

H1 FY24 INTERIM FINANCIAL REPORT

WELL POSITIONED TO NAVIGATE A CHALLENGING IMMIGRATION ENVIRONMENT

NextEd Group Limited (**ASX: NXD**) (**NextEd** or the **Company**), a quality provider of tertiary education services to international and domestic students, provides its Interim Financial Report for the half-year ended 31 December 2023 (**H1 FY24**).

Operational highlights – campus expansions and new course launches

NextEd has focused on multiple strategic investments for growth in H1 FY24 which will deliver results in FY25 and beyond, including:

- Melbourne campus expansion completed in August 2023 (12 additional classrooms and a commercial teaching kitchen);
- Brisbane campus expansion completed in December 2023 (13 additional classrooms) and opened in January 2024, enabling the exit of 10 remaining lower yield, short term licensed classrooms previously required due to a lack of weekday capacity on the main campus;
- Successfully secured regulatory approval for 3 high demand international student vocational healthcare courses (aged care, individual support and community services), set to launch in March 2024;
- Strong momentum achieved by recently launched international student hospitality vocational courses – expect over 820 students by March 2024;
- Relocated Adelaide campus on-time and under budget in December 2023 for domestic students;
- Regulatory approval received to launch international student operations in Adelaide in April 2024; and
- Commenced a fit-out of a larger Gold Coast campus to open in March 2024 - tapping into the attractive Gold Coast market.

Financial results – record revenue and EBITDA

In H1 FY24 NextEd delivered record revenues driven by 34% growth in international student numbers, business expansion activities, and operating leverage achieved from higher campus utilisation. This has been achieved despite lower domestic students and negative international VET student impacts from well publicised 408 visa issues.

Financial highlights in H1 FY24 included:

- Record revenues of \$59.2 million, a 36% increase over the previous corresponding period (pcp) (H1 FY23: \$43.6 million);

- Record EBITDA of \$8.3 million, a 24% increase over the pcp (H1 FY23: \$6.6 million);
- Net profit after tax adjusted for the impact of acquired intangibles and lease costs incurred pre revenue generation ('NPAT(A) adjusted') of \$1.4 million, \$0.2 million lower than pcp (H1 FY23: \$1.6 million);
- Operating cash outflows of \$1.9 million, \$16.4 million lower than pcp (H1 FY23: \$14.5 million);
- Contract liabilities (deferred revenue) at 31 December 2023 of \$29.5 million, 32% lower than the previous half-year (30 June 2023: \$43.5 million); and
- Cash balance at 31 December 2023 of \$24.9 million (including term deposits), 38% lower than the previous half-year (30 June 2023: \$40.2 million).

Operating cash flows and deferred revenues reduced from the extraordinary post-pandemic recovery period as students progress their studies. In previous periods NextEd experienced a rapid growth in operating cash flows as newly enrolled international students were invoiced and paid a portion of their tuition fees in advance, this was then recognised as revenue evenly over the period that courses were delivered. Assuming no further government shocks NextEd doesn't expect this magnitude of negative operating cashflows in H2 FY24 and expect positive cashflows in FY25.

NextEd invested approximately \$7.0 million in new campuses and campus expansion projects in H1 FY24, which are expected to support new course launches and future revenue growth. It expects to invest a further \$2.8 million in new campus facilities in H2 FY24 before pausing further geographic expansion investments until FY26.

FY24 outlook – withdrawal of guidance

Recent government statements regarding reduction to net migration combined with recent student visa data has created significant macro uncertainties across our entire industry.

Despite NextEd being well placed to navigate this environment and our better than industry average visa approval rates, the uncertain landscape has impacted our ability to accurately forecast.

Directors believe it is appropriate given the uncertainty and evolving circumstances to withdraw H2 FY24 guidance.

Positioned for growth in FY25 and FY26

NextEd is monitoring the current situation and effects of recent changes to migration policy. Meanwhile we are focused on yield improvement, optimising campus utilisation following our strategic expansion investments, and carefully managing costs.

Over the longer term, NextEd expects government policy to protect international education export earnings (which also materially impacts the tourism industry) and to support Australia's future workforce requirements.

The latest shock will pass and NextEd will be ready to take advantage. The management team has a proven track record of growing revenues and market share during turbulent times.

H1 FY24 results presentation

NextEd invites shareholders to attend a live H1 FY24 Results Presentation webinar today at 11:00am (AEDT), hosted by NextEd's CEO, Glenn Elith and CFO, Michael Fahey.

Participants will be required to register their attendance using the following Zoom link:
https://us06web.zoom.us/webinar/register/WN_aLCvNHoNT5i96J3oxFa6wA

Forward-looking statements

This announcement may include forward-looking statements that relate to anticipated future events, financial performance, plans, strategies, objectives or anticipated 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. 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.

