

EXCEPTIONAL LEAD INDICATORS UNDERPINNING RAPID GROWTH

NextEd Group Limited (**ASX: NXD**) (**NextEd** or the **Company**), a rapidly growing provider of tertiary education services to international and domestic students, is delighted to provide this update on international student lead indicators and campus expansion investments which are expected to underpin strong future revenue growth.

Highlights include:

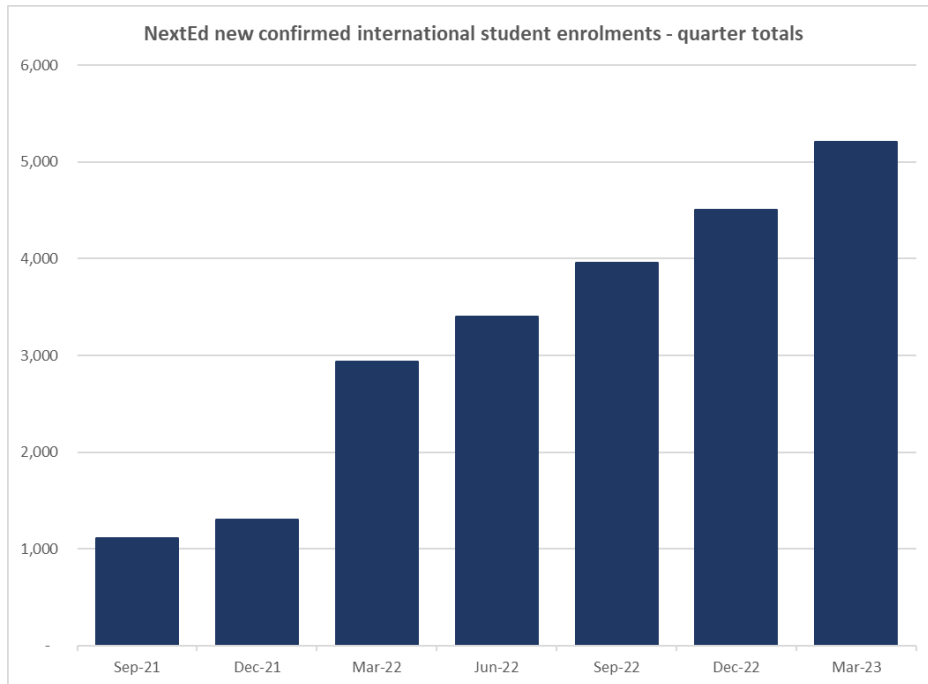
- **NextEd continues to achieve record new international student enrolments into its English language and vocational courses.**
- **March 2023 saw 5,767 English language students actively studying, more than triple pre-covid peak student numbers and almost 8.5x the 683 students enrolled in March 2022.**
- **Forecasting 6,500 English language students by the end of June 2023, underpinning strong revenue growth in H2 FY23 and FY24.**
- **Vocational international student outlook is positive and growing with May 2023 intake approximately 80% higher than the previous intake in March 2023, and further material growth expected in FY24.**
- **Expanding campus footprint in Sydney, Melbourne, Brisbane, and Gold Coast to service the expected increase in student numbers.**
- **Expected profit yield strengthening due to increased classroom utilisation.**

International student enrolments – continuing to break records

NextEd achieved record numbers of new international student enrolments into its English language and vocational courses in the quarter ended March 2023, approximately 80% higher than the prior year corresponding quarter, and the sixth consecutive quarter of exceptional growth.

In most cases new enrolments have been confirmed while international students are outside of Australia. There is a period of approximately 4 to 8 weeks between enrolment confirmation and when students arrive in Australia to commence their courses. Tuition revenues are only recognised once students commence their studies and are recognised evenly over the course duration.

NextEd expects new confirmed enrolments to underpin strong revenue growth in H2 FY23 and FY24.

