

ASX Announcement

G8 Education Limited
(ASX:GEM)



20 April 2020

G8 completes despatch of Retail Entitlement Offer booklet

G8 Education Limited confirms that the retail entitlement offer booklet (**Retail Offer Booklet**) and personalised entitlement and acceptance form in connection with the fully underwritten¹ 1 for 2.2 pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**), as announced to ASX on 9 April 2020, was despatched to Eligible Retail Shareholders today.

A letter to Ineligible Retail Shareholders notifying them of the Entitlement Offer and their ineligibility to participate has also been despatched.

A copy of the Retail Offer Booklet and the letter to Ineligible Retail Shareholders is attached.

A copy of the Retail Offer Booklet (and the personalised entitlement and acceptance form) is also accessible to Eligible Retail Shareholders online at www.g8education.edu.au.

Retail Entitlement Offer

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) opens today, Monday, 20 April 2020, and is expected to close at 5.00pm (AEST) on Friday, 1 May 2020.

Application Monies must be received prior to this time, in accordance with the Retail Offer Booklet and the personalised entitlement and acceptance form.

Shareholder Enquiries

Eligible Retail Shareholders are encouraged to carefully read the Retail Offer Booklet for further details relating to the Retail Entitlement Offer.

Shareholders with questions in relation to the Retail Entitlement Offer may contact the G8 Offer Information Line on 1300 794 935 (within Australia) or +61 1300 794 935 (outside Australia) at any time from 8.30am to 5.30pm (AEST) Monday to Friday during the Retail Entitlement Offer Period.

ENDS

This document has been authorised for release by the Board of Directors.

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¹ Subject to the qualifications set out in Section 4.7 of the Retail Offer Booklet.

G8 Education Limited

ABN 95 123 828 553

Retail Entitlement Offer

**1 for 2.2 pro rata accelerated non-renounceable entitlement
offer of new G8 ordinary shares at \$0.80 per New Share**

Retail Entitlement Offer closes: 5.00pm (AEST) on Friday, 1 May 2020

If you are an Eligible Retail Shareholder, this is an important document that requires your immediate attention. It should be read in its entirety. This document is not a prospectus under the Corporations Act and has not been lodged with ASIC. You should consult your stockbroker, solicitor, accountant or other professional adviser if you have any questions.

**NOT FOR DISTRIBUTION TO U.S. WIRE SERVICES OR RELEASE IN THE UNITED
STATES**

IMPORTANT NOTICES

This Retail Offer Booklet is dated 20 April 2020. Capitalised terms in this section have the meaning given to them in this Retail Offer Booklet.

This Retail Offer Booklet has been issued by G8 Education Limited (ABN 95 123 828 553).

The Retail Entitlement Offer is made in accordance with section 708AA of the Corporations Act (as notionally modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*). This Retail Offer Booklet does not contain all of the information which an investor may require to make an informed investment decision, nor does it contain all the information which would be required to be disclosed in a prospectus. The information in this Retail Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Retail Offer Booklet should be read in its entirety before you decide to participate in the Retail Entitlement Offer. This Retail Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY®¹ in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Retail Offer Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Retail Offer Booklet.

No overseas offering

This Retail Offer Booklet (including the accompanying Entitlement and Acceptance Form) does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Retail Offer Booklet does not constitute an offer to Ineligible Retail Shareholders and may not be distributed in the United States and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States or acting for the account or benefit of persons in the United States.

This Retail Offer Booklet is not to be distributed in, and no offer of New Shares is to be made under the Retail Entitlement Offer, in countries other than Australia and New Zealand unless G8, in its discretion, is satisfied that the Entitlement Offer may be made in compliance with all applicable laws.

No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Retail Offer Booklet (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of the information in this Retail Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares (if any) is subject to all requisite authorities and clearances being obtained for G8 to lawfully receive your Application Monies.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

¹® registered to BPAY Pty Ltd (ABN 69 079 137 518).



This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

None of the information in this Retail Offer Booklet or the Entitlement and Acceptance Form accompanying it when it is dispatched to Eligible Retail Shareholders (as set out in the "Key Dates" section) constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person acting for the account or benefit of any person in the United States. Neither this Retail Offer Booklet (or any part of it) nor the Entitlement and Acceptance Form when made available may be released or distributed, directly or indirectly, to persons in the United States.

The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. The New Shares may not be offered, sold or resold in the United States or to persons acting for the account or benefit of a person in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The New Shares to be offered and sold in the Retail Entitlement Offer described in this Retail Offer Booklet may only be offered and sold outside the United States in "offshore transactions" (as defined in Regulation S under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

Definitions, currency and time

Defined terms used in this Retail Offer Booklet are contained in Section 6. All references to time are to AEST, unless otherwise indicated.

Foreign exchange

All references to '\$' are to Australian dollars unless otherwise noted.

Taxation

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares. Section 5 provides for a general guide to the Australian income tax, goods and services tax and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders. The guide does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. G8 recommends that you consult your professional tax adviser in connection with the Retail Entitlement Offer.

Privacy

G8 collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in G8.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to G8 (directly or through the Share Registry). G8 collects, holds and will use that information to assess your Application. G8 collects your personal information to process and administer your shareholding in G8 and to provide related services to you. G8 may disclose your personal information for purposes related to your shareholding in G8, including to the Share Registry, G8's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that G8 holds about you. To make a request for access to your personal information held by (or on behalf of) G8, please contact G8 through the Share Registry.

Governing law

This Retail Offer Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law of Queensland, Australia. Each Applicant submits to the exclusive jurisdiction of the courts of Queensland, Australia.

No representations

No person is authorised to give any information or to make any representation in connection with the Retail Entitlement Offer which is not contained in this Retail Offer Booklet. Any information or representation in connection with the Retail Entitlement Offer not contained in the Retail Offer Booklet may not be relied upon as having been authorised by G8, its related bodies corporate or any of their respective directors, officers, employees, agents, advisers or representatives. Except as required by law, and only to the extent so required, none of G8, its related bodies corporate or any their respective directors, officers, employees, agents, advisers or representatives, or any other person, warrants or guarantees the future performance of G8 or any return on any investment made pursuant to this Retail Offer Booklet.

Past performance

Investors should note that any past performance information given in this Retail Offer Booklet is provided for illustrative purposes only and should not be relied upon as, and is not, an indication of future G8 performance, including future share price performance.

Future performance and forward-looking statements

This Retail Offer Booklet contains certain forward-looking statements. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "should", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance", "project", "forecast", "likely", "could", "target" or other similar words or expressions, and include statements in this Retail Offer Booklet regarding certain plans, strategies and objectives of management of G8 and indications of, and guidance or outlook on, expected financial performance or position, future earnings, dividends or distributions, the conduct and outcome of the Entitlement Offer and the use of proceeds.

The forward-looking statements contained in this Retail Offer Booklet involve known and unknown risks, uncertainties, contingencies and other factors, many of which are beyond the control of G8, subject to change without notice and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Several important factors could cause actual results or performance to differ materially from the forward looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the Australian and global economic environment and capital market conditions and other risk factors set out in this Retail Offer Booklet. Investors should consider the forward-looking statements contained in this Retail Offer Booklet in light of those disclosures.

Neither G8, nor any other person, gives any representation, warranty, assurance nor will guarantee that the occurrence of the events expressed or implied in any forward-looking statement actually occur. G8 disclaims any responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise. Readers are cautioned not to place undue reliance on forward looking statements and G8 disclaims any responsibility to update or revise any forward-looking statement to reflect any change in G8's financial condition, status, expectations or affairs



or any change in events, conditions or circumstances on which a statement is based, except as required by law.

Risks

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of G8, including possible delays in repayment and loss of income and principal invested. G8 does not guarantee any particular rate of return or the performance of G8, nor does it guarantee the repayment of capital from G8 or any particular tax treatment.

Shareholders should refer to the "Key Risks" section of the Investor Presentation in Section 3 of this Retail Offer Booklet for a summary of general and specific risk factors that may affect G8.

Trading New Shares

G8 will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by G8 or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt, as to these matters you should first consult with your stockbroker, solicitor, accountant or other professional adviser.



Chairman's Letter

20 April 2020

Dear Shareholder,

On behalf of the G8 board, it is my pleasure to invite you to participate in G8's 1 for 2.2 pro rata accelerated non-renounceable entitlement offer of new shares in G8 (**New Shares**) at an offer price of \$0.80 (**Offer Price**) per New Share (**Entitlement Offer**). The proceeds of the Entitlement Offer will be used to ensure G8 has the balance sheet flexibility and liquidity to manage the business through a prolonged period of disruption to the Early Childhood Education and Care sector.

Details of the Entitlement Offer

The Entitlement Offer comprises an accelerated institutional component to raise approximately \$92 million (**Institutional Entitlement Offer**), and a retail component to raise approximately \$75 million (**Retail Entitlement Offer**). Concurrently with the announcement of the Entitlement Offer, G8 announced a placement of New Shares to new and existing Institutional Investors at the Offer Price of \$0.80 per New Share, to raise approximately \$134 million (**Placement**, and together with the Entitlement Offer, the **Offer**). The Entitlement Offer and the Placement are fully underwritten² by UBS AG, Australia Branch (**UBS**) and Royal Bank of Canada (trading as RBC Capital Markets) (**RBC**, and together with UBS, the **Underwriters**).

The Institutional Entitlement Offer and the Placement were successfully completed on Thursday, 9 April 2020. The Retail Entitlement Offer opens at 9.00am (AEST) on Monday, 20 April 2020 and closes at 5.00pm (AEST) on Friday, 1 May 2020.

The Entitlement Offer is non-renounceable and therefore your Entitlement will not be tradeable on the ASX or any other exchange, or otherwise transferable. This means that Eligible Retail Shareholders (as defined in Section 6 of this Retail Offer Booklet) who do not take up their Entitlements will not receive any payment or value for those Entitlements and their proportionate interest in G8 will be diluted.

Eligible Retail Shareholders are entitled to subscribe for 1 New Share at the Offer Price for every 2.2 existing ordinary shares in G8 (**Existing Shares**) held at 7.00pm (AEST) on Wednesday, 15 April 2020 (**Record Date**) (**Entitlement**).

The Offer Price of \$0.80 per New Share represents:

- a discount of approximately 25.9% to the last traded price of \$1.08 on 2 April 2020; and
- a discount of approximately 16.1% to the theoretical ex-rights price (**TERP**) of \$0.95.³

The Offer Price under the Retail Entitlement Offer is the same as under the Institutional Entitlement Offer.

Under the Retail Entitlement Offer, Eligible Retail Shareholders that take up their full Entitlement may also apply for additional New Shares in excess of their Entitlement, up to a maximum of 25% of their Entitlement, at the Offer Price (**Oversubscription Facility**). Additional New Shares will only be available under the Oversubscription Facility to the extent that there are Entitlements under the Retail Entitlement Offer that are not taken up by Eligible Retail Shareholders or that would otherwise have been offered to Ineligible Retail Shareholders if they were eligible to participate in the Retail Entitlement Offer.

Applications under the Oversubscription Facility will be subject to scale back if Eligible Retail Shareholders apply for more additional New Shares than available under the Oversubscription Facility

² Subject to the qualifications set out in Section 4.7.

³ TERP includes the shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer. TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares trade on ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of G8's Shares as traded on ASX on 2 April 2020, being the last trading day prior to the announcement of the Entitlement Offer.

(see Section 2.3 of this Retail Offer Booklet for further information). Directors of G8 are not entitled to participate in the Oversubscription Facility.

How to apply

Accompanying this Retail Offer Booklet is your personalised Entitlement and Acceptance Form which contains details of your Entitlement.

The Retail Entitlement Offer closes at 5.00pm (AEST) on Friday, 1 May 2020. To participate, you should ensure that you have completed your application by paying the relevant application monies (**Application Monies**) by BPAY® before this time in the manner described in this Retail Offer Booklet. If you are unable to pay by BPAY® (for example if you are based in New Zealand and do not have an Australian bank account), you are able to pay by cheque.

Further information

Further information on the Retail Entitlement Offer and G8's business is detailed in this Retail Offer Booklet. You should carefully read this Retail Offer Booklet in its entirety and consult your stockbroker, accountant or other professional adviser before making your investment decision. In particular, you should read and consider the "Key risks" section of the G8 Investor Presentation included in Section 3 of this Retail Offer Booklet, which contains a summary of some of the key risks associated with an investment in G8.

If you have any questions in respect of the Retail Entitlement Offer, please call the G8 Offer Information Line on 1300 794 935 (within Australia) or +61 1300 794 935 (outside Australia) at any time from 8.30am to 5.30pm (AEST) Monday to Friday during the Retail Entitlement Offer Period. This Retail Offer Booklet contains detailed information about the Entitlement Offer, including instructions on how to participate should you choose to do so.

On behalf of my fellow G8 directors, I look forward to welcoming your participation in the G8 Retail Entitlement Offer and your continued ownership of G8.

Yours sincerely,



Mark G. Johnson

Chairman

G8 Education Limited



Summary of Offer

Institutional Entitlement Offer	
Offer Price	\$0.80 per New Share
Size	Approximately 115.0 million New Shares
Gross proceeds	Approximately \$92 million
Placement	
Offer Price	\$0.80 per New Share
Size	Approximately 167.3 million New Shares
Gross proceeds	Approximately \$134 million
Retail Entitlement Offer	
Ratio	1 New Share for every 2.2 Existing Shares
Offer Price	\$0.80 per New Share
Size	Approximately 94.2 million New Shares
Gross proceeds	Approximately \$75 million
Total gross proceeds	
Expected total gross proceeds of the Offer	Approximately \$301 million

Key Dates

Activity	Date
Announcement of the Placement and the Entitlement Offer	Thursday, 9 April 2020
Placement and Institutional Entitlement Offer opened	Thursday, 9 April 2020
Placement and Institutional Entitlement Offer closed	Thursday, 9 April 2020
Record Date for Entitlement Offer (7.00pm)	Wednesday, 15 April 2020
Retail Offer Booklet lodged with ASX	Monday, 20 April 2020
Retail Offer Booklet and Entitlement and Acceptance Form despatched to Eligible Retail Shareholders	Monday, 20 April 2020
Retail Entitlement Offer opens	Monday, 20 April 2020
Settlement of New Shares issued under the Placement and Institutional Entitlement Offer	Tuesday, 21 April 2020
Allotment and commencement of trading of New Shares issued under the Placement and Institutional Entitlement Offer	Wednesday, 22 April 2020
Retail Entitlement Offer closes (5.00pm)	Friday, 1 May 2020
Settlement of New Shares issued under the Retail Entitlement Offer	Thursday, 7 May 2020
Allotment of New Shares issued under the Retail Entitlement Offer	Friday, 8 May 2020
Normal ASX trading for New Shares issued under the Retail Entitlement Offer commences	Monday, 11 May 2020
Despatch of holding statements for New Shares issued under the Retail Entitlement Offer	Tuesday, 12 May 2020

This timetable above (and each reference thereto or to dates therein in this Retail Offer Booklet) is indicative only and subject to change without notice. All times and dates in the timetable refer to AEST. G8 reserves the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, G8 reserves the right to extend the closing date for the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the allotment date of New Shares.

G8 also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to applicants.

Enquiries

If you have any doubt about whether you should participate in the Entitlement Offer, you should seek professional financial advice from your stockbroker, solicitor, accountant or other professional adviser before making any investment decision.

If you would like a replacement Entitlement and Acceptance Form please visit www.g8education.edu.au to download your form. If you have questions on how to complete the Entitlement and Acceptance Form or how to take up your Entitlement please call the G8 Offer Information Line on 1300 794 935 (inside Australia) and +61 1300 794 935 (outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday during the Retail Entitlement Offer Period.

Table of Contents

1	Overview of the Entitlement Offer	13
1.1	Overview	13
1.2	Institutional Entitlement Offer and Placement	13
1.3	Retail Entitlement Offer	13
2	How to apply	15
2.1	Your Entitlement	15
2.2	Options available to you	15
2.3	Taking up all of your Entitlement or taking up all of your Entitlement and participating in the Oversubscription Facility	15
2.4	Taking up part of your Entitlement	16
2.5	Allowing your Entitlement to lapse	16
2.6	Consequences of not taking up all of your Entitlement	16
2.7	Payment	16
2.8	Payment by BPAY®	17
2.9	If you are unable to pay by BPAY®	17
2.10	Entitlement and Acceptance Form is binding	18
2.11	Brokerage and stamp duty	20
2.12	Notice to nominees and custodians	20
2.13	Withdrawal of the Entitlement Offer	21
2.14	Risks	21
2.15	Further enquiries	21
3	ASX Announcements and Investor Presentation	23
4	Additional information	24
4.1	Responsibility for this Retail Offer Booklet	24
4.2	Date of this Retail Offer Booklet	24
4.3	Eligibility of Retail Shareholders	24
4.4	Ranking of New Shares	24
4.5	Allotment, quotation and trading	25
4.6	Reconciliation	25
4.7	Underwriting	25
4.8	Continuous Disclosure	27
4.9	No cooling off rights	27
4.10	Rounding of Entitlements	27
4.11	Not financial product or investment advice	27
4.12	Financial data	27
4.13	Ineligible Shareholders	27
5	Australian taxation consequences	29
5.2	Issue of Entitlement	29
5.3	Exercise of Entitlement	29
5.4	Lapse of Entitlement	30
5.5	Taxation in respect of Dividends on New Shares	30
5.6	Disposal of New Shares	30
5.7	Taxation of Financial Arrangements	31
5.8	GST and stamp duty	31
6	Definitions	32
7	Corporate information	35

Summary of options available to you

If you are an Eligible Retail Shareholder⁴, you may take one of the following actions:

- take up all of your Entitlement, and if you do so, you may apply for additional New Shares under the Oversubscription Facility;
- take up part of your Entitlement and allow the balance to lapse; or
- do nothing, in which case your Entitlement will lapse and you will receive no value for your Entitlement.

