INFORMATICS EDUCATION LTD.
(Company Registration Number: 198303419G)
(Incorporated in the Republic of Singapore)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE SGX LISTING MANUAL

1. Introduction

Informatics Education Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") was placed on the watch-list pursuant to Rule 1311 of the SGX Listing Manual on 5 December 2017, and would need to meet the requirements of Rule 1314 of the Listing Manual of the SGX-ST for removal from the Watch-List by the deadline of 4 December 2020. On 23 November 2020, SGX-ST confirmed that it has no objection to the Company's application for extension of time of twelve months to 4 December 2021 with regard to compliance with Rule 1315 of the Listing Manual of SGX-ST. On 30 November 2021, SGX-ST confirmed that it has no objection to the Company's application for further extension of time of six months to 4 June 2022 for removal from the Watch-List. The Company has submitted a written undertaking from the directors and the controlling shareholder that the Company shall utilise the six months extension period to provide monthly updates on their progress to exit the Watch-List, and that if the Company is unable to exit the Watch-List by 4 June 2022, the Company shall be delisted and cash exit offer to be made to shareholders pursuant to Listing Rule 1309 by 4 July 2022.

Pursuant to Rule 1313(2) of the SGX Listing Manual, the Board of Directors (the "**Board**") of the Company wishes to provide the following update on the Group.

2. Q3 and 9M Financial Results for the Period Ended 31 March 2022

On 13 May 2022, the Group has released its unaudited financial results for the quarter ended 31 March 2022 ("**Q3 FY2022**") and nine months ended 31 March 2022 ("**9M FY2022**").

The Group's revenue from continuing operations decreased from $1.8 million for the quarter ended 31 March 2021 ("**Q3 FY2021**") to $1.7 million for Q3 FY2022 due mainly to lower examination fees income recognised for the Group's operation in the United Kingdom in the current year as compared to prior year. Higher enrolment numbers in prior year was due to resumption of operations by partner centres in the prior year towards second half of 2020, while enrolment numbers were steadier and more consistent in the current year. For 9M FY2022, the Group's revenue increased from $4.9 million for nine months ended 31 March 2021 ("**9M FY2021**") to $5.0 million for 9M FY2022. The increase in revenue from continuing operations was mainly led by the Africa region as customers in this region which were affected by the COVID-19 pandemic in the prior year have resume normal delivery of their programmes in the current year. Meanwhile, revenue from Asia market has dropped due mainly to drop in enrolments from Myanmar, due to political uncertainties in the country, partially offset by increase in revenue from other countries in Asia.

2. Q3 and 9M Financial Results for the Period Ended 31 March 2022 (cont'd)

While the Group recorded lower profit before tax from continuing operations of $0.1 million for Q3 FY2022 as compared to $0.2 million for Q3 FY2021, this was mainly attributable to higher exchange loss suffered for Q3 FY2022, as compared to an exchange gain recorded for Q3 FY2021. On year to date basis, the Group recorded a small profit before tax from continuing operations for 9M FY2022 despite suffering an exchange loss of $0.1 million during this period, as compared to a loss before tax of $0.1 million for 9M FY2021. The results of Informatics Academy Pte Ltd ("**IAPL**") has been disclosed as discontinued operation in the consolidated income statement (with previous comparatives re-presented) as the Company has entered into a share sale agreement on 15 December 2021 to dispose of its entire interests in IAPL.

3. Future Direction, Business Updates and Updates on Progress to Exit Watch-List

The effects of the COVID-19 pandemic continue to be felt in certain geographic locations in which the Group operates, however more locations are emerging from the restricted business activities as various regions ease their COVID-19 restrictions. The situation and the impact on the Group's business, economic performance and cash flows remained uncertain.

Business updates on the Group's operations, financial performance, financial position and cash flows

Singapore

On 15 December 2021, the Company has entered into a share sale agreement ("**SSA**") with Professional Education Management Pte. Ltd. ("**PEM**") pursuant to which the Company agreed to sell to PEM, and PEM agreed to acquire, all of the issued and paid-up shares in the capital of IAPL, for a consideration of $320,000. All liabilities in connection with IAPL's business arising as at 30 November 2021 are excluded from the sale and purchase under the share sale agreement and all receivables in connection with IAPL's business arising as at 30 November 2021 shall be for the account of the Company.

PEM has requested to terminate the SSA as PEM has made a decision not to proceed with the SSA. On 12 May 2022, the Company issued an official notice to PEM to accept PEM's repudiation of the SSA and terminate the SSA with immediate effect.

United Kingdom

The Group's subsidiary in the United Kingdom, NCC Education Ltd ("**NCC**"), is involved in the running of examinations and awarding of qualifications. NCC continues to administer its examinations using remote exam invigilation for NCC's accredited partner centres which are closed, and time constrained assessment to ensure minimal disruptions to students' examinations. In most regions, business activities are progressively resuming to normal curriculum delivery, while majority of the accredited partner centres are hosting examinations on site now.