For further information:

Glenn Elith
Chief Executive Officer
glenn.elith@nexted.com.au

Lisa Jones
Company Secretary
lisa.jones@nexted.com.au



NextEd Group Limited
and its Controlled Entities
ABN 75 105 012 066

Interim Financial Report
for the Half-Year Ended
31 December 2023

CONTENTS

CORPORATE DIRECTORY	3
APPENDIX 4D	4
DIRECTORS' REPORT	6
AUDITOR'S INDEPENDENCE DECLARATION	12
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	13
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	14
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	15
CONSOLIDATED STATEMENT OF CASH FLOWS	16
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	17
DIRECTORS' DECLARATION	31
INDEPENDENT AUDITOR'S REVIEW REPORT	32

CORPORATE DIRECTORY

Directors

Catherine (Cass) O'Connor - Independent non-executive chair
William Deane – Independent non-executive director
Sandra Hook – Independent non-executive director
Simon Tolhurst – Independent non-executive director

Company Secretary

Lisa Jones

Registered Office

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Share Registry

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Securities Exchange

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Australian Securities Exchange
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Website: www.asx.com.au

Registrations

ACN: 105 012 066
ABN: 75 105 012 066

APPENDIX 4D

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

1 REPORTING PERIOD

Report for the period ended: Half-year ended 31 December 2023
 Previous corresponding period: Half-year ended 31 December 2022

2 RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Half-year ended 31 Dec 2023 \$'000	Half-year ended 31 Dec 2022 \$'000	Change %
2.1 Revenues from ordinary activities	59,201	43,574	36% increase
2.2 Profit / (loss) from ordinary activities after tax attributable to members	(214)	466	146% decrease
2.3 Profit / (loss) from ordinary activities	(255)	484	153% decrease

	Amount per security	Franked amount per security
	¢	%
2.4 Dividends		
Interim dividend	Nil	n/a
Final dividend	Nil	n/a
2.5 Record date for determining entitlements to the dividend	n/a	n/a

3. Net tangible assets per security

	Current period \$'000	Previous corresponding period \$'000
Earnings / (losses) for the period attributable to owners of the parent	(214)	466
Net assets	65,809	62,112
Less: Intangible assets	(62,068)	(64,306)
Add: Deferred tax liabilities	3,903	4,654
Net tangible assets	7,644	2,460

	Number	Number
Fully paid ordinary shares	221,516,773	219,156,773
Net tangible assets backing per share	\$ 0.035	\$ 0.011

APPENDIX 4D (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Date payable	Amount per security ¢	Franked amount per security %
4. Dividends			
Interim dividend	N/A	Nil	N/A
Final dividend	N/A	Nil	N/A

5. Dividends and returns to shareholders including distributions and buy backs

On 8 December 2023, the Company announced an on-market share buy-back of up to a maximum of \$4 million, commencing on 27 December 2023 for a period of up to 12 months. The Company had repurchased 22,493 shares for a total consideration of \$16,257 at 31 December 2023. Settlement of those transactions occurred in early 2024.

6. The financial information provided in this Appendix 4D is based on the accompanying Interim Financial Report, which has been prepared in accordance with Australian Accounting Standards.
7. The financial statements were subject to a review by the Company's auditors whose unmodified report is attached as part of the Interim Financial Report for the half-year ended 31 December 2023.

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

The directors present their report on the consolidated entity consisting of NextEd Group Limited (**NextEd** or **the Company**) and its controlled entities for the half-year ended 31 December 2023 (**H1 FY24**).

Directors

The names of directors during the half-year and up to the date of this report are:

Catherine (Cass) O'Connor – Independent non-executive chair

William Deane – Independent non-executive director

Sandra Hook – Independent non-executive director

Simon Tolhurst – Independent non-executive director

Company secretary

Lisa Jones

Principal activities

During H1 FY24, the consolidated entity's principal activities were:

- delivering high quality English language, construction, hospitality, healthcare, creative digital technologies, managerial, marketing, computer coding and interior design and styling courses; and
- providing education recruitment agency services to international students.

There have been no significant changes in these activities during the half-year.

Operating and financial review

NextEd operates a group of 10 education businesses plus an international student recruitment agency with offices located in Europe, South America and Australia. We currently educate and inspire approximately 25,000 students per year across the English language, Vocational and Higher Education sectors. Our broad and diverse mix of domestic and international students undertake their courses either online or at our 9 campuses located across Australia. In addition to this, some of our students are offered structured work placement and internship opportunities to complement their learning experience.

H1 FY24 financial performance

	H1 FY24 \$'000	H1 FY23 \$'000
Revenue from operations	59,201	43,574
EBITDA	8,264	6,648
Net profit / (loss) after tax	(214)	466
Net profit after tax adjusted	1,361	1,551
Positive / (negative) cash flows from operations	(1,892)	14,478

Non-IFRS information

The Company uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards ('AAS'). These measures are collectively referred to as non-IFRS financial measures. Although the Company believes that these measures provide useful information about the financial performance of the Company, they should be considered as supplemental to the measures calculated in accordance with AAS and not as a replacement for them. Because these non-IFRS financial measures are not based on AAS, they do not have standard definitions, and the way the Company calculates these measures may differ from similarly titled measures used by other companies.

The non-IFRS measures used by the Company includes EBITDA and adjusted net profit after tax ('NPAT(A) adjusted').

DIRECTORS' REPORT (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

EBITDA is earnings before interest, tax, depreciation and amortisation. NPAT(A) adjusted is calculated as the net profit after tax adjusted for the after-tax impact of amortisation associated with acquired intangible assets, and interest and depreciation expenses for leased premises undergoing fit out prior to any revenue generation.

Reconciliations between EBITDA and profit after income tax, and net profit after tax and NPAT(A) adjusted for the half-year ended 31 December 2023 are noted below.