If you are a retail shareholder but are not an Eligible Retail Shareholder, you are an **"Ineligible Retail Shareholder"**. Ineligible Retail Shareholders are not entitled to participate in the Entitlement Offer.

Options available to you	Key Considerations
Option 1: Take up all of your Entitlement, and if you do so, you may apply for additional New Shares under the Oversubscription Facility	<ul style="list-style-type: none"> • You may elect to purchase New Shares at the Offer Price (see Section 2 <i>"How to Apply"</i> for instructions on how to take up your Entitlement). • The New Shares will rank equally in all respects with Existing Shares (including rights to dividends and distributions). • The Retail Entitlement Offer closes at 5.00pm (AEST) on Friday, 1 May 2020. • You may also apply for additional New Shares under the Oversubscription Facility at the Offer Price, up to a maximum of 25% of your Entitlement. If you apply for additional New Shares under the Oversubscription Facility, and if your application is successful (in whole or in part), your additional New Shares will be issued to you at the same time and on the same terms that other New Shares are issued under the Retail Entitlement Offer. If you apply for additional New Shares, there is no guarantee that you will be allocated any additional New Shares. If Eligible Retail Shareholders apply for more additional New Shares than available under the Oversubscription Facility, G8 will scale back applications for additional New Shares in its absolute discretion having regard to the pro-rata Entitlement of Eligible Retail Shareholders who apply for additional New Shares. Directors of G8 are not entitled to participate in the Oversubscription Facility.
Option 2: Take up part of your Entitlement	<ul style="list-style-type: none"> • If you only take up part of your Entitlement, the part not taken up will lapse and the New Shares not subscribed for may be acquired by Eligible Retail Shareholders under the Oversubscription Facility,

⁴See Section 6 of this Retail Offer Booklet.

Options available to you	Key Considerations
	<p>or by the Underwriters or any sub-underwriters.</p> <ul style="list-style-type: none"> If you do not take up your Entitlement in full, you will not receive any payment or value for that part of your Entitlement not taken up. If you do not take up your Entitlement in full, your percentage holding in G8 will be reduced as a result of the Entitlement Offer.
<p>Option 3: Do nothing, in which case your Entitlement will lapse and you will receive no value for your Entitlement</p>	<ul style="list-style-type: none"> If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlement will lapse. The New Shares not subscribed for may be acquired by Eligible Retail Shareholders under the Oversubscription Facility, or by the Underwriters or any sub-underwriters. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable, which means it is non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can it be privately transferred. If you do not take up your Entitlement, you will not receive any payment or value for your Entitlement. If you do not take up your Entitlement, your percentage holding in G8 will be reduced as a result of the Entitlement Offer.



1 Overview of the Entitlement Offer

1.1 Overview

G8 intends to raise approximately \$167 million under the Entitlement Offer via an offer of approximately 209.2 million New Shares at an Offer Price of \$0.80 per New Share.

G8 will use the proceeds of the Entitlement Offer to ensure G8 has the balance sheet flexibility and liquidity to manage the business through a prolonged period of disruption to the Early Childhood Education and Care sector.

The Entitlement Offer has two components:

- (a) the Institutional Entitlement Offer – Eligible Institutional Shareholders were given the opportunity to take up all or part of their Entitlement, and a bookbuild process to sell Entitlements not taken up by Eligible Institutional Shareholders as well as Entitlements of Ineligible Institutional Shareholders at the Offer Price was carried out, to raise approximately \$92 million; and
- (b) the Retail Entitlement Offer (to which this Retail Offer Booklet relates) – Eligible Retail Shareholders will be given the opportunity to take up all or part of their Entitlement. Eligible Retail Shareholders who take up their full Entitlement may also participate in the Oversubscription Facility by applying for additional New Shares in excess of their Entitlement at the Offer Price, up to a maximum of 25% of their Entitlement. The Retail Entitlement Offer is expected to raise approximately \$75 million.

Both the Institutional Entitlement Offer and the Retail Entitlement Offer are non-renounceable. Accordingly, Entitlements do not trade on the ASX, nor can they be sold, transferred or otherwise disposed of.

New Shares issued under the Retail Entitlement Offer are to be issued at the same price as New Shares issued under the Institutional Entitlement Offer. In addition, Shareholders' Entitlements under the Institutional Entitlement Offer and the Retail Entitlement Offer are calculated based on the same ratio.

The Entitlement Offer is fully underwritten⁵ by the Underwriters in accordance with the terms of the Underwriting Agreement (as summarised in Section 4.7).

1.2 Institutional Entitlement Offer and Placement

G8 has already raised approximately \$92 million from Eligible Institutional Shareholders as part of the Institutional Entitlement Offer, at the Offer Price.⁶ New Shares are expected to be issued under the Institutional Entitlement Offer on Wednesday, 22 April 2020.

Concurrently with the Institutional Entitlement Offer, G8 undertook a Placement under which approximately 167,337,066 New Shares were offered to new and existing Institutional Investors at the Offer Price per New Share, raising approximately \$134 million.⁶ New Shares are expected to be issued under the Placement on Wednesday, 22 April 2020.

1.3 Retail Entitlement Offer

The Retail Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*) which allows rights issues to be offered without a prospectus, provided certain conditions are satisfied.

⁵ Subject to the qualifications set out in Section 4.7.

⁶ Settlement of the Institutional Entitlement Offer and Placement is due to occur on Tuesday, 21 April 2020 and is subject to certain conditions and termination events. Refer to Section 4.7.



As a result, the Retail Entitlement Offer is not being made under a prospectus and it is important for Eligible Retail Shareholders to read and understand the information on G8 and the Retail Entitlement Offer made publicly available, prior to taking up all or part of their Entitlement. In particular, please refer to the materials in Section 3 of this Retail Offer Booklet and other announcements made available at <https://g8education.edu.au/investor-information/asx-announcements/> or www.asx.com.au and all other parts of this Retail Offer Booklet carefully before making any decisions in relation to your Entitlement.

The Retail Entitlement Offer constitutes an offer to Eligible Retail Shareholders, who are invited to apply for 1 New Share for every 2.2 Existing Shares held on the Record Date.

The Offer Price of \$0.80 per New Share represents:

- a discount of approximately 25.9% to the last traded price of \$1.08 on 2 April 2020; and
- a discount of approximately 16.1% to the theoretical ex-rights price (**TERP**) of \$0.95.⁷

The Retail Entitlement Offer opens on Monday, 20 April 2020. This is also the date when the Retail Offer Booklet will be dispatched, along with a personalised Entitlement and Acceptance Form, to Eligible Retail Shareholders. These documents will also be made available online at www.g8education.edu.au. The Retail Entitlement Offer is expected to close at 5.00pm (AEST) on Friday, 1 May 2020.

Any New Shares not taken up by the Closing Date may be made available to those Eligible Retail Shareholders who took up their full Entitlement and applied for additional New Shares under the Oversubscription Facility at the Offer Price, up to a maximum of 25% of their Entitlement. There is no guarantee that Eligible Retail Shareholders will receive the number of additional New Shares applied for under the Oversubscription Facility. Additional New Shares will only be allocated to Eligible Retail Shareholders under the Oversubscription Facility if available and then only if and to the extent that G8 so determines, in its absolute discretion. Any scale-back will be applied by G8 in its absolute discretion. Directors of G8 are not entitled to participate in the Oversubscription Facility.

⁷ TERP includes the shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer. TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares trade on ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of G8's Shares as traded on ASX on 2 April 2020, being the last trading day prior to the announcement of the Entitlement Offer.

2 How to apply

2.1 Your Entitlement

An Entitlement and Acceptance Form setting out your Entitlement (calculated as 1 New Share for every 2.2 Existing Shares held on the Record Date with fractional entitlements rounded up to the nearest whole number of New Shares) accompanies this Retail Offer Booklet. Eligible Retail Shareholders may subscribe for all or part of their Entitlement. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. Personalised Entitlement and Acceptance Forms will also be available online at www.g8education.edu.au from Monday, 20 April 2020 (being the date on which the Retail Entitlement Offer opens).

Please note that the Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a person in the United States (refer to the definition of Eligible Retail Shareholders in Section 6). Eligible Retail Shareholders should be aware that an investment in G8 involves risks. The key risks identified by G8 are set out in the section entitled "Key Risks" in the Investor Presentation (in Section 3 of this Retail Offer Booklet).

2.2 Options available to you

Eligible Retail Shareholders may:

- (a) take up their Entitlement in full by the Closing Date, and if you do so, you may apply for additional New Shares under the Oversubscription Facility (refer to Section 2.3);
- (b) take up part of their Entitlement by the Closing Date, in which case the balance of their Entitlement would lapse (refer to Section 2.3); or
- (c) do nothing and allow their Entitlement to lapse (refer to Section 2.5).

The Retail Entitlement Offer is an offer to Eligible Retail Shareholders only. Ineligible Retail Shareholders may not take up all or part of their Entitlement.

G8 reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.

The Closing Date for acceptance of the Retail Entitlement Offer is **5.00pm (AEST) on Friday, 1 May 2020** (however, that date may be varied by G8, in accordance with the ASX Listing Rules and applicable law).

2.3 Taking up all of your Entitlement or taking up all of your Entitlement and participating in the Oversubscription Facility

If you wish to take up all of your Entitlement, payment must be made via BPAY® if possible for the full amount payable (being the Offer Price multiplied by the number of New Shares comprising your Entitlement). Eligible Retail Shareholders based in New Zealand who do not have an Australian bank account will be able to pay by cheque. Payments must be made by following the instructions set out on the personalised Entitlement and Acceptance Form. Payment must be received by no later than 5.00pm (AEST) on the Closing Date (Friday, 1 May 2020).

If you wish to take up all of your Entitlement, you may also apply for additional New Shares under the Oversubscription Facility at the Offer Price, up to a maximum of 25% of your Entitlement. Any Application Monies received for more than your full Entitlement of New Shares will be treated as applying for as many additional New Shares as it will pay for in full.

Any New Shares referable to Entitlements not taken up by the Closing Date or that would otherwise have been offered to Ineligible Retail Shareholders if they were eligible to participate in the Retail Entitlement Offer may be made available to those Eligible Retail Shareholders who took up their full Entitlement and applied for additional New Shares under the Oversubscription Facility. If you apply for additional New Shares under the Oversubscription Facility, and if your application is successful (in whole or in part), your additional New Shares will be issued to you at the same time and on the same terms that other New Shares are issued under the Retail Entitlement Offer. The decision on the number of additional New Shares to be issued to you will be final.

Additional New Shares will only be allocated to Eligible Retail Shareholders if available, and subject to the Corporations Act, ASX Listing Rules and other applicable laws and regulations. If you apply for additional New Shares, there is no guarantee that you will be allocated any additional New Shares. If Eligible Retail Shareholders apply for more additional New Shares than available under the Oversubscription Facility, G8 will scale back applications for additional New Shares in its absolute discretion having regard to the pro-rata Entitlement of Eligible Retail Shareholders who apply for additional New Shares. Directors of G8 are not entitled to participate in the Oversubscription Facility.

2.4 Taking up part of your Entitlement

If you wish to take up part of your Entitlement, payment must be made via BPAY® if possible for the amount payable (being the Offer Price multiplied by the number of New Shares you wish to take up, which will be less than your Entitlement as specified on the Entitlement and Acceptance Form). Eligible Retail Shareholders based in New Zealand who do not have an Australian bank account will be able to pay by cheque. Payments must be made by following the instructions set out on the personalised Entitlement and Acceptance Form. Payment must be received by no later than 5.00pm (AEST) on the Closing Date (Friday, 1 May 2020).

2.5 Allowing your Entitlement to lapse

If you do not wish to accept all or any part of your Entitlement, do not take any further action and your Entitlement will lapse.

2.6 Consequences of not taking up all of your Entitlement

If you do not take up all of your Entitlement in accordance with the instructions set out above, those New Shares representing your Entitlement (or the part of your Entitlement not taken up) may be acquired by Eligible Retail Shareholders under the Oversubscription Facility.

By allowing all or part of your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares representing that part of your Entitlement not taken up and you will not receive any payment or value for that part of your Entitlement. Your interest in G8 will also be diluted.

2.7 Payment

Payment should be made using BPAY® if possible. Eligible Retail Shareholders who do not have an Australian bank account will be able to pay by cheque (see below at Section 2.9).

Cash payments will not be accepted. Receipts for payment will not be issued.

G8 will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement. If your payment will pay for more than your full Entitlement, G8 will treat you as applying for your full Entitlement and in respect of any excess amount, applying for as many additional New Shares under the Oversubscription Facility as it will pay for in full.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

2.8 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form available online at www.g8education.edu.au. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your application will not be recognised as valid.

Please note that by paying by BPAY®:

- (a) you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 2.10; and
- (b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (AEST) on the Closing Date (Friday, 1 May 2020). You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

2.9 If you are unable to pay by BPAY®

G8 encourages payments by BPAY®, if possible.

If you are completing a payment by cheque, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque in Australian currency for the amount of the Application Monies, payable to 'G8 Education Limited' and crossed 'Not Negotiable'.

It is your responsibility to ensure that your payment by cheque is received by the Share Registry by no later than 5.00pm (AEST) on the Closing Date (Friday, 1 May 2020) at the address set out below:

Mailing Address

G8 Education Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

You must ensure cleared funds are held in your account as your cheque will be banked as soon as it is received. Please note that you should consider postal and cheque clearance timeframes in meeting this deadline.

Your cheque must be:

- a) for an amount equal to \$0.80 multiplied by the number of New Shares (and additional New Shares under the Oversubscription Facility, if applicable) that you are applying for; and
- b) in Australian currency drawn on an Australian branch of a financial institution. Payment cannot be made in New Zealand dollars. New Zealand resident shareholders must arrange for payment to be made in Australian dollars.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Shares and additional New Shares under the Oversubscription Facility, if applicable, as your cleared Application Monies will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

2.10 Entitlement and Acceptance Form is binding

A payment made through BPAY® or a completed and lodged Entitlement and Acceptance Form together with the payment of requisite Application Monies constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. G8's decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By making a payment by BPAY® or by completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

- (a) you are (or the person on whose account you are acting is) an Eligible Retail Shareholder;
- (b) you acknowledge that you have read and understood this Retail Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- (c) you agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Offer Booklet (and accompanying Entitlement Acceptance Form), and G8's constitution;
- (d) you authorise G8 to register you as the holder(s) of New Shares allotted to you;
- (e) you declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- (f) you declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (g) you acknowledge that once G8 receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your application or funds provided except as allowed by law;



- (h) you agree to apply for and be issued up to the number of New Shares (and any additional New Shares) specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the Offer Price per New Share;
- (i) you authorise G8, the Underwriters, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- (j) you declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date and are an Eligible Retail Shareholder;
- (k) you acknowledge that the information contained in this Retail Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (l) you acknowledge that this Retail Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in G8 and is given in the context of G8's past and ongoing continuous disclosure announcements to ASX;
- (m) you acknowledge the statement of risks in the "Key Risks" section of the Investor Presentation included in the Section 3 of this Retail Offer Booklet, and that investments in G8 are subject to risk;
- (n) you acknowledge that none of G8, the Underwriters, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of G8, nor do they guarantee the repayment of capital;
- (o) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- (p) you authorise G8 to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (q) you represent and warrant (for the benefit of G8, the Underwriters and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- (r) you acknowledge and agree that determination of eligibility of investors for the purposes of the Institutional Entitlement Offer and the Retail Entitlement Offer was determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of G8 and/or the Underwriters, and each of G8 and the Underwriters and their respective related bodies corporate and affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise of that discretion to the maximum extent permitted by law;
- (s) you represent and warrant that the law of any place does not prohibit you from being given this Retail Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;

- (t) you represent and warrant (for the benefit of G8, the Underwriters and their respective related bodies corporate and affiliates) that you are not in the United States and you are not acting for the account or benefit of a person in the United States;
- (u) you understand and acknowledge that the New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States;
- (v) you are subscribing for or purchasing the New Shares from outside the United States in an "offshore transaction" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act;
- (w) you are not engaged in the business of distributing securities;
- (x) you have not and will not send this Retail Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand;
- (y) you agree that if in the future you decide to sell or otherwise transfer the New Shares you will only do so in "regular way" transactions on ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States;
- (z) you are eligible under applicable securities laws to exercise Entitlements and acquire New Shares under the Retail Entitlement Offer;
- (aa) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Retail Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person; and
- (bb) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date.

2.11 Brokerage and stamp duty

No brokerage fee is payable by Eligible Retail Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Retail Entitlement Offer (provided each Eligible Retail Shareholder, and any associated persons, do not hold, as a result of such acquisition, 90% or more of the interests in G8).

