

NZX/ASX RELEASE

23 March 2016

IQE – INTUERI CONFIRMS NEW BANKING FACILITY AND OCA GROUP EARNOUT

- Confirmation of extension of the existing bank facility to March 2018, with an additional debt facility of \$20m taking the total facility to \$80m
- Final earn out amount for The OCA Group acquisition confirmed as A\$19.9m
- OCA earn out payment terms agreed, with A\$15m payment in March 2016 and deferral of remaining A\$4.9m until June 2017
- Waiver obtained from NZX Listing Rule 9.2.1 for OCA related party transaction

Intueri Education Group Limited (NZX/ASX: IQE) advises that its extended bank facility is now in place, with an additional debt facility of \$20m taking the total facility to \$80m. As previously advised, the \$20m increase is to allow for final acquisition payments for both the 50% shareholding in The OCA Group, which Intueri acquired in January 2015 (taking it to 100% shareholding), and for the New Zealand Institute of Sport and New Zealand College of Massage (NZIS/NZCM) which were acquired in November 2015.

Commercial terms for the extended facility are broadly in line with existing terms, although the debt covenant ratio will initially increase from 2.5 to 3.5 x EBITDA to accommodate the acquisition payments, and will then reduce to current levels over the tenure of the facility. The bank facility is now for two years, rather than three years as previously indicated. This shorter term will allow Intueri to renegotiate a new facility in early 2018, post completion of its 2017 financial statements.

Intueri has a supportive relationship with its bankers, positive operating cash flows, and is focused on reducing debt over the next two years.

As previously advised, the final deferred consideration payable in 2016 for the acquisition of The OCA Group increased from A\$15m to A\$19.9m due to the outperformance of this business in 2015. A part payment of \$A15m is to be paid in March 2016, and the vendors have agreed to defer payment of the final A\$4.9m until June 2017.

An interest charge of 6.95% is payable on the deferred balance, and security granted over the assets of the Australian group companies as part of this arrangement. As the vendors of The OCA Group could be considered related parties for the purposes of NZX Listing Rules, and providing security for the deferred payment is a material transaction under the NZX Listing Rules, a waiver from NZX Listing Rule 9.2.1 has been sought and granted.

-Ends-

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About Intueri:

Intueri Education is a New Zealand headquartered group of private training establishments delivering vocational education to students in New Zealand and Australia and from around the world.

We provide industry-appropriate courses and qualifications across a diverse range of industries, working closely with those industries to ensure training remains relevant and employment-outcome focused.

Intueri is dual listed on the NZX and ASX under the ticker symbol IQE.