EBITDA reconciliation

	H1 FY24 \$'000	H1 FY23 \$'000
Net profit / (loss) after tax	(214)	466
Add back:		
Depreciation & amortisation	7,221	5,631
Finance costs net of interest income	1,643	915
Less:		
Income tax benefit	(386)	(364)
EBITDA	8,264	6,648

NPAT(A) adjusted reconciliation

	H1 FY24 \$'000	H1 FY23 \$'000
Net profit / (loss) after tax	(214)	466
Add back:		
Lease costs pre-revenue generation	664	139
Amortisation of acquired intangible assets	1,301	1,352
Less:		
Income tax on acquired intangibles	(390)	(406)
Net profit after tax adjusted	1,361	1,551

NextEd Highlights:

NextEd has focused on multiple strategic investments for growth which will deliver results in FY25, including:

- A campus expansion was completed in Melbourne in August 2023 (12 additional classrooms and a commercial teaching kitchen);
- A campus expansion was completed in Brisbane in December 2023 (13 additional classrooms) and opened in January 2024 enabling the Company to exit the 10 remaining lower yield, short term licensed classrooms previously required due to a lack of weekday capacity on the main campus;
- Successfully secured regulatory approval for 3 high demand international student vocational healthcare courses (aged care, individual support and community services), set to launch in March 2024;
- Impressive momentum achieved by recently launched international student hospitality vocational courses;
- Successfully launched a substantial Adelaide campus on-time and under budget in December 2023 for domestic students;
- Secured regulatory approvals to launch international student operations in Adelaide in April 2024; and

DIRECTORS' REPORT (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

- Commenced a fit-out of a larger Gold Coast campus to open in March 2024 to tap into the attractive Gold Coast market.

NextEd has continued to navigate the regulatory and legislative developments including:

- Demonstrating resilience to the Federal Government's December 2023 Migration Strategy visa clampdowns due to NextEd's longstanding source country selection and prioritisation strategies; and
- Swift regulatory approvals for new campuses and courses underscore NextEd's industry reputation and regulatory standing.

Financial highlights for H1 FY24 include:

- Revenue of \$59.2 million, 36% higher than the previous corresponding period (pcp) (H1 FY23: \$43.6 million);
- EBITDA of \$8.3 million, 24% higher than pcp (H1 FY23: \$6.6 million);
- Net profit after tax adjusted for the impact of acquired intangibles and lease costs incurred pre-revenue generation ('NPAT(A) adjusted') of \$1.4 million, \$0.2 million lower than pcp (H1 FY23: \$1.6 million);
- Operating cash flows of \$1.9 million outflow, \$16.4 million lower than pcp (H1 FY23: \$14.5 million);
- Cash at bank as at 31 December 2023 of \$24.9 million (30 June 2023: \$40.2 million), including \$8.1 million in term deposits providing security over bank guarantees for property leases (30 June 2023: \$9.9 million); and
- Contract liabilities (deferred revenue) balance at 31 December 2023 of \$29.5 million, a decrease of 32% against the previous corresponding date (30 June 2023: \$43.5 million).

Revenue

H1 FY24 revenues increased by \$15.6 million vs pcp with strong growth in the International Vocational segment (66% vs pcp) and Go Study segment (15.6% vs pcp). Revenue in the Domestic Vocational segment declined by 18.9% due to a lower average student learning load and the discontinuation of unprofitable courses and programmes. Technology and Design segment revenues declined 23% as some international students withdrew and moved to lower priced vocational courses delivered by other training organisations.

EBITDA

H1 FY24 EBITDA increased to \$8.3 million, up \$1.6 million or 24% vs pcp (H1 FY23: \$6.6 million). This strong growth was driven by geographic and course range expansion activities, and positive operating leverage achieved from higher utilisation of campuses.

Cash flows and balance sheet

H1 FY24 operating cash flows were an outflow of \$1.9 million, a decrease of \$16.4 million vs pcp (H1 FY23: \$14.5 million inflow). Student tuition fees from international students are mostly paid for a study period (term/semester) in advance and are recognised in revenue as the student progresses through their course. The rapid growth in operating cash flows in previous periods was due to the rapid growth in the pipeline of future student enrolments who paid tuition fees in advance, which has naturally unwound as student numbers stabilise following the significant increase from the border reopening and was further impacted by regulatory changes.

Investing cash outflows in H1 FY24 were \$8.3 million, with \$7.1 million invested in the fitting out of new campus facilities. This included \$1.1 million in Brisbane, \$1.0 million in Melbourne, \$0.5 million in Sydney, \$1.8 million in Adelaide and \$2.7 million for a new Gold Coast campus which will be launched in 2H24.

As at 31 December 2023 cash on hand (including term deposits) was \$24.9 million (30 June 2023: \$40.2 million). \$18.1 million of cash on hand as at 31 December 2023 was held in interest-bearing term deposits with an average term of 115 days, inclusive of \$8.1 million held as security over bank guarantees.

The Company is well capitalised to invest in revenue and profit generating opportunities. As noted in NextEd's trading update released to the ASX on 5 February 2024, NextEd intends to pause further geographic expansion investments until FY26.

DIRECTORS' REPORT (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NextEd is focused on improving its operating leverage, growing student numbers and revenues across its national campus network to drive utilisation levels and improve profits.

Contract liabilities (deferred revenue) as at 31 December 2023, which represents student tuition fees invoiced but not yet earned were \$29.5 million, a decrease of \$14.0 million compared to June 2023. Contract liabilities are recognised as revenue evenly over the period that education services are delivered to students and declined over the period as the extraordinary growth in previous periods stabilises.

