Enrolments Results for FY25 and Projections for FY26

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IRCC Main Policy Changes

Changes Impacting FY24/25:

- December 7, 2023: Doubled cost of living allowance from $10K to $20K that students have to prove to get a study permit effective January 1, 2024
- January 22, 2024:
  - 35% reduction of Study Permits
  - Pause on study permit processing
  - Negative messaging about Canadian higher ed sector: diploma mills and exploitation by 'bad actors'; Canada too expensive and housing shortages
  - Promised more changes to come, creating a climate of uncertainty
- Spring 2024: Elimination of spousal work permits except for Master/PhD

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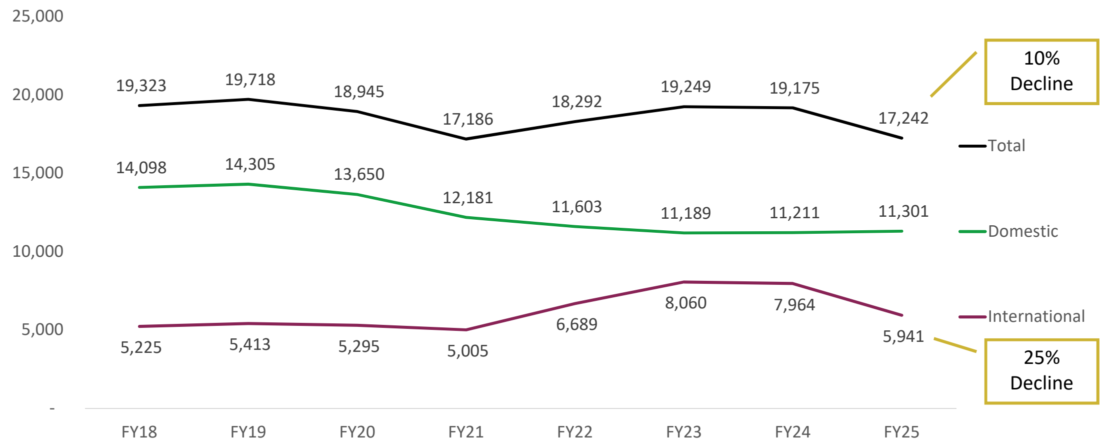
IRCC Main Policy Changes

Changes Impacting FY25/26:

- October 2024: Changes to the Post Graduation Work Permit (PGWP) program:
  - Affects those applying for study permits starting Nov 1 2024 (so affecting FY26): Need to complete a degree, or a program in a discipline on their eligibility list
  - Only 26 of KPU's non-degree programs are on the list. In AY23/24 only 28% of International graduates graduated in a degree program or an eligible non-degree program
- November 2024: Cancelled the Student Direct Stream
- January 2025: Further 10% reduction in Study Permit, but now includes Master/PhD

FY25 Enrolments

Headcount Trends – Ministry Funded Only



2/23/2025

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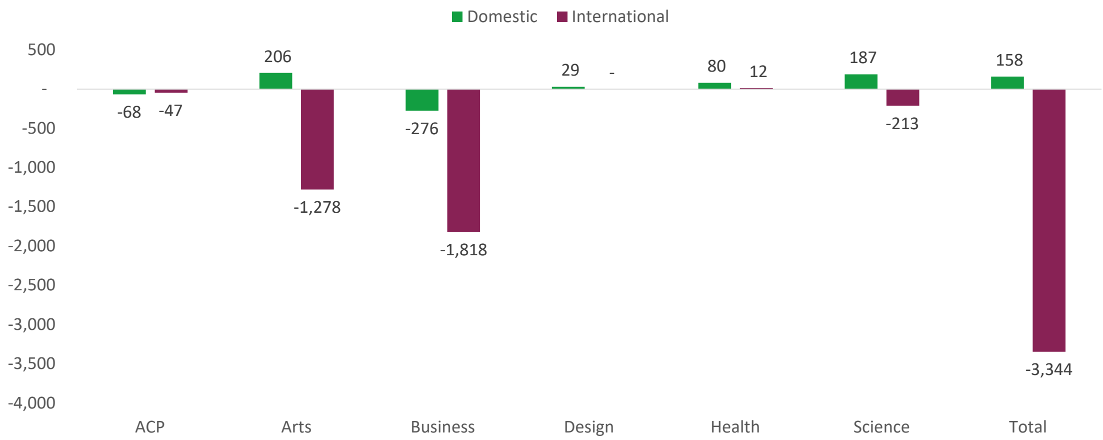
Spring lower than expected:
- Admitted: 812
- Enrolled: 362 (45%)
- Others: study permit denied (17%); deferred (13%); **abandoned $5,000 deposit (21%)**

