

Free Bird Institute Limited

Fiji Islands

25 May 2018

MARKET ANNOUNCEMENT

- Chairman's Address at 2018 AGM

Bula vinaka and good afternoon! It is my pleasure to welcome you all to our 8th Annual General Meeting! And second since we were listed on the South Pacific Stock Exchange.

At this stage, you would all have received a copy of our 2017 Annual Report which was circulated to all shareholders on 27th of April 2018.

Before I start, let me introduce to you our Company Directors, Mrs Mereseini Baleilevuka, Mr Waisale Iowane, Ms Latileta Qoro and Mrs Adi Litia Qionibaravi. Our other two directors have sent in their well wishes from Japan, Mr Yoshinobu Higashi and Mrs Yoko Nameki.

Today, I would like to reflect on the many key achievements of our Company during the 2017 financial year.

- Our business was elevated to the next level at the beginning of 2017 where the Company was officially listed on the South Pacific Stock Exchange;
- We were also winners of a special award for our 2016 Annual Report at the SPSE Grand Awards in October last year; and
- We also received the Employment Agency License from the Ministry of Employment, Productivity and Industrial Relations in December.

Our Business Performance

Our business continues to grow each year and it is with great pleasure that I report to you our profit before tax of **\$1,185,288**, an increase of 15.47% from 2016. This was achieved despite the various challenges that the Company endured during the year.

The tragic accident which resulted in the loss of the life of one of our in-house insured student and the injuries sustained to her 4 year old daughter saw the Company incur approximately \$350,000 in expenses.

Our core business in the delivery of English language tuition continues to remain a key contributor to our profits with an impressive increase of 30% in its segment alone compared to 2016. This is a direct result of an increase in the student numbers by 8% in our language school.

It should also be noted that the number of high school students increased by 18% following the new partnerships formed between our parent company South Pacific Free Bird and Jasper Williams High School which saw 14 new students arriving and attending the school in 2017.

Our integrated product of in-house insurance contributed towards 16% of our profit before taxes, a drop by 10% compared to its contribution in 2016. This again was a direct result of the tragic accident that occurred in August last year. Notwithstanding this, the revenue generated from this product grew by 72% compared to last year which is an indication that our product is becoming the popular choice for our students.



However, it would be unwarranted of me to conclude this section without acknowledging that these results would not have been possible without the resilient and unwavering commitment of your board and management team in ensuring the growth of your business, your returns and of course your value.

Moving Forward

The Board believes that FBL's financial strength and ability to deliver sustainable growth over the long term will depend on a number of things:

- Firstly, our response to global challenges as part of our strategic planning;
- Secondly, our ability to continually adapt to the new business environment that we are entering into; and
- Finally, our ability to identify, assess, monitor and mitigate risks that the company is exposed to.

Central to this, is our commitment to ensuring that the interests of our shareholders are safeguarded by putting in place measures and value drivers that will align the interests of the board and management to that of the shareholders.

We will continue to invest in our new business ventures as we will see the 3 girls leaving our shores at the beginning of next month to work in Narita, a product of our Employment Agency license and with the new business partnerships formed with key stakeholders.

With the approval to buy JPY and sell FJD to our students and staff earlier this month, we have seen this business integration to be very successful, as over 98% of our new student arrivals have sold us their JPY.

Our finance team continually monitors the movements in the JPY with our bankers to enable them to secure a favourable rate and determine the need to engage into forward or hedging contracts.

I would like to conclude by thanking you, our shareholders, for your attendance here today and your continuous support to FBL.

Before I leave, in adhering to the requirements of Section 165 of the Companies Act and article 6.4 of the company's Articles of Association, I would like to declare to the members that the voting today will be done on a show of hands.

I am now pleased to welcome our Chief Financial Officer, Mr Waisale Iowane who will be presenting in detail of our business performance for 2017.

Thank you and Vinaka Vakalevu!

Hiroshi Taniguchi
Chairman

Free Bird Institute Limited

Fiji Islands

CFO's Address at 2018 AGM

Bula vinaka and a very good afternoon to you shareholders!

It is indeed with great pleasure that I present to you the performance of your business for 2017 and share some insights in these numbers.