The Company announced an on-market share buy-back of up to a maximum of \$4.0 million, commencing on 27 December 2023 for a period of up to 12 months. The Company repurchased 22,493 shares for a total consideration of \$16,257 up to 31 December 2023. The purchases happened on 29 December 2023 and were settled in January 2024.

Operational highlights

International Vocational Segment

- International Vocational segment revenues in H1 FY24 were \$46.2 million, an increase of \$18.3 million or 66% against pcp (H1 FY23: \$27.9 million). English language course revenues made up a larger proportion of the revenue mix as students returning to Australia post-pandemic seek English language proficiency before undertaking further study or seeking employment or travel options.
- H1 FY24 EBITDA of \$11.1 million increased \$4.6 million or 70% against pcp (H1 FY23: \$6.5 million) with operating leverage from material revenue growth and high campus utilisation.

Technology & Design Segment

- Technology & Design segment revenues in H1 FY24 were \$7.0 million, a decline of \$2.0 million or 23% decrease against pcp (H1 FY23: \$9.1 million). Revenues in H1 FY24 were impacted by a higher number of completing students than commencements due to a lack of enrolments during the covid pandemic and some international students retained during the covid pandemic dropping out of their course to move to lower priced vocational courses delivered by other training organisations.
- H1 FY24 EBITDA of \$1.4 million declined \$1.5 million against pcp (H1 FY23: \$2.9 million), as expected due to the decline in revenue.

Domestic Vocational Segment

- Domestic Vocational segment revenues in H1 FY24 were \$3.8 million, a decline of \$0.9 million or 19% decrease against pcp (H1 FY23: \$4.7 million). Lower revenues in H1 FY24 resulted from lower healthcare course revenue due to a reduced average learning load per student and ceasing unprofitable courses. Processes have been put in place to improve student progressions which are expected to increase healthcare revenues in 2H24.

DIRECTORS' REPORT (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

- H1 FY24 EBITDA of \$0.7 million declined \$0.9 million against pcp (H1 FY23: \$1.5 million) with lower revenues being partly offset by cost reduction actions.

Go Study Segment

- Go Study segment revenues in H1 FY24 were \$2.8 million, an increase of \$0.3 million or 16% increase against pcp (H1 FY23: \$2.5 million). Offshore student recruitment offices contributed approximately 42% of revenues in the period in line with the pcp.
- H1 FY24 EBITDA of \$0.4 million increased \$0.6 million against pcp (H1 FY23: EBITDA loss of \$0.2 million) as a result of higher revenues and cost management actions.

Future outlook

The tertiary education industry in which the Company operates is subject to constant regulatory change. NextEd has carefully built resilience to these changes through its:

- historical track record of effectively adapting to changes in market conditions and capturing opportunities that emerge from those changes;
- continued positive standing with industry regulators as evidenced by its successes in obtaining new course and campus accreditations;
- expansion of substantial international student supply chain relationships which enable it to adapt its priority source markets;
- diverse range of courses, geographic locations, education sectors and funding sources; and
- investments in longer term sustainable growth and financial performance in the large Australian tertiary education market.

NextEd's strategic investments in expanding its course range and geographic footprint are expected to underpin future sustainable growth and performance.

DIRECTORS' REPORT (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Matters subsequent to the end of the interim financial year

The Company announced an on-market share buy-back of up to a maximum of \$4.0 million, commencing on 27 December 2023 for a period of up to 12 months. The Company repurchased 22,493 shares for a total consideration of \$16,257 up to 31 December 2023. The purchases happened on 29 December 2023 and were settled in January 2024. Following the cancellation of these shares, the number of shares on issue has reduced to 219,494,280.

Apart from the matters noted above, there has been no additional matter or circumstance that has arisen after balance sheet date that has 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 future reporting periods.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded-off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor's independence declaration

The auditor's independence declaration as required under section 307c of the Corporations Act 2001 for the half year ended 31 December 2023 has been received and can be found on page 12 of the Interim Financial Report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3) of the Corporations Act 2001.

On behalf of the directors:



Cass O'Connor

Chair

26 February 2024

Pitcher Partners Sydney

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**Auditor's Independence Declaration
To the Directors of NextEd Group Limited
ABN 75 105 012 066**

In relation to the independent auditor's review for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of NextEd Group Limited and the entities it controlled during the period.



Rod Shanley
Partner

Pitcher Partners
Sydney

26 February 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	31 December 2023 \$'000	31 December 2022 \$'000
Revenue from continuing operations	2a	59,201	43,574
Cost of sales		(28,832)	(18,069)
Gross profit		30,369	25,505
Other income	2b	37	37
Interest revenue	2b	533	231
Salaries and employee benefits expense		(14,024)	(11,628)
Depreciation and amortisation expense	4	(7,221)	(5,631)
Impairment of receivables		(771)	(902)
Property and occupancy costs		(2,720)	(1,909)
Professional and consulting fees		(466)	(775)
Marketing expenses		(1,749)	(1,792)
Public company related costs		(640)	(508)
Other expenses		(1,772)	(1,380)
Finance costs	4	(2,176)	(1,146)
Profit / (loss) before tax		(600)	102
Income tax benefit		386	364
Net profit / (loss) for the half-year		(214)	466
Other comprehensive (loss) / income for the half-year net of tax		(41)	18
Total comprehensive (loss) / income attributable to members of the parent entity		(255)	484
<i>Earnings per share:</i>			
Basic profit / (loss) per share (cents per share)	16	(0.10)	0.21
Diluted profit / (loss) per share (cents per share)	16	(0.10)	0.21

