

18 February 2022

Company Announcements Office  
Australian Securities Exchange  
Via ASX Online  
(Page 1 of 17)

## ANNOUNCEMENT

### FY22 HALF YEAR REPORT

Academies Australasia today released its Report for the half year to December 2021.

Notwithstanding the 14% decrease in revenue from ordinary activities (from \$22.3 million to \$19.2 million), after adjusting the EBITDA for other income in the form of JobKeeper/JobSaver and rental rebates, the entity in fact performed substantially better than in the FY21 half year.

	Reporting Period	\$000s Previous Period
EBITDA	4,398	6,705
JobKeeper/JobSaver and rental rebates	<u>(1,373)</u>	<u>(4,632)</u>
	<u>3,025</u>	<u>2,073</u>

There was an improvement of \$952,000 or 46% achieved mainly from the streamlining of operations which reduced personnel and premises expenses.

It is important to note that the Auditor's report for the Reporting Period does not carry any '*Emphasis of Matter*'. The Group's performance during the period and the re-opening of borders has removed the rationale underpinning the *Emphasis of Matter* referred to in the Audit Report for FY21.

Stephanie Noble  
Company Secretary

*For further information call Christopher Campbell on +61 2 9224 5555.*

*Academies Australasia has been operating for 113 years and listed on the Australian Securities Exchange for 44 years. The group comprises 18 separately licensed colleges operating in New South Wales, Queensland, South Australia, Victoria and Western Australia in Australia, and overseas in Singapore. The group offers a wide range of recognised courses at different levels – Certificate, Diploma, Advanced Diploma and Bachelor Degree. Over the years, Academies Australasia colleges have taught more than 100,000 students from 130 countries.*

**ACADEMIES AUSTRALASIA GROUP LIMITED**  
**FINANCIAL REPORT FOR THE HALF YEAR TO DECEMBER 2021**  
*[Incorporating the requirements of Appendix 4D]*

**APPENDIX 4D**

**1. Company details.**

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

Reporting Period: Half Year ended 31 December 2021  
Previous Period: Half Year ended 31 December 2020

**2. Results for announcement to the market.**

				\$000s
2.1	Revenue from ordinary activities	down	14%	to 19,197
2.2	Profit from ordinary activities before tax	down	86%	to 292
2.3	Profit from ordinary activities after tax	down	93%	to 101
2.4	Net profit for the period attributable to owners of the parent entity	down	94%	to 84
2.5	Earnings before interest, tax, depreciation and amortisation (EBITDA)	down	34%	to 4,398

**3. Commentary.**

3.1 Notwithstanding the 14% decrease in revenue from ordinary activities (from \$22.3 million to \$19.2 million), after adjusting the EBITDA for other income in the form of JobKeeper/JobSaver and rental rebates, the entity in fact performed substantially better than in the Previous Period.

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	<u>3,025</u>	<u>2,073</u>

There was an improvement of \$952,000 or 46% achieved mainly from the streamlining of operations which reduced personnel and premises expenses.

3.2 The pandemic continues to have a negative impact on both international and domestic businesses and would be the sole reason for the decline in revenues since the pandemic began to hurt us in 2020.

The recent announcement that borders will open from 21 February is pleasing and should encourage the growth in international student numbers. However, it would be prudent to note that it will take time for

numbers to go back to pre-pandemic levels. Investing in overseas education and deciding on which country to go to is a longer process than deciding on where to go for a holiday. Government responses to the difficulties faced by international students in Australia during the pandemic are also being considered by parents, students and education agents when deciding whether the study should be in Australia or one of Australia’s competitors for the international student business.

In the domestic sector, businesses are still far from operating at pre-pandemic levels. This affects the on-site training that we do.

Nevertheless, as we learn to live with COVID-19 and the powers that be understand that lockdowns and border closures are not the answer, we continue to be confident about our business in the education sector. At the end of the Reporting Period, we had cash of \$10 million and net cash from operating activities during the period was more than \$1 million. And international enrolments are picking up.

3.3 It is important to note that the Auditor’s report for the Reporting Period does not carry any ‘*Emphasis of Matter*’. The Group’s performance during the period and the re-opening of borders has removed the rationale underpinning the *Emphasis of Matter* referred to in the Audit Report for FY21.

