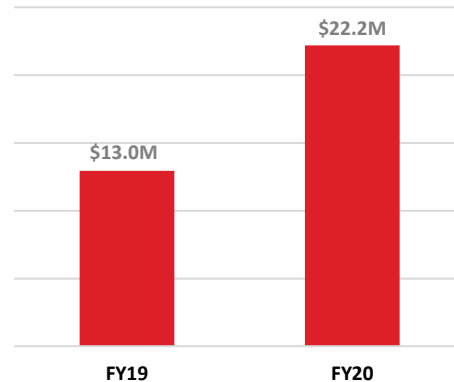
OPERATING CASH FLOW

DOWN 19% VS PCP*

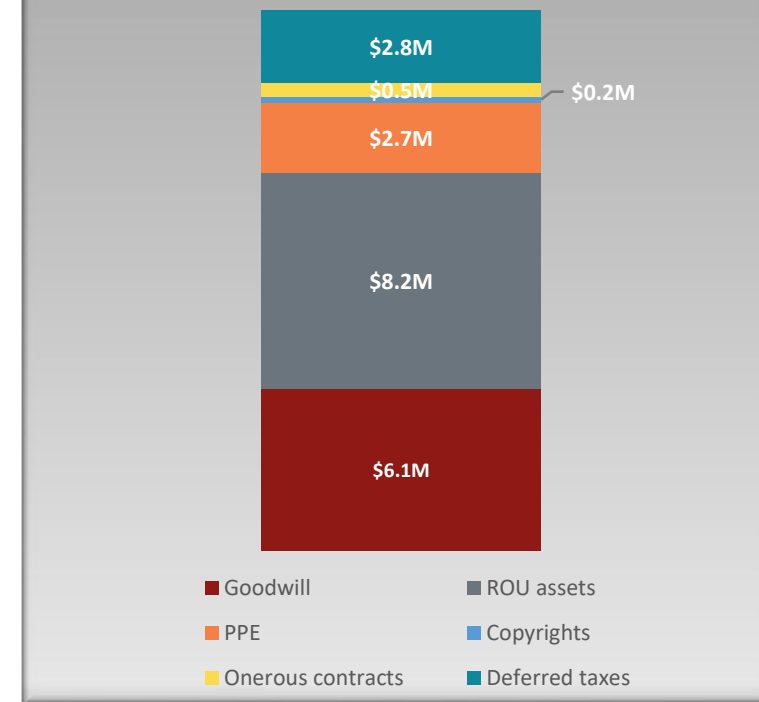


CASH ON HAND

UP 71% VS PCP*



ONE-TIME COSTS (AFTER TAX) \$20.5M



* PCP – Previous Corresponding Period

** NPAT excluding one-time charges for impairment, provision for onerous contracts & unrecognition of deferred tax asset



RESPONSES TO COVID-19



ADAPTING THE BUSINESS MODEL

- Temporarily closing of some campuses and overseas offices
- Moving to 100% or partial online course delivery



ACTIVE COST MANAGEMENT

- Standing down of certain employees
- Reducing variable overheads
- Being an eligible employer to access the Australian Government's JobKeeper scheme



SUCCESSFUL \$12M CAPITAL RAISE

- Institutional placement and non-renounceable entitlement offer completed in June 2020
- RedHill has sufficient funds to operate until at least the end of calendar year 2021, assuming that international borders continued to remain closed at that point in time preventing a possible earlier recovery