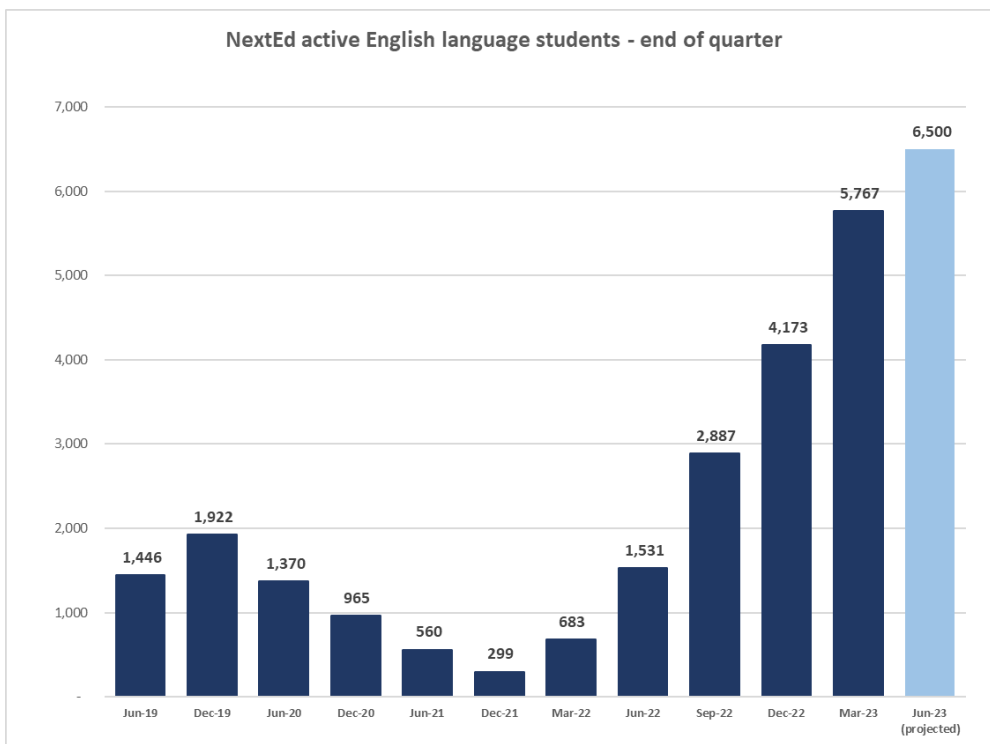


English language courses – outstanding industry leading performance

NextEd operates one of Australia’s largest private English language colleges under its Greenwich College brand.

There were 5,767 English language students actively studying at NextEd at the end of March 2023, which was more than triple pre-covid peak student numbers and almost 8.5x the 683 students enrolled in March 2022.

The number of English language students actively studying at NextEd is expected to increase further to approximately 6,500 by the end of June 2023, and further growth is expected in FY24.



NextEd’s extraordinary English language student number growth is due to its:

- Strong supply chain relationships with a global network of international student recruitment agents;
- Unwavering focus on providing quality learning experiences and outcomes for students;
- Active management of campus capacity to support growing student numbers;
- Recent launches of English language courses at its Brisbane campus in July 2022 and Gold Coast campus in January 2023;
- Winning market share in a market where competitor numbers have reduced by at least 20% due to college closures during covid; and
- Harnessing of Australia’s attractiveness and resilience as a study destination for international students.

Vocational international student numbers – poised for strong growth

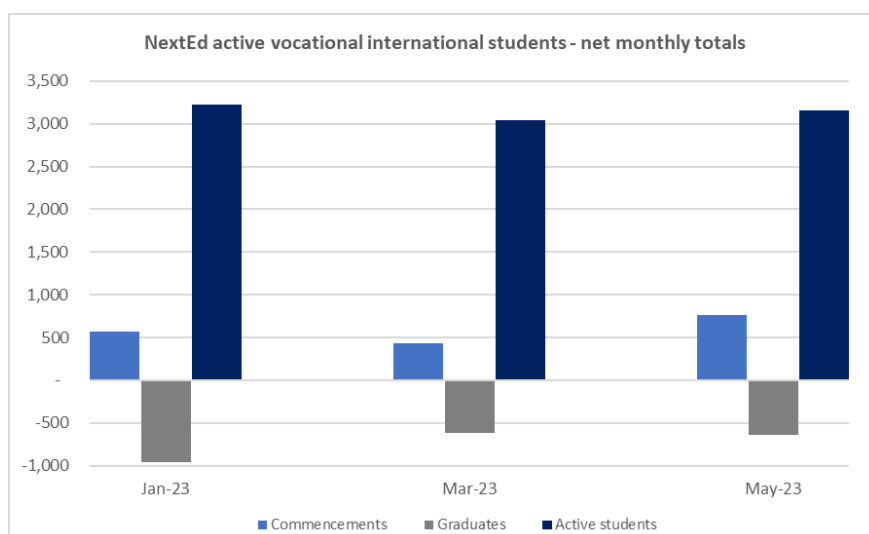
The pipeline of English language students progressing into vocational courses at Nexted was disrupted by international border closures during covid. With borders now open and NextEd’s campuses swelling with English language students, NextEd is taking active steps to reopen that pipeline into its expanded scope of vocational courses on offer. It takes our international students approximately 6 months of English language studies before achieving sufficient language proficiency to progress into their next stage of vocational study.