3.4 The Group continues to be free of borrowings.

**4. Net tangible Assets.**

	Reporting Period	Previous Period
Net tangible asset backing per ordinary share is based on 127,614,467 shares at both reporting dates.	(2.7) cents	0.4 cents

**5. Dividends.**

There were no dividends paid or declared to the Company’s shareholders during the period. There was no conduit foreign income during the Reporting Period.

**6. Dividend reinvestment plans.**

No dividend reinvestment plans were in operation during the Reporting Period or the Previous Period.

**7. Associates and joint venture entities.**

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

**8. 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 three companies are incorporated in Singapore.

*This Report is to be read in conjunction with the most recent Annual Report and the Consolidated Financial Report for the Company and its controlled entities for the Half Year to 31 December 2021*

Stephanie Noble  
Group Finance Manager

18 February 2022

**ACADEMIES AUSTRALASIA GROUP LIMITED**  
**FINANCIAL REPORT FOR THE HALF YEAR TO DECEMBER 2021**  
*[Incorporating the requirements of Appendix 4D]*

**CONSOLIDATED FINANCIAL REPORT FOR  
ACADEMIES AUSTRALASIA GROUP LIMITED  
(ABN 93 000 003 725)  
AND CONTROLLED ENTITIES**

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**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725  
AND CONTROLLED ENTITIES  
DIRECTORS' REPORT  
For the half year ended 31 December 2021**

Dear Shareholder

Your Directors submit the financial report of the economic entity for the half year ended 31 December 2021.

**Directors**

The Directors in office at any time during, or since the end of, the half year, are:

Dr John Lewis Schlederer  
Christopher Elmore Campbell  
Chiang Meng Heng  
Gabriela Del Carmen Rodriguez Naranjo  
Sartaj Hans

**Review of operations**

A summary of the Statement of Financial Performance for the half year ended 31 December 2021 ('Reporting Period') is set out below. All comparisons are to the half year ended 31 December 2020 ('Previous Period').

	Reporting Period	\$000s Previous Period
Total Revenue	<u>19,197</u>	<u>22,270</u>
Operating Profit Before Income Tax	<u>292</u>	<u>2,117</u>
Operating Profit After Income Tax	<u>101</u>	<u>1,398</u>
Earnings Before Interest, Tax, depreciation and Amortisation (EBITDA)	<u>4,398</u>	<u>6,705</u>

Notwithstanding the 14% decrease in revenue from ordinary activities (from \$22.3 million to \$19.2 million), after adjusting the EBITDA for other income in the form of JobKeeper/JobSaver and rental rebates, the entity in fact performed substantially better than in the Previous Period.

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JobKeeper/JobSaver and rental rebates	<u>(1,373)</u>	<u>(4,632)</u>
	<u>3,025</u>	<u>2,073</u>

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725  
AND CONTROLLED ENTITIES  
DIRECTORS' REPORT  
For the half year ended 31 December 2021**

There was an improvement of \$952,000 or 46% achieved mainly from the streamlining of operations which reduced personnel and premises expenses.

The Group continues to be free of borrowings.

### **COVID-19 PANDEMIC**

The pandemic continues to have a negative impact on both international and domestic businesses and would be the sole reason for the decline in revenues since the pandemic began to hurt us in 2020.

The recent announcement that borders will open from 21 February is pleasing and should encourage the growth in international student numbers. However, it would be prudent to note that it will take time for numbers to go back to pre-pandemic levels. Investing in overseas education and deciding on which country to go to is a longer process than deciding on where to go for a holiday. Government responses to the difficulties faced by international students in Australia during the pandemic are also being considered by parents, students and education agents when deciding whether the study should be in Australia or one of Australia's competitors for the international student business.

In the domestic sector, businesses are still far from operating at pre-pandemic levels. This affects the on-site training that we do.

Nevertheless, as we learn to live with COVID-19 and the powers that be understand that lockdowns and border closures are not the answer, we continue to be confident about our business in the education sector. At the end of the Reporting Period, we had cash of \$10 million and net cash from operating activities during the period was more than \$1 million. And international enrolments are picking up.

