

To: ASX

From: Brett Edwards, Company Secretary

Announcement Date: 23 September 2020

ASX Code: KME

Appointment of Chief Technology Officer & Online Lesson Update

Kip McGrath Education Centres Ltd (ASX: KME) is pleased to announce that Daniel Pludek has been appointed as the new Chief Technology Officer (CTO). He will be tasked with the development of technology solutions that maintain the organisation's unique competitive advantage and provide ongoing value to franchisees and students as the company continues to invest in its online offering.

Daniel is a technology professional who has an extensive history of partnering with businesses. He excels at using technology to enable optimisation, innovation and growth. Having spent over 20 years within both large corporates as well as start-ups, including a stint in Silicon Valley, Daniel has a broad range of skills allowing him to assist small to mid-sized companies achieve global best practice whilst maintaining agility and a flair for innovation. He has delivered high impact IT projects for organisations such as ANZ, Optus and Toll; as well as helped grow start-ups to successful monetisation in Australia and Canada.

Storm McGrath stated 'Daniel is an important appointment to our Executive team as we position the company to better take advantage of the growth opportunities that are rapidly arising in the online education environment. We are seeing substantial growth in our online offering even with the reopening of many centres for face to face tutoring. Across the board lesson numbers are returning to normal which is encouraging.'

The company currently has in excess of 36,500 active students globally completing more than 131,000 lessons per month, with 46,000 lessons each month taking place on the online platform (compared to 3,200 online for the same period last year).

Storm McGrath noted 'Our franchisees are now seeing over \$2.2m per month in revenue from online lessons, up significantly from just \$135,000 per month just one year earlier. KME's fully owned Corporate Centres are also rapidly approaching 1,000 active students, with 70% of those being online (including 150 in the New Zealand market and 25 from our just opened Corporate Centre in the United Kingdom). The Kip McGrath board is strongly encouraged by student enrolment in its key markets for KME's online offering. This reinforces our view we are on the right track and will continue investment in our online capability.'

We look forward to providing further updates in due course. Please contact the company secretary if you require any further information.



Brett Edwards
Company Secretary, Kip McGrath Education Centres Limited