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT HALF-YEAR ENDED 31 DECEMBER 2023

	Note	31 December 2023 \$'000	30 June 2023 \$'000
Current assets			
Cash and cash equivalents	5	16,834	30,264
Trade receivables	6	8,309	7,563
Inventories		238	341
Prepayments and other assets	7	8,585	12,280
Total current assets		33,966	50,448
Non-current assets			
Property, plant and equipment		16,334	9,696
Right-of-use asset	11(a)	45,577	38,665
Intangible assets	8	62,068	63,330
Prepayments and other assets	7	8,077	9,931
Total non-current assets		132,056	121,622
Total assets		166,022	172,070
Current liabilities			
Trade and other payables	9	9,776	9,802
Contract liabilities	10	29,462	43,546
Lease liabilities	11(b)	7,470	5,996
Employee benefits	13(a)	2,476	2,179
Provisions	12(a)	190	194
Total current liabilities		49,374	61,717
Non-current liabilities			
Deferred tax liabilities		3,903	4,294
Employee benefits	13(b)	258	207
Provisions	12(b)	2,595	2,570
Lease liabilities	11(b)	44,083	37,844
Total non-current liabilities		50,839	44,915
Total liabilities		100,213	106,632
Net assets		65,809	65,438
Equity			
Issued capital	14	103,262	102,657
Reserves		3,134	3,154
Accumulated losses		(40,587)	(40,373)
Total equity		65,809	65,438

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	Contributed equity \$'000	Accumulated losses \$'000	Share-based payments reserve \$'000	Foreign currency translation reserve \$'000	Total equity \$'000
Balance at 1 July 2023		102,657	(40,373)	3,115	39	65,438
Profit for the half-year		-	(214)	-	-	(214)
Other comprehensive loss for the half-year		-	-	-	(41)	(41)
Total comprehensive income / (loss) for the half-year		-	(214)	-	(41)	(255)
Transactions with owners						
Fair value of exercised options	14	605	-	-	-	605
Option issued in FY23		-	-	21	-	21
Balance as at 31 December 2023		103,262	(40,587)	3,136	(2)	65,809

		Contributed equity \$'000	Accumulated losses \$'000	Share-based payments reserve \$'000	Foreign currency translation reserve \$'000	Total equity \$'000
Balance at 1 July 2022		102,427	(43,981)	3,079	43	61,568
Profit for the half-year		-	466	-	-	466
Other comprehensive income for the half-year		-	-	-	18	18
Total comprehensive income / (loss) for the half-year		-	466	-	18	484
Transactions with owners						
Shares issued net of cost		-	-	-	-	-
Fair value of exercised option		65	-	(5)	-	60
Balance as at 31 December 2022		102,492	(43,515)	3,074	61	62,112

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	31 December 2023 \$'000	31 December 2022 \$'000
Cash flows from operating activities			
Receipts from customers		44,155	53,140
Receipts from government grants	2(b)	37	37
Interest received		533	226
Payment to suppliers and employees		(46,617)	(38,925)
Net cash from / (used in) operating activities		(1,892)	14,478
Cash flows from investing activities			
Payment for property, plant and equipment		(7,980)	(1,150)
Payments for intangibles		(278)	(286)
Net cash used in investing activities		(8,258)	(1,436)
Cash flows from financing activities			
Proceeds from issue of shares		605	60
Repayment of borrowings		-	(362)
Receipts / (payments) of security deposits and bank guarantees		1,854	(1)
Repayment of lease liabilities – interest component		(2,176)	(1,140)
Repayment of lease liabilities – principal component		(3,563)	(3,249)
Net cash used in financing activities		(3,280)	(4,692)
Net increase / (decrease) in cash and cash equivalents		(13,430)	8,350
Cash and cash equivalents at the beginning of the half-year		30,264	27,161
Cash and cash equivalents at the end of the half-year	5	16,834	35,511

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

1.1 Reporting entity

The Interim Financial Report covers NextEd Group Limited (**NextEd** or **the Company**) and its controlled entities (**the consolidated entity**). NextEd is a for profit company limited by shares whose shares are publicly traded on the Australian Securities Exchange (**ASX**). The Company is primarily involved in businesses which deliver accredited and non-accredited English language, vocational education and higher education courses as well as education recruitment agency services to international students.

1.2 Basis of preparation

The Interim Financial Report has been prepared on the historical cost and accrual basis except where stated otherwise.

The Interim Financial Report is intended to provide users with an update on the latest half-year for the consolidated entity. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the consolidated entity. It is therefore recommended that this financial report be read in combination with the annual financial statements of the consolidated entity for the year ended 30 June 2023, together with any public announcements made during the half-year.

1.3 Compliance with IFRS

These financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard Board (**AASB**) *AASB 134 'Interim Financial Reporting'* and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with *AASB 134* ensures compliance with International Financial Reporting Standard *IAS 34 'Interim Financial Reporting'*.

These financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by NextEd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

1.4 Adoption of new and revised Accounting Standards

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated. When the presentation or classification of items in the interim financial report is amended, comparative amounts are also reclassified.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 2 REVENUE AND OTHER INCOME

	31 December 2023 \$'000	31 December 2022 \$'000
a. Revenue		
Tuition related revenue	57,007	41,679
Commission revenue	2,194	1,895
	<u>59,201</u>	<u>43,574</u>
Revenue from contracts with customers	59,201	43,574
<i>Geographical regions</i>		
Australia	58,430	42,904
Europe	589	556
South America	182	114
	<u>59,201</u>	<u>43,574</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	2,194	1,895
Services transferred over time	57,007	41,679
	<u>59,201</u>	<u>43,574</u>
b. Other Income		
Export Market Development Grants scheme	37	37
Interest income	533	231
	<u>570</u>	<u>268</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 3. OPERATING SEGMENTS

Identification of reportable operating segments

The consolidated entity is organised into four primary operating segments: Technology & Design, International Vocational, Go Study and Domestic Vocational. These operating segments are based on the internal reports that are reviewed and used by the Chief Executive Officer who is identified as the Chief Operating Decision Maker ('CODM') in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews both earnings before interest, tax, depreciation, and amortisation ('EBITDA') and profit before income tax. The information reported to the CODM is on at least a monthly basis.

Types of products and services

The principal products and services of each of these operating segments are as follows:

International Vocational	A provider of English Language Intensive Courses for Overseas Students ('ELICOS'), and Vocational Education and Training ('VET') courses in Business, Leadership and Management, Project Management, Marketing and Communication, Kitchen Management and Hospitality for overseas students.
Technology & Design	A provider of face-to-face and online courses in information technology, digital design, interactive multimedia, computer coding, digital marketing, games and apps programming, digital filmmaking, and interior design.
Domestic Vocational	A provider of vocational courses to domestic students in Commercial Cookery, Hospitality, Business, Community Services, Healthcare, Construction and Information Technology.
Go Study	An international student advisory recruitment agency with offices in Australia (Sydney, Melbourne, Brisbane, Gold Coast, Perth), Europe (Spain, France, Italy) and South America (Colombia, Chile, Mexico).

Intersegment transactions

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 3. OPERATING SEGMENTS (continued)

6 months ended 31 December 2023	International Vocational	Technology & Design	Domestic Vocational	Go Study	Corporate / unallocated	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from customers	46,161	7,016	3,838	2,186	-	59,201
Intersegment revenue	-	-	-	660	(660)	-
Total sales revenue	46,161	7,016	3,838	2,846	(660)	59,201
Agent commissions	(11,202)	(448)	(272)	-	660	(11,262)
Education expenses	(15,075)	(1,563)	(932)	-	-	(17,570)
Cost of sales	(26,277)	(2,011)	(1,204)	-	660	(28,832)
Gross margin	19,884	5,005	2,634	2,846	-	30,369
Operating costs	(8,777)	(3,596)	(1,971)	(2,499)	(5,299)	(22,142)
Government grants	-	-	-	37	-	37
EBITDA	11,107	1,409	663	384	(5,299)	8,264
D&A	(3,614)	(1,189)	(172)	(116)	(2,130)	(7,221)
EBIT	7,493	220	491	268	(7,429)	1,043
Net finance expenses	-	-	-	-	(1,643)	(1,643)
Profit / (loss) before tax	7,493	220	491	268	(9,072)	(600)
Income tax benefit	-	-	-	-	386	386
Net profit / (loss) after tax	7,493	220	491	268	(8,686)	(214)
Gross margin %	43.1	71.3	68.6	100.0		51.3
EBITDA margin %	24.1	20.1	17.3	13.5		14.0
31 December 2023						
Segment assets and liabilities						
Segment assets	85,294	27,513	12,109	6,445	34,661	166,022
Segment liabilities	54,993	24,452	8,153	4,272	8,343	100,213
Net assets	30,301	3,061	3,956	2,173	26,318	65,809

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 3. OPERATING SEGMENTS (continued)

	International Vocational	Technology & Design	Domestic Vocational	Go Study	Corporate / unallocated	Total
6 months ended 31 December 2022	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from customers	27,890	9,060	4,731	1,893	-	43,574
Intersegment revenue	-	-	-	569	(569)	-
Total sales revenue	27,890	9,060	4,731	2,462	(569)	43,574
Agent commissions	(7,428)	(592)	-	-	569	(7,451)
Education expenses	(7,873)	(1,835)	(910)	-	-	(10,618)
Cost of sales	(15,301)	(2,427)	(910)	-	569	(18,069)
Gross margin	12,589	6,633	3,821	2,462	-	25,505
Operating costs	(6,058)	(3,761)	(2,298)	(2,676)	(4,101)	(18,894)
Government grants	-	-	-	37	-	37
EBITDA	6,531	2,872	1,523	(177)	(4,101)	6,648
D&A	(2,360)	(1,189)	(154)	(124)	(1,804)	(5,631)
EBIT	4,171	1,683	1,369	(301)	(5,905)	1,017
Net Finance expenses	-	-	-	-	(915)	(915)
Profit / (loss) before tax	4,171	1,683	1,369	(301)	(6,820)	102
Income tax benefit	-	-	-	-	364	364
Net profit / (loss) after tax	4,171	1,683	1,369	(301)	(6,456)	466
Gross margin %	45.1	73.2	80.8	100.0		58.5
EBITDA margin %	23.4	31.7	32.2	(7.2)		15.3
30 June 2023						
Segment assets and liabilities						
Segment assets	94,702	26,581	11,408	5,228	34,151	172,070
Segment liabilities	72,510	23,514	6,197	3,277	1,134	106,632
Net assets	22,192	3,067	5,211	1,951	33,017	65,438