2.12 Notice to nominees and custodians

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees or custodians with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees and custodians who hold Existing Shares as nominees or custodians will have received, or will shortly receive, a letter from G8. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to:



- (a) beneficiaries on whose behalf they hold Existing Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- (b) Eligible Institutional Shareholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);
- (c) Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Entitlement Offer; or
- (d) shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Due to legal restrictions, nominees and custodians may not send copies of this Retail Offer Booklet or accept the Retail Entitlement Offer on behalf of any person in the United States or other jurisdiction outside Australia or New Zealand, except as G8 may permit in compliance with applicable law.

G8 is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Existing Shares. Where any holder is acting as a nominee or custodian for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws consistent with the preceding paragraph.

For the avoidance of doubt, G8 reserves the right (in its absolute sole discretion) to reduce the number of New Shares allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or they fail to provide information to substantiate their claims.

G8 also reserves the right to reject any acceptance of an Entitlement that it believes comes from a person who is not eligible to accept an Entitlement.

2.13 Withdrawal of the Entitlement Offer

Subject to applicable law, G8 reserves the right to withdraw the Entitlement Offer at any time before the issue of New Shares, in which case G8 will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to applicants.

Refund amounts (greater than \$2.00), if any, will be paid in Australian dollars. You will be paid either by direct credit to the nominated bank account as noted on the share register as at the Closing Date or by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders).

2.14 Risks

Eligible Retail Shareholders should be aware that an investment in G8, including taking up your Entitlement, involves risks. The key risks identified by G8 are set out in the "Key Risks" section of the Investor Presentation in Section 3 of this Retail Offer Booklet, but these are not an exhaustive list of the risks associated with an investment in G8 Shares.

2.15 Further enquiries

If you have any doubt about whether you should participate in the Entitlement Offer, you should seek professional financial advice from your stockbroker, solicitor, accountant or other professional adviser before making any investment decision.

If you would like a replacement Entitlement and Acceptance Form please visit www.g8education.edu.au to download your form. If you have questions on how to complete the



G8 Education^{ltd}

Entitlement and Acceptance Form or how to take up your Entitlement please call the G8 Offer Information Line on 1300 794 935 (inside Australia) and +61 1300 794 935 (outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday during the Retail Entitlement Offer Period.



3 ASX Announcements and Investor Presentation



ASX Announcement

G8 Education Limited
(ASX:GEM)



9 April 2020

Impact of Federal and State Government support packages in relation to COVID-19 and Equity Capital Raising

G8 Education Limited (the “**Group**” or “**G8**”, ASX: GEM) provides the following update in relation to Federal and State Government support packages and announces a fully underwritten¹ Equity Capital Raising of \$301 million to provide additional liquidity and financial flexibility in relation to current market uncertainties and future growth opportunities.

Key points

- **Federal and State Governments have committed to support the essential service of early childhood education through the Early Childhood Education and Care Relief Package, the JobKeeper Package and State based packages. These measures will enable centres to remain open and keep team members employed**
- **G8 will undertake a fully underwritten Equity Capital Raising of approximately \$301 million to provide additional liquidity to support the continuation of the Group’s operations through the period impacted by COVID-19, while also strengthening the Balance Sheet to position the Group for further growth opportunities during the recovery phase**
- **G8’s lending syndicates have reaffirmed their continued support of the Group and agreed amendments to the Group’s debt facilities to provide covenant relief for the next two testing periods, being June 2020 and December 2020**
- **G8 has enacted a number of initiatives designed to preserve cash and improve efficiency through the period impacted by COVID-19, while continuing to prioritise the safety and health of children and team members**

Equity Raising

G8 has today announced a fully underwritten equity raising of approximately \$301 million (“**Equity Raising**” or “**Offer**”) comprising:

- an institutional Placement of \$134 million; and
- a 1 for 2.2 pro-rata accelerated non-renounceable entitlement offer of approximately \$167 million, comprising an Institutional Entitlement Offer of approximately \$89 million and a Retail Entitlement Offer of approximately \$79 million.

¹ Excluding the circumstances described on slide 34 of G8’s Investor Presentation released to ASX on 9 April 2020 (“**Investor Presentation**”) under the heading “Shortfall”. Refer to the “Key Terms of the Underwriting Agreement” summary starting on slide 31 of the Investor Presentation for a description of the terms and conditions of the underwriting arrangements.

ASX Announcement

G8 Education Limited
(ASX:GEM)



The Equity Raising will result in the issue of approximately 377 million new fully paid ordinary shares in G8 ("**New Shares**"), representing approximately 82% of existing G8 shares on issue. Each New Share issued under the Equity Raising will rank equally with existing shares on issue.

All shares under the Placement and Entitlement Offer will be issued at a fixed price of \$0.80 per New Share ("**Offer Price**").

The Offer Price represents a 25.9% discount to the last traded price of \$1.08 on 2 April 2020 and a 16.1% discount to the theoretical ex-rights price ("**TERP**"²) of \$0.95.

Proceeds from the Equity Raising will be used to repay debt, increase cash on hand and pay transaction costs. This will reduce leverage from 2.3x to 0.4x EBITDA³ on an adjusted CY19 basis. This will provide G8 with increased financial flexibility and a strengthened Balance Sheet, positioning the Group for further growth opportunities during and beyond the recovery phase.

In the context of the Equity Raising and in order not to disadvantage shareholders who had elected to take up the Dividend Reinvestment Plan ("**DRP**") for the CY19 final dividend, G8 has determined to vary the issue price of the shares under the DRP to the Offer Price under the Equity Raising. No action is required by G8 shareholders who have already elected to participate in the DRP as a result of this change.

Royal Bank of Canada (trading as RBC Capital Markets) and UBS AG, Australia Branch have been appointed as joint lead managers and underwriters to the Equity Raising.

Institutional Entitlement Offer and Placement

The Placement and Institutional Entitlement Offer will be conducted by way of a bookbuild process on Thursday 9 April 2020.

Entitlements under the Institutional Entitlement Offer that are not taken up and entitlements of ineligible institutional shareholders under the Entitlement Offer will be offered for sale in the bookbuild.

Retail Entitlement Offer

The Retail Entitlement Offer will open on Monday 20 April 2020 and close on Friday 1 May 2020.

Eligible retail shareholders who take up their entitlement in full can also apply for additional shares in excess of their entitlement up to a maximum of 25% of their entitlement under a 'top up' facility.

² Theoretical ex-rights price ("TERP") includes the shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer. TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares trade on ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of G8's Shares as traded on ASX on 2 April 2020, being the last trading day prior to the announcement of the Entitlement Offer.

³ CY19 Underlying EBITDA of \$154.6 million (Non-IFRS measure, pre-AASB 16 Leases. Calculated as underlying EBIT of \$132.5 million plus Depreciation of \$22.1 million. See pages 34 and 37 of G8's CY19 Annual Report)

ASX Announcement

G8 Education Limited
(ASX:GEM)



Entitlements cannot be traded on the ASX or transferred. Eligible shareholders who do not take up their Entitlement under the Entitlement Offer in full or in part, will not receive any value in respect to those Entitlements not taken up.

Further details about the Retail Entitlement Offer will be set out in the retail offer booklet, which G8 expects to lodge with the ASX and despatch on Monday 20 April 2020.

Please refer to the investor presentation, slide 20, for further timetable information.

Commitment from Existing Lenders and Covenant Waivers

G8 has agreed amendments to the Group's debt facilities with its banking syndicates to provide covenant relief for the next two testing periods, being June 2020 and December 2020⁴.

This reflects strong support from the Group's banking syndicate and provides G8 with greater flexibility to navigate the COVID-19 impacted trading conditions.

Government funding and support packages

The Federal Government has continued to highlight the importance of the Early Childhood Education and Care (ECEC) sector, including the need for team members to remain employed and centres to remain open during the pandemic to support Australian families. The Federal and State Governments will support the sector through the following packages:

Early Childhood Education and Care Relief Package (ECECRP)

On 2 April 2020, the Australian Federal Government announced the Early Childhood Education and Care Relief Package ("ECECRP").

Under the plan, from Monday 6 April 2020, the Federal Government will make weekly payments directly to ECEC providers in lieu of the Child Care Subsidy and the Additional Child Care Subsidy. The ECECRP payments will represent 50% of each centre's fee levels⁵ prior to the impacts of COVID-19 (calculated based on fees received by G8 in the fortnight prior to 2 March 2020).

Payments will be made until 28 June 2020 (the end of the 2019-20 financial year, with an extension to be considered thereafter) and families will not be charged fees during this time. These payments will complement the JobKeeper Payment announced by the Prime Minister on 30 March 2020.

Early Childhood Education and Care services do not need to apply for the payments as they will be paid automatically.

⁴ Subject to certain conditions being satisfied, including completion of the equity raising

⁵ The Government's ECECRP payment of 50% of average centre revenues for the fortnight leading into 2 March 2020 is further subject to the existing hourly rate cap and relates to a point in time before parents started withdrawing their children from care in large numbers

ASX Announcement

G8 Education Limited
(ASX:GEM)



Until the payments arrive, ECEC services will be allowed to waive gap fees for families who keep their children home (backdated to 23 March 2020).

JobKeeper wage subsidy package

We refer to our previous announcement on 31 March 2020 regarding the details of the JobKeeper payment scheme.

The Group will be eligible for the JobKeeper payment for all full time, part time and long-term casual centre and support office team members employed as at 1 March 2020, for as long as those team members remain employed by the Group. Based on current policy the JobKeeper payments will be maintained for a period of six months.

State-Based Support

The State Governments of Queensland, South Australia and New South Wales have announced Payroll Tax deferral schemes to assist businesses in managing expenses throughout the period. The Group intends to utilise these measures in order to defer payments for up to 6 months in NSW and SA, and up to the end of 2020 in Queensland. The Group intends to explore eligibility for other State-based support schemes should they become available.

G8 Chief Executive Officer and Managing Director Gary Carroll commented:

“The strong fundamentals underpinning the early childhood education and care sector and the essential nature of our services have been validated by recent Federal Government announcements. The support measures that have been introduced provide stability for the sector and, importantly, increased security to our families and teams during a period of heightened uncertainty.

In addition to those measures, the Board considers it prudent to take further steps to preserve cash, improve efficiency and ensure Balance Sheet flexibility and liquidity during this unprecedented period. The equity raising we have announced today, along with other capital structure and operational initiatives, will ensure G8 is well-positioned to navigate the current period and emerge from it in a strong position capable of delivering the high-quality services that Australian families expect of us.

We will continue to prioritise the health and safety of the children in our care, families and team members and are committed to working with Government, industry and other stakeholders to ensure the right settings are in place.”

ASX Announcement

G8 Education Limited
(ASX:GEM)



Earnings impact of Government support packages and Group cash preservation measures

G8 has undertaken a number of initiatives in conjunction with the Government support packages in order to minimise the earnings impact of COVID-19:

- **Revenue:** Under the ECECRP, fee revenue will be funded by the Government, paid weekly, at a fixed rate of 50% of fee levels⁴ prior to the impacts of COVID-19 (calculated based on fees received by G8 in the fortnight prior to 2 March).
- **Wages:** Wage cash costs incurred by G8 will be reduced through the JobKeeper program, with an estimated \$23 million average monthly reduction over the course of the COVID-19 disruption period, based on current workforce eligibility. Senior management is working together with centre-based and support office teams to manage wage costs through the optimisation of team rostering, an increase in flexible working arrangements and initiatives to encourage the taking of accrued annual leave (noting utilisation of accrued leave has a P&L impact but not a cash impact).
- **Rent:** G8 has initiated discussions regarding the temporary relief of rental costs and expects to receive a level of commercial support from its landlords through this period of disruption. As negotiations have not been concluded, the extent of commercial support is currently unknown.
- **Capex and other Opex:** G8 will defer all non-essential Capex and pursue reductions in various overhead costs. It is expected that annual Capex will reduce from \$40 million to \$25 million, while Opex will be restricted to critical operational items.
- **Directors fees:** The G8 Directors have resolved to reduce Directors' fees by 20% through to 30 September 2020.

Balance Sheet management and capital management initiatives

The Federal Government's ECECRP provides a level of revenue that, coupled with the JobKeeper package, cost reduction measures and cash preservation activities, provides comfort in relation to the Group's liquidity and ability to withstand the impacts of COVID-19 during both closure and reduced demand scenarios.

As per the Group's separate announcement today, G8 has temporarily suspended dividends, with the exception of the deferred CY19 final dividend which will be paid in October 2020. G8 does not expect to declare or pay a dividend in respect of CY20. A dividend may, subject to financial performance, be paid in respect of the CY21 half year.

The Group currently has \$135 million in cash and available facilities, which will increase by \$289 million following the Offer. As a result of the Offer leverage ratio will reduce from 2.3x to 0.4x EBITDA² on a CY19 adjusted basis.

While trading conditions will impact near-term operations, the Group believes the initiatives outlined above will provide significant additional liquidity and position G8 strongly for further growth opportunities during and beyond the COVID-19 recovery phase.

ENDS

ASX Announcement

G8 Education Limited
(ASX:GEM)



Authorised for release by G8 Education Limited's Board of Directors.

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Investor presentation

Equity raising

9 April 2020



IMPORTANT NOTICE AND DISCLAIMER (cont.)



This document (the Presentation) is dated 9 April 2020 and has been prepared and authorised by G8 Education Limited (ABN 95 123 828 553) (the Company or G8) in connection with the proposed capital raising (the Equity Raising), comprising:

- a fully-underwritten¹ placement of new fully paid ordinary shares in the Company (New Shares) to eligible institutional and sophisticated investors (the Placement) under section 708A of the Corporations Act 2001 (Cth) (the Corporations Act);
- a fully-underwritten¹ pro rata non renounceable accelerated entitlement offer to certain eligible shareholders of the Company (the Entitlement Offer). The Entitlement Offer is being made under section 708AA of the Corporations Act (as modified by the Australian Securities and Investments Commission Corporations (ASIC)) (Non Traditional Rights Issues) Instrument 2016/84) to:
 - eligible institutional shareholders of the Company (the Institutional Entitlement Offer); and
 - eligible retail shareholders of the Company (the Retail Entitlement Offer).

The following disclaimer applies to this Presentation and you are therefore advised to read it carefully before reading or making any other use of this Presentation or any information contained herein. By accepting this Presentation, you represent and warrant that you are entitled to receive this Presentation in accordance with the restrictions, and agree to be bound by the limitations, contained within it.

Summary information

This Presentation contains summary information about the Company and its subsidiaries (the Group) and their respective activities which are current as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete, nor does it contain all information which a prospective investor may require in evaluating a possible investment in the Company or that would be required in a prospectus, product disclosure statement or other disclosure document prepared in accordance with the requirements of the Corporations Act. This Presentation must be read in conjunction with the Company's other periodic and continuous disclosure information lodged with the ASX, which are available at www.asx.com.au.

Market and industry data

Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. None of the Company, its representatives or advisers have independently verified any such market or industry data provided by third parties or industry or general publications.

Not an offer

This Presentation is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with ASIC). This Presentation is not and should not be considered an offer or an invitation to acquire entitlements or New Shares or any other financial products.

The Retail Entitlement Offer will be made on the basis of the information contained in the retail offer booklet (the Retail Offer Booklet) to be prepared for eligible shareholders in Australia and New Zealand and made available following its lodgment with ASX. Any eligible shareholder in Australia or New Zealand who wishes to participate in the Retail Entitlement Offer should consider the Retail Offer Booklet before deciding whether to apply for New Shares under the Retail Entitlement Offer. Anyone who wishes to apply for New Shares under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the Retail Offer Booklet.

This Presentation is not and should not be considered an offer or an invitation to acquire the New Shares or any other financial products and does not and will not form any part of any contract for the acquisition of the New Shares.

¹ Excluding the circumstances described on slide 34 under the heading "Shortfall". Refer to the "Key Terms of the Underwriting Agreement" summary starting on slide 31 for a description of the terms and conditions of the underwriting arrangements.

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Not for release to US wire services or distribution in the United States

This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. The securities referred to in this Presentation have not been, and will not be, registered under the US Securities Act of 1933, as amended (the US Securities Act) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or in indirectly, in the United States or to any person acting for the account or benefit of any person in the United States unless the securities have been registered under the US Securities Act (which the Company has no obligation to do or procure) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

The distribution of this Presentation in jurisdictions outside Australia may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws (see the Selling Restrictions set out at the end of this Presentation).

Not financial product advice

This Presentation does not constitute financial product or investment advice or any recommendation to acquire New Shares or accounting, legal or tax advice. Each recipient of this Presentation should make its own enquiries and investigations regarding all information in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of the Group and the impact that different future outcomes might have on the Group. Information in this Presentation is not intended to be relied upon as advice to investors or potential investors and has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek legal, accounting and taxation advice appropriate to their jurisdiction. The Company is not licensed to provide financial product advice in respect of the New Shares. Cooling off rights do not apply to the acquisition of New Shares under the Equity Raising.

Investment risk

An investment in New Shares is subject to known and unknown risks, some of which are beyond the control of the Group. The Company does not guarantee any particular rate of return or the performance of the Group, nor does it guarantee any particular tax treatment. Persons should have regard to the risk factors outlined in this Presentation.

3

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Financial data

All references to dollars, cents or \$, AUD, or A\$ in this document are to Australian dollars, unless otherwise stated.