Your company has come a long way, in just under 8 years of operation under the current structure; the total revenue inclusive of interest has grown by an impeccable 159% from 2011 and 18% from 2016 to 2017.

The growth over the years can be attributed to various factors.

Over the years, we have seen an increase in the number of students attending our institute with a mere increase of 8% in 2017 compared to 2016. We attribute this to our Chief Operating Officer and her school team for their continuous improvement of each English component being offered at our institute. Not forgetting our sales and marketing team in Japan for marketing not only our institute but Fiji as a destination for their study aboard programme.

We continue to ask students to “break their shyness” through constant oral and interactive lessons that we provide. We remain committed on ensuring that we provide more integrated products to our students this year to include unique but meaningful work attachment programmes with various organisations that will allow students to experience different varieties of English used in the varied working environments.

The strategic restructure and re-organisation of the business now allows the Board and Executive Management to have a clearer oversight on the performance of the business on a regular basis.

The Executive Management continually works towards ensuring that costs are effectively management and is reflective of the growth in the business. However, you will note that whilst the increase in the total expenses for 2017 is reflective of the increase in total revenue around 18%, the total expenses reflect the colossal insurance pay-out of approximately **\$350,000**. Management considers this to be an anomaly pay-out, hence, in the absence of such payments, the total increase in expenses in 2017 would be a mere 11% compared to 2016.

The Management team continue to work commendably to identify risks and opportunities within the key business units and implement measures to streamline processes and capitalise on opportunities which will ensure the efficient and effective delivery of our service to our students.

Listing on the Stock Exchange amongst other reasons, is simply smart business! With the reduction in corporate tax rate from 20% to 10% has made a huge impact in the reduction of our income tax expense by 36% which eventually gives rise to the 28.3% in our profit after tax.

Your business continues to be subjected to external factors beyond the control of your Board and Management. A factor that continues to keep the Finance team on a perpetual discussion with the ANZ's markets and treasury team is the foreign exchange rates.

The year started off with the weakening of the JPY at the back of the stronger US dollar as a result of the US elections with Trump taking up office. However, this gained strength towards the first quarter as the Bank of Japan kept its policy interest rate at -0.10% during the first seven months to support growth and price stability.

A stronger JPY makes our study abroad programs even more attractive and affordable to our students as we saw the increase in 6% of the student numbers for first 5 months of 2017 compared with 2016.

Our provision of English tuition and related services continues to contribute the larger portion of our revenue. However, it is interesting to note the growth of 5% of our in-house insurance and related revenue in 2017 from 2016.

The pay-out anomaly resulting from the heart-rending accident saw a dip in the segment profit of our in-house insurance to 16% from 26%. This in my view is still remarkable for our integrated business which is has now been in place for a little over 2 years.

As a result of the astounding profit for 2017, we were able to return 3.57% as your return on investment. A figure that I believe is competitive in the market.

It is with our continuous expansion and presence in the market that we have been able to stir up an appetite for existing and new investors on the Exchange over the last year. We are proud to be the only foreign listed Company and the first to represent the education sector on the Exchange. This I believe opens up an opportunity for investors to diversify their investment portfolio on the market.

As such, you will note that the increase in demand for our shares has driven our share prices up since listing and for that we thank you, the shareholders, for your continuous faith and support in your board and Executive team that has delivered to you these results.

Thank you and vinaka vakalevu.

