



Market Office Announcement

ASX Limited

Date: 7 March 2018

THINK CHILDCARE LIMITED (“TNK”) ANNOUNCES ACQUISITION OF 4 CHILDCARE CENTRES AND CAPITAL RAISING

- TNK contracted to acquire four high quality childcare centres
- Total purchase price of \$5.7 million¹
- \$1.4 million projected EBITDA contribution in the first 12 months post acquisition²
- TNK reiterate the outlook provided as part of its CY17 results released on 16 February 2018
- TNK launches Institutional Placement to raise approximately \$10.0 million (the “Capital Raising” or “Offer”) to fully fund the acquisitions

ACQUISITIONS

TNK is pleased to announce that it has agreed to purchase four high quality childcare centres from third party vendors and its incubator partner, at a multiple of 4.0x EBITDA after payroll tax.

The acquisitions will be fully funded by proceeds from the Capital Raising. The remaining funds raised through the Capital Raising will be applied to working capital and balance sheet strengthening purposes, and to fund Offer costs.

A summary of the acquisitions and their impact on TNK’s performance is outlined in the table below:

Data	Acquisition Metrics
12 month projected EBITDA	\$1,419,270
Total purchase price ¹	\$5,677,081
EBITDA multiple	4.0x
Licensed places	386
Average Occupancy	75.5%
Debt funding from existing facilities	Nil
Equity funding	\$5,677,081
Vendors (1 from incubator partner)	3

¹ Excluding earn-out which is contingent on performance and payable over time.

² After payroll tax and excludes any contribution relating to the earn-out.

BOARD AND MANAGEMENT CHANGES

Paul Gwilym will retire as Director and Company Secretary at the Company's 2018 Annual General Meeting (**AGM**) in May, and will cease in the role as CFO on 13 April 2018. Mourice Garbutt will continue to carry out the Company Secretarial responsibilities.

The Company is currently reviewing several board candidates and expects to make appointments by the AGM.

Jennifer Saliba will commence as CFO from Monday, 16 April 2018. Jennifer has extensive experience working in similar roles across the public and private sector, including financial services, property, education (including RTO) and aged care.

Jennifer holds an MBA and Bachelor of Economics from the University of Sydney and is a member of the Institute of Chartered Accountants. Jennifer brings a wealth of knowledge in aspects of financial management and has strong reputation in developing and delivering solutions that enable growth and sustainability.

CAPITAL RAISING

TNK has launched a non-underwritten institutional placement of approximately 5.0 million shares to raise approximately \$10.0 million from professional and sophisticated investors. The shares issued through the Offer will represent approximately 11.8% of TNK's issued share capital prior to the Offer. New shares issued under the Offer will rank equally with existing ordinary shares.

The Offer price for the Capital Raising is \$1.99 per share.

The Offer is expected to settle on Wednesday, 14 March 2018 and the shares will be allotted on the following business day, Thursday, 15 March 2018. Shares under the Offer will be issued under TNK's existing ASX Listing Rule 7.1 placement capacity and will not be entitled to the CY2017 final dividend.

TNK shares will remain in a trading halt today while the Offer is conducted. Trading in TNK shares is expected to recommence normal trading on Friday, 9 March 2018 or such other time as the completion of the Offer is announced to the market.

The Capital Raising is being managed by Canaccord Genuity (Australia) Limited and Wilsons Corporate Finance Limited.

Mathew Edwards

Managing Director and Chief Executive Officer
Enquiries: 02 9712 7444

End.