This Presentation includes certain financial information as at 31 December 2019, being:

- the historical consolidated balance sheet as at 31 December 2019 (the Historical Financial Information); and
- the pro forma consolidated balance sheet as at 31 December 2019 assuming completion of the Offer (net of transaction costs) (the Pro Forma Historical Financial Information).

The Historical Financial Information, and the Pro Forma Historical Financial Information are collectively referred to as Financial Information. The Financial Information has been included in this Presentation in relation to the Offer and should not be used for any other purpose.

The Directors of the Company (the Directors) are responsible for the preparation and presentation of the Financial Information.

The Historical Financial Information was derived from the consolidated financial statements of G8 for the year ended 31 December 2019, which were audited by Ernst & Young in accordance with Australian Auditing Standards, and on which an unqualified audit opinion was issued. The Historical Financial Information has been prepared using the recognition and measurement requirements of Australian Accounting Standards ('AAS').

The Pro Forma Historical Financial Information has been derived from the historical consolidated balance sheet as at 31 December 2019, and adjusted for pro forma adjustments relating to the Offer less transaction costs as if they had occurred as at 31 December 2019. The Pro Forma Historical Financial Information has been prepared by the Company in accordance with the measurement and recognition requirements of AAS other than it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions as if they had occurred as at 31 December 2019.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information as required by the AAS, the International Financial Reporting Standards (including the interpretations of the International Financial Reporting Interpretations Committee) (IFRS) and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. The Pro forma Historical Financial Information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of the Company's views on its future financial condition and/or performance.

Recipients of this Presentation should also be aware that certain financial information included in this Presentation are (i) "non IFRS financial information" as allowed under ASIC Regulatory Guide 230: "Disclosing non IFRS financial information" and (ii) "non-GAAP financial measures" under Regulation G of the U.S. Securities Exchange Act of 1934, as amended. These non-IFRS financial measures do not have a prescribed definition under AAS or IFRS and therefore may not be directly comparable to similarly titled measures presented by other entities. These should not be construed as an indication of, or an alternative to, corresponding financial measures determined in accordance with AAS or IFRS. Although we believe these non-IFRS financial measures provide useful information for measuring the financial performance and condition of the business, readers are cautioned not to place undue reliance on any non-IFRS financial measures included in this Presentation. These measures include:

- EBITDA, which is profit before income tax, interest, depreciation and amortisation;
- Net Debt, which is total borrowings less cash on hand; and
- Leverage, which is a ratio of Net Debt to EBITDA for a 12-month period.

The disclosure of such non-GAAP financial measures in the manner included in this Presentation may not be permissible in a registration statement under the US Securities Act.

4

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Going concern basis of preparation

The Financial Information has been prepared on a going concern basis, which contemplates continuity of the Group's normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Subsequent events - Impact of the COVID-19 outbreak

The Group has experienced severe disruptions to its business as a result of the impacts of the COVID-19 pandemic and consequential macroeconomic and socioeconomic factors, as described on pages 26-27 of the Key Risks section. The scale and duration of these developments remain uncertain as at the date of this Presentation, however they are having an impact on our earnings, cash flow and financial condition.

It is not possible to estimate the impact of the outbreak's near-term and longer effects or Governments' varying efforts to combat the outbreak and support businesses. This being the case, the Directors note that the value of certain assets and liabilities recorded in the Historical Consolidated Balance Sheet determined by reference to fair or market values at 31 December 2019 may have materially changed by the date of this report. These include contingent consideration and the recoverable amount of intangible assets.

The financial information has been prepared based upon conditions existing at 31 December 2019 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed as at 31 December 2019. As the outbreak of COVID-19 occurred after 31 December 2019 and was declared a pandemic by the World Health Organization in March 2020, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to financial information as at 31 December 2019 for the impacts of COVID-19.

Effect of rounding

Several figures, amounts, percentages, estimates and calculations of value in this Presentation are subject to the effect of rounding.

Forward-looking statements and forecasts

This Presentation contains certain "forward-looking statements" that are based on management's beliefs, assumptions and expectations and on information currently available to management. Forward-looking statements can generally be identified by the use of forward-looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Such forward-looking statements include statements regarding the timetable, conduct and outcome of the Equity Raising and the use of proceeds thereof, statements about the plans, objectives and strategies of the management of the Group, statements about the insurance industry and the markets in which the Group operates and statements about the future performance of the Group's businesses. Indications of, and guidance or outlook on, future earnings or financial position or performance, future earnings and distributions are also forward-looking statements.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. Any such statements, opinions and estimates in this Presentation speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this Presentation are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Group, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Forward-looking statements may also assume the success of the Company's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond the Company's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward-looking statements may have been prepared or otherwise. Refer to the key risks section of this Presentation for a non-exhaustive summary of certain key business, offer and general risk factors that may affect the Group.

5

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There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. Several important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the Australian and global economic environment and capital market conditions and other risk factors set out in this Presentation. Other risks may materially affect the future performance of the Company and the price of the Company's shares. Additional risks and uncertainties not presently known to management or that management currently believe not to be material may also affect the Company's business. Accordingly, no assurances or guarantees of future performance, profitability, distributions, or returns of capital are given by the Company or any other person. Investors should consider the forward-looking statements contained in this Presentation in light of those risks and disclosures. The forward-looking statements are based on information available to the Company as at the date of this Presentation.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including the Company or any of its advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this Presentation will actually occur. Actual operations, results, performance, production targets or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Except as required by law or regulation (including the ASX Listing Rules), the Company disclaims any obligation or undertaking to update forward-looking statements in this Presentation to reflect any changes in expectations in relation to any forward-looking statement or change in events, circumstances or conditions on which any statement is based.

Past performance

This Presentation contains a pro forma consolidated historical balance sheet. Past performance and pro forma historical financial information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Group's views on its future financial performance or condition. Investors should note that past performance, including past share price performance, of the Company cannot be relied upon as an indicator of (and provides no guidance as to) future performance of the Group including future share price performance. The historical financial information contained in this Presentation is, or is based on, information that has previously been released to the market.

The information in this Presentation has been obtained from or based on sources believed by the Company to be reliable.

6

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Disclaimer

Neither UBS AG, Australia Branch (UBS) or Royal Bank of Canada (trading as RBC Capital Markets) (RBC) (the Underwriters), nor any of their or the Company's respective advisers nor any of their respective affiliates or related bodies corporate, nor any of their respective directors, officers, partners, employees or agents (together, the Beneficiaries), have authorised, permitted or caused the issue, submission, dispatch or provision of this Presentation and, except to the extent referred to in this Presentation, none of them makes or purports to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by any of them.

To the maximum extent permitted by law, the Company, each Underwriter and their respective advisers, and each of their respective Beneficiaries exclude and disclaim all responsibility and liability, including, without limitation, for negligence or for any expenses, losses, damages or costs incurred by you as a result of the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

To the maximum extent permitted by law, the Company, the Underwriters and their respective advisers, and each of their respective Beneficiaries make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this Presentation and, with regards to each Underwriter, it and its advisers, and each of their respective Beneficiaries take no responsibility for any part of this Presentation or the Equity Raising.

Each Underwriter and its advisers, and each of their respective Beneficiaries make no recommendations as to whether you or your related parties should participate in the Equity Raising or do they make any representations or warranties to you concerning the Equity Raising. You represent, warrant and agree that you have not relied on any statements made by the Underwriters, their advisers, or any of their respective Beneficiaries in relation to the Equity Raising. You further expressly disclaim that you are in a fiduciary relationship with any of the Company, the Underwriters or their advisers or any of their respective Beneficiaries.

To the maximum extent permitted by law, you agree to release and indemnify the Company, the Underwriters and their respective advisers from and against all claims, actions, damages, remedies or other matters, whether in tort, contract or under law or otherwise, arising from or which may arise from or in connection with the provision of, or any purported reliance on, this Presentation and you covenant that no claim or allegations will be made against any of the them in relation to this presentation.

You acknowledge and agree that determination and eligibility of investors for the purposes of the Equity Raising is determined by reference to several matters, including legal and regulatory requirements and the discretion of the Company and the Underwriters. You further acknowledge and agree that the Company and the Underwriters and their respective Beneficiaries exclude and expressly disclaim any duty or liability (including for negligence) in respect of the exercise of that discretion, to the maximum extent permitted by law.

The Underwriters may have interests in the securities of the Company, including by providing investment banking services to the Company. Further, the Underwriters may act as market maker or buy or sell those securities or associated derivatives as principal or agent. The Underwriters may receive fees for acting in their capacity as a lead manager and underwriter to the Equity Raising.

Statements made in this Presentation are made only as at the date of this Presentation. None of the Underwriters, nor any of their or the Company's respective advisers nor any of their respective Beneficiaries have any obligation to update statements in this Presentation. The information in this Presentation remains subject to change without notice.

The Company reserves the right to withdraw the Equity Raising or vary the timetable for the Equity Raising without notice. All references to time are to AEST, unless otherwise indicated.

Acknowledgement and representation and warranty

By attending or receiving this Presentation you acknowledge and agree that you understand the contents of this notice and that you agree to abide by its terms and conditions. By attending or receiving this presentation you further agree, irrevocably and unconditionally, to submit to the non-exclusive jurisdiction of the courts of New South Wales, in respect of any disputes, actions, suits or proceedings arising out of, or relating to, this Presentation.

7

Introduction



G8 provides an essential service to the Australian community with the recent Australian Government initiatives helping to support the industry

Impact of COVID-19 and Government relief package	<ul style="list-style-type: none"> The COVID-19 outbreak has had a significant adverse impact on occupancy levels across the sector, including G8 Education, as parents withhold their children from attending due to health and financial concerns. As a result, as at 5 April 2020, G8's like for like occupancy is tracking 9.7% down versus prior year levels However, the Early Childhood Education and Care Relief Package announced on Thursday 2 April 2020 is anticipated to increase sector occupancy levels by reducing parent fees to nil during the package period The relief package, along with the previously announced JobKeeper package, will enable centres to be kept open in support of G8 families and team members
Cash preservation and cost saving initiatives	<ul style="list-style-type: none"> G8 is implementing a number of interim business initiatives to mitigate the near-term financial impact of COVID-19 <ul style="list-style-type: none"> Managing overall wage levels of centre-based team members through optimised team rostering in response to prevailing occupancy levels Optimisation of team rostering in accordance with JobKeeper subsidies Reduction and deferral of non-essential capital and operating expenditure Negotiations with G8's landlords around rental agreement amendments have commenced
Trading update and outlook	<ul style="list-style-type: none"> COVID-19 impacted trading conditions are expected to continue for at least the next six months. G8 modelling has taken into account various scenarios including a significantly longer COVID-impacted period G8's highly qualified Centre based teams will be largely maintained, which along with G8's pre-COVID-19 operational and growth initiatives, will position G8 well for the expected recovery in occupancy and earnings
Capital structure initiatives	<ul style="list-style-type: none"> G8 has received support from its lending syndicates in the form of covenant waivers G8 has temporarily suspended dividends, with the exception of the deferred CY19 final dividend which will be paid in October 2020¹ c.\$301 million fully underwritten equity raising ("Equity Raising") via: <ul style="list-style-type: none"> an Institutional Placement to raise approximately \$134 million ("Placement") a 1 for 2.2 pro-rata accelerated non-renounceable entitlement offer of approximately \$167 million, including an institutional component to raise approximately \$89 million ("Institutional Entitlement Offer") and a retail entitlement offer component to raise approximately \$79 million ("Retail Entitlement Offer")

Note:

1. G8 does not expect to declare or pay a dividend in respect of CY20. A dividend may, subject to financial performance, be paid in respect of the CY21 half year

8

Government announced support measures

Recently announced Government support measures will help keep G8 centres open and team members employed

Early Childhood Education and Care Relief Package

- On 2 April 2020, the Australian Federal Government announced the new Early Childhood Education and Care Relief Package ("ECECRP"). From Monday 6 April 2020 weekly payments will be made directly to early childhood education and care services in lieu of the Child Care Subsidy and the Additional Child Care Subsidy, to help keep centres open and employees in their jobs
- Payments will be made until 28 June 2020 (the end of the 2019-20 financial year, with an extension to be considered thereafter) and families will not be charged fees during this time. These payments will complement the JobKeeper Payment announced by the Prime Minister on 30 March 2020
- The ECECRP payments will represent 50% of each centre's average revenue for the two weeks up until 2 March 2020¹
- Early Childhood Education and Care services do not need to apply for the payments as they will be paid automatically
- In addition, on and from 6 April 2020, services must now waive gap fees for families. This can be backdated to 23 March 2020 and is in addition to changes already announced
- G8 estimates the ECECRP will result in monthly revenue falling to approximately \$33 million for the duration of the package

Note:

1. The Government's ECECRP payment of 50% of average centre revenues for the fortnight leading into 2 March 2020 is further subject to the existing hourly rate cap and relates to a point in time before parents started withdrawing their children in large numbers

JobKeeper package

- On 30 March 2020, the Federal Government announced a \$130 billion JobKeeper payment to help keep many workers across Australia employed and support businesses affected by the significant economic impact caused by COVID-19
- The Government estimated that this payment would be received by around 6 million workers, with the \$1,500 (before tax) fortnightly payment to be paid via the employer
- G8 will be eligible for the JobKeeper payment for all full time, part time and long term casual centre and corporate team members employed as at 1 March 2020, for as long as those team members remain employed by the Group
- The JobKeeper payments will be maintained for a maximum period of six months (based on the current policy)

9

Operational initiatives

G8 is enacting a number of initiatives designed to mitigate the reduction in revenues through the COVID-19 impacted period – all whilst continuing to prioritise the safety and health of our children and team

Safety of our children and team	<ul style="list-style-type: none">The safety and wellbeing of our children and team is paramountThis function is being supported by a dedicated COVID-19 support team with increased infection control measures put in place including an additional focus on hygiene practices and the introduction of a new sanitising productG8 is closely monitoring and responding to Government and Health Authority advice to reduce the risk of exposure to COVID-19G8 continues to follow advice and directions of the Government, including amongst others, in relation to practising social distancing, reducing children's contact by separating cohorts, staggering meal times and increasing time outside
Cash preservation and cost saving initiatives	<ul style="list-style-type: none">G8 will manage overall wage levels of centre-based team members in accordance with anticipated reduction in occupancy levels. The reductions will be managed through optimised team rostering, while attempting to maintain our team for the eventual recovery phaseEncouragement of our team members to utilise accrued annual leaveReduction and deferral of non-essential capital expenditure totaling \$6 million over the six-month period to 30 September 2020, and operating expenditureG8 will continue to review and potentially exit underperforming assets, either on an individual or portfolio basis, with resulting break costs to be funded via proceeds from the Equity Raising.¹ A consequence of this could be the impairment of the carrying value of assetsDiscussions with G8's landlords have commenced in relation to obtaining appropriate rent reliefThe Directors of G8 have resolved to reduce their Director fees by 20% through to 30 September 2020

Note:

1. As detailed modelling and negotiations have not been conducted in relation to such assets, the cost savings and break costs are currently unknown

10

Capital structure initiatives

The Equity Raising, along with a number of other capital structure initiatives, will provide G8 with a strengthened balance sheet and increased flexibility through the COVID-19 impacted period, while also positioning the Company strongly to pursue potential growth opportunities

Equity raising	<ul style="list-style-type: none"> G8 has determined to undertake an Equity Raising of c.\$301 million to: <ul style="list-style-type: none"> provide additional liquidity to support the continuation of the Group's operations through the COVID-19 impacted period; and strengthen its balance sheet to position it to pursue growth opportunities during the ultimate recovery phase The fully underwritten Equity Raising comprises: <ul style="list-style-type: none"> an Institutional Placement of approximately \$134 million; a 1 for 2.2 pro-rata accelerated non-renounceable entitlement offer of approximately \$167 million, comprising an Institutional Entitlement Offer of approximately \$89 million and a Retail Entitlement Offer of approximately \$79 million Proceeds from the Equity Raising will be used to provide liquidity and strengthen G8's balance sheet <ul style="list-style-type: none"> Leverage reduces from 2.3x to 0.4x on an adjusted CY19 basis (refer to page 19)
Covenant relief from banking syndicates	<ul style="list-style-type: none"> G8 has agreed amendments to the Group's debt facilities with its banking syndicates to provide covenant relief for the next two testing periods, being the periods ending June 2020 and December 2020¹ This reflects strong support from the Group's banking syndicates and provides G8 with greater flexibility to navigate the COVID-19 impacted trading conditions
Dividends	<ul style="list-style-type: none"> G8 has temporarily suspended dividends, with the exception of the deferred CY19 final dividend which will be paid in October² The Board considers this a prudent step to maximise liquidity and protect long-term shareholder value In the context of the Equity Raising and in order not to disadvantage shareholders who had elected to take up the Dividend Reinvestment Plan ("DRP") for the CY19 final dividend, G8 has determined to vary the issue price of the shares under the DRP to the Offer Price under the Equity Raising No action is required by G8 shareholders who have already elected to participate in the DRP as a result of this change

Note:

