

To: ASX

From: Brett Edwards, Company Secretary

Announcement Date: 15 February 2022

**ASX Code: KME**

### **Tutorfly Achieves Second Net Revenue Trigger**

Kip McGrath Education Centres Ltd (ASX: KME) (Kip McGrath) is pleased to announce that the second revenue milestone for the US based Tutorfly business has been reached, being US\$50,000 net monthly revenue (calculated as revenue less tutor fees). It has achieved this by tutoring children in schools and growing its peer-to-peer business of online tutoring.

With the achievement of the second revenue milestone, the founders of Tutorfly Inc. have elected to take the option to sell their remaining 30% stake to Kip McGrath for US\$2,000,000. This payment will be settled with 2,000,000 shares in KME and a final cash payment of US\$525,000. The shares are to be issued within Kip McGrath's 15% placement capacity under ASX Listing Rule 7.1 on or prior to 22 February 2022.

### **Management Commentary**

The Kip McGrath CEO and Managing Director, Storm McGrath said "it's very pleasing to see the completion of the purchase of Tutorfly. Hurdles were put in place to reward the founders of Tutorfly for fast growth. The Tutorfly team has been able to secure online tutoring work from multiple schools in the state of Arizona as well as grow the core marketplace business. We have seen gross revenue increase from US\$17,000 in August to over US\$155,000 for the month of November. The majority of this is the new work in schools with reasonable margins, which has triggered the final hurdle and payment. The US government is allowing school districts to use tutors to help with the learning loss due to the Covid -19 pandemic. We are now looking to increase our capacity and deliver face to face tutoring in schools to grow faster."

The co-founder and CEO of Tutorfly Inc., Parsa Rezvani noted "as Tutorfly enters into a new chapter of growth and maturity, it is only right for us to formally step away to give the KME and Tutorfly management teams space to push ahead. Alejandro, my cofounder, and I are humbled to have taken Tutorfly from an idea to a profitable, rapidly growing business and we thank all the early tutors, families, and community supporters that made this possible. Our new education technology company, GoSchoolBox, will continue to advocate for and support great companies like Tutorfly and KME that are providing much needed high dosage tutoring for learners around the world. We wish the Tutorfly and KME teams all the best as they expand within the U.S. and beyond."

The Board has approved this announcement.

For further information contact: Brett Edwards, Company Secretary (+61 2 4929 6711)