



4 April 2018

ASX Limited

Market Announcement

Think Childcare Limited (ASX Code: TNK)

Development Pipeline Update

TNK recently entered into 62 centre management deeds with its incubator, EDHOD Pty Ltd. (as announced to ASX on 18 April 2017). EDHOD Pty Ltd has recently been renamed Grassroots Developments Limited (GRD).

Over the past 3+ years TNK has acquired 10 centres from GRD and TNK currently manage a further 17 trading childcare centres for GRD. Once the trading centres trade at the required levels to trigger the put and call options, it is TNK's goal to acquire the centres and GRD's to di-vest the centres.

The GRD pipeline provides TNK with a solid source of newly developed, purpose built childcare centres around Australia for TNK to acquire progressively over the next 4 years. Consistent with recent disclosure, TNK currently forecasts a total of 6 acquisitions in CY2018, and we expect an escalation in acquisitions in CY2019.

GRD has advised TNK that they are seeking to raise capital via an issue of equity to enhance their ability to accelerate their pipeline of trading centres. This may result in GRD's pipeline becoming fully operational earlier than previously anticipated by TNK.

TNK cautions that there is no certainty that GRD, or any of TNK's other incubators, will be successful in their capital raising, acquiring and developing childcare centres or that developed centres will trade at the required levels to trigger the put and call options that result in acquisitions by TNK.

END RELEASE

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