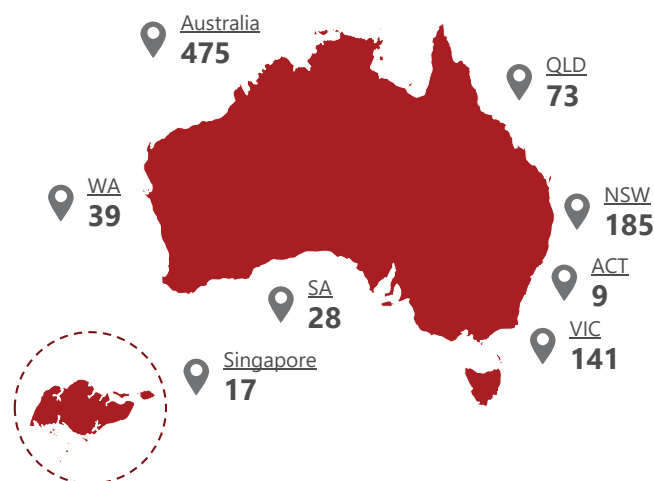
- Subject to certain conditions being satisfied, including completion of the equity raising
- G8 does not expect to declare or pay a dividend in respect of CY20. A dividend may, subject to financial performance, be paid in respect of the CY21 half year

11

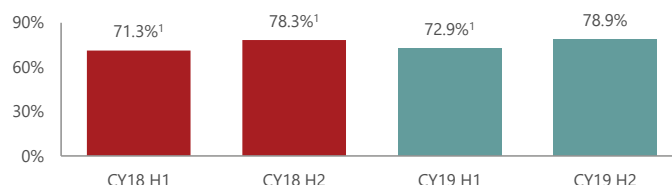
G8 is a leading childcare operator in Australia

Leading national footprint with solid operating metrics prior to COVID-19 impact

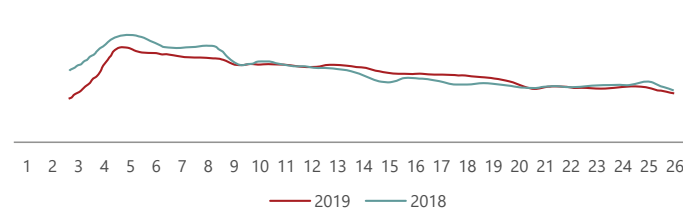
Centre locations



Steady occupancy rates prior to COVID-19 Half-Yearly Like-for-Like Occupancy (%)



Improved wage efficiency prior to COVID-19 Wage hours per booking by fortnight



Note:

- Occupancy restated to allow for a like-for-like comparison

12

Solid operational progress in 2019 - prior to COVID-19 impacts



Operating performance

- Investments in quality and capability resulted in solid LFL occupancy and EBIT growth
- Group EBIT result impacted by investment and Greenfield ramp up
- Consistent Greenfield occupancy growth trends providing confidence in future earnings profile
- Strong cashflow conversion and Balance Sheet capacity gives the ability to execute upon strategy

Progress on Strategy

- Completed WA sale, lifting Group quality and occupancy without materially impacting profitability
- Improved Centre Manager retention and team safety performance with significant reduction in the lost time injury frequency rate, increased focus on child safety and above sector benchmark for Centre Quality Ratings
- Full time turnaround team largely in place and EBIT Acceleration program in place with ongoing actions to occur during CY20

13



Detailed financial impact and initiatives



Financial impact of COVID-19

G8 is implementing a number of initiatives to preserve cash during the COVID-19 impacted period

Temporary COVID-19 measures to be implemented and assumptions

Revenue	<ul style="list-style-type: none"> Under the ECECRP, fee revenue will be funded by the Government, paid weekly, at a fixed rate of 50% of fee levels¹ prior to the impacts of COVID-19 (calculated based on fees received by G8 in the fortnight prior to 2 March 2020)
Wages	<ul style="list-style-type: none"> G8 remains focused on ensuring the highest quality of care is provided at its centres during and post this period of disruption Senior management will work together with G8's centre-based and support office teams to manage wage costs through optimisation of team rostering, an increase in flexible working arrangements and initiatives to encourage the taking of accrued annual leave <ul style="list-style-type: none"> Overall management of wage costs will in part be impacted by physical occupancy over this period Based on current workforce eligibility, the JobKeeper program is expected to reduce G8's monthly wage cash cost by \$23 million
Rent	<ul style="list-style-type: none"> G8 has initiated discussions regarding the temporary reduction of rental costs and expects to receive a level of commercial support from its landlords through this period of disruption As negotiations have not been concluded, the extent of commercial support is currently unknown
Capex and other opex	<ul style="list-style-type: none"> Deferral of non-essential capex and reductions in various overhead costs <ul style="list-style-type: none"> Annual Capex reduced from \$40 million to \$25 million Opex restricted to critical operational items
Director fees	<ul style="list-style-type: none"> The G8 Directors resolved to reduce Director fees by 20% until September 2020

Note:

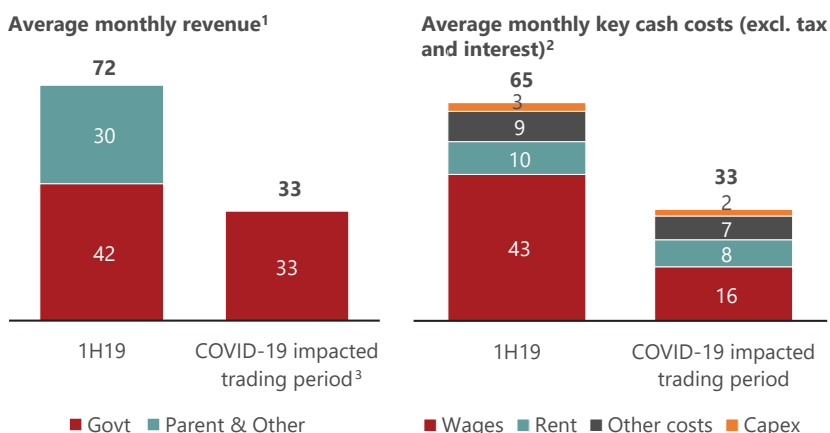
- The Government's ECECRP payment of 50% of average centre revenues for the fortnight leading into 2 March 2020 is further subject to the existing hourly rate cap and relates to a point in time before parents started withdrawing their children in large numbers

15

Illustrative financial impact of COVID-19

G8 is adopting prudent operating measures to minimise its cost base during the COVID-19 period

Summary of pro-forma monthly revenue and key cash costs (\$m)



Commentary and assumptions

- Wage costs**
 - an illustrative 10% average monthly reduction in cash wage costs has been assumed
 - in addition, a c.\$23 million average monthly reduction in cash wage costs from JobKeeper is expected
 - G8 will encourage the use of up to \$24 million in annual leave balances—this will have a P&L impact (but not a cash impact)
- Rent**
 - an illustrative 20% reduction in cash rent costs has been assumed, but given landlord discussions have not been concluded, remains uncertain
 - reduction in cash rent will directly impact cash flow but will not be fully reflected in the CY20 P&L (savings are amortised over the life of the lease)
- Capex and other costs**
 - deferral of non-essential Capex of c.\$1 million per month (on average)
 - a reduction in other costs of c.21% (on average per month)

Note:

- "1H CY19" reflects average monthly cash revenue received in 1H CY19; "COVID-19 impacted trading period" represents average monthly support payments expected during the disruption period based on G8's fee revenue in the fortnight to 2 March 2020 (which is the basis for the ECECRP calculation)
- "1H CY19" reflects the average monthly cash operating costs (before tax and interest) and capex incurred by G8 in 1H CY19. Note this does not reconcile to P&L costs given differences between accounting expenses and cash expenses. "COVID-19 impacted trading period" represents the 1H CY19 average monthly cash costs, adjusted on a pro-forma basis for assumed changes to G8's cost base during the period of COVID-19 disruption, including receipt of JobKeeper payments, a reduction in wage costs, a reduction in rent expenses and a reduction in capex and other costs
- Revenue of \$33 million from the Government includes Kindy funding. ECECRP Payments will be made until 28 June 2020 (the end of the 2019-20 financial year, with an extension to be considered thereafter) and families will not be charged fees during this time. These payments will complement the JobKeeper Payment announced by the Prime Minister on 30 March 2020.

16

Equity Raising details



Equity Raising details

Offer size and structure	<ul style="list-style-type: none"> A fully underwritten Equity Raising of c.\$301 million ("Equity Raising" or "Offer") via: <ul style="list-style-type: none"> an Institutional Placement of \$134 million; a 1 for 2.2 pro-rata accelerated non-renounceable entitlement offer of c.\$167 million, comprising an Institutional Entitlement Offer of c.\$89 million and a Retail Entitlement Offer of c.\$79 million Approximately 377 million new fully paid ordinary shares in G8 ("New Shares") to be issued under the Equity Raising, representing approximately 82% of existing G8 shares on issue
Offer price	<ul style="list-style-type: none"> All shares under the Placement and Entitlement Offer will be issued at a fixed price of \$0.80 per New Share ("Offer Price"). This Offer Price represents a: <ul style="list-style-type: none"> 25.9% discount to the last traded price of \$1.08 on 2 April 2020 16.1% discount to TERP² of \$0.95
Institutional Entitlement Offer and Placement	<ul style="list-style-type: none"> The Placement and Institutional Entitlement Offer will be conducted by way of a bookbuild process on Thursday 9 April 2020 Entitlements under the Institutional Entitlement Offer that are not taken up and entitlements of ineligible institutional shareholders and ineligible retail shareholders under the Entitlement Offer will be offered for sale in the bookbuild
Retail Entitlement Offer	<ul style="list-style-type: none"> The Retail Entitlement Offer will open on Monday 20 April 2020 and closes on Friday 1 May 2020 Eligible retail shareholders who take up their entitlement in full can also apply for additional shares in excess of their entitlement up to a maximum of 25% of their entitlement under a 'top up' facility
Ranking	<ul style="list-style-type: none"> New shares issued under the Equity Raising will rank equally in all respects with G8's existing ordinary shares
Underwriters	<ul style="list-style-type: none"> UBS AG, Australia Branch ("UBS") and Royal Bank of Canada (trading as RBC Capital Markets) ("RBC") are joint lead managers and underwriters of the Equity Raising
Use of funds	<ul style="list-style-type: none"> Proceeds of the Offer will be used to ensure G8 has the balance sheet flexibility and liquidity to manage the business through a prolonged period of disruption to the Early Childhood Education and Care sector

Notes:

- ¹ The Retail Entitlement Offer is only available to eligible retail shareholders with a registered address in Australia or New Zealand on the Record Date –see the Retail Offer Booklet for further details on eligibility once available.
- ² Theoretical ex-rights price ("**TERP**") includes the shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer. TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares trade on ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of G8's Shares as traded on ASX on 2 April 2020, being the last trading day prior to the announcement of the Entitlement Offer.

Adjusted capital structure

Leverage ratio reduces to 0.4x EBITDA on a CY19 adjusted basis

- Proceeds raised from the fully underwritten Equity Raising will be used to strengthen the balance sheet and provide flexibility, positioning G8 strongly for a post COVID-19 recovery
- Adjusted leverage ratio materially improves
 - Net debt reduces to \$65 million on an adjusted basis
 - Adjusted leverage ratio decreases from 2.3x to 0.4x

Debt facility (\$m)	31-Dec-19	Impact of the fully underwritten Equity Raising	Adjusted capital structure
Available	500		500
Undrawn	105		105
Drawn	395		395
Cash	41	289	330
Net debt/(cash)	354	(289)	65
Net debt/EBITDA	2.3x¹		0.4x¹

Sources		Uses	
Equity Raising	\$301m	Increase in cash	\$289m
		Transaction fees	\$12m
Total sources	\$301m	Total uses	\$301m

Notes:

- ¹ CY19 Underlying EBITDA of \$154.6 million (Non-IFRS measure, pre-AASB 16 *Leases*. Calculated as underlying EBIT of \$132.5 million plus Depreciation of \$22.1 million. See pages 34 and 37 of G8's CY19 Annual Report)

19

Pro-forma balance sheet

\$m	31-Dec-19 (Audited)	Impact of the fully underwritten Equity Raising ¹	31-Dec-19 (Unaudited Pro-forma)
Assets			
Cash	41	289	330
Other current & non-current assets	2,006	3	2,009
Total assets	2,047	292	2,339
Total liabilities	1,207	-	1,207
Net assets	840	292	1,132
Equity			
Share capital	907	292	1,199
Retained earnings & reserves	(67)	-	(67)
Total equity	840	292	1,132

Notes:

- ¹ Pro-forma adjustments, \$301 million Equity Raise, transaction costs of \$11.5million with \$3.4 million deferred tax asset

20

Offer timetable



Event	Date
Equity Raising announcement and Placement and Institutional Entitlement Offer opens	Thursday, 9 April 2020
Placement and Institutional Entitlement Offer closes	Thursday, 9 April 2020
Trading in G8 shares resumes on an ex-entitlement basis	Tuesday, 14 April 2020
Record date for determining entitlement for the Entitlement Offer	Wednesday, 15 April 2020 (7:00pm)
Despatch of Retail Offer Booklet and Retail Entitlement Offer opens	Monday, 20 April 2020
Settlement of Placement and Institutional Entitlement Offer	Tuesday, 21 April 2020
Allotment and normal trading of New Shares issued under the Placement and Institutional Entitlement Offer	Wednesday, 22 April 2020
Retail Entitlement Offer closing date	Friday, 1 May 2020
Allotment of New Shares issued under the Retail Entitlement Offer	Friday, 8 May 2020
Normal trading of New Shares issued under the Retail Entitlement Offer	Monday, 11 May 2020
Despatch of holding statements	Tuesday, 12 May 2020

All dates and times are indicative and G8 reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws. All times and dates are in reference to Sydney, Australia time.

21



Conclusion



Conclusion

1 Early childhood education is an essential service

- Government actions have been designed to ensure continuation of Early Childhood and Education services during this period
- Revenue now guaranteed by Government for the duration of the ECECRP
- Reinforces the resilience of the sector and the solid structural growth drivers

2 G8 is taking action to preserve cash and improve efficiency

- Optimising workforce rostering
- Reduction and deferral of all non-essential capex and opex
- Reviewing underperforming assets
- Suspension of payment of dividends until after 30 June 2021 (with the exception of the deferred CY19 final dividend)

3 Banking syndicates and landlord support

- Banking syndicates are highly supportive of G8's underlying business and post-COVID prospects
- Covenant relief to be granted for the next two testing periods¹
- Potential landlord support for rental relief – discussions with landlords have commenced

4 Equity Raising positions G8 to lead recovery

- Significant increase in balance sheet flexibility
- Allows G8 to emerge from the COVID-19 downturn in a stronger position

Note:

1. Subject to certain conditions, including formal documentation and completion of the equity raising

23

Key Risks



Key risks – introduction



This section describes the key business risks of investing in G8 together with the risks relating to participation in the Offer which may affect the value of G8 shares. It does not describe all the risks of an investment. Before investing in the Company, you should be aware that an investment in G8 has a number of risks, some of which are specific to G8 and some of which relate to listed securities generally, and many of which are beyond the control of G8.

- Investors should consult their own professional, financial, legal and tax advisers about those risks and the suitability of investing in light of their particular circumstances. Investors should also consider publicly available information on G8 (including information available on the ASX website) before making an investment decision.
- The risks are categorised as follows:
 1. Key business risks
 2. Offer and general risks
- References to "G8", "the Company" or "the Group" in the key risks section of this Presentation include G8 and its related bodies corporate (as defined in the Corporations Act 2001 (Cth)), where the context requires.

25

Key risks – business



COVID-19

- The ongoing COVID-19 pandemic has had a significant impact on the global and Australian economy and the ability of businesses, individuals, and governments to operate. Emergency powers and restrictions have been enacted at a State and Federal level in Australia which, amongst other things, has restricted travel and the ability of individuals to leave their homes and travel to places of work. The COVID-19 pandemic has had, and continues to have, a significant impact on G8's business and the childcare sector across Australia. A substantial amount of companies have mandated work-from-home arrangements, which in addition to parents withdrawing their children due to health concerns, has materially impacted both G8's occupancy and physical attendance rates.
- There continues to be considerable uncertainty as to the duration and further impact of COVID-19, including (but not limited to) in relation to government, regulatory or health authority actions, work stoppages, lockdowns, quarantines, and travel restrictions. These restrictions could significantly impair G8's ability to operate and manage its business effectively. In particular, it is possible that certain G8's childcare centres may need to close for a temporary or prolonged period if any team member or children are suspected to have been infected or identified as a possible source of spreading infection and more generally if government and/or public health policy is updated so as to restrict the ability of childcare centres to operate. The detection of infection at certain of G8's childcare centres could also have a material adverse impact on G8's reputation and demand for G8's services.
- The events relating to COVID-19 have recently resulted in significant market falls and volatility including in the prices of securities trading on the Australian Securities Exchange (ASX) (including the price of G8's shares) and on other foreign securities exchanges. There is continued uncertainty as to the further impact of COVID-19 including in relation to governmental action, work stoppages, lockdown, quarantines, travel restrictions and the impact on the Australian economy and share markets. COVID-19 has already caused job losses in Australia and a meaningful increase in unemployment, especially over a sustained period, could reduce the demand for childcare services (see further below in the Macroeconomic and Socioeconomic risk factors).
- The impact of some or all of these factors, which are beyond the Company's control, could cause significant disruption to the Company's operations and financial performance and result in declines in the market or fair value of assets recorded in the consolidated balance sheet.
- The childcare support package announced by the Australian Federal Government on 2 April 2020 is intended to provide free childcare for all working parents on a temporary basis. The subsidy is in place until 28 June 2020 and although the Company considers it, based on engagement with government, that the subsidy will be extended if COVID-19 conditions continue beyond 28 June 2020, there is no guarantee that the subsidy will in fact be extended.
- In relation to the JobKeeper program, although G8 expects it will be eligible to meet the test, formal confirmation of JobKeeper eligibility has yet to be received.

