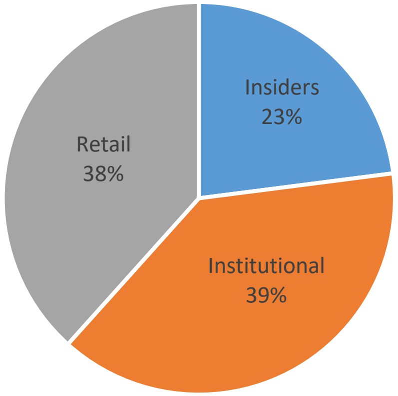
Interim Results Investor Presentation

evolve
education group

CORPORATE SNAPSHOT

Shareholder Distribution



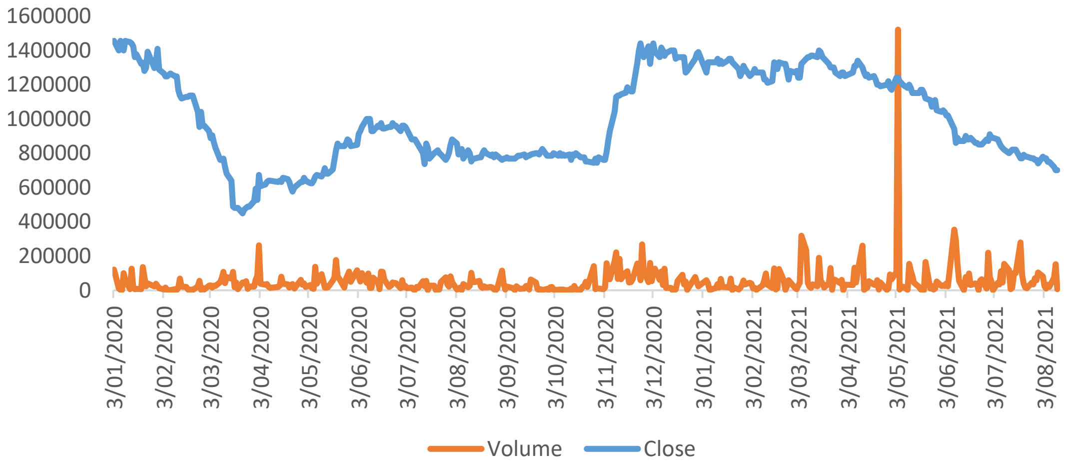
Management

Chris Scott	Managing Director
Edmund Mah	Group CFO
Matt Veal	Group Financial Controller
Bev Davies	Head of People and Talent
Jenny Aldous	Head of Projects
Tomas Stehlik	IT Manager
Henry Blundell	Head of Property

Substantial shareholders (% of total shares) as at 30 June 2021

J47 Pty Ltd	AU	16.4%
Citicorp Nominees Pty Ltd	AU	11.1%
Upton124 Pty Ltd	AU	5.1%
HSBC Custody Nominees Ltd	AU	4.9%
National Nominees Limited	AU	4.5%

Historical Share Price



BOARD OF DIRECTORS

Hamish Stevens - Chairman

Hamish has held independent directorships on several boards since 2010 and is currently Chair of East Health Services, a director of NZX-listed Marsden Maritime Holdings, Radius Residential Care, Pharmaco, and Counties Power. Prior to his governance career, Hamish held senior finance positions with Heinz Watties, Tip Top Ice Cream and DB Breweries. Hamish is a qualified Chartered Accountant and a Chartered Fellow of the Institute of Directors.

Chris Scott - MD and CEO

Chris was the Founder and, from 2010 to 2016, the Managing Director of ASX listed G8 Education which evolved into Australia's largest listed early education and child care provider. During this period, the G8 Education Limited portfolio grew from 38 to over 500 pre-school education centres in Australia (plus 20 in Singapore). Chris was also instrumental in raising over $500 million in equity capital and more than $500 million in debt (including Singapore dollar bonds). G8 Education's market capitalisation grew from $4 million in 2010 to a peak of approximately $1.9 billion.

Chris Sacre - NED

Chris Sacre is widely regarded and respected within the childcare industry. Chris developed a passion for the industry in early 2007 when he provided financial consultative services, as an Advisory Manager for PricewaterhouseCoopers to G8 Education (formally Early Learning Services) in the lead up to the public listing. After successfully floating the company in 2007, Chris joined G8 Education as Chief Financial Officer. During his time with G8 Education, Chris was instrumental to the growth of the company with over 400 childcare acquisitions, raising over $500 million in capital and increasing market cap. from $4 million to $1.3 billion.

Kim Campbell - NED

Kim Campbell attended the University of Canterbury completing a Bachelor of Arts majoring in Geography. Kim was the CEO of the Employers & Manufacturers Association. Kim is currently a Director of Douglas Pharmaceuticals, Director of EMH Trade Ltd and Chair of Auckland Manufacturers Association.

Adrian Fonseca - NED

Adrian practised as a banking and finance lawyer at global firms Allens and Ashurst before spending 17 years in investment banking in Sydney, Singapore and London with Macquarie Bank, Deutsche Bank and Barclays Bank. In his last role Adrian was head of a Strategic Solutions and Financing Team at Deutsche Bank in Singapore. Adrian is currently the Founder and Managing Director of Oxanda Education - a large Australian early learning centre.

1H21 HIGHLIGHTS

Acquisition Growth

- During the 6 months ended 30 June 2021, the Group acquired 10 centres in Australia.
- The acquisitions have contributed revenue of $4.5 million and net profit of $1.3 million to the Group's results.
- A further two centres have settled to date and conditional agreements for two centres have been signed.
- The Group is actively pursuing acquisition opportunities across Australia.

1H21 HIGHLIGHTS (cont.)

