

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 June 2017 and 5 December 2017.

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. FY2019 Financial Results

The Group has on 30 May 2019 released its unaudited financial results for the financial year ended 31 March 2019 (“**FY2019**”). Please refer to the announcement for further details.

The Group recorded a revenue of \$7.6 million for FY2019, a decrease of \$1.0 million, as compared to \$8.6 million for FY2018. The lower revenue was mainly due to lower completion of examinations for candidates enrolled during the year, particularly for the United Kingdom's operations. Despite the growth in enrolments for the United Kingdom's operations, this has not translated to an immediate increase in revenue for FY2019 as revenue recognition had to be deferred to subsequent years in accordance with SFRS(I) 15 *Revenue from Contracts with Customers* (“**SFRS(I) 15**”) which was effective on 1 April 2018. The adoption of SFRS(I) 15 has changed the timing in which revenue could be recognised, which is upon satisfaction/delivery of all performance obligations stated in the contract with customers. This has led to an increase in deferred income and fees as at 31 March 2019, which will be recognised as revenue in subsequent financial years.

The Group recorded a loss before tax of \$3.5 million for FY2019, a decrease of \$2.6 million, as compared to a loss before tax of \$6.1 million for FY2018. This was achieved through reduction in recurring staff costs and other recurring operating expenses.

3. Future Direction

The Board is confident that the business has positioned itself to enter the recovery and growth phase of its business plan, especially with the undertaking from the substantial shareholder Berjaya Leisure Capital (Cayman) Limited, to guarantee exercising its rights and subscribe to additional excess rights up to \$5.0 million. This commitment to the Group will allow for it to undertake a cautious but aggressive approach to growth, with a level of confidence that has been lacking in recent periods, due to cash flow constraints.

The Board is further boosted by business improvements during the quarter that is further accelerating a return to sustainable financial viability. The completed quarter student recruitment intake at Informatics Academy for its computing degree pathway programs, has been the highest of any quarter in over four years, with students enrolled representing an annual growth rate of 30.0%. With Management having completed numerous recurring cost control initiatives during the last year, this has contributed to the improved operating results.

3. Future Direction (cont'd)

The Group continues to pursue new revenue streams to generate cash flow growth and has started revenue generating short and vocational based programs during the quarter, and developing partnerships to continue and expand these in future quarters.

Informatics Academy signed an MOU in January to license its IT programs with a university partner in Thailand, Rajamangala University of Technology (RMUTT) which if successful in the Thanyaburi campus initially, with scope for expansion to a further eight RMUTT universities across the country.

NCC Education is close now to marketing and student recruitment for it's industry partnered Cyber Security program, which will include degree pathways options, which will also give students the ability to undertake industry certification qualifications globally

4. Material Development

There are no other material developments that may have a significant impact on the Group's financial position.

BY ORDER OF THE BOARD

Yau Su Peng
Executive Director
30 May 2019