26

Key risks – business (cont.)

Macroeconomic and Socioeconomic factors	<ul style="list-style-type: none"> The performance of the Group will continue to be influenced by the overall condition of the economy in Australia and any deterioration in employment or economic growth could adversely affect G8's business. It is currently expected that the COVID-19 pandemic will have a material adverse impact on the Australian economy and as a result, G8's financial performance. In light of recent Australian and global macroeconomic events, including though not limited to the impact of COVID-19, Australian bush fires and other factors, Australia may experience an economic recession or downturn of uncertain severity and duration which continue to impact on the operating and financial performance and prospects of the Company and continue to impair the Company's business and prospects. As noted above, the macroeconomic consequences of the COVID-19 pandemic on the Group's business may be significantly mitigated in the short term by the childcare support package announced by the Australian Federal Government on 2 April 2020 which is intended to provide free childcare for all working parents on a temporary basis. The new subsidy system will be reviewed after one month, with an extension to be considered after three months. Other socioeconomic and macroeconomics factors could have a material adverse impact on the Group's business and financial performance, including unemployment rates, lower household income levels, lower birth rates, and lower female workforce participation, noting G8's workforce is comprised c. 98% by women. A localised deterioration of market conditions in the areas surrounding G8's centres may also impact the occupancy levels. The Group undertakes detailed supply demand modelling in relation to existing and new centre investments to ensure forecast social and economic drivers are factored into any investment decisions.
Safety, health and well-being	<ul style="list-style-type: none"> Health and safety incidents within teams and children could have an adverse impact on G8's reputation and business, the most significant risk being a centre based transmission of COVID-19 amongst team members and children. Other health and safety risks include bushfires which was a material issue for the business during the extraordinary Australian bushfires in late 2019 and early 2020. Subsequent to this, many centres were unable to use outside playgrounds for children due to air pollution concerns. G8 prioritises the safety and health of its teams and children but incidents can and do arise when interacting with children in physical environments.
Strategic execution	<ul style="list-style-type: none"> The successful delivery of the Group's strategic plan is critical to enable it to effectively leverage its scale advantage. This requires building and maintaining organisational capability in relation to planning, resourcing and execution of key projects. A number of factors could impair, delay or prevent the successful implementation of the Group's strategic plan and any such restriction or failure could adversely affect G8's future operations and financial performance.

27

Key risks – business (cont.)

Competition	<ul style="list-style-type: none"> The early learning sector remains competitive with new supply consistently entering the market. This environment creates both opportunities and risks that may impact business performance within the local markets in which G8 operates. G8 may be adversely affected if it does not continue to price its services competitively, provide a competitive standard of service and care, and pay team members at competitive levels.
Regulation	<ul style="list-style-type: none"> Regulatory changes to the early learning sector may have an adverse impact on the way G8 manages and operates its centres. The introduction of new legislation or regulations, or changes in government-funded child care subsidy levels may adversely impact G8's financial performance and future prospects. Certain centres in G8's network may have their service approval rejected or revoked and G8 may lose its licence to operate as an Approved Provider of early education and care. Regulatory compliance is subject to periodic review and may be revoked in certain circumstances. If G8 does not comply with regulations and is unable to maintain service approval for the operation of G8's early education facilities or if any of G8's existing approvals are adversely amended or revoked, this may adversely impact G8's financial performance.
Financial, treasury and insurance	<ul style="list-style-type: none"> The management of liquidity to make payments to team members and suppliers and the management of capital and availability of funding, are important requirements to support G8's business operations and growth. Unexpected changes to future cost profiles could result in the Group's cash requirements being over and above its available liquidity. To the extent that the Group's operating cash flows and debt facilities are insufficient to meet its requirements for ongoing operations and capital expenditure, for example because the COVID-19 related lockdown conditions prevail longer than anticipated, the Group may need to seek additional funding, sell assets or defer capital expenditure. If the Group is unable to obtain additional funding on acceptable terms in these circumstances, its financial condition and ability to continue operating may be adversely affected. Any dispute, or a breakdown in the relationship, between G8 and its lending banks could adversely impact the business if G8's financial position deteriorates materially, or G8 is otherwise in breach of its financing terms, and such banks are unwilling to grant waivers or amendments to financing facilities, potentially resulting in debt covenant breaches or other defaults. G8 is also exposed to fluctuations in interest rates. An increase in interest rates would increase G8's debt repayments, which in turn would impact G8's profitability.

28

Key risks – business (cont.)



People	<ul style="list-style-type: none"> G8's team members are key to the success of G8's business and it is critical that we can attract, retain and motivate appropriately skilled and trained team members that meet existing and future education and care needs. The operating and financial performance of the Group is dependent on its ability to retain and attract key personnel and there is a risk that G8 may not be able to suitably maintain an appropriately skilled base of team members. Whilst the Group makes every effort to retain key employees, there can be no guarantee that it will be able to retain its management team or other key employees. There is also a risk that the Company may need to pay higher than expected costs to acquire or retain key personnel. If this type of risk was to eventuate, it may increase G8's costs, impact occupancy levels and reduce profitability.
Insurance	<ul style="list-style-type: none"> The Group seeks to maintain appropriate policies of insurance consistent with those customarily carried by organisations in the sector. Any future increase in the cost of such insurance policies, or an inability to fully renew or claim against insurance policies as a result of the current economic environment and the impact of COVID-19 (for example, due to a deterioration in an insurer's ability to honour claims, a hardening of insurance markets or reduced capacity or willingness to insure), could adversely affect the Group's business, financial condition and operational results.
Cyber and business interruption	<ul style="list-style-type: none"> Any data or information security breach has the potential to result in unauthorised access, disclosure, loss and/or misuse of family, supplier, team member and company information which may cause significant business and reputational damage, adverse regulatory and financial impacts and legal proceedings. Additionally, business interruptions due to a failure in key operating systems could impact the normal functioning of G8's centres and could lead to financial loss.

29

Key risks – other key risks



Stock market fluctuations	<ul style="list-style-type: none"> Investors should be aware that there are risks associated with any investments in equity capital. The value of the New Shares may rise above or fall below the Offer Price, depending on the financial position and operating performance of G8. Further, the price at which the New Shares trade on the ASX may be affected by several factors unrelated to the financial and operating performance of the Company and over which the Company and the Directors have limited or have no control. These external factors include: (i) the impact of COVID-19; (ii) economic conditions and outlook in Australia and overseas; (iii) changes in interest rates and the rate of inflation; (iv) investor sentiment in the local and international stock markets; (v) changes in fiscal, monetary, regulatory and other government policies; (vi) changes in government legislation and policies, including tax laws; and (vii) geo-political conditions such as acts or threats of terrorism or military conflicts. Investors should also note that the historic share price performance of shares provides no guidance as to its future share price performance. There have been significant fluctuations and volatility in the prices of equity securities in recent months, which may have been caused by general rather than company-specific factors, including the general state of the economy, the response to the COVID-19 pandemic, a dramatic fall in the oil price, investor uncertainty, geo-political instability, and global hostilities and tensions. In particular, the COVID-19 pandemic has resulted in significant market falls and volatility both in Australia and overseas, including in the prices of equity securities. As detailed above, there continues to exist considerable uncertainty as to the future impact of COVID-19 on the Australian global economy and share markets including in relation to governmental action, work stoppages, university and school stoppages, lockdowns, quarantines, travel restrictions and the impact on the economy and share markets. Any of these events and resulting fluctuations may materially adversely impact the market price of shares in the Company.
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30

Key risks – other key risks (cont.)

The Entitlement Offer and Placement may not be underwritten and may not complete

- The Entitlement Offer and Placement are subject to a range of conditions and termination events set out in the underwriting agreement entered into by G8 and the Underwriters on 9 April 2020 (**Underwriting Agreement**). If certain conditions are not satisfied or certain events occur then both the Underwriters may terminate the underwriting agreement, which may have an adverse impact on the ability of G8 to proceed with the Offer and the quantum of funds raised as part of the Offer. In the event the Underwriting Agreement is terminated by both Underwriters, there is no guarantee that the Offer will continue in its current form or continue at all. Failure to raise sufficient funds under the Offer (as a result of it not proceeding or otherwise) could materially adversely affect G8's business, cash flow, financial position and results of operations.

Key terms of Underwriting Agreement

- Each Underwriter's obligations under the Underwriting Agreement, including to underwrite the Offer, and arrange and manage the Offer, are conditional on certain matters, including the timely delivery of due diligence process materials and G8's banking syndicates providing certain covenant waivers under existing debt facilities (refer to page 11)
- If certain conditions are not satisfied or certain events occur, an Underwriter may terminate the Underwriting Agreement. The events which may trigger termination of the Underwriting Agreement include (but are not limited to) the following:
 - the ASX/S&P 200 Index falls by 12.5% or more at any time from its level at market close on the business day immediately preceding the date of the Underwriting Agreement;
 - ASIC holds, or gives notice of an intention to hold, a hearing or investigation in relation to the Offer or G8, or prosecutes or commences proceedings, or gives notice of an intention to prosecute or commence proceedings, against G8 or any of its directors or officers in relation to the Offer;
 - ASX announces or communicates in writing that G8's shares will be delisted, removed from quotation, withdrawn from admission to trading status or suspended from quotation (other than the trading halt or suspension required to facilitate the Offer);
 - unconditional approval (or approval subject to customary conditions reasonably acceptable to the Underwriters) is refused or not granted for quotation of the New Shares prior to their scheduled settlement date or, if granted, is subsequently withdrawn, qualified (other than by customary conditions reasonably acceptable to the Underwriters) or withheld;
 - there is a material adverse effect in the condition (financial or otherwise), assets, earnings, business, liabilities, financial position or performance, results of operations, profits, losses or prospects of G8 or the Group from that existing at the announcement date (9 April 2020);
 - any event specified in the timetable is delayed by more than 1 business day in respect of the Institutional Entitlement Offer and more than 2 business days in respect of the Retail Entitlement Offer;
 - a certificate required to be furnished under the Underwriting Agreement is not furnished or is false, misleading or inaccurate in any material respect;

31

Key risks – other key risks (cont.)

The Entitlement Offer and Placement may not be underwritten and may not complete (cont.)

- any of the offer documents include content that is misleading or deceptive or is an untrue statement of a material fact or omit a material fact necessary to make the statement not misleading;
- G8 or a subsidiary representing 5% or more of the assets or earnings of the Group (Material Subsidiary) becomes insolvent or there is an act or omission which may result in G8 or a Material Subsidiary becoming insolvent;
- there is a change in the chairperson, chief executive officer or chief financial officer of G8;
- there is an application to a governmental agency (including the Takeovers Panel but excluding ASIC) for an order, declaration or other remedy (including a declaration of unacceptable circumstances in relation to the Takeovers Panel), or a governmental agency commences any investigation, hearing or proceeding or announces its intention to do so or makes any adverse declaration or order in connection with the Offer or any agreement entered into by G8 in respect of the Offer;
- G8 breaches or defaults under any provision, covenant or ratio of a material debt or financing arrangement which has a material adverse effect on G8, or a lender or financier fails to agree a waiver or amendment in relation to any breach, default or review event under that arrangement that would, in the reasonable opinion of the relevant Underwriter, have a material adverse effect on G8;
- any waiver provided by a lender or financier to a breach or default under a debt or financing arrangement is withdrawn, terminated, or varied without the consent of the relevant Underwriter;
- G8 fails to perform or observe any of its obligations under the Underwriting Agreement;
- any representation or warranty given by G8 under the Underwriting Agreement becomes untrue or incorrect;
- any director of G8 is charged with a criminal offence relating to any financial or corporate matter, or any director of G8 is disqualified from managing a corporation under the Corporations Act;
- G8 or any of its directors or officers engage in any fraudulent conduct or activity whether or not in connection with the Offer;
- there is introduced a law or regulation or government policy in Australia or in the United States or United Kingdom, the effect of which makes it impractical or inadvisable (in the opinion of the relevant Underwriter, acting in good faith) to proceed with the issue or enforce contracts to issue the New Shares;
- in respect of the United States, Australia, any member of the European Union, Hong Kong, the Peoples Republic of China or the United Kingdom, hostilities not presently existing commence, a major escalation in existing hostilities occurs, a declaration is made of a national emergency or war Australia, a declaration is made of a national emergency (other than one declared prior to the date of the Underwriting Agreement) or war, or a major terrorist act is perpetrated on any of those countries or any diplomatic, military or political establishment of those countries elsewhere in the world;
- a general moratorium on commercial banking activities in Australia, the United States or the United Kingdom is declared by the relevant central banking authority or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;

32

Key risks – other key risks (cont.)

<p>The Entitlement Offer and Placement may not be underwritten and may not complete (cont.)</p>	<ul style="list-style-type: none"> – trading in all securities quoted or listed on ASX, the London Stock Exchange or the New York Stock Exchange ("NYSE") is suspended or limited in a material respect for at least 1 day on which that exchange is open for trading, or a Level 3 "market-wide circuit breaker" is implemented by the NYSE upon a 20% decrease against the prior day's closing price of the S&P 500 Index only; – any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, the United States, the United Kingdom or any adverse change in national, political, financial or economic conditions from those existing at the date of the Underwriting Agreement; or – there is a change in the general manager operations or the membership of the board of directors of G8 (other than the chairperson or as disclosed to the Underwriters in the management questionnaire). <ul style="list-style-type: none"> • The ability of an Underwriter to terminate the Underwriting Agreement in respect of some events will depend on whether the Underwriter has reasonable grounds to believe that the event: <ul style="list-style-type: none"> – has had, or is likely to have, a materially adverse effect on the outcome or success of the Offer or the likely price at which the New Shares will trade on ASX or on the ability of the relevant Underwriter to settle the Offer; or – is likely to give rise to a contravention by the relevant Underwriter of, or liability for the Underwriter under, the Corporations Act or any applicable laws. • Termination for failure of meeting a condition precedent or due to a termination event occurring will discharge the terminating Underwriter and G8's obligation to pay to the terminating Underwriting any fees which as at the date of termination are not yet payable. If the remaining Underwriter elects to take up the rights of the terminating Underwriter, G8 must pay them the fees that would otherwise have been payable to the terminating Underwriter. • For details of fees payable to the Underwriters, see the Appendix 3B released to ASX on 9 April 2020. • The Company also gives certain representations, warranties and undertakings to the Underwriter and an indemnity to the Underwriter and its affiliates subject to certain carve-outs.
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33

Key risks – other key risks (cont.)

<p>The Entitlement Offer and Placement may not be underwritten and may not complete (cont.)</p>	<p><i>Shortfall</i></p> <ul style="list-style-type: none"> • Although an Underwriter may procure other subscribers for any New Shares which it is required to subscribe for under the Underwriting Agreement (Shortfall Shares), the Underwriting Agreement provides that an Underwriter is not itself (or through its affiliates) required to take up Shortfall Shares to the extent that doing so would result in the Underwriter (or its affiliates) breaching either the Foreign Acquisitions and Takeovers Act 1975 (Cth) or section 606 of the Corporations Act 2001 (Cth) (each, a Regulatory Event), taking into account the number of shares then held by that Underwriter and/or its affiliates. That Underwriter must give notice to G8 prior to 9.30am on the relevant settlement date of the Offer of the number of Shortfall Shares (Relevant Shares) that it will not be permitted to acquire under the Underwriting Agreement in order to ensure that no Regulatory Event occurs. If an Underwriter gives such notice: (i) it must still comply with its obligations to pay or procure payment to G8 of the Offer Price in respect of the Relevant Shares by way of a loan to G8 (Loan); (ii) it is not required to subscribe for the Relevant Shares but must continue its efforts to procure subscribers for the Relevant Shares provided that such persons are not in the United States (other than Eligible U.S. Fund Managers); and (iii) G8 is not required to allot the Relevant Shares on the relevant allotment date. Upon notification from an Underwriter that it has procured subscribers for the Relevant Shares without resulting in a Regulatory Event, G8 must allot and issue the Relevant Shares (and apply for quotation on the ASX) and set-off the amount paid by the Underwriter to G8 against the Loan. • No material impact on control is expected to arise as a consequence of these arrangements or from any shareholder taking up their entitlement under the Entitlement Offer where there is an excess shortfall. • The directors of G8 reserve the right to issue any shortfall (including any excess shortfall) under the Offer at their discretion. Any excess shortfall may, subject to the terms of the Underwriting Agreement, be allocated to the Underwriters or to third party investors as directed by the Underwriters. The basis of allocation of any other shortfall will be determined by the directors of G8 at their discretion, taking into account whether investors are existing shareholders, G8's register and any potential control impacts.
<p>Dilution risk</p>	<ul style="list-style-type: none"> • If you do not take up all of your entitlement under the Offer, then your percentage security holding in the Company will be diluted by not participating to the full extent in the Offer. Investors may also have their investment diluted by the Placement or future capital raisings by the Company. The Company may issue new securities in the future to finance acquisitions or pay down debt which may, under certain circumstances, dilute the value of an investor's interest.

34

Selling Restrictions



Selling restrictions

This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Selling restrictions (cont.)



Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

United Arab Emirates

This document does not constitute a public offer of securities in the United Arab Emirates and the New Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this document nor the New Shares have been approved by the Securities and Commodities Authority ("SCA") or any other authority in the UAE.

This document may be distributed in the UAE only to "qualified investors" (as defined in the SCA Board of Directors' Chairman Decision No. 37 RM of 2019, as amended) and may not be provided to any person other than the original recipient. No marketing of the New Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE.

No offer or invitation to subscribe for New Shares is valid, or permitted from any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" (within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU), replacing section 86(7) of the FSMA). This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

ASX Announcement

G8 Education Limited
(ASX:GEM)



14 April 2020

Successful Completion of Placement and Institutional Entitlement Offer

G8 Education Limited (the “Group” or “G8”, ASX: GEM) is pleased to announce the successful completion of its institutional placement (“Placement”) and the institutional component of its accelerated pro rata non-renounceable entitlement offer (“Entitlement Offer”) (“Institutional Entitlement Offer”) of new fully paid ordinary shares (“New Shares”) as announced on Thursday, 9 April 2020.

Completion of Placement and Institutional Entitlement Offer

The Placement and Institutional Entitlement Offer raised a total of A\$227 million at \$0.80 per New Share (“Offer Price”). The Placement and Institutional Entitlement Offer saw strong support from both existing and new investors, with a take up rate of approximately 99.7% by eligible investors under the Institutional Entitlement Offer.

New Shares in respect of institutional entitlements not taken up under the Institutional Entitlement Offer and New Shares that would have represented the entitlements of ineligible institutional shareholders were offered and placed to institutional investors.

The approximately 278 million New Shares under the Placement and Institutional Entitlement Offer are expected to be allotted on 15 April 2020 and trade on the ASX on a normal settlement basis on the same day. The New Shares will rank equally with existing G8 shares on issue.

G8 has requested its voluntary suspension be lifted and for GEM shares to recommence trading from market open today.

Commenting on the raising, G8 Chief Executive Officer and Managing Director Gary Carroll said:

“We are very pleased by the strong support we have received from investors for the Placement and Entitlement Offer. The cash preservation and capital measures we have announced, including the equity raising, provide G8 with additional liquidity and financial flexibility to navigate this current period of market disruption. It allows us to maintain our high quality services to our families, helps us to retain our quality team, and puts us in a position of strength for the recovery phase.”

Retail Entitlement Offer Details

The fully underwritten retail component of the Entitlement Offer (“Retail Entitlement Offer”) will raise approximately \$74 million.

Eligible retail shareholders at the Record Date of 7:00 pm (AEST) on Wednesday, 15 April 2020, with a registered address in Australia and New Zealand (“Eligible Retail Shareholders”) will be invited to participate in the Retail Entitlement Offer at the Offer Price.

ASX Announcement

G8 Education Limited
(ASX:GEM)



The Retail Entitlement Offer will open on Monday, 20 April 2020 and close at 5:00 pm (AEST) on Friday, 1 May 2020 (**Retail Entitlement Offer Period**). Eligible Retail Shareholders who take up their entitlement in full can also apply for additional shares in excess of their entitlement up to a maximum of 25% of their entitlement under an oversubscription facility ("**Oversubscription Facility**").

Additional New Shares will only be available under the Oversubscription Facility to the extent that there are entitlements under the Retail Entitlement Offer that are not taken up by Eligible Retail Shareholders.

Further information will be sent to Eligible Retail Shareholders in a booklet ("**Retail Offer Booklet**") expected to be lodged with the ASX and despatched on or around Monday, 20 April 2020. The Retail Offer Booklet and the accompanying personalised entitlement and acceptance form ("**Application Form**") will contain instructions on how to apply for the Retail Entitlement Offer. Application Forms and payments are due by no later than 5:00pm on Friday, 1 May 2020.

If you have any questions in relation to the Entitlement Offer, please contact the G8 Offer Information Line on 1300 794 935 (within Australia) or +61 1300 794 935 (outside Australia) at any time from 8.30am to 5.30pm (AEST) Monday to Friday during the Retail Entitlement Offer Period.

Equity Raising Timetable¹

Event	Date
Equity Raising announcement and Placement and Institutional Entitlement Offer opens	Thursday, 9 April 2020
Placement and Institutional Entitlement Offer closes	Thursday, 9 April 2020
Trading in G8 shares resumes on an ex-entitlement basis	Tuesday, 14 April 2020
Record date for determining entitlement for the Entitlement Offer	7:00pm, Wednesday, 15 April 2020
Despatch of Retail Offer Booklet and Retail Entitlement Offer opens	Monday, 20 April 2020
Settlement of Placement and Institutional Entitlement Offer	Tuesday, 21 April 2020
Allotment and normal trading of New Shares issued under the Placement and Institutional Entitlement Offer	Wednesday, 22 April 2020
Retail Entitlement Offer closing date	Friday, 1 May 2020
Allotment of New Shares issued under the Retail Entitlement Offer	Friday, 8 May 2020
Normal trading of New Shares issued under the Retail Entitlement Offer	Monday, 11 May 2020
Despatch of holding statements	Tuesday, 12 May 2020

¹ All dates and times are indicative and G8 reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws. All times and dates are in reference to Sydney, Australia time.

ASX Announcement

G8 Education Limited
(ASX:GEM)



Further Information

Further information regarding the Placement and Entitlement Offer is contained in the investor presentation released to the ASX on Thursday, 9 April 2020. The Retail Offer Booklet will be released separately and mailed to Eligible Retail Shareholders.

Royal Bank of Canada (trading as RBC Capital Markets) and UBS AG, Australia Branch have been appointed as joint lead managers and underwriters to the Equity Raising.

ENDS

Authorised for release by G8 Education Limited's General Counsel & Company Secretary.

For further information, contact:

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4 Additional information

4.1 Responsibility for this Retail Offer Booklet

This Retail Offer Booklet has been prepared by G8. No party other than G8 has authorised or caused the issue of this Retail Offer Booklet, or takes any responsibility for, or makes or gives any statements, representations or undertakings in, this Retail Offer Booklet.

4.2 Date of this Retail Offer Booklet

This Retail Offer Booklet is dated 20 April 2020. Subject to the following paragraph, statements in this Retail Offer Booklet are made only as of the date of this Retail Offer Booklet unless otherwise stated and the information in this Retail Offer Booklet remains subject to change without notice. G8 is not responsible for updating this Retail Offer Booklet.

The ASX Announcements and Investor Presentation set out in Section 3 of this Retail Offer Booklet are current as at the date on which they were released. There may be additional announcements that are made by G8 (including after the date of this Retail Offer Booklet) that may be relevant to your consideration of whether to take up your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by G8 to the ASX before submitting an Application.

4.3 Eligibility of Retail Shareholders

The Retail Entitlement Offer is being offered to all Eligible Retail Shareholders only.

Eligible Retail Shareholders are Shareholders on the Record Date who:

- (a) are registered as a holder of Existing Shares;
- (b) have a registered address in Australia or New Zealand or are Shareholders that G8 has otherwise determined is eligible to participate in the Retail Entitlement Offer;
- (c) are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States in respect of the relevant underlying holders of Existing Shares;
- (d) were not invited to participate in the Institutional Entitlement Offer and were not treated as Ineligible Institutional Shareholders under the Institutional Entitlement Offer (other than as a nominee or custodian, in each case in respect of other underlying holdings); and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

G8 has determined that it is unreasonable to extend the Retail Entitlement Offer to Ineligible Retail Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand.

4.4 Ranking of New Shares

The New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally with Existing Shares.

The rights attaching to the New Shares are set out in G8's constitution and are regulated by the Corporations Act, ASX Listing Rules and general law.

4.5 Allotment, quotation and trading

G8 has or will apply for quotation of the New Shares on ASX in accordance with ASX Listing Rules requirements. If ASX does not grant quotation of the New Shares, G8 will repay all Application Monies (without interest).

Subject to ASX approval being granted, it is expected that the New Shares allotted under the Retail Entitlement Offer will commence trading on a normal basis on Monday, 11 May 2020. Application Monies will be held by G8 on trust for applicants until the New Shares are allotted. No interest will be paid on Application Monies, and any interest earned on Application Monies will be for the benefit of G8 and will be retained by G8 irrespective of whether New Shares are issued.

It is the responsibility of applicants to determine the number of New Shares allotted and issued to them prior to trading in the New Shares. The sale by an Applicant of New Shares prior to receiving their holding statement is at the Applicant's own risk. G8 and the Underwriters each disclaim all liability whether in negligence or otherwise (to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by G8 or the Share Registry or otherwise.

4.6 Reconciliation

In any entitlement offer, investors may believe that they own more shares on the record date than they ultimately do. This may result in a need for reconciliation to ensure all eligible shareholders have the opportunity to receive their full entitlement.

G8 may need to issue a small quantity of additional New Shares to ensure all Eligible Shareholders have the opportunity to receive their appropriate allocation of New Shares. The price at which these New Shares would be issued, if required, is the same as the Offer Price.

G8 reserves the right to reduce the number of an Entitlement or New Shares allocated to eligible Shareholders or persons claiming to be Eligible Shareholders, if their Entitlement claims prove to be overstated, if they or their nominees/custodians fail to provide information requested to substantiate their Entitlement claims, or if they are not Eligible Shareholders.

4.7 Underwriting

The Entitlement Offer and the Placement are fully underwritten by the Underwriters.

Any New Shares which are not subscribed for by Eligible Retail Shareholders pursuant to their Entitlement may be acquired by Eligible Retail Shareholders under the Oversubscription Facility.

G8 and the Underwriters have entered into an Underwriting Agreement. Customary with these types of arrangements:

- (a) G8 has agreed, subject to certain carve-outs, to indemnify the Underwriters, their respective affiliates and related bodies corporate, and each of their directors, officers, employees, agents and advisers against any losses they may suffer or incur in connection with the Entitlement Offer and the Placement;
- (b) G8 and the Underwriters have given certain representations, warranties and undertakings in connection with (among other things) the Entitlement Offer and the Placement; and
- (c) the Underwriters may (in certain circumstances having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events, which are set out in the "Key Risks" section of the Investor Presentation (see Section 3 of this Retail Offer Booklet).

The Underwriters will be paid (in aggregate):

- (a) an underwriting fee of 2.00% of the proceeds of the Entitlement Offer and the Placement; and
- (b) a management fee of 0.75% of the proceeds of the Entitlement Offer and Placement.

UBS will also be paid a bookrunner and lead arranger fee of 0.50% of the proceeds of the Entitlement Offer.

The Underwriters will also be reimbursed for certain expenses.

Under the Underwriting Agreement, although an Underwriter may procure other subscribers for any New Shares which it is required to subscribe for under the Underwriting Agreement (**Shortfall Shares**), the Underwriting Agreement provides that an Underwriter is not itself (or through its affiliates) required to take up Shortfall Shares to the extent that doing so would result in the Underwriter (or its affiliates) breaching either the Foreign Acquisitions and Takeovers Act 1975 (Cth) or section 606 of the Corporations Act (each, a **Regulatory Event**), taking into account the number of shares then held by that Underwriter and/or its affiliates. That Underwriter must give notice to G8 prior to 9.30am on the relevant settlement date of the Offer of the number of Shortfall Shares (**Relevant Shares**) that it will not be permitted to acquire under the Underwriting Agreement in order to ensure that no Regulatory Event occurs. If an Underwriter gives such notice: (i) it must still comply with its obligations to pay or procure payment to G8 of the Offer Price in respect of the Relevant Shares by way of a loan to G8 (**Loan**); (ii) it is not required to subscribe for the Relevant Shares but must continue its efforts to procure subscribers for the Relevant Shares provided that such persons are not in the United States (other than Eligible U.S. Fund Managers); and (iii) G8 is not required to allot the Relevant Shares on the relevant allotment date. Upon notification from an Underwriter that it has procured subscribers for the Relevant Shares without resulting in a Regulatory Event, G8 must allot and issue the Relevant Shares (and apply for quotation on the ASX) and set-off the amount paid by the Underwriter to G8 against the Loan. No material impact on control is expected to arise as a consequence of these arrangements or from any shareholder taking up their Entitlement under the Entitlement Offer where there is an excess shortfall.

Neither the Underwriters nor any of their respective related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents (collectively, the **Underwriter Parties**) have authorised or caused the issue or lodgement, submission, dispatch or provision of this Retail Offer Booklet and there is no statement in this Retail Offer Booklet which is based on a statement made by an Underwriter Party. To the maximum extent permitted by law, each Underwriter Party expressly disclaims all liabilities in respect of, and makes no representations regarding, takes no responsibility for any part of this Retail Offer Booklet or any action taken by you on the basis of the information in this Retail Offer Booklet, and makes no representation or warranty as to the currency, accuracy, reliability or completeness of this Retail Offer Booklet. To the maximum extent permitted by law, the Underwriter Parties exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this Retail Offer Booklet being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. None of the Underwriter Parties makes any recommendations as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties to you concerning this Entitlement Offer, or any such information and you represent, warrant and agree that you have not relied on any statements made by any of the Underwriter Parties in relation to the New Shares or the Entitlement Offer generally.

4.8 Continuous Disclosure

G8 is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

G8 is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, G8 has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of G8 shares. That information is available to the public from ASX and can be accessed at www.asx.com.au.

Some documents are required to be lodged with ASIC in relation to G8. These documents may be obtained from, or inspected at, an ASIC office.

4.9 No cooling off rights

You cannot withdraw your Application once it has been made or accepted. Cooling off rights do not apply to an investment in New Shares.

4.10 Rounding of Entitlements

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

4.11 Not financial product or investment advice

This Retail Offer Booklet and the accompanying Entitlement and Acceptance Form is for information purposes only and is not a prospectus, disclosure document or other offering document under the Corporations Act or any other law and has not been lodged with ASIC. It is also not financial product or investment advice or a recommendation to acquire New Shares and has been prepared without taking into account your objectives, financial circumstances or particular needs. This Retail Offer Booklet should not be considered to be comprehensive and does not purport to contain all the information that you may require to make a decision about whether to submit your personalised Entitlement and Acceptance Form and invest in New Shares.

Before making an investment decision, you should consider the appropriateness of the information in this Retail Offer Booklet having regard to your own objectives, financial situation and needs and seek legal and taxation advice appropriate to your jurisdiction. If you have any questions about whether you should participate in the Entitlement Offer, you should seek professional financial advice before making any investment decision. G8 is not licensed to provide financial product advice in respect of New Shares.

4.12 Financial data

All references to '\$' are to Australian dollars unless otherwise noted.

All financial data is presented as at 31 December 2019 unless otherwise stated.

4.13 Ineligible Shareholders

All Shareholders who do not satisfy the criteria to be Eligible Retail Shareholders or Eligible Institutional Shareholders, are Ineligible Shareholders. Ineligible Shareholders are not entitled to participate in the Entitlement Offer, unless G8 otherwise determines.

The restrictions upon eligibility to participate in the Entitlement Offer arise because G8 has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Corporations Act,



that it would be unreasonable to extend the Entitlement Offer to Ineligible Shareholders. This decision has been made after taking into account the number of non-residents in Australia and New Zealand on the G8 register, the relatively small number and value of New Shares to which those Shareholders would otherwise be entitled and the potential costs of complying with legal and regulatory requirements in the jurisdictions in which the Ineligible Shareholders are located in relation to the Entitlement Offer.

G8, in its absolute discretion, may extend the Entitlement Offer to any Shareholder if it is satisfied that the Entitlement Offer may be made to the Shareholder in compliance with all applicable laws. G8, in its absolute discretion, reserves the right to determine whether a Shareholder is an Eligible Retail Shareholder, Eligible Institutional Shareholder or an Ineligible Shareholder. To the maximum extent permitted by law, G8 disclaims all liability in respect of such determination.

The price at which the Entitlements of Ineligible Shareholders will be sold is the Offer Price. Accordingly, Ineligible Shareholders will not receive any payment or value as a result of the issue of any of those New Shares they would have been entitled to subscribe for had they been eligible to participate in the Entitlement Offer.



5 Australian taxation consequences

Below is a general guide to the Australian income tax, goods and services tax (**GST**) and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders that hold their New Shares on capital account. In addition, the guide below applies only to Eligible Retail Shareholders who are Australian tax resident individuals, companies or complying superannuation entities. The guide does not apply to Eligible Retail Shareholders who:

- (a) hold Shares on 'revenue account' or 'trading stock' (as defined in the *Income Tax Assessment Act 1997* (Cth) (**ITAA 1997**)), such as share trading entities or entities who acquired their Shares for the purposes of resale at a profit);
- (b) acquired the Shares in respect of which their Entitlements are issued under any employee share scheme or where New Shares are acquired pursuant to any employee share scheme;
- (c) may be subject to special tax rules, such as insurance companies, partnerships, tax exempt organisations, dealers in securities or shareholders who change their tax residency while holding their Shares; or
- (d) are subject to the taxation of financial arrangements rules in Division 230 of the ITAA 1997 in relation to gains and losses on their Shares, except as otherwise noted in Section 5.7 below.

The guide does not take into account the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. It does not purport to be a complete analysis of the potential tax consequences of the Retail Entitlement Offer and is intended as a general guide to the Australian tax implications. Eligible Retail Shareholders should seek advice from an appropriate professional advisor in relation to the tax implications of the Retail Entitlement Offer based on their own individual circumstances.

