

To: ASX

From: Brett Edwards, Company Secretary

Announcement Date: 20 December 2021

ASX Code: KME

Tutorfly reaches first revenue milestone

Kip McGrath Education Centres Ltd (ASX: KME) (Kip McGrath) is pleased to announce that the first revenue milestone for the US based Tutorfly business has been reached, being USD\$20,000 net monthly revenue (calculated as revenue less tutor fees).

It has achieved this by tutoring children in schools and growing its normal peer to peer business of online tutoring. The school tutoring is new business for Tutorfly and is an area where the government in the USA is investing significant money to help with the learning loss created by Covid-19.

Kip McGrath is excited that the Tutorfly business has reached this milestone in the second month of ownership. This milestone will trigger a USD500,000 'earn out payment' as part of the purchase of the 70% stake in Tutorfly.

Under the Sale Agreement Kip McGrath has also granted an option under the agreement for Tutorfly Inc. to sell its remaining 30% stake to Kip McGrath for USD2,000,000. This option is triggered once the business achieves USD50,000 per month net revenue targets.

The Board has approved this announcement.

For further information contact: Brett Edwards, Company Secretary (+61 2 4929 6711)