

28 JULY 2015

**Evolve files quarterly ASX Appendix 4C as at 30 June 2015 and reschedules Annual Meeting**

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

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 30 June 2015. During this quarter no Ministry of Education ("MOE") funding was received. MOE funding is received every four months on the first trading day of March, July and November each year.

During this quarter Evolve settled 9 ECE centre acquisitions, fully debt funded, bringing its total ECE centres to 95.

Evolve advises a change of its Annual Meeting, which will now be held at 10am on 4 September 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

# 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")

30-Jun-2015

Note: The consolidated statement of cash flows is unaudited.

### Consolidated statement of cash flows

		Current quarter	1-April-15 to 30-June-15
		\$NZ'000	\$NZ'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from customers	9,517	9,517
	Payments for (a) staff costs	(18,216)	(18,216)
	(b) advertising and marketing	-	-
1.2	(c) research and development	-	-
	(d) leased assets	(4,047)	(4,047)
	(e) other working capital	(5,032)	(5,032)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	83	83
1.5	Interest and other costs of finance paid	(112)	(112)
1.6	Income taxes paid	(850)	(850)
1.7	Other - Integration Costs	(6)	(6)
1.8	Other - Acquisition costs	(674)	(674)
1.9	Other (provide details if material)	(5,078)	(5,078)
<b>Net operating cash flows</b>		<b>(24,415)</b>	<b>(24,415)</b>
MOE funding is received by Evolve every four months. No MOE funding was received in this quarter. MOE funding of \$34.8m was received on 1 July 2015.			

		Current quarter \$NZ'000	1-April-15 to 30- June-15 \$NZ'000
1.8	Net operating cash flows (carried forward)	(24,415)	(24,415)
	<b>Cash flows related to investing activities</b>		
	Payment for acquisition of:		
	(a) businesses (item 5)	(10,410)	(10,410)
1.9	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	(391)	(391)
	(e) other non-current assets	-	-
	(f) cash included on consolidation of subsidiary	-	-
	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>	(10,801)	(10,801)
1.14	<b>Total operating and investing cash flows</b>	(35,216)	(35,216)
	<b>Cash flows related to financing activities</b>		
1.15	Proceeds from issues of shares, options, etc.	-	-
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	32,400	32,400
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other (provide details if material)	(11)	(11)
	<b>Net financing cash flows</b>	32,389	32,389
	<b>Net increase (decrease) in cash held</b>	(2,827)	(2,827)
1.21	Cash at beginning of quarter/year to date	4,610	4,610
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	<b>Cash at end of quarter</b>	1,783	1,783

+ 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, 1.8 & 1.9	1,051
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	32,400
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	944	2,025
4.2	Deposits at call	839	2,585
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
	<b>Total: cash at end of quarter (item 1.23)</b>	<b>1,783</b>	<b>4,610</b>

## 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**	10,410	
5.4	Total net assets		
5.5	Nature of business	Childcare	

\*Name of Entity

9 separate childcare  
centres and  
acquisition  
completion  
payment re Porse.

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

10,410

Total

10,410



## Compliance statement

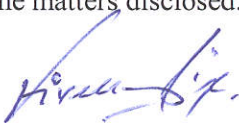
1

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 disclosed.

Sign here:

  
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Date: 28 July 2015  
.....

(Director/Company  
secretary)

Print name:

VIVEK SINGH  
.....

## 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.