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 4. EXPENSES

	31 December 2023 \$'000	31 December 2022 \$'000
Profit / (loss) before tax includes the following specific expenses:		
<i>Depreciation</i>		
Leasehold improvements	895	563
Plant and equipment	447	360
Land and buildings right-of-use assets	4,333	3,162
Office equipment right-of-use assets	5	7
<i>Amortisation</i>		
Licensed operations ¹	308	359
Course materials	240	187
Training materials ¹	571	571
Agent relationship ¹	422	422
Total depreciation and amortisation	7,221	5,631
<i>Finance costs</i>		
Unwind of the discount of provisions	103	61
Interest and finance charges paid/payable on lease liabilities	2,073	1,085
Finance costs expensed	2,176	1,146
<i>Leases</i>		
Short-term lease payments	872	387
Low-value assets lease payments	63	64
Total short term and low value lease payments	935	451
<i>Superannuation expense</i>		
Defined contribution superannuation expense	2,644	1,733

¹Amortisation of acquired intangibles

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 5. CASH AND CASH EQUIVALENTS

	31 December 2023 \$'000	30 June 2023 \$'000
Cash at bank	10,713	12,206
Term deposits with less than 90-day maturities	6,121	18,058
	16,834	30,264

NOTE 6. TRADE AND OTHER RECEIVABLES

	31 December 2023 \$'000	30 June 2023 \$'000
Trade receivables	8,830	8,970
Less: allowance for expected credit losses	(521)	(1,407)
	8,309	7,563

NOTE 7. PREPAYMENTS AND OTHER ASSETS

	31 December 2023 \$'000	30 June 2023 \$'000
a. Current		
Bank guarantees and other deposit	429	500
Prepayments	670	947
Deferred agent costs	6,505	9,494
Other current assets	981	1,339
	8,585	12,280
b. Non-current		
Bank guarantees and term deposits	8,077	9,931
	8,077	9,931
Total prepayment and other assets	16,662	22,211

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 8. INTANGIBLE ASSETS

	31 December 2023 \$'000	30 June 2023 \$'000
Non-current		
Goodwill		
Goodwill	38,747	38,747
	38,747	38,747
Licensed operations		
Licensed operations – at cost	4,670	4,670
Accumulated amortisation	(3,979)	(3,671)
	691	999
Course materials		
Copyrights – at cost	1,206	1,050
Accumulated amortisation	(659)	(419)
Work in progress	562	439
	1,109	1,070
Brand name		
Brand names – at cost	9,562	9,562
	9,562	9,562
Training materials		
Training materials – at cost	7,993	7,993
Accumulated amortisation	(2,569)	(1,998)
	5,424	5,995
Agent relationship		
Agent relationship – at cost	8,432	8,432
Accumulated amortisation	(1,897)	(1,475)
	6,535	6,957
Total intangible assets	62,068	63,330

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 9. TRADE AND OTHER PAYABLES

	31 December 2023 \$'000	30 June 2023 \$'000
Current		
Trade payables	3,721	3,255
Payroll accruals	1,281	2,257
Accrued expenses	3,027	3,433
Customer advances	544	544
Other payables	1,203	313
	9,776	9,802

NOTE 10. CONTRACT LIABILITIES

	31 December 2023 \$'000	30 June 2023 \$'000
Current		
Contract liabilities	29,462	43,546
	29,462	43,546

Tuition related performance obligations

The aggregate amount of the transaction price allocated to tuition related services, which are paid in advance or due for payment and are yet to be delivered at balance date was \$29,462,000 as at 31 December 2023 (30 June 2023: \$43,546,000) and is expected to be recognised as revenue in future periods.

The duration of study is used to measure the progress of the performance obligation to determine how much revenue should be recognised, and that revenue is recognised as the performance obligation is satisfied.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 10. CONTRACT LIABILITIES (continued)

The ageing of the expected performance obligation of contract liabilities are as follows:

	31 December 2023 \$'000	30 June 2023 \$'000
To be realised within 12 months	29,462	43,546

Contract liabilities relate to tuition fees in relation to domestic and international students where an agreement has been signed and a payment plan is in place with students for studies which are expected to be undertaken after the balance date.

In addition, for students currently enrolled in a course and with a contract in place, \$29,023,000 (30 June 2023: \$28,771,000) will be invoiced and become payable by the students in future periods.

