

5 December 2014

Pre-quotation disclosure notice

The following information is required to be given to ASX for release to the market in connection with the commencement of official quotation in the fully paid ordinary shares (**Shares**) in Evolve Education Group Limited ARBN 601 709 237 (**Evolve** or **Company**) (ASX: EVO).

Unless otherwise defined in this notice, capitalised terms have the meanings given to them in Evolve's New Zealand prospectus dated 14 November 2014 (**Prospectus**)¹.

Basis of allocation and procedure for determining allocation

Shares have been allocated under each component of Evolve's initial public offer of Shares (**Offer**) as follows:

Broker Firm Offer	30,000,000
Institutional Offer	102,317,278
Total Shares issued or transferred under the Offer	132,317,278

The Shares issued under the Offer were issued on 4 December 2014. Each new Share was issued for NZ\$1.00 per Share.

Institutional offer allocations were made in the Bookbuild as described in the Prospectus.

There was no scaling of the Broker Firm Offer, therefore there will not be any refunds.

Applicants are responsible for confirming the number of Shares allocated to them before trading any Shares. Applicants who sell Shares before they receive an initial statement of holding do so at their own risk. Applicants under the Broker Firm Offer can determine their precise allocation by contacting their broker. Applicants under the Institutional Offer will have received confirmation of their precise allocation from Goldman Sachs New Zealand Limited (**Goldman Sachs**).

Commencement of trading

CHESS holding notices and issuer sponsored holding statements were mailed on 4 December 2014. Accordingly Shares will commence trading at 11.00am today, 5 December 2014 on a normal settlement basis.

¹ The Prospectus was accompanied by Additional Australian Information also dated 14 November 2014.

Statement of the 20 largest Shareholders

Set out below is a statement of the 20 largest Shareholders and the number and percentage of Shares they hold following completion of the Offer. Evolve only has one class of shares on issue.

Shareholder	No. of Shares held	% Shares held
NEW ZEALAND CENTRAL SECURITIES DEPOSITORY LIMITED	43,927,071	24.81
MARK FINLAY & GEOFFREY HOSKING <MARK FINLAY INVESTMENT NO.2>	20,138,542	11.37
NATIONAL NOMINEES LIMITED	18,349,342	10.36
CITICORP NOMINEES PTY LIMITED	14,170,835	8.00
RUSSELL THOMPSON & GEOFFREY HOSKING <111 INVESTMENT A/C>	8,257,069	4.66
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,052,515	3.98
SCOTTFIN ECE LIMITED	6,605,450	3.73
UBS NOMINEES PTY LTD	6,248,663	3.53
FORSYTH BARR CUSTODIANS LIMITED <1-33 A/C>	4,948,000	2.79
BRISPOT NOMINEES PTY LTD	3,766,115	2.13
RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LTD	3,511,500	1.98
JBWERE (NZ) NOMINEES LIMITED	2,343,000	1.32
KERN GROUP NZ LIMITED	2,285,369	1.29
WRAITH CAPITAL GROUP NZ LIMITED	2,285,369	1.29
STUART JAMES & GILLIAN JAMES	2,285,369	1.29
J P MORGAN NOMINEES AUSTRALIA LIMITED	2,267,728	1.28
FORSYTH BARR CUSTODIANS LIMITED <1-17.5 A/C>	2,211,300	1.25
FORSYTH BARR CUSTODIANS LIMITED <1-30 A/C>	1,424,200	0.80
MARK FINLAY & MARK DOBSON TRUSTEE COMPANY LIMITED <HR FINLAY FAMILY A/C>	1,208,840	0.68
LEVERAGED EQUITIES FINANCE LIMITED	942,500	0.53
Total number of Shares on issue		177,082,724
Top 20 as a percentage of total Shares on issue		87.09%

Distribution schedule

Set out below is a statement setting out the total number of Shareholders and the number of Shareholders by size category.

