

30 APRIL 2015

**Evolve files quarterly ASX Appendix and NZX Schedule as at 31 March 2015**

Evolve Education Group Limited ("Evolve") provides the following market update.

Total cash held by Evolve as at 31 March 2015 was \$4.6m and its total bank loan facilities of \$90m were undrawn at that date. On the 2<sup>nd</sup> of April, Evolve announced the acquisition of eight further centres in April over and above the 86 centres it had already acquired. Subsequent to that, Evolve drew down \$14m of its total bank loan facilities of which \$11m was from the \$60m acquisition facility to fund the acquisitions.

Evolve is required under ASX Listing Rule 4.7B to provide quarterly cash flow reports to the ASX. This is because Evolve was admitted to the official list of ASX under ASX Listing Rule 1.3.2(b) as a result of its commitment to acquire a range of early childhood education businesses either on, or shortly after, admission. All companies that are admitted under that listing rule need to provide such quarterly cash flow reports. The attached unaudited cash flow report is for the quarter ended 31 March 2015.

This market update also includes information in the schedule provided to satisfy the conditions to the waiver from NZX Main Board Listing Rule 10.4.2 granted by NZX Regulation on 31 December 2014. This information relates to the period to, and is current as at, 31 March 2015.

ENDS

For any further inquiries please contact:

Alan Wham

Chief Executive

Evolve Education Group Limited

Email: [alan.wham@eeg.co.nz](mailto:alan.wham@eeg.co.nz)

Mobile: +64 27 582 4838

## NZX SCHEDULE

The figures set out below relate to the period ended 31 March 2015.

- i. Total number of ECE centres = 86  
 Home-based ECE businesses = 2, being the Porse Group of companies and Au Pair Link Limited.  
 Other businesses or companies owned = 2. This includes Lollipop Educare Holdings Limited, which owns 30 ECE centres included in the total of 86 ECE centres noted above, and ECE Management Limited.
- ii. Total number of ECE Centre licences held = 85\*  
*\*Two Centres share one licence*
- iii. Total number of ECE home-based licences held = 91
- iv. Total number of licensed child places across all ECE Centres = 6,018
- v. Total number of licensed home-based child places across all home-based ECE businesses = 7,280
- vi. Of the 86 ECE Centres acquired by 31 March 2015, all ECE Centres are confirmed as having completed integration into the Evolve Group, as referenced in the Prospectus.
- vii. As at 31 March 2015 the total amount spent or committed by Evolve on the acquisition of the Initial Portfolio (as that term is defined in the Prospectus) was NZ\$171.0m.
- viii. As at 31 March 2015 Evolve was not drawn down on any of its borrowing facilities (NZ\$30m senior revolving facility and NZ\$60m acquisition facility) with ASB Bank Limited. The company had utilised \$2.0m of the NZ\$3m lease guarantee facility that has also been made available by ASB Bank Limited.

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Evolve Education Group Limited

ARBN

601 709 237

Quarter ended ("current quarter")

31-Mar-2015

Note: The consolidated statement of cash flows is unaudited.

### Consolidated statement of cash flows

		Current quarter	20-May-14 to 31-Mar-15
		\$NZ'000	\$NZ'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from customers	36,999	38,737
	Payments for (a) staff costs	(17,214)	(20,013)
	(b) advertising and marketing	-	-
1.2	(c) research and development	-	-
	(d) leased assets	(3,498)	(4,384)
	(e) other working capital	2,900	2,825
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	66	191
1.5	Interest and other costs of finance paid	(258)	(1,853)
1.6	Income taxes paid	(744)	(770)
1.7	Other - Integration Costs	(133)	(1,494)
1.8	Other - Acquisition costs	(1,588)	(5,033)
1.9	Other (provide details if material)	(2,306)	(5,097)
<b>Net operating cash flows</b>		<b>14,224</b>	<b>3,110</b>

		Current quarter \$NZ'000	20-May-14 to 31- Mar-14 \$NZ'000
1.8	Net operating cash flows (carried forward)	14,224	3,110
	<b>Cash flows related to investing activities</b>		
	Payment for acquisition of:		
	(a) businesses (item 5)	(37,598)	(132,335)
1.9	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	(225)	(368)
	(e) other non-current assets	-	-
	(f) cash included on consolidation of subsidiary	-	15,301
	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
1.10	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
	<b>Net investing cash flows</b>	(37,823)	(117,402)
1.14	<b>Total operating and investing cash flows</b>	(23,599)	(114,292)
	<b>Cash flows related to financing activities</b>		
1.15	Proceeds from issues of shares, options, etc.	227	119,941
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	10,000	10,704
1.18	Repayment of borrowings	(10,000)	(11,743)
1.19	Dividends paid	-	-
1.20	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	227	118,902
	<b>Net increase (decrease) in cash held</b>	(23,372)	4,610
1.21	Cash at beginning of quarter/year to date	27,982	-
1.22	Exchange rate adjustments to item 1.20		
1.23	<b>Cash at end of quarter</b>	4,610	4,610

+ See chapter 19 for defined terms.



**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter NZ'000
1.24	Aggregate amount of payments to the parties included in item 1.2, 1.5 & 1.8	437
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Please refer disclosures in the Prospectus.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

## Financing facilities available

*Add notes as necessary for an  
understanding of the position.*

		Amount available \$NZ'000	Amount used \$NZ'000
3.1	Loan facilities	90,000	-
3.2	Credit standby arrangements	-	-

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+ See chapter 19 for defined terms.

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter	Previous quarter
		\$NZ'000	\$NZ'000
4.1	Cash on hand and at bank	2,025	2,772
4.2	Deposits at call	2,585	25,210
4.3	Bank overdraft	-	
4.4	Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.23)</b>		4,610	27,982

## Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity*	Refer below	
5.2	Place of incorporation or registration	New Zealand	
5.3	Consideration for acquisition or disposal**	37,598	
5.4	Total net assets		
5.5	Nature of business	Childcare	

\*Name of Entity

21 Childcare centres & interest in two associates (now wholly owned subsidiaries)

\*\*Consideration for acquisition \$NZ '000

37,598

Total

37,598

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters

Sign here:

(Director/Company secretary)

  
.....  
30.4.2015

Print name:

VIVEK SINGH  
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## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
- 3 **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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