NOTE 11. LEASES

	31 December 2023 \$'000	30 June 2023 \$'000
a. Right of use assets		
Properties	45,576	38,659
Office equipment	1	6
	<u>45,577</u>	<u>38,665</u>
b. Lease liabilities		
Current	7,470	5,996
Non-current	44,083	37,844
	<u>51,553</u>	<u>43,840</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 12. PROVISIONS

	31 December 2023 \$'000	30 June 2023 \$'000
a. Current		
Provision for make good	190	194
b. Non-current		
Provision for make good	2,595	2,570
Total provisions	2,785	2,764

NOTE 13. EMPLOYEE BENEFITS

	31 December 2023 \$'000	30 June 2023 \$'000
a. Current		
Provision for annual leave	1,948	1,729
Provision for long service leave	528	450
	2,476	2,179
b. Non-current		
Provision for long service leave	258	207
	2,734	2,386

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 14. ISSUED CAPITAL

	6 months to 31 December 2023 No.	12 months to 30 June 2023 No.	6 months to 31 December 2023 \$'000	12 months to 30 June 2023 \$'000
Fully paid ordinary shares at no par value	221,516,773	219,376,773	103,262	102,657
a. Ordinary shares				
At the beginning of the half-year				
Shares issued during the period/year:	219,376,773	219,076,773	102,657	102,427
Options exercised at \$0.75 15 December 2022		80,000		65
Options exercised at \$0.75 09 March 2023		120,000		90
Options exercised at \$0.75 13 March 2023		100,000		75
Options exercised at \$0.25 10 July 2023	2,000,000		500	-
Options exercised at \$0.75 14 November 2023	140,000		105	-
At reporting date	221,516,773	219,376,773	103,262	102,657

	6 months to 31 December 2023 No.	12 months to 30 June 2023 No.	6 months to 31 December 2023 \$'000	12 months to 30 June 2023 \$'000
a. Options				
Options	310,717	5,410,717	3,136	3,115
At the beginning of the half-year	5,410,717	5,400,000	3,115	3,079
Options issued / (exercised) during the half-year:				
Exercised				
Exercised price: \$0.75				
Expiry date: 09/11/2023		(80,000)	-	(1)
Expiry date: 09/11/2023		(120,000)	-	(2)
Expiry date: 09/11/2023	(140,000)	(100,000)	-	(2)
Lapsed				
Exercise price: \$0.75				
Expiry date: 09/11/2023	(2,960,000)		-	-
Exercised				
Exercised price: \$0.25				
Expiry date: 10/07/2023	(2,000,000)		-	-
Issued to directors				
Exercise price: \$1.40				
Expiry dates: 15/12/2028		103,571	5	9
Expiry dates: 15/12/2029		103,571	7	15
Expiry dates: 15/12/2030		103,575	9	17
At reporting date	310,717	5,410,717	3,136	3,115

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 15. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

NOTE 16. EARNINGS PER SHARE (EPS)

	31 December 2023 \$'000	31 December 2022 \$'000
Reconciliation of earnings to profit or loss		
Profit / (loss) for the half-year	(214)	466
Profit / (loss) used in the calculation of basic and diluted EPS	(214)	466
	31 December 2023 No.	31 December 2022 No.
Weighted average number of ordinary shares		
outstanding during the half-year used in calculation of basic EPS (post share consolidation)	221,314,369	219,083,767
	31 December 2023	31 December 2022
Earnings per share		
Basic EPS (cents per share) post share consolidation	(0.10)	0.21
Diluted EPS (cents per share) post share consolidation	(0.10)	0.21

As at 31 December 2023, the consolidated entity has 310,717 unissued shares under options (31 December 2022: 5,630,713). These options were not included in the calculations of diluted earnings per share as of 31 December 2023 as they are considered anti-dilutive.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 17. CONTINGENT LIABILITIES

The consolidated entity has given guarantees as at 31 December 2023 of \$8,835,799 (30 June 2023 of \$7,135,923) to various lessors.

The consolidated entity has bank guarantee facilities with several leading Australian banks totalling \$11,857,895 of which \$8,835,799 has been utilised as at 31 December 2023.

The consolidated entity has term deposits of \$8,077,895 as at 31 December 2023 classified within non-current assets to support those facilities.

NOTE 18. COMMITMENTS

The consolidated entity is committed to incur capital expenditure of approximately \$1.9 million in relation to campus expansions in Brisbane and Southport, Queensland. The expenditure is expected to be settled in the second half of the FY2024 financial year.

NOTE 19. EVENTS SUBSEQUENT TO REPORTING DATE

On 8 December 2023, the consolidated entity announced its intention to undertake an on-market share buy-back of up to a maximum of \$4.0 million, commencing on 27 December 2023 for a period of up to 12 months. A total of 22,493 ordinary shares were bought back and subsequently cancelled in January 2024. The amount paid for the buyback was \$16,257.

Apart from the matters noted above, there has been no additional matter or circumstance that has arisen after balance sheet date that has 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 future reporting periods.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The consolidated financial statements and notes, are in accordance with the *Corporations Act 2001 (Cth)* and:

(a) complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements;

(b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Boards, as stated in Note 1.3 to the interim financial statements;

(c) give a true and fair view of the financial position as at 31 December 2023 and of the performance for the half-year ended on that date of the Group; and

(d) the Directors have been given the declarations required by s.295A of the *Corporations Act 2001 (Cth)*.

2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to s303(5) of the *Corporations Act 2001 (Cth)* and is signed for and on behalf of the directors by:

A handwritten signature in black ink, appearing to read "C. O'Connor".

Cass O'Connor

Chair

Dated this 26 February 2024

Pitcher Partners Sydney

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**Independent Auditor's Review Report
To the Members of NextEd Group Limited
ABN 75 105 012 066****Report on the Half-Year Financial Report****Conclusion**

We have reviewed the half-year financial report of NextEd Group Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 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*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and 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 for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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's financial position as at 31 December 2023 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*.

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.



Rod Shanley
Partner



Pitcher Partners
Sydney

26 February 2024