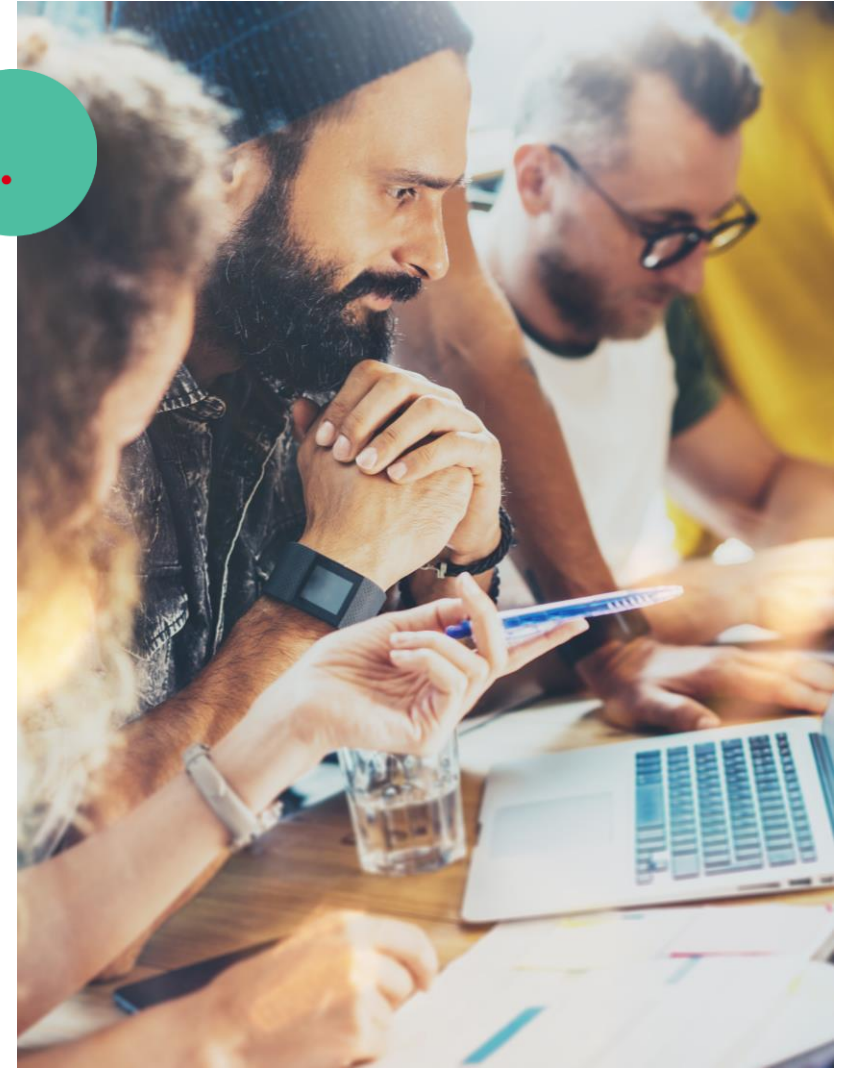
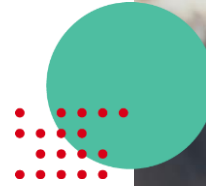