International down 25%
- Over 2,000 fewer students
- New down 57%
- Continuing down 9%

Domestic up 1%
- New down 1%
- Continuing up 1%

Headcount Changes FY24 to 25 by Faculty



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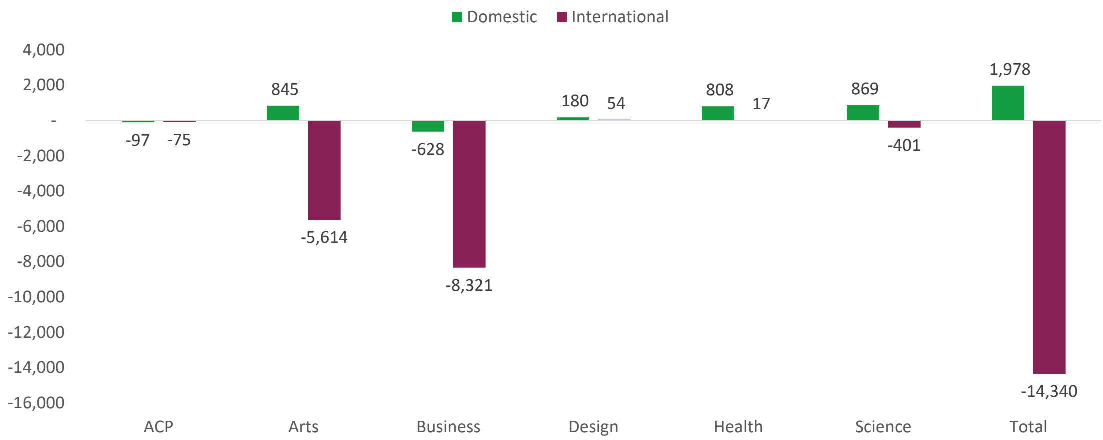
Filled Seat Changes FY24 to 25 by Faculty



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A seat filled by an international students is worth more than 4 times that of a domestic student

FY26 Enrolment Projections

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Estimating Students for FY26

- Separate projections for new and continuing, domestic and international students
- Use retention rates to project how many will continue into next year
- Use applicant trends to project number of new international
- Assume new domestic the same as for FY25

New International Students for FY26

Factors to consider:

- Declining number of applicants each season
- Decline in conversion rates from Applicant to Enrolled
- Applicants applying later so declines are higher earlier in the cycle than later
  - Applicants from India tended to apply early
  - Large decline in applicants from India, so a large reduction in early applicants

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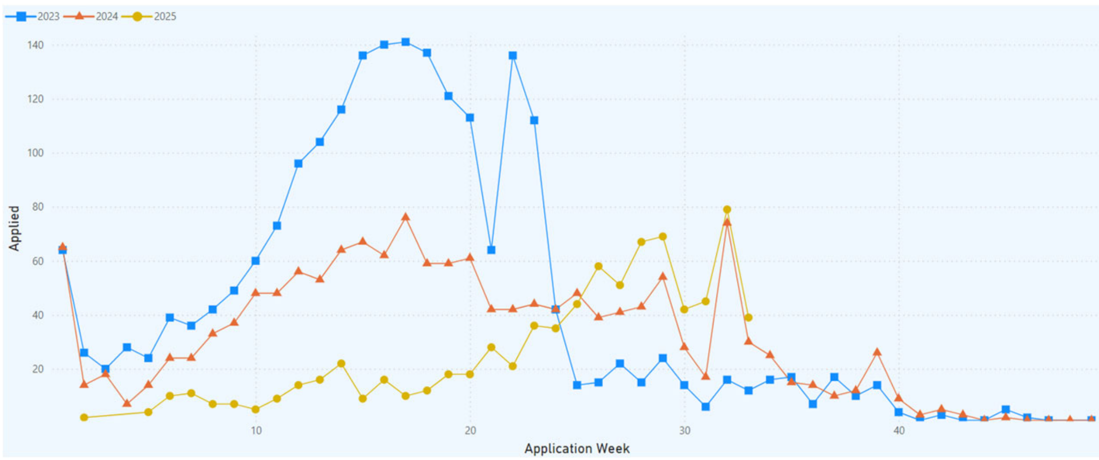
Timing of Applications