Waisale Iowane
Chief Financial Officer





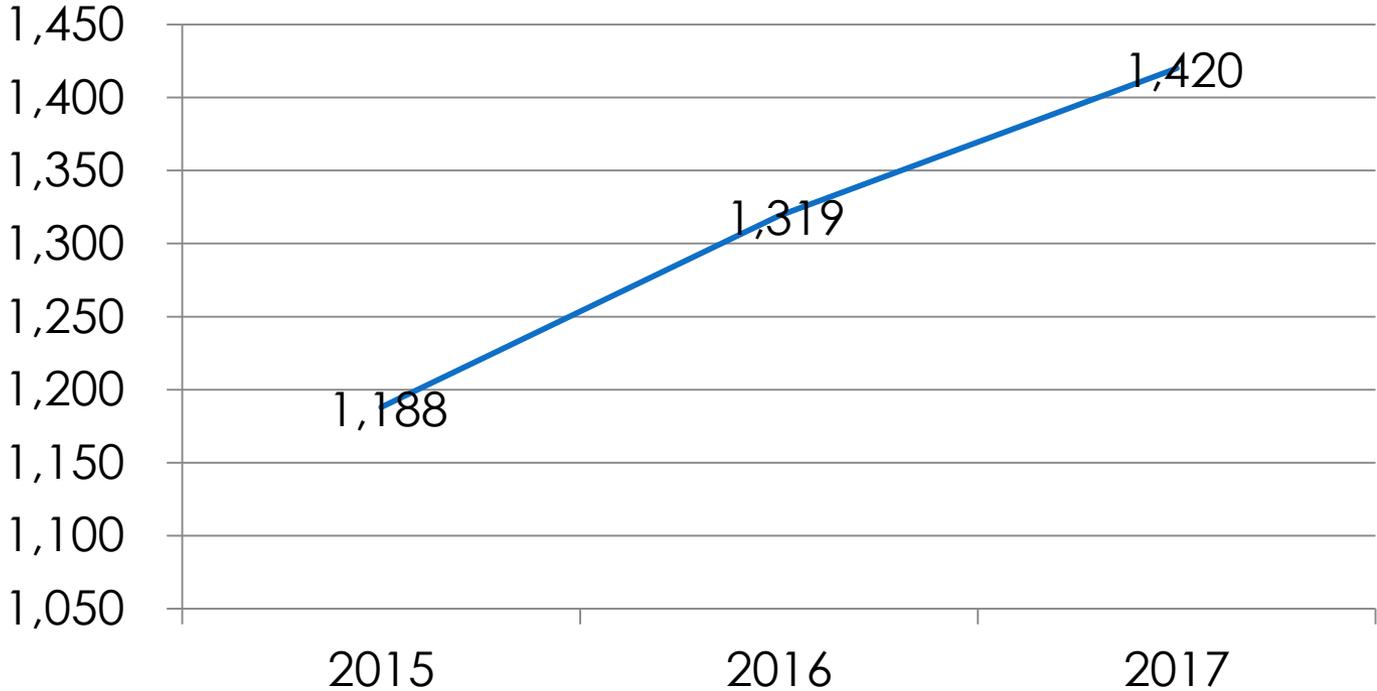
FREE BIRD INSTITUTE LIMITED

CFO Presentation
Waisale lowane

25th May 2018.



