

ASX RELEASE

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PROPOSED INTERNATIONAL STUDENT COMMENCEMENT LIMITS FROM 2025

NextEd Group Limited (**ASX:NXD**) (**NextEd** or the **Company**), one of Australia's leading providers of tertiary education services to international and domestic students, provides the following update in relation to the Federal Government's proposed introduction of international student visa holder commencement limits.

The Federal Government proposes to introduce an annual National Planning Level (NPL) to establish an overall limit on the total number of new international student commencements into vocational and higher education courses in Australia commencing from 1 January 2025. The proposed NPL has been set at 270,000 international student commencements for 2025, with 175,000 allocated to the higher education sector and 95,000 to the vocational sector. This remains subject to the passage of the Education Services for Overseas Students Amendment (Quality and Integrity) Bill 2024. The draft Bill is currently subject to a Senate Inquiry.

There is no detail yet on proposed NPL limits (caps) beyond 2025 and how these caps would operate in practice, including any regional versus metropolitan campus differentiation, possible higher caps for courses in curriculums where there is high workforce demand, and how caps for existing operators may be adjusted should less competitive industry players cease operating.

Higher education cap

As previously advised, the Department of Employment and Workplace Relations (DEWR) informed NextEd on 27 August 2024 of its proposed higher education cap for 2025. NextEd's cap on higher education international student commencements is 100 which compares to 172 commencements in 2023 and 72 for this calendar year to the end of August.

NextEd's proposed higher education cap represents a 42% reduction on its international student commencements in 2023 and is expected to contribute to a decline in the total number of international students undertaking higher education courses in 2025. The decline is likely to be gradual over 2025 as the average study duration for international students undertaking higher education courses is 3 years.

Approximately 70% of NextEd's FY24 higher education revenues were generated from domestic students who are not subject to the proposed caps.

Vocational cap

NextEd has now received further DEWR correspondence which proposes a vocational commencement cap for 2025 of 1,139 new international students. This compares to 2,078 commencements in 2023 and 2,636 this calendar year to the end of August.

NextEd's proposed vocational cap represents a 45% reduction on its 2023 commencements and a greater reduction on the expected total commencements in 2024. If introduced, the cap will contribute to a decline in the total number of international students undertaking vocational courses in 2025. The decline is likely to be gradual over 2025, with a greater reduction in the second half of the 2025 calendar year as the average study duration for NextEd's vocational students is between 1.5 and 2 years.

Approximately 32% of NextEd's FY24 vocational revenues (excluding English language courses) were generated from domestic students who are not subject to the proposed caps.

English language courses

NextEd's English language courses are not subject to the proposed international student caps.

Prudent operational and financial management

NextEd is continuing prudent operational and financial management of the business and is adding to the existing measures already in place, including to prioritise growing revenues from domestic students and to actively manage the cost base. NextEd will continue to monitor the position closely and provide updates when appropriate.

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

For further information

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