3. Future Direction, Business Updates and Updates on Progress to Exit Watch-List (cont'd)

Business updates on the Group's operations, financial performance, financial position and cash flows (cont'd)

United Kingdom (cont'd)

NCC's network of accredited partner centres located across different geographical locations continue to face business challenges due to pro-longed impact of the COVID-19 pandemic and uncertainties due to weakened demand for education programmes and services. Although students' enrolments for examinations have shown recovery and stability in the last few quarters, overall registrations of students were still below pre-pandemic levels. NCC remains committed in supporting its partner centres during this challenging period and are working closely with some of the partner centres to develop online and/or blended learning models to ensure continuity of learning, where permitted.

While business performance and cash flows have shown steady improvements in recent quarters, there remains uncertainties in the operating environment due to the evolving COVID-19 pandemic situation in different regions. NCC will continue to put appropriate cost control measures in place to manage its business costs during this period.

On 1 May 2022, the Company has signed an agreement with PPLE Education Pte Ltd ("**PPLE**") to jointly develop new products and programmes for the Group. The new programmes will combine NCC's existing curriculum with the digital technology of PPLE to deliver a new refreshed curriculum to new markets not already serviced by NCC. The Group will earn $60,000 of license fee for the use of its existing curriculum in this partnership arrangement and a 15% revenue share for the new incremental revenues from the newly developed programmes. Development will commence immediately with no definite timeline set out yet for the roll-out of the new programmes.

Hong Kong

The Group's subsidiary in Hong Kong, Informatics Education (HK) Ltd ("**IEHK**") has ensured continuity in the delivery of its programmes during the pandemic period through online live classes and online recruitment activities through the use of webinars. Online delivery of programmes has been extended to corporate clients as well. In line with government guidelines, IEHK operated through online live classes from 14 January 2022 to 20 April 2022 due to rapid increase of COVID-19 cases in Hong Kong during this period. With effect from 21 April 2022, IEHK has resumed delivery of its classes in hybrid mode, i.e. mixture of face-to-face and online classes.

During the previous financial year ended 30 June 2021, IEHK has been successfully re-accredited as an authorised training partner of Project Management Institute ("**PMI®**"). This will better position IEHK to attract market participants who are interested to achieve certifications on PMI®-related programmes.

IEHK continues to strive to improve its delivery of short courses to the market and has been conducting workshops on topics such as blockchain, entrepreneurship, innovation with design thinking and software development testing in collaborations with partners in this industry, and is continuing to expand on other relevant topics relating to upskilling and reskilling the workforce.

3. Future Direction, Business Updates and Updates on Progress to Exit Watch-List (cont'd)

Business updates on the Group's operations, financial performance, financial position and cash flows (cont'd)

Overall business outlook for the Group

While the Group continue to strive to maintain its business costs and progresses to return to profitability, uncertainties continue to linger due to the pro-longed impact of COVID-19 pandemic across various regions. The Group's customers and business partners may need more time to recover their businesses to pre-pandemic levels. Hence, the Group may continue to experience pressures on its operating cash flows going forward, particularly with on-going restructuring of the Group's operations. Whilst the Group is unable to provide guidance on the impact of the pandemic on its business, future economic performance and future cash flows going forward, the Group will continue to assess the situation, put in place appropriate measures to manage and minimise the impact to the business, and continue to exercise prudence in ensuring sufficient working capital to continue as a going concern.

Updates on Progress to Exit Watch-List

Unless otherwise defined, capitalised terms used herein shall bear the same meaning ascribed to them in the announcements dated 19 November 2021, 30 November 2021, 9 December 2021 and 18 January 2022 in relation to the application for extension of time to meet the requirements for removal from the Watch-List and 31 December 2021, 14 February 2022, 22 March 2022 and 22 April 2022 in relation to the monthly/ quarterly update pursuant to Rule 1313(2) of the SGX Listing Manual.

Disposal of loss-making core business ("Proposed Disposal")

The Group has, on 18 January 2022, announced the potential disposals of its current loss-making core businesses.

Discussions are still on-going with interested parties on the potential sale of Informatics Education (HK) Ltd, Informatics Education UK Limited, and NCC Education Limited and its subsidiaries, while the valuation exercise for entities to be disposed under the Proposed Disposal plan is still in progress.

Asset Injection Plans

Following plans to diversify from its current core business, the Group is still actively exploring and considering all possible options to inject profitable assets into the Company to return the Group to profitability and for continual listing of the Company on the SGX Mainboard. The Company will make the necessary announcements, in compliance with the requirements of the Listing Manual, as and when there are material developments in this regard.

BY ORDER OF THE BOARD

Yau Su Peng
Executive Chairman
13 May 2022