### **AUDITOR'S REVIEW REPORT**

It is important to note that the Auditor's report for the Reporting Period does not carry any '*Emphasis of Matter*'. The Group's performance during the period and the re-opening of borders has removed the rationale underpinning the *Emphasis of Matter* referred to in the Audit Report for FY21.

### **Rounding of amounts**

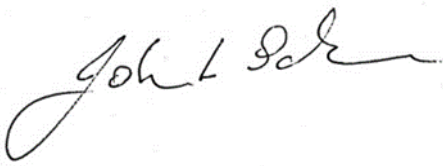
The group has applied the relief available to it in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 and accordingly certain amounts in the financial report and the Directors' Report have been rounded to the nearest \$1,000.

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725  
AND CONTROLLED ENTITIES  
DIRECTORS' REPORT  
For the half year ended 31 December 2021**

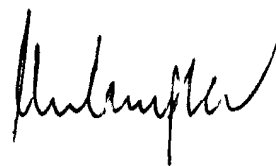
**Auditor's Declaration**

The auditor's independence declaration under section 307C of the *Corporations Act 2001* for the half year ended 31 December 2021 is set out on page 5.

Signed in accordance with a resolution of the Board of Directors.



John Schlederer  
Director



Christopher Campbell  
Director

Sydney  
18 February 2022

## AUDITOR'S INDEPENDENCE DECLARATION

**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

### ACADEMIES AUSTRALASIA GROUP LIMITED

I declare that to the best of my knowledge and belief, during the year ended 31 December 2021, there have been:

- i. no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

*Pilot Partners*

**PILOT PARTNERS**

Chartered Accountants



**DANIEL GILL**

Partner

**Signed** on 18 February 2022

Level 10  
1 Eagle Street  
Brisbane Qld 4000



**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725  
AND CONTROLLED ENTITIES  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
For the half year ended 31 December 2021**

	<b>Reporting Period</b>	<b>Previous Period</b>
<b>\$000s</b>		
Revenue from services	19,197	22,270
Student acquisition and teaching costs	(7,693)	(10,067)
Gross profit	11,504	12,203
Personnel expenses	(6,170)	(6,976)
Premises expenses	(1,315)	(1,675)
Other administration expenses	(994)	(1,234)
	3,025	2,318
Restructure and non-recurring costs	-	(245)
	3,025	2,073
Other income	1,373	4,632
<b>Profit before interest, depreciation and amortisation</b>	4,398	6,705
Depreciation and amortisation expenses	(3,411)	(3,697)
Profit on disposal of assets	91	-
Finance costs	(789)	(926)
Interest income	3	35
<b>Profit before income tax</b>	292	2,117
Income tax expense	(191)	(719)
<b>Profit for the period</b>	101	1,398
<b>Other comprehensive income</b>		
Exchange differences on translating foreign controlled entities	(8)	(1)
<b>Other comprehensive income for the year, net of tax</b>	(8)	(1)
<b>Total comprehensive income for the year</b>	93	1,397
Profit attributable to		
Owners of the parent entity	84	1,306
Non-controlling interests	17	92
	101	1,398
Total comprehensive income attributable to		
Owners of the parent entity	76	1,305
Non-controlling interests	17	92
	93	1,397
<b>Earnings per share:</b>		
Basic earnings per share (cents)	0.07	1.02
Diluted earnings per share (cents)	0.07	1.02

The accompanying notes form part of these financial statements.

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725  
AND CONTROLLED ENTITIES  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at 31 December 2021**