AREAS OF OPERATIONAL FOCUS

**ACCELERATED
DEVELOPMENT
OF DIGITAL
CAPABILITIES**

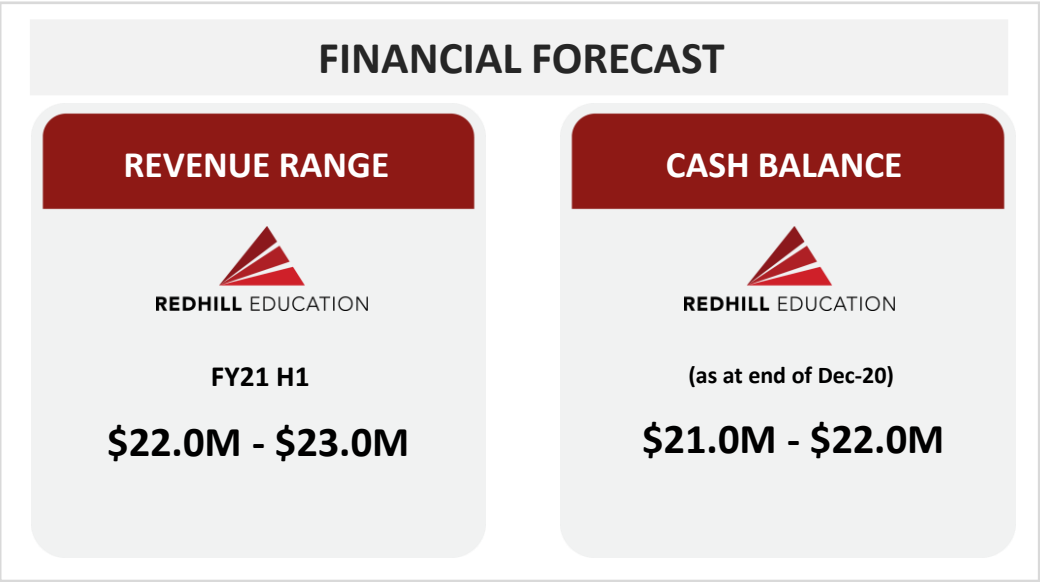
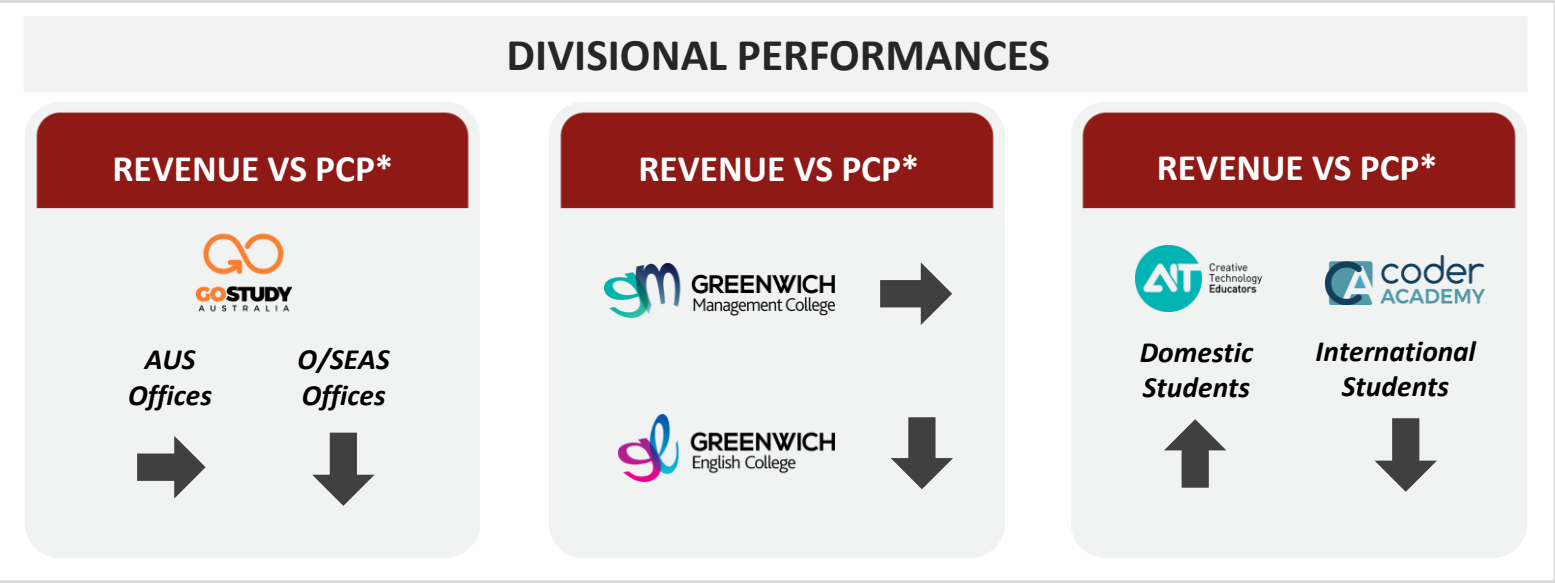
**ALERT
TO EMERGING
GROWTH
OPPORTUNITIES**

**INNOVATIONS
DELIVERED IN
2020**





UPDATE ON FY21 H1



* PCP – Previous Corresponding Period