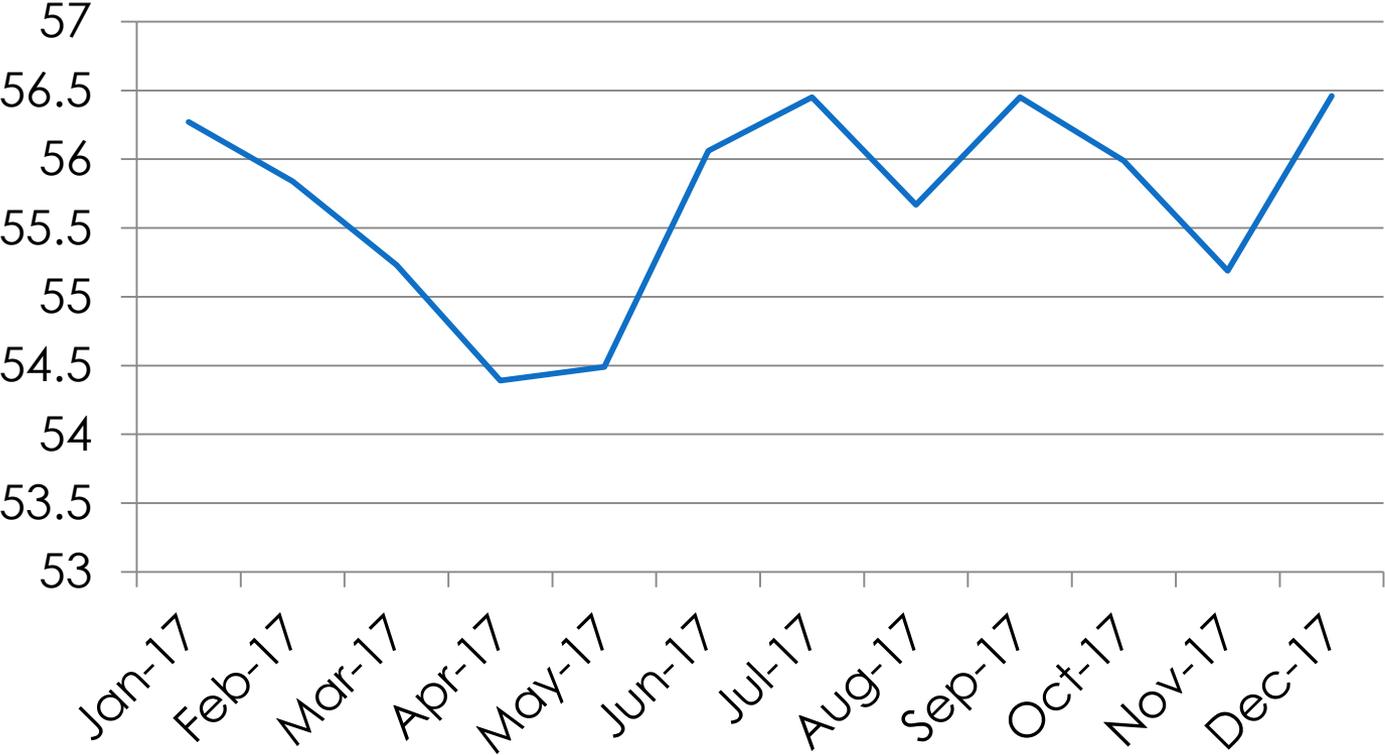
Student Arrivals from 2015 to 2017



Profit & Loss : 2015 - 2017

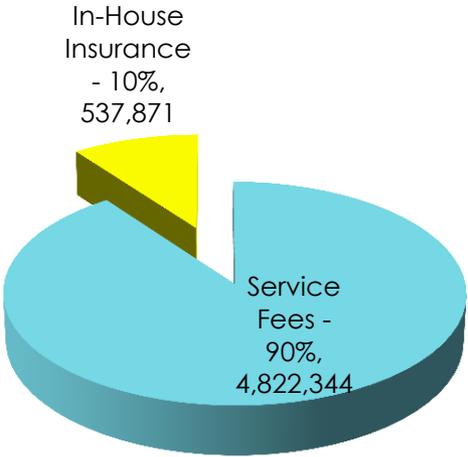
	2015	2016	2017	2016 vs 2017 %
Total Revenue	4,156,275	5,360,215	6,323,178	18.0%
Total Expenses	3,796,277	4,333,730	5,137,890	18.6%
Net profit before tax	359,998	1,026,485	1,185,288	15.5%
Income Tax Expense	83,661	202,091	127,461	(36.9%)
Net profit after tax	276,337	824,394	1,057,827	28.3%

Exchange Rates – JPY to FJD (TTB)