<b>\$000s</b>	<b>31/12/2021</b>	<b>30/06/2021</b>
<b>Current Assets</b>		
Cash and cash equivalents	9,972	12,371
Trade and other receivables	2,344	2,373
Other current assets	1,598	2,000
<b>Total Current Assets</b>	<b>13,914</b>	<b>16,744</b>
<b>Non-Current Assets</b>		
Plant and equipment	3,995	4,337
Right of use assets	24,170	28,584
Deferred tax assets	4,364	4,520
Intangible assets	32,886	32,844
<b>Total Non-Current Assets</b>	<b>65,415</b>	<b>70,285</b>
<b>Total Assets</b>	<b>79,329</b>	<b>87,029</b>
<b>Current Liabilities</b>		
Tuition fees in advance (Deferred income)	10,903	12,919
Trade and other payables	2,825	3,971
Lease Liabilities	4,370	5,584
Provisions	3,470	3,317
<b>Total Current Liabilities</b>	<b>21,568</b>	<b>25,791</b>
<b>Non-Current Liabilities</b>		
Lease Liabilities	27,951	31,149
Provisions	395	371
<b>Total Non-Current Liabilities</b>	<b>28,346</b>	<b>31,520</b>
<b>Total Liabilities</b>	<b>49,914</b>	<b>57,311</b>
<b>NET ASSETS</b>	<b>29,415</b>	<b>29,718</b>
<b>EQUITY</b>		
Share capital	42,066	42,066
Accumulated losses	(13,151)	(13,003)
Foreign Currency Translation Reserve	61	69
Non-Controlling Interests	439	586
<b>TOTAL EQUITY</b>	<b>29,415</b>	<b>29,718</b>

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725  
AND CONTROLLED ENTITIES  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
For the half year ended 31 December 2021**

\$000s	Ordinary Shares	Retained Profits	Reserves	Non - Controlling Interest	Total
<b>Balance at 1.7.2021</b>	42,066	(13,003)	69	586	29,718
Profit for the period	-	84	-	17	101
Exchange differences on translating foreign operations	-	-	(8)	-	(8)
<b>Total comprehensive income for the period</b>	-	84	(8)	17	93
Acquisition of remaining 25% NCI (Note 5)	-	(232)	-	(96)	(328)
Dividend paid	-	-	-	(68)	(68)
<b>Balance at 31.12.2021</b>	42,066	(13,151)	61	439	29,415
<b>Balance at 1.7.2020</b>	42,066	(9,125)	70	591	33,602
Profit for the period	-	1,306	-	92	1,398
Exchange differences on translating foreign operations	-	-	(1)	-	(1)
<b>Total comprehensive income for the period</b>	-	1,306	(1)	92	1,397
Dividend paid	-	(1,742)	-	(32)	(1,774)
<b>Balance at 31.12.2020</b>	42,066	(9,561)	69	651	33,225

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725  
AND CONTROLLED ENTITIES  
CONSOLIDATED STATEMENT OF CASH FLOWS  
For the half year ended 31 December 2021**

<b>\$000s</b>	<b>Reporting Period</b>	<b>Previous Period</b>
<b>Cash Flows From Operating Activities</b>		
Receipts from customers	18,639	25,550
Payments to suppliers and employees	(17,042)	(21,745)
Interest received	3	35
Finance costs	(780)	(926)
Income taxes paid	206	182
Net cash provided by operating activities	<u>1,026</u>	<u>3,096</u>
<b>Cash Flows From Investing Activities</b>		
Net cash on acquisition/disposal of subsidiaries	(328)	-
Purchase of non-current assets	(272)	(147)
Net cash used in investing activities	<u>(600)</u>	<u>(147)</u>
<b>Cash Flows From Financing Activities</b>		
Dividends paid	(68)	(1,774)
Lease payments	(2,757)	(2,725)
Net cash used in financing activities	<u>(2,825)</u>	<u>(4,499)</u>
Net (decrease)/increase in cash held	(2,399)	(1,550)
Cash at the beginning of period	<u>12,371</u>	<u>16,904</u>
Cash at the end of the period	<u>9,972</u>	<u>15,354</u>

The accompanying notes form part of these financial statements.

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725  
AND CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1: BASIS OF PREPARATION**

The half year consolidated financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134: *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The group is a for profit entity for financial reporting purposes in Australia.

The half year financial report does not include full disclosures of the type normally included in an annual financial report and should be read in conjunction with the annual financial report for the year ended 30 June 2021 and any public announcements made by Academies Australasia Group Limited and its controlled entities during the half year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

These interim financial statements were authorised for issue on 18 February 2022.

**(a) Significant Accounting Policies**

The accounting policies applied by the consolidated entity in this consolidated half year financial report are the same as those applied by the consolidated entity in its consolidated financial report for the year ended 30 June 2021.