Share Placement

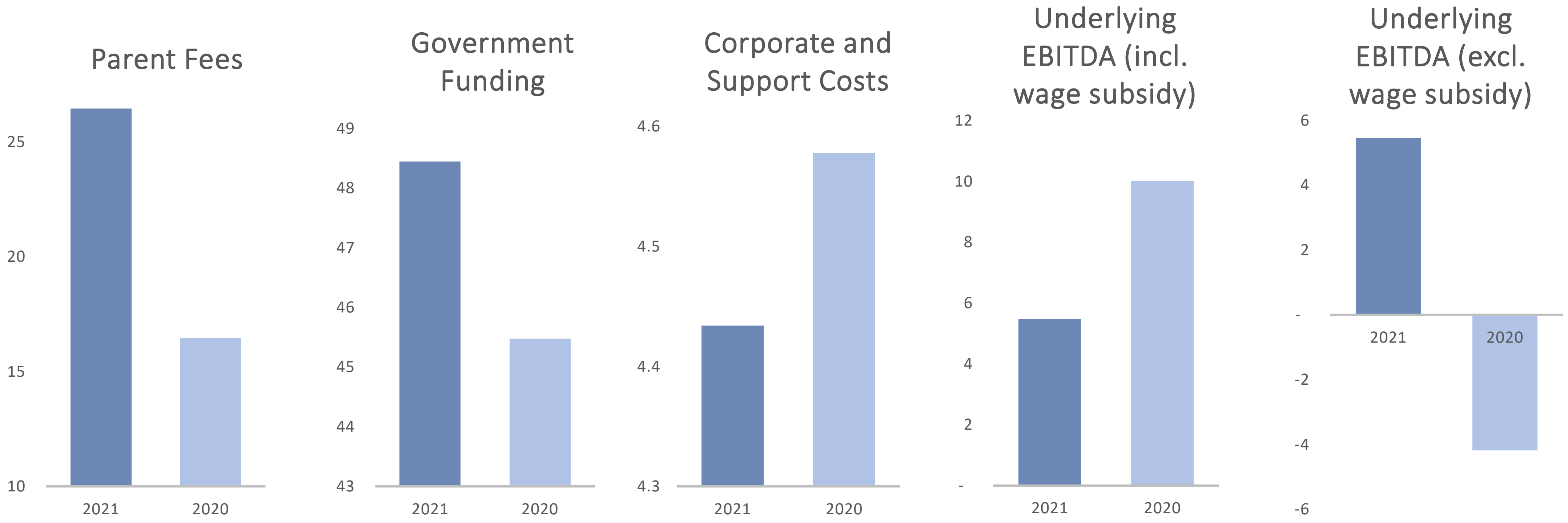
- $23.5 million raised in an institutional share placement in April 2021.
- Funds have been / will be used for centre acquisitions in Australia.

NZ Centre Upgrade Plan

- The Board approved a $4.5 million centre upgrades capital expenditure plan for CY 2021. Centre upgrade works are progressing well.
- Continued focus on providing high quality centre facilities and resources.

Financial Highlights

1H2021 vs 1H2020
(NZD$M)



Note - Effective from 1 April 2020, the Group's reporting date changed from 31 March to 31 December. The 1H20 comparative period mentioned throughout this presentation is for the six months to 30 June 2020. This differs to the 2020 interim financial statements that were prepared for the six months ended 30 September 2020. Due largely to the seasonality of the Group's operations, results for the six months to 30 September 2020 were stronger than the six months to 30 June 2020.

Financial Highlights

NZD $'000s	1H2021	1H2020	Wage subsidy	1H2020 adjusted	Variance	%
Parent Fees	26,450	16,438		16,438	10,012	61%
Government Funding	48,441	45,475		45,475	2,966	7%
Total revenue	74,891	61,913		61,913	12,978	21%
Centre wages	-43,472	-28,367	-13,505	-41,872	-1,600	-4%
Centre gross profit	31,419	33,546	-13,505	20,041	11,378	57%
Centre rent	-13,140	-12,544		-12,544	-596	-5%
Other centre expenses	-8,381	-7,098		-7,098	-1,283	-18%
Centre EBITDA	9,898	13,904	-13,505	399	9,499	2381%
Corporate costs	-581	-731		-731	150	21%
Support Office cost	-3,853	-3,169	-678	-3,847	-6	0%
Underlying EBITDA	**5,464**	**10,004**	**-14,183**	**-4,179**	**9,643**	**231%**

- $14.2m in government wage subsidy and JobKeeper payments received in 1H2020.
- Excluding these subsidies, centre wages have increased by $1.6m driven largely by the new centres in Australia. This has been more than offset by additional revenue of A$4.2m generated by these centres. Agency reliever costs in New Zealand have increased in 1H2021 due to staffing shortages across the industry.
- Corporate costs reduced by 21% and support office costs have remained consistent with the comparative period.
- Underlying EBITDA increased by $9.6 million, adjusted for subsidies received.

Financial Highlights

Balance Sheet

	Jun-21	Dec-20
	$'000	$'000
Cash and cash equivalents	35,987	59,139
Funding receivable	8,434	-
Other current assets	3,244	2,507
Property, plant and equipment	7,438	7,102
Right-of-use assets	185,835	170,938
Deferred tax assets	14,044	13,022
Intangible assets	153,682	117,697
Term deposits	4,616	4,066
Total assets	**413,280**	**374,471**
Trade and other payables	11,553	7,124
Current income tax liabilities	1,207	2,014
Funding received in advance	-	4,639
Borrowings	36,515	36,137
Lease liabilities	223,755	208,224
Employee entitlements	9,238	6,827
Total liabilities	**282,268**	**264,965**
Net assets	**131,012**	**109,506**