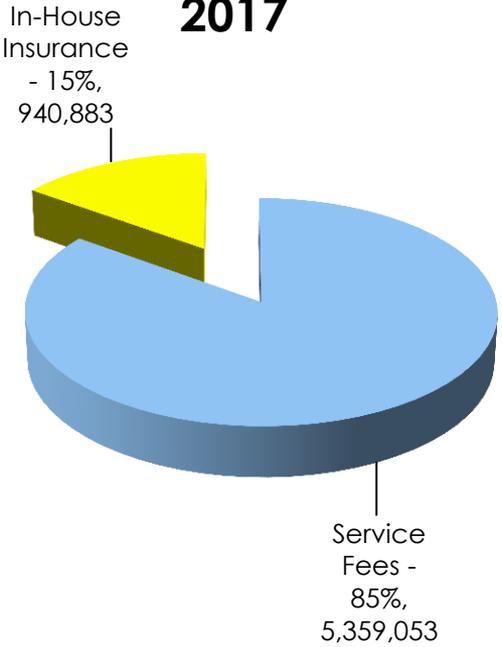


Segment Revenue: 2016 & 2017

2016



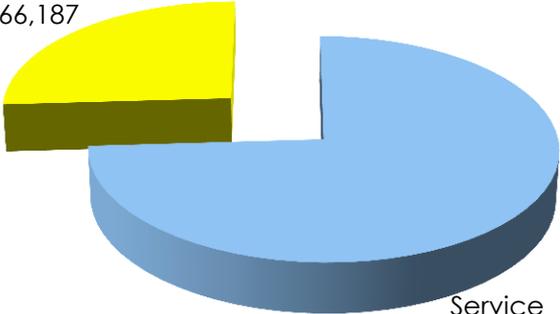
2017



Segment Profit Before Tax: 2016 - 2017

2016

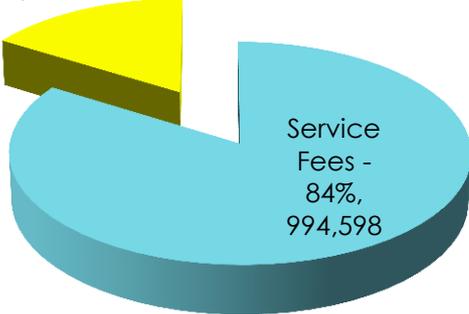
In-House Insurance
- 26%,
266,187



Service Fees -
74%,
760,298

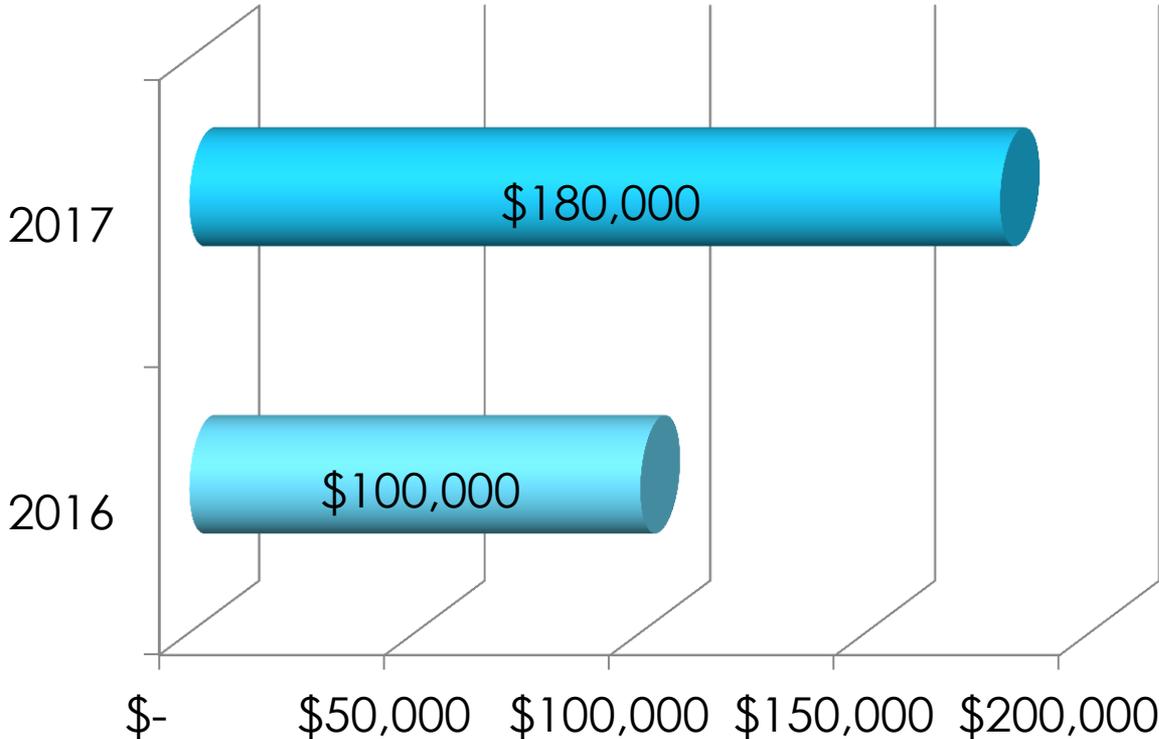
2017

In-House Insurance
