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evolve education group

Annual Shareholders' Meeting 29 June 2021

ACTIVE EXPLORERS

LEARNING Adventures

Lollipops

Pascals

little wonders EARLY CHILDHOOD CENTRES

Little Lights

Little Earth MONTESSORI

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In attendance today

- **Board of Directors**
- Hamish Stevens - Chair
- Chris Scott – Managing Director
- Chris Sacre – Non-Independent Director
- Adrian Fonseca – Independent Director
- Kim Campbell – Independent Director

- **Senior management**
- Craig Presland – NZ COO
- Edmund Mah – Group CFO

FY 31 December 2020

Group financial result - underlying EBITDA

$NZm	12 months to 31 Mar 2020	9 months to 31 Dec 2020	12 months to 31 Dec 2020	
NZ	8	11	13	+5
Australia	1	6	6	+5
Corporate costs	(1)	(1)	(1)	-
Underlying EBITDA	**8**	**16**	**18**	**+10**

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FY 31 December 2020

New Zealand

- All children and staff remained safe and well through Covid-19
- All 115 NZ centres closed during April 2020 - not fully open until late June 2020 – impact on occupancy in key centres
- MoE funding received in full during Covid-19 restriction periods - although declined with post Covid occupancy challenges
- No parent fees charged during lock-downs – $7m fees lost during lock down periods and $4m fees lost due to on-going Covid impact on occupancy
- All staff kept on full pay during national lock-downs
- $12m one-off government wage subsidy received April 2020

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New Zealand – underlying EBITDA

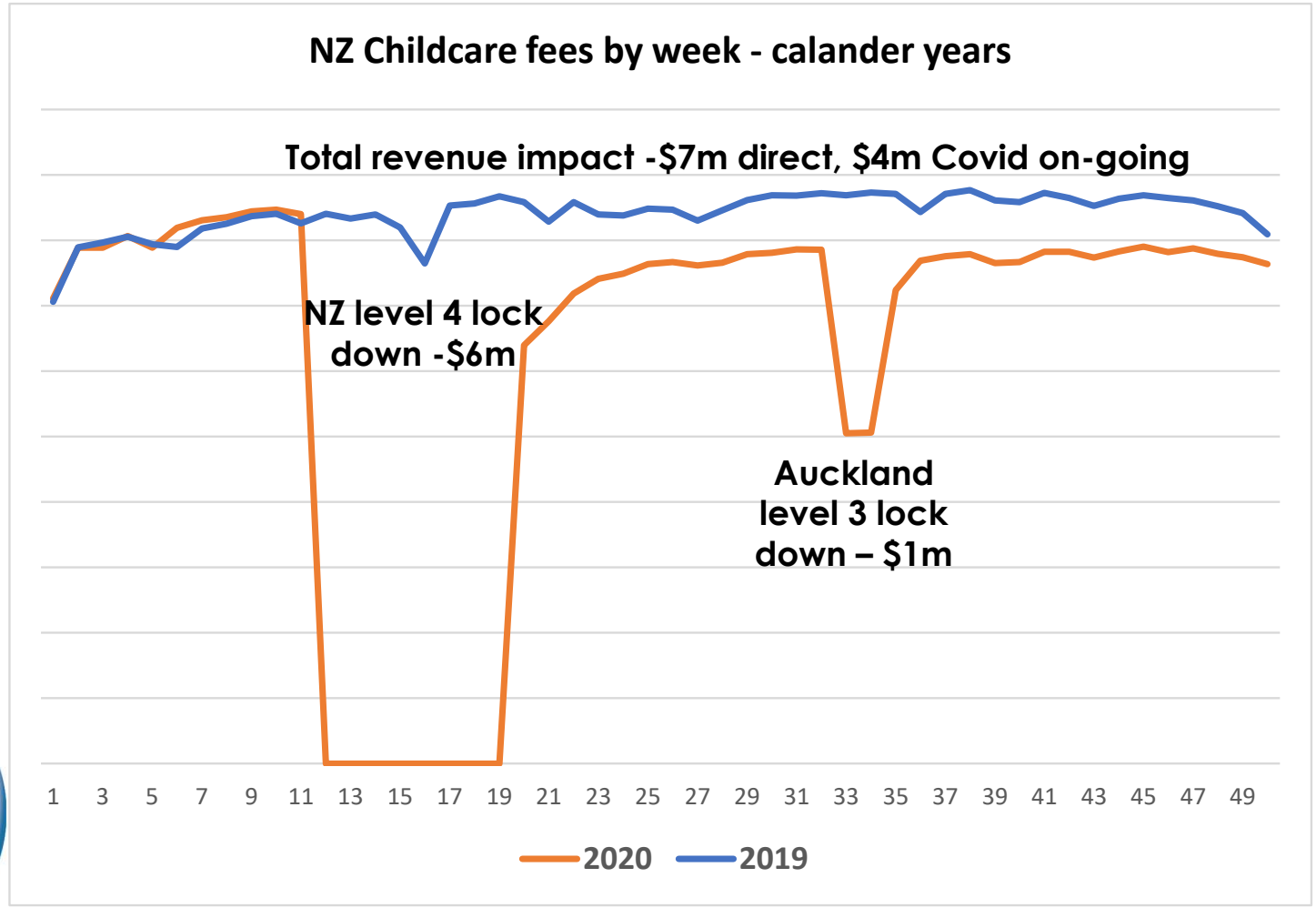
$NZm	12 months to 31 Mar 2020	9 months to 31 Dec 2020	12 months to 31 Dec 2020	
Childcare fees	45	25	34	-11
Government funding	86	62	82	-4
Total revenue	**131**	**87**	**116**	**-15**
Centre costs	(114)	(82)	(108)	+6
NZ support office	(10)	(5)	(7)	+3
Govt. wage subsidy	1	11	12	+11
Underlying EBITDA NZ	**8**	**11**	**13**	**+5**

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New Zealand



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FY 31 December 2020

New Zealand – key focus and initiatives

- Refresh and upgrade of centres
- Piloting enhanced offerings at centres (music and science programmes)
- Regional Resource Coordinators to manage staffing challenges brought about by sector wide ECE teacher shortage due partly to closed borders
- Additional Area and Regional Quality (Curriculum) Managers to enhance quality of offering to families
- Closure or sale of less profitable centres

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FY 31 December 2020

Australia

- Employees and children remained safe and well through Covid-19 (Covid-19 transmissions in one Melbourne centre)
- Australian centre occupancy affected by government restrictions
- Strong Australian government support allowed most staff to remain on full pay
- Full year of the10 centres acquired in FY19

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Australia – underlying EBITDA

$Am	12 months to 31 Mar 2020	9 months to 31 Dec 2020	12 months to 31 Dec 2020	
Revenue	9	16	21	+12
Operating costs	(8)	(10)	(15)	-7
Underlying EBITDA Aust.	**1**	**6**	**6**	**+5**

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FY 31 December 2020

Australia growth strategy

In 2019 Evolve embarked on the strategy of broadening and strengthening the company's earnings through the expansion into the Australian ECE sector.

As at December 2020 Evolve operated 10 centres in Australia with an average annual revenue of A$2m p.a. (twice the NZ centre average).



Evolve has acquired a further 10 Australian centres in the first half of FY2021. As at June 2021 we have 1,800 licenced places in Australia (18% of total Evolve).

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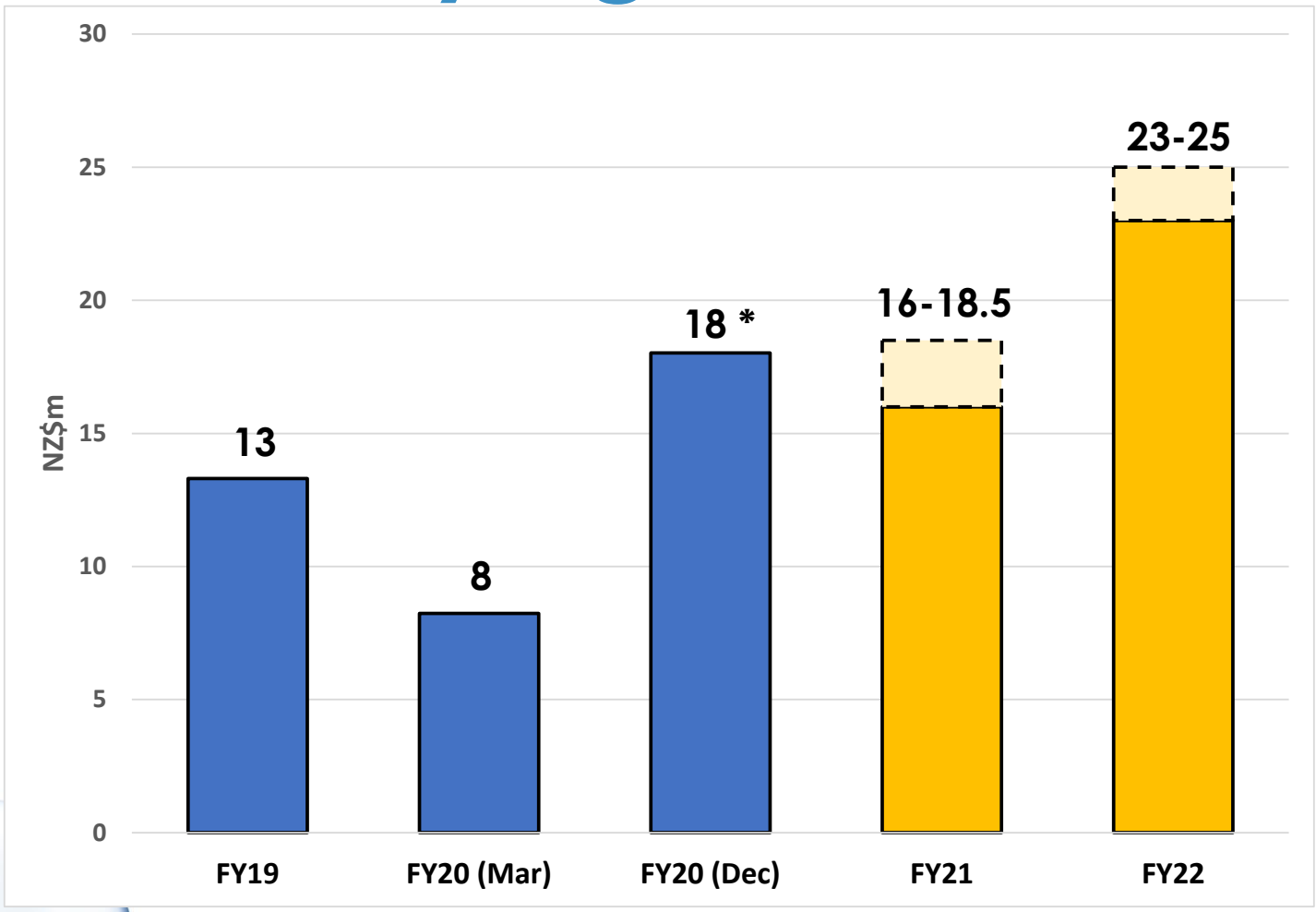
Outlook

Underlying EBITDA – NZ$

- Year ending 31 December 2021: $16m - $18.5m
- Year ending 31 December 2022: $23m - $25m
- Assumes no further Covid-19 restrictions in NZ or Australia

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Outlook – underlying EBITDA



* Not normalised for impact of Covid-19 and Covid-19 support payments.

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Questions

- Management and Operations

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Resolution 1

- That the Board be authorised to fix the fees and expenses of the auditor of Evolve for the coming year.

Proxy and postal votes received:

- For – 68,703,288 shares representing 99.05% of the votes cast
- Against – 202,677 shares representing 0.29% of the votes cast
- Open – 456,733 shares representing 0.66% of the votes cast

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Resolution 2

- That shareholders approve and ratify the placement of 19,723,845 ordinary shares on 12 April 2021 representing 14.1% of pre-placement shares

Proxy and postal votes received:

- For – 35,279,120 shares representing 98.42% of the votes cast
- Against – 109,200 shares representing 0.30% of the votes cast
- Open – 456,733 shares representing 1.27% of the votes cast

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Conclusion of Resolutions

- Vote online – for the next 5 minutes
- Results to NZX later today

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Thank you

- Thank you for attending our Annual Shareholders Meeting