International Applicants for Summer



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Summer 2024:
At week 15 (September 13), **down 37%**
By week 25 (November 22), applicants were no longer lower than Summer 23
Closed **down 28%** compared to Summer 23
<u>This shift around week 24 - 25 happened every semester</u>

Summer 2025:
At week 15 (September 13), counts down 80%
As week 33 (January 17), applicant counts down 44%
For projections: Assume applicant counts **down 40%**

Fall 2024:
At week 15 (January 13), **down 54%**; Closed **down 33%**
Fall 2025:
As of the end of week 15 (Jan 13), applicant counts are down 34%
Assume overall applicant counts **down 30%**

Spring 2025
By week 15 (May 15), **down 85%;** Closed **down 40%**
Spring 2026:

The applicant cycle just opened until February 1, 2025
Assume overall applicant counts will be **down 35%**

Estimate International Applicants Counts

Assumptions on Applicant Counts:

- Summer 2025: down 40% from Summer 2024
- Fall 2025: down 30% from Fall 2024
- Spring 2026: down 35% from Spring 2025

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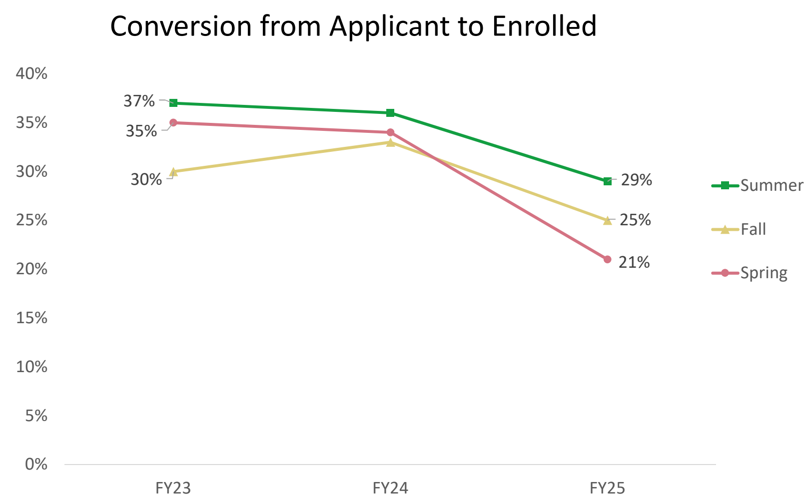
Decline in International Conversion Rates



Conversion rates, from applied to enrolled, declined a lot in FY25

International Conversion Rate Assumptions

Assume conversion rates improve, but are still lower than historical averages

- Historical: Average of past 2 years
- Actual rate for FY25
- Rates Used: Modest Improvement, roughly midway between high and low

Scenario	Summer	Fall	Spring
Historical	37%	32%	35%
Rates Used	33%	29%	28%
FY25	29%	25%	21%