- 16%,
190,690



Service Fees -
84%,
994,598

Dividend Declared



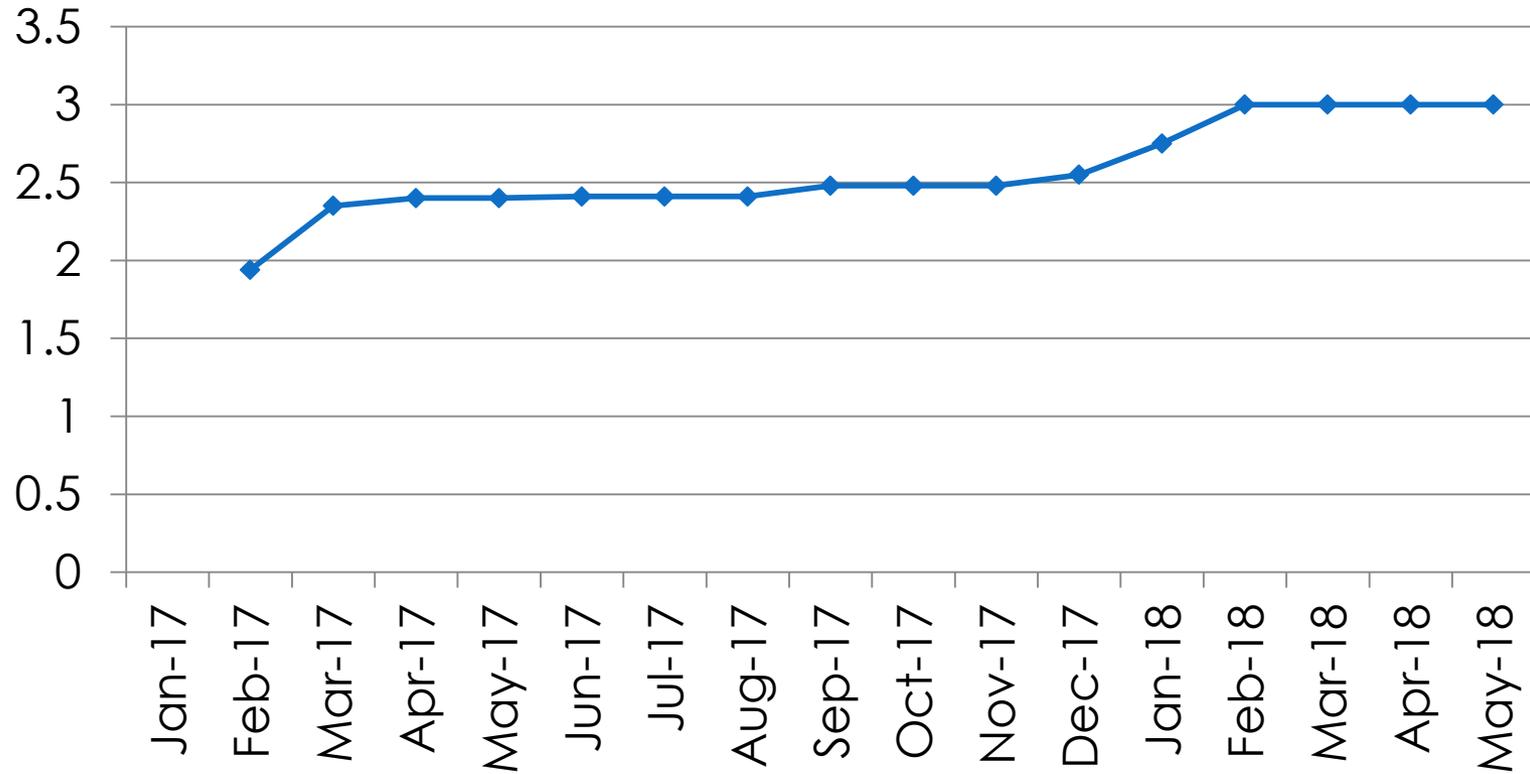
2017:

- \$0.09/share
- ROI: 3.57%

2016:

- \$0.05/share
- ROI: 2.40%

Share Price Movement



Highest market price per share: \$3.00
Lowest market price per share: \$2.00
Market price per share 31/12/17: \$2.55



Questions?