

ASX Market Release

30 August 2024

Proposed international student commencement caps

EDU Holdings Limited (**EDU** or **the Company**), a leading tertiary education group, provides the following update regarding the proposed introduction of the Australian Government's capping regime for new overseas student commencements from 2025. The new capping regime is intended to manage the growth and integrity of the international student market.

Starting from 1 January 2025, subject to passage of the Education Services for Overseas Students Amendment (Quality and Integrity) Bill 2024 (ESOS Bill), the Government intends to introduce an annual National Planning Level (**NPL**) for the international education sector. The NPL, which will be determined annually by a decision of Government, will establish an overall cap on the total number of new international student commencements in Australia each year. This cap will be distributed across the higher education (**HE**) and vocational education (**VET**) sectors, with some sectors such as schools and ELICOS exempt.

Within each sector, caps will be set for individual providers, with the sum of provider limits equal to the sector limit. For 2025, the NPL has been set at 270,000 overseas student commencements, with 175,000 allocated to the HE sector (145,000 to publicly funded universities and 30,000 to non-public universities and other higher education providers) and 95,000 to the VET sector.

On 27 August 2024, Ikon received notification from the Department of Education of its indicative provider limit (cap) for calendar 2025, which is proposed at 200 new overseas student commencements. This compares to its 347 commencements in calendar 2023 and 784 commencements for the year-to-date in 2024 (up to and including Trimester 2 2024). ALG has not yet received notification of its provider limit for 2025, however the Board anticipates it is likely to be materially lower than ALG's commencements in 2024.

Despite the proposed introduction of the above caps for 2025, the Company expects to benefit from Ikon's strong and progressive enrolment growth during FY24 and its 3-4 year average study duration, for a number of years. While the longer-term impact of the capping regime and other regulatory changes on the Group remains uncertain, the Board is prioritising the development of plans to effectively manage any anticipated operational and financial implications. The Company will continue to provide updates as new information comes to hand.

Ikon's domestic student commencements are not affected by these proposed changes. Ikon continues to advance new course development initiatives, including the launch of two new Masters Degrees in 1H25, with the target market for these courses including domestic students.

This announcement was authorised for release by the EDU Board of Directors.

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