The comments below are based on the Australian tax law as it applies as at 9.00am (AEST) on Monday, 20 April 2020. Other than as expressly discussed or specified, the comments do not take into account or anticipate changes in Australian tax law or future judicial interpretations of law after this time. The laws are complex and subject to change periodically, as is their interpretation by the courts and the tax authorities. The comments also do not take into account tax legislation of any country other than Australia.

5.2 Issue of Entitlement

The issue of the Entitlement should not, in itself, result in any amount being included in the assessable income of an Eligible Retail Shareholder.

5.3 Exercise of Entitlement

New Shares will be acquired where the Eligible Retail Shareholder exercises all or part of their Entitlement under the Retail Entitlement Offer and, to the extent relevant, participates in the Oversubscription Facility.

An Eligible Retail Shareholder should not derive any assessable income, or make any capital gain or capital loss, at the time of exercising their Entitlement under the Retail Entitlement Offer.

Cost base and reduced cost base of New Shares

Broadly, for Australian capital gains tax (**CGT**) purposes, the cost base (and reduced cost base) of each New Share should include the Offer Price payable for each New Share plus certain non-deductible incidental costs the Eligible Retail Shareholder incurs to acquire the New Shares.

Acquisition date of New Shares

Eligible Retail Shareholders will be taken to have acquired New Shares on the day they exercise their Entitlement under the Retail Entitlement Offer.

Eligible Retail Shareholders who participate in the Oversubscription Facility will be taken to have acquired New Shares on the day on which the New Shares are issued under the Oversubscription Facility.

5.4 Lapse of Entitlement

If an Eligible Retail Shareholder does not accept all or part of their Entitlement in accordance with the instructions set out above, then that Entitlement will lapse and the Eligible Retail Shareholder will not receive any payment or value for their Entitlement that is not taken up. There should be no tax implications for an Eligible Retail Shareholder from the lapse of the Entitlement.

5.5 Taxation in respect of Dividends on New Shares

Generally speaking, future dividends paid or other distributions made in respect of New Shares should be subject to the same tax considerations as dividends paid or other distributions made on Existing Shares held in the same circumstances.

By way of example, if G8 pays a franked dividend on the New Shares, certain shareholders may be entitled to a tax offset equal to the franking credits attached to the dividend, provided that the shareholder is a 'qualified person'. Broadly, subject to certain exceptions (including for an individual who obtains franking tax offsets of no more than \$5,000 in the income year in which the dividend was paid), to be a 'qualified person', the shareholder must satisfy the 'holding period rules'. Under these rules, the shareholder may be required to have held their New Shares 'at risk' for a continuous period of at least 45 days (not including the date of acquisition and the date of disposal of the shares) within the relevant 'qualification period'.

5.6 Disposal of New Shares

The disposal of New Shares will constitute a disposal for CGT purposes.

On disposal of a New Share, an Eligible Retail Shareholder will make a capital gain if the capital proceeds from the disposal exceed the cost base of the New Share. An Eligible Retail Shareholder will make a capital loss if the capital proceeds are less than the reduced cost base of the New Share. The cost base of New Shares is described above in Section 5.3.

Eligible Retail Shareholders that are individuals or Australian complying superannuation entities and that have held their New Shares for at least 12 months at the time of disposal should be entitled to apply the applicable CGT discount to reduce the capital gain (after offsetting capital losses). The CGT discount is 50% for individuals and 33.33% for Australian complying superannuation entities. The CGT discount is not available for companies.

Eligible Retail Shareholders will be taken to have acquired New Shares on the day they exercise their Entitlement under the Retail Entitlement Offer. Accordingly, to be eligible for the CGT discount, the New Shares must be held for at least 12 months after the date that Eligible Retail Shareholders exercised their Entitlement.

Eligible Retail Shareholders who participate in the Oversubscription Facility will be taken to have acquired New Shares on the day on which the New Shares are issued under the Oversubscription Facility. Accordingly, to be eligible for the CGT discount, the New Shares must be held for at least 12 months after the date that the New Shares were issued.

As the rules relating to discount capital gains for trusts are complex, G8 recommends that trustees seek their own independent advice on how the CGT discount provisions will apply to them and the trusts' beneficiaries.

Eligible Retail Shareholders that make a capital loss can only use that loss to offset other capital gains made from other sources (i.e. the capital loss cannot be used against taxable income on revenue account). If the capital loss cannot be used in a particular income year, it can be carried forward to offset capital gains made in future income years. Specific capital loss recoupment rules apply to companies to restrict their ability to utilise capital losses in future years in some circumstances.

5.7 Taxation of Financial Arrangements

The application of the Taxation of Financial Arrangements (**TOFA**) provisions under Division 230 of the ITAA 1997 depend on the specific facts and circumstances of the Eligible Retail Shareholder. The TOFA provisions are complex, and Eligible Retail Shareholders should seek advice from an appropriate professional advisor in relation to the implications of the TOFA provisions.

5.8 GST and stamp duty

Subject to the proviso below, there should be no Australian GST or stamp duty payable in respect of the issue or exercise of Entitlements or the acquisition of New Shares pursuant to the Retail Entitlement Offer. Subject to certain requirements, there may be a restriction on the entitlement of Eligible Retail Shareholders to claim an input tax credit for any GST incurred on costs associated with the acquisition of New Shares (such as brokerage or advisor fees).

No stamp duty should be payable by an Eligible Retail Shareholder on the acquisition of New Shares provided each Eligible Retail Shareholder, and any associated persons, do not hold, as a result of such acquisition, 90% or more of the interests in G8.

6 Definitions

AEST means Australian Eastern Standard Time.

Applicant means an Eligible Retail Shareholder who has submitted a valid Application.

Application means the arranging for payment of the relevant Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form or the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies.

Application Monies means the aggregate amount payable for the New Shares applied for through BPAY® or in a duly completed Entitlement and Acceptance Form.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or, where the context requires, the securities exchange operated by it on which Shares are quoted.

ASX Announcements means the announcements released to ASX by G8 on 9 April 2020 and 14 April in connection with the Offer, incorporated in Section 3 of this Retail Offer Booklet (each an **ASX Announcement**).

ASX Listing Rules means the official listing rules of ASX.

CGT means capital gains tax.

Closing Date means the day the Retail Entitlement Offer closes, expected to be 5.00pm (AEST) on Friday, 1 May 2020.

Corporations Act means the *Corporations Act 2001* (Cth).

Eligible Institutional Shareholder means an Institutional Shareholder on the Record Date to whom the Underwriters made an offer on behalf of G8 under the Institutional Entitlement Offer (and who, for the avoidance of doubt, is not an excluded institutional shareholder under the Underwriting Agreement).

Eligible Retail Shareholder means a Shareholder on the Record Date who:

- (a) is registered as a holder of Existing Shares;
- (b) has a registered address in Australia or New Zealand or is a Shareholder that G8 has otherwise determined is eligible to participate in the Retail Entitlement Offer;
- (c) is not in the United States and is not a person (including nominees or custodians) acting for the account or benefit of a person in the United States in respect of the relevant underlying holders of Existing Shares;
- (d) was not invited to participate in the Institutional Entitlement Offer, was not an Eligible Institutional Shareholder and was not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer (other than as a nominee or custodian, in each case in respect of other underlying holdings); and
- (e) is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Eligible Shareholders means Eligible Institutional Shareholders or Eligible Retail Shareholders.

Entitlement means the right to subscribe for 1 New Share for every 2.2 Existing Shares held by Eligible Shareholders on the Record Date, pursuant to the Entitlement Offer.

Entitlement and Acceptance Form means the personalised entitlement and acceptance form that accompanies this Retail Offer Booklet.

Entitlement Offer means the pro rata accelerated non-renounceable entitlement offer of New



Shares to Eligible Shareholders to raise approximately \$167 million at the Offer Price on the basis of 1 New Share for every 2.2 Existing Shares held on the Record Date, and comprised of the Institutional Entitlement Offer and the Retail Entitlement Offer.

Existing Shares means the Shares already on issue on the Record Date.

GST means goods and services tax.

Ineligible Institutional Shareholder means an Institutional Shareholder that is not an Eligible Institutional Shareholder.

Ineligible Retail Shareholder means a retail Shareholder that is not an Eligible Retail Shareholder.

Ineligible Shareholders means Ineligible Institutional Shareholders or Ineligible Retail Shareholders.

Institutional Entitlement Offer means the pro rata accelerated non-renounceable entitlement offer of New Shares to Eligible Institutional Shareholders under the Entitlement Offer.

Institutional Investor means a person:

- (a) in Australia, to whom an offer of securities in a company may be made in Australia without a disclosure document (as defined in the Corporations Act) on the basis that such a person is an "exempt investor" as defined in section 9A(5) of the Corporations Act (as inserted by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*); or
- (b) in selected jurisdictions outside Australia, to whom an offer of New Shares may be made without registration, lodgement of a formal disclosure document or other formal filing in accordance with the laws of that foreign jurisdiction (except to the extent to which G8, at its absolute discretion, is willing to comply with such requirements).

Institutional Shareholder means a Shareholder who is an Institutional Investor.

Investor Presentation means the presentation to investors released to the ASX on 9 April 2020, incorporated in Section 3 of this Retail Offer Booklet.

ITAA 1997 means the *Income Tax Assessment Act 1997* (Cth).

New Shares means Shares to be allotted and issued under the Offer, including (as the context requires) to the Underwriters or any sub-underwriters.

Offer means the Entitlement Offer and the Placement.

Offer Price means \$0.80 per New Share, being the price payable per New Share under the Offer.

G8 or **Company** means G8 Education Limited (ABN 95 123 828 553).

Oversubscription Facility means the opportunity for Eligible Retail Shareholders who take up all of their Entitlement to also apply for additional New Shares in excess of their Entitlement up to a maximum of 25% of their Entitlement.

Placement means a placement of New Shares to new and existing Institutional Investors at the Offer Price.

RBC means Royal Bank of Canada (trading as RBC Capital Markets) (ABN 86 076 940 880).

Record Date means 7.00pm (AEST) on Wednesday, 15 April 2020.

Retail Entitlement Offer means the non-renounceable pro rata entitlement offer of New Shares to Eligible Retail Shareholders under the Entitlement Offer.

Retail Entitlement Offer Period means the period during which the Retail Entitlement Offer is

open.

Retail Offer Booklet means this document (including the Entitlement and Acceptance Form accompanying it).

Section means a section of this Retail Offer Booklet.

Share means a fully paid ordinary share in the capital of G8.

Share Registry means Link Market Services Limited (ABN 54 083 214 537).

Shareholder means a registered holder of Shares.

TOFA means the Taxation of Financial Arrangements provisions under Division 230 of the ITAA 1997.

UBS means UBS AG, Australia Branch (ABN 47 088 129 613).

Underwriters means UBS and RBC.

Underwriting Agreement means the underwriting agreement dated 9 April 2020 between G8 and the Underwriter.

U.S. Securities Act means the U.S. Securities Act of 1933, as amended.

7 Corporate information

G8 Education Limited

159 Varsity Parade
Varsity Lakes QLD 4227

Underwriters

UBS AG, Australia Branch
Level 16
2 Chifley Square,
Sydney NSW 2000

Royal Bank of Canada (trading as RBC Capital Markets)
Level 47
2 Park Street
Sydney NSW 2000

Share Registry

Link Market Services Limited
Level 21
10 Eagle Street
Brisbane QLD 4000

Legal adviser

Allens
Level 28, Deutsche Bank Place
Corner of Phillip and Hunter Streets
Sydney NSW 2000

G8 Offer Information Line

Australia: 1300 794 935
International: +61 1300 794 935
Open 8.30am to 5.30pm (AEST) Monday to Friday during the Retail Entitlement Offer Period

Not for release to U.S. wire services or distribution in the United States

Monday, 20 April 2020

Dear Shareholder,

**ACCELERATED PRO-RATA NON-RENOUNCEABLE ENTITLEMENT OFFER –
NOTIFICATION TO INELIGIBLE RETAIL SHAREHOLDERS**

On Thursday, 9 April 2020, G8 Education Limited (**G8**) announced that it was conducting a fully underwritten A\$134 million institutional placement (**Placement**) and a fully underwritten accelerated non-renounceable entitlement offer (**Entitlement Offer**, together with the Placement the **Offer**) of approximately A\$301 million in new fully paid ordinary shares in G8 Education Limited (**New Shares**) on a 1 for 2.2 basis to eligible shareholders, at an offer price of A\$0.80 per New Share (**Offer Price**).

Net proceeds from the Offer will be used to ensure G8 has the balance sheet flexibility and liquidity to manage the business and pay down debt through a prolonged period of disruption to the Early Childhood Education and Care sector.

This is a letter to inform you that you are not an Eligible Retail Shareholder (as defined below) for the purposes of the Retail Entitlement Offer (as defined below). This letter is not an offer to issue New Shares to you, nor an invitation to apply for New Shares. **You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer and Placement that you should be aware of.**

Details of the Entitlement Offer

The Entitlement Offer is being made in accordance with section 708AA of the Corporations Act 2001 (Cth) (the **Corporations Act**) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73), meaning that no prospectus needs to be prepared. The Entitlement Offer comprises an underwritten institutional component (**Institutional Entitlement Offer**) and an underwritten retail offer to Eligible Retail Shareholders (as defined below) to participate on the same terms (**Retail Entitlement Offer**). The Institutional Entitlement Offer and Placement has already closed and the results were announced to ASX on Tuesday, 14 April 2020.

The Entitlement Offer is lead managed and fully underwritten by Royal Bank of Canada (trading as RBC Capital Markets (**RBC**)) and UBS AG, Australia Branch (**UBS**) (together, the **Underwriters**).

An offer booklet in relation to the Retail Entitlement Offer will be lodged with the ASX and mailed to Eligible Retail Shareholders on or around Monday, 20 April 2020.

Eligibility Criteria

Shareholders who are eligible to participate in the Retail Entitlement Offer (**Eligible Retail Shareholders**) are those persons who:

- (a) are registered as a holder of fully paid ordinary shares in G8 as at 7.00pm (AEST) Wednesday, 15 April 2020 (**Record Date**);
- (b) have a registered address in Australia or New Zealand as noted on G8's share register or persons that G8 has determined in its discretion are Eligible Retail Shareholders;
- (c) are not in the United States and are not a person (including nominees and custodians) acting for the account or benefit of a person in the United States in respect of the relevant underlying holders of ordinary shares;
- (d) were not invited to participate in the Institutional Entitlement Offer and were not otherwise treated as an ineligible institutional shareholder under the Institutional Entitlement Offer (other than as a nominee or custodian, in each case in respect of other underlying holders); and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

G8 has determined, pursuant to section 9A(3) of the Corporations Act and ASX Listing Rule 7.7.1(a), that it would be unreasonable on this occasion to make offers to shareholders in all countries outside Australia or New Zealand in connection with the Retail Entitlement Offer. This is due to the legal and regulatory requirements in countries other than Australia or New Zealand and the potential costs to G8 of complying with these requirements, compared with the relatively small number of shareholders in those countries, the relatively small number of existing G8 ordinary shares they hold and the relatively low value of New Shares to which those shareholders would otherwise be entitled to subscribe for.

Determination of eligibility of investors for the purposes of the Retail Entitlement Offer is determined by G8 with reference to a number of matters. The Underwriters and each of their affiliates and related bodies corporate and each of their respective directors, officers, partners, employees, advisers and agents disclaim any liability in respect of any determination as to eligibility, to the maximum extent permitted by law.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Retail Shareholder as stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Corporations Act, G8 wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer. You will not be sent the documents relating to the Retail Entitlement Offer or be able to subscribe for New Shares under the Retail Entitlement Offer.

Notwithstanding the above, G8 may (in its absolute discretion) agree to extend the Retail Entitlement Offer to certain institutional shareholders in foreign jurisdictions who did not participate in the Institutional Entitlement Offer subject to compliance with applicable laws.

As the Retail Entitlement Offer is non-renounceable, you will not receive any payment or value for entitlements in respect of any New Shares that would have been offered to you if you were eligible. Entitlements are not tradeable on ASX or otherwise transferrable.

If you have any questions in relation to any of the above matters, please contact the G8 Offer Information Line on 1300 794 935 (within Australia) or + 61 1300 794 935 (outside Australia) from 8.30am to 5.30pm (AEST), Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser or other professional adviser.

On behalf of G8, we regret that you are not eligible to participate in the Entitlement Offer and thank you for your continued support.

Yours sincerely,



Ms Tracey Wood
Company Secretary
G8 Education Limited

IMPORTANT INFORMATION

This letter is issued by G8. This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation, solicitation, advice or recommendation to subscribe for, retain or purchase any entitlements or securities in G8 in any jurisdiction. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of entitlements or G8 ordinary shares.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This letter does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any person in the United States or in any other jurisdiction in which such an offer would be illegal. The New Shares have not been, nor will be, registered under the U.S. Securities Act of 1933 as amended (**U.S. Securities Act**) or under the securities laws of any state or other jurisdiction of the United States. The New Shares may not be issued to, purchased or traded by, or taken up by, any person in the United States or any person acting for the account or benefit of a person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

IMPORTANT NOTICE TO NOMINEES

Because of legal restrictions, you must not send copies of this letter nor any material relating to the Retail Entitlement Offer to any of your clients (or any other person) acting for the account or benefit of any person in any other jurisdiction outside of Australia and New Zealand. Failure to comply with these restrictions may result in violations of applicable securities laws.