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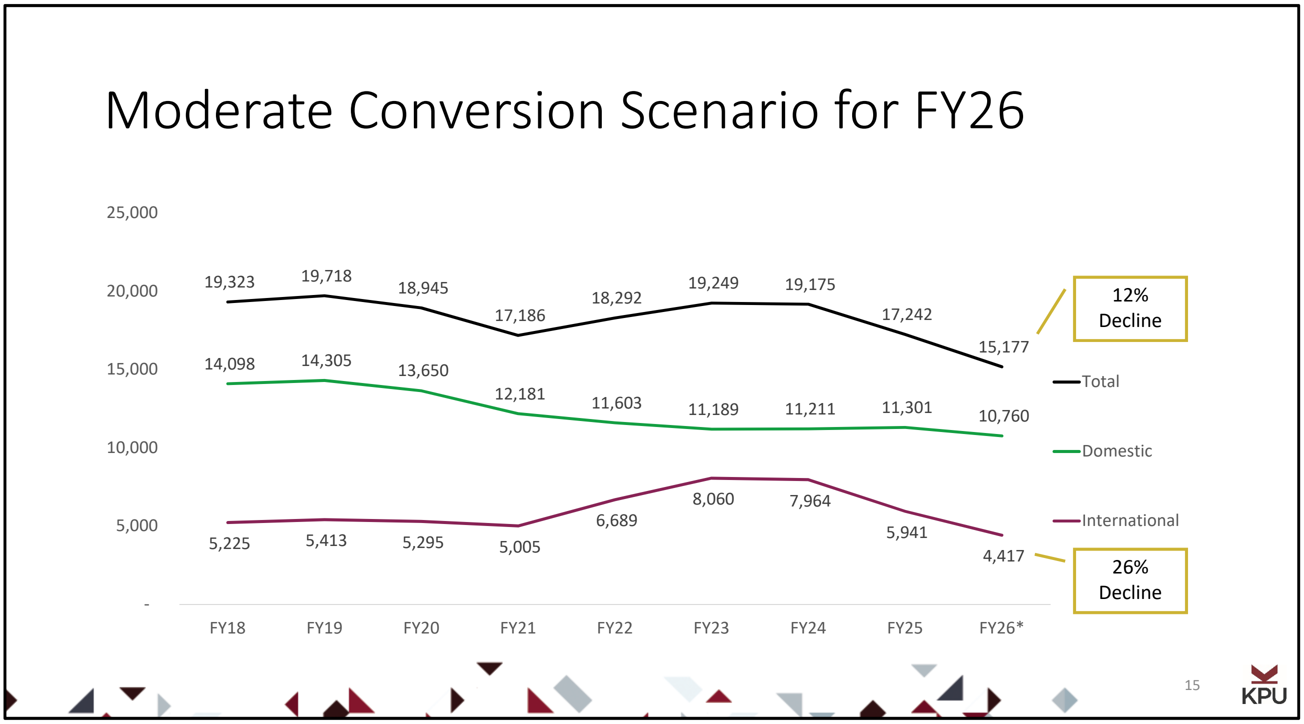
Estimated conversion rates for FY26 are cautiously optimistic, assuming some improvement, but not returning to historical levels



International down 26% overall

New International down 30%

Continuing International down 10%

Domestic down 5% overall

Continuing down 7%

New no change

Total down 12%

Percent International Headcount

% total headcount that is International
(including 2,450 domestic STBC + CPS students)

FY24 Actual	37%
FY25 Actual	30%
FY26 Forecast	25%
FY26 Worst Case	24%

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Seats Filled Estimation

To determine **seats filled**, the model uses past history of:

- How domestic and international headcounts are distributed across Faculties
  - With adjustments since changes in demand aren't uniform across all Faculties
- How many seats domestic and international students fill and in what Faculties

This is done at the level of Faculty/Intake/Academic Level/Student Status

Example: Arts/Open intake/Undergraduate/Domestic

To estimate **tuition**:

- Average tuition per seat which takes credit and tuition rate into account

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Filled seats drive revenue
Past history in last complete fiscal year: FY24

Comparisons

Ministry Funded Only
(Excludes STBC + CPS students)

Scenario	Total Heads	International Heads	Domestic Heads	International Seats Filled	Domestic Seats Filled	Total Seats Filled
FY26 Forecast	15,177	4,417	10,760	30,377	62,493	92,870
Worst Case	14,430	4,008	10,422	27,563	60,528	88,091
FY25 Prelim.	17,242	5,941	11,301	42,122	69,709	111,831
FY24 Actuals	19,175	7,964	11,211	56,448	67,909	124,357

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Revenue determined by Seats filled

Note the big decline (11,745) in seats filled by International students