Range	Number of shareholders	Number of shares
1 – 1,000	1	780
1,001 – 5,000	98	394,470
5,001 – 10,000	138	1,259,580
10,001 – 100,000	349	12,129,534
100,000 and over	57	163,298,360
TOTAL	643	177,082,724

Additional information

Bookbuild

The following additional information is required by ASX Listing Rule 1.1 Condition 17:

- the Bookbuild took place on 13 November 2014 and was conducted by Goldman Sachs as the sole bookrunner. Under the Bookbuild, selected Institutional Investors and selected NZX Firms and Brokers lodged bids for Shares under the Institutional Offer and New Zealand Broker Firm Offer, indicating the number of Shares they wished to apply for at the Offer price. The allocation of Shares issued under each component of the Offer is detailed above under the heading 'Basis of allocation and procedure for determining allocation';
- as noted above, the Offer Price was NZ\$1.00 per Share;
- there were no concessionary fee or other arrangements entered into by Evolve or its associates which has had the effect of reducing the effective price paid for Shares by some Applicants under the Bookbuild;
- there were no arrangements entered into which has resulted in some Applicants under the Bookbuild receiving a material benefit for agreeing to participate in the Bookbuild at the Offer price of NZ\$1.00 per Share which was not also received by all other Applicants under the Bookbuild; and
- other than the Underwriting Agreement, a summary of which is set out in the Prospectus, there were no arrangements entered into by Evolve or its associates to avoid a shortfall or the appearance of a shortfall under the Bookbuild.

Acquisitions detailed in the Prospectus

The Company also provides the following confirmations:

- that completion under the agreement dated 14 November 2014 in relation to the acquisition of Lollipop Educare Holdings Limited has now occurred;
- that completion under the agreement dated 22 September 2014 in relation to the acquisition of PORSE In-Home Childcare (NZ) Limited, PORSE Franchising (NZ) Limited, PORSE Education & Training (NZ) Limited and FOR Life Education & Training Limited has now occurred; and
- that all material conditions precedent to the completion of the 9 early childcare education centres from Artemis Group have now been satisfied.

The remaining agreements are on substantially the same terms for all ECE centres and they provide for one of the wholly owned subsidiaries of the Company (or its nominee) to acquire the business and assets and assume certain liabilities of the vendor of the ECE centre. Completion of these agreements is scheduled to occur during December 2014 through to March 2015. Certain conditions precedent must be satisfied including due diligence, finance, transfer of ECE centre licence and landlord consent. The Company has been granted certain access and information rights from signing until completion in order to undertake due diligence and prepare for transition to Evolve Education's working procedures. There are also provisions in the agreement regarding the limitation of the sellers' and target business' conduct during the period between signing and completion and mechanical provisions in relation to completion and the transfer of employees.

So far as it is aware, the Company has no reason to believe that the remaining contracts to acquire the ECE centres as disclosed in the Prospectus will not settle and complete in accordance with the terms specified in the relevant acquisition agreement and on the dates agreed with the relevant vendors.

Further detail in relation to the above mentioned acquisitions is set out in Section 10 *Statutory Information*, subsection 12 “Acquisition of business or subsidiary” of the Prospectus.

Voluntary escrow

On completion of the Offer a total of 44,765,446 Shares will be subject to voluntary escrow arrangements the duration of which is set out below:

Number	Release date
8,555,545	8.00am on the date that is 2 years after the date of commencement of quotation and trading of the Shares on the NZX Main Board
36,209,901	8.00am on the date that is 2 years after the date of completion under the Sale and Purchase Agreement between the Company and the vendors of Lollipops Educare Holdings Limited

For further detail in relation to the voluntary escrow arrangements entered into by Evolve with certain of its Shareholders, please see Section 8.1 *Details of the Offer* of the Prospectus.

ASX Listing Rule 7.1

ASX has granted Evolve a waiver from the requirements of ASX Listing Rule 7.1 to the extent necessary to permit Evolve to issue more than 15% of its shares without shareholder approval on the following conditions:

- that the Company remains subject to, and complies with, the NZSX Listing Rules of NZX Limited (**NZX**) with respect to the issue of new securities;
- the Company certifies to ASX on an annual basis that it remains subject to, has complied with, and continues to comply with, the NZSX Listing Rules with respect to the issue of new securities;
- if the Company becomes aware of any changes to the application of the NZSX Listing Rules with respect to the issue of new securities, or that the Company is no longer in compliance with the NZSX Listing Rules with respect to the issue of new securities, it must immediately advise ASX; and
- the Company releases the terms of this waiver to market as pre-quotation disclosure.