Prior to the impacts of covid, approximately 30% of NextEd English language students progressed into vocational courses delivered by the Company. In addition, approximately 50% to 60% of international students undertaking NextEd vocational courses enrolled directly into those courses after undertaking their English language studies elsewhere.

NextEd expects that students enrolling into its vocational courses either directly or progressing from a NextEd English language course, will contribute to significant revenue growth in FY24.

There were 730 new vocational students commencing in the May 2023 intake, representing an increase of approximately 80% over the previous intake in March 2023.

There are new vocational course intakes at NextEd approximately every two months. The next intake will be in July 2023, and courses are mostly delivered over a twelve-month period. NextEd expects new student commencements and total active vocational international student numbers in the July 2023 intake to increase over the previous May 2023 intake, and for actively studying vocational student numbers to materially increase in FY24.



Expanding the campus footprint to support growth

In response to the significant increase in student enrolments, NextEd is expanding its campus footprint in Sydney, Melbourne, Brisbane and Gold Coast to service the expected increase in student numbers. The Company secures long term leases and fits out its campuses with specialist facilities to support the delivery of quality learning experiences.

To manage overflow and effectively manage profit yield, NextEd occasionally enters into short-term licence agreements to secure additional classrooms.

Campus locations	Number of classrooms at end of December 2022	Expected number of classrooms at end of June 2023
Sydney	59	83
Melbourne	73	89
Brisbane	12	24
Gold Coast *	10	10
Cairnes	1	1
Adelaide	8	8
Perth	8	8
Other licensed rooms	22	17
TOTAL	193	240

* New campus to be launched in October 2023.

Utilisation levels at all NextEd campuses have improved during FY23 compared to the prior year, which is expected to positively impact profit performance. New classrooms opened in H2 FY23 are expected to immediately achieve daytime utilisation levels of at least 50% and be immediately profitable.

NextEd is delighted to announce it has entered into a lease for a substantial new Gold Coast campus which will replace the current campus. The new campus is in a prime Southport location and is expected to be open for operations in October 2023 following completion of a quality fit-out. The fit-out will feature approximately 24 classrooms plus specialist facilities including aged care labs and an industrial teaching kitchen. NextEd is experiencing growing demand for its courses at Gold Coast and expects this new campus to contribute to future growth.

CEO comment

NextEd CEO Glenn Elith said:

“We remain laser focused on leveraging NextEd’s extensive capabilities and resources to deliver strong growth, and on accelerating growth opportunities by investing in campus and course range expansion to capture the rapid increase in international students choosing to study in Australia.”

“We are delighted with our success in harnessing market share in the English language course segment, and are confident this will lead to future growth in revenues and lifetime student value as international students complete their English language studies and progress into other vocational and higher education courses delivered by NextEd.”

Forward-looking statements

This announcement may include forward-looking statements that relate to anticipated future events, financial performance, plans, strategies or business developments. Forward-looking statements can generally be identified by the use of words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “outlook”, “forecast” and “guidance”, or other similar words. They may include, without limitation, statements regarding plans, strategies and objectives and anticipated business developments. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Forward-looking statements are based on NextEd’s good-faith assumptions as to the financial, market, regulatory and other considerations that exist and affect NextEd’s business and operations in the future and there can be no assurance that any of the assumptions will prove to be correct. There may be other factors that could cause actual results or events not to be as anticipated, and many events are beyond the reasonable control of NextEd. NextEd’s actual results, performance or achievements may be materially different from those which may be expressed or implied by such statements, and the differences may be adverse. Accordingly, you should not place undue reliance on these forward-looking statements. Any forward-looking statements in this announcement are only made as at the date of this announcement and, to the maximum extent permitted by law, NextEd disclaims any obligation or undertaking to update or revise any forward-looking statements or to advise of any change in assumptions on which any such statement is based.

This announcement has been approved for release by the Board of NextEd Group Limited.

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