

To: ASX
From: Brett Edwards, Company Secretary
Announcement Date: 17 December 2020
ASX Code: KME

Corporate Centre Acquisitions

KME wishes to announce that it has executed confidential agreements for the purchase of a number of corporate centres in the Australian and New Zealand markets.

In Australia, the company has purchased five centres owned by a major franchisee operating in Western Sydney and Bathurst for consideration of \$0.6m in cash and 200,000 KME shares which will be issued in the new year.

In New Zealand, the company has purchased a major centre operating in Palmerston North for consideration of \$0.3m.

The CEO and Managing Director, Storm McGrath stated 'These acquisitions have been the #1 centres in the Australian and New Zealand markets and their purchase represent a significant milestone in the development of our corporate centre models. Approximately 750 students are enrolled at these centres, which will almost double our corporate centre enrolments. In both acquisitions we are pleased the current owners are staying on to assist in the transition and expansion of the business. We are looking forward to using these centres to drive growth in these key markets'

These transactions will complete in early January and are expected to have a positive impact on revenue of \$1.4m for the remainder of the 2021 financial year and a \$0.2m EBITDA impact.

Please contact the company secretary if you require any further information.

Brett Edwards
Company Secretary
Kip McGrath Education Centres Limited