In the Reporting Period, the consolidated entity has adopted all new and revised Standards and Interpretations issued by the Australia Accounting Standards Board that are relevant to its operations and effective for reporting periods beginning on or after 1 July 2021.

**(b) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the Reporting Period.

**NOTE 2: DIVIDEND PAID AND DECLARED**

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

**NOTE 3: POST BALANCE DATE EVENTS**

Other than the ongoing COVID-19 pandemic, there are no matters that significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial years.

**NOTE 4: CONTINGENT LIABILITES**

There has been no change in contingent liabilities since the last annual reporting period.

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725  
AND CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5: ACQUISITION OF KREATE PTY LIMITED**

On 27 September 2021, AKG4 Investment Holdings Pty Limited acquired the remaining 25% of Kreate Pty Limited T/A Ruralbiz for a consideration of \$328,161 in cash. The Group now owns 100%.

	<i>\$000s</i>
Purchase consideration - cash	328
Non-controlling interest acquired – 25%	(96)
Equity	232

**NOTE 6: KEY ESTIMATES AND JUDGMENTS**

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

In the preparation of this financial report, the following assumptions have been made:

- the Group will benefit from the return of international students now that the international border restrictions have been lifted;
- the international border restrictions will not be re-introduced and there will be no significant disruptions as seen over the last two years; and
- domestic students will return to on-site training with the lifting of lockdowns.

The Board is currently satisfied that there are reasonable grounds to assume that the Company will meet its future financial obligations as and when they fall due.

The following factors support this assumption:

- Positive cash flow from operations for the half year of \$1,026,000.
- Substantial cash holdings across the Group of \$9,972,000 of which \$8,470,000 is required to be held in the TPS controlled accounts.
- Positive net assets of \$29,415,000.
- The Group has no bank debt.
- Continuing efforts made to streamline the cost structures of the business, resulting in cost savings.

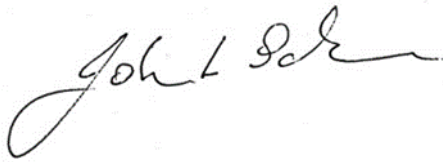
The Board recognises that the Statement of Financial Position presents a net current liability position of \$7,654,000. Included in this are fees paid in advance of \$10,903,000. This is not an amount payable in the ordinary course of business and will be recognised as income as tuition is delivered.

**ACADEMIES AUSTRALASIA GROUP LIMITED ABN 93 000 003 725  
AND CONTROLLED ENTITIES  
DIRECTORS' DECLARATION**


The Directors of the company declare that, in the Directors' opinion:

1. The financial statements and notes, as set out on pages 6 to 11, are in accordance with the *Corporations Act 2001*, including
  - a. Complying with accounting standard AASB 134: *Interim Financial Reporting*, and
  - b. Giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half year ended on that date.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors



John Schlederer  
Director



Christopher Campbell  
Director

Sydney  
18 February 2022

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ACADEMIES AUSTRALASIA GROUP LIMITED

### REPORT ON THE HALF YEAR FINANCIAL REPORT

We have reviewed the accompanying half year financial report of Academies Australasia Group Limited ("the Company" and its subsidiaries ("the Group")), which comprises the consolidated condensed balance sheet as at 31 December 2021 and the consolidated condensed income statement, consolidated condensed statement of changes in equity and consolidated condensed cash flow statement for the half year ended on that date, a statement of significant accounting policies, other selected explanatory notes and the directors' declaration.

### DIRECTORS' RESPONSIBILITY FOR THE HALF YEAR FINANCIAL REPORT

The directors of the Company are responsible for the preparation and fair presentation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and with the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group financial position as at 31 December 2021 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.





A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion

## INDEPENDENCE

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company would be in the same terms if provided to the directors as at the date of this auditor's review report

## CONCLUSION

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Pilot Partners*

**PILOT PARTNERS**  
Chartered Accountants

**DANIEL GILL**  
Partner

**Signed** on 18 February 2022

Level 10  
1 Eagle Street  
Brisbane Qld 4000