Announcement Summary

Entity name

KIP MCGRATH EDUCATION CENTRES LIMITED

Announcement Type

New announcement

Date of this announcement

1/9/2021

The Proposed issue is:

☑ A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +security code	+Security description	Maximum Number of +securities to be issued
KME	ORDINARY FULLY PAID	2,000,000

Proposed +issue date

30/9/2021

Refer to next page for full details of the announcement

For personal use only

Part 1 - Entity and announcement details

1.1 Name of +Entity

KIP MCGRATH EDUCATION CENTRES LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.
If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

1.2 Registered Number Type

ABN

Registration Number

73003415889

1.3 ASX issuer code

KME

1.4 The announcement is

☑ New announcement

1.5 Date of this announcement

1/9/2021

1.6 The Proposed issue is:

☑ A placement or other type of issue

For personal use only

Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 Do any external approvals need to be obtained or other conditions satisfied before the placement or other type of issue can proceed on an unconditional basis?
☑ No

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?
☑ Existing class

Will the proposed issue of this +security include an offer of attaching +securities?
☑ No

Details of +securities proposed to be issued

ASX +security code and description

KME : ORDINARY FULLY PAID

Number of +securities proposed to be issued

2,000,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?
☑ No

Please describe the consideration being provided for the +securities

The securities are to be issued under a put option as consideration for Tutorfly Inc. to sell its minority (30%) stake in the Tutorfly business to KME. (Refer separate ASX announcement 1 September 2021). The put option is to be issued upon completion of the sale of the Tutorfly business to Tutorfly Holdings Inc., expected to occur before 30 September 2021. The securities the subject of the put option will be issued if the option is exercised by Tutorfly Inc. following the achievement of certain revenue targets by the Tutorfly business.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

2,735,000.000000

For personal use only

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?
Yes

For personal use only

Part 7C - Timetable

7C.1 Proposed +issue date

30/9/2021

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?
No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?
Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

2,000,000

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?
No

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?
No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?
No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?
No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?
No

7E.2 Is the proposed issue to be underwritten?
No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

The securities under the put option are to be issued as consideration for KME to acquire the remaining minority (30%) stake in the Tutorfly business from Tutorfly Inc.

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

☑ No

7F.2 Any other information the entity wishes to provide about the proposed issue

The put option referred to in the response above is to be issued upon completion of the sale of the Tutorfly business to Tutorfly Holdings Inc., expected to occur on or before 30 September 2021. The securities the subject of the put option will be issued if the option is exercised by Tutorfly Inc. following the achievement of certain revenue targets by the Tutorfly business. Refer to ASX Announcement by KME dated 1 September 2021

7F.3 Any on-sale of the +securities proposed to be issued within 12 months of their date of issue will comply with the secondary sale provisions in sections 707(3) and 1012C(6) of the Corporations Act by virtue of:

☑ The publication of a cleansing notice under section 708A(5), 708AA(2)(f), 1012DA(5) or 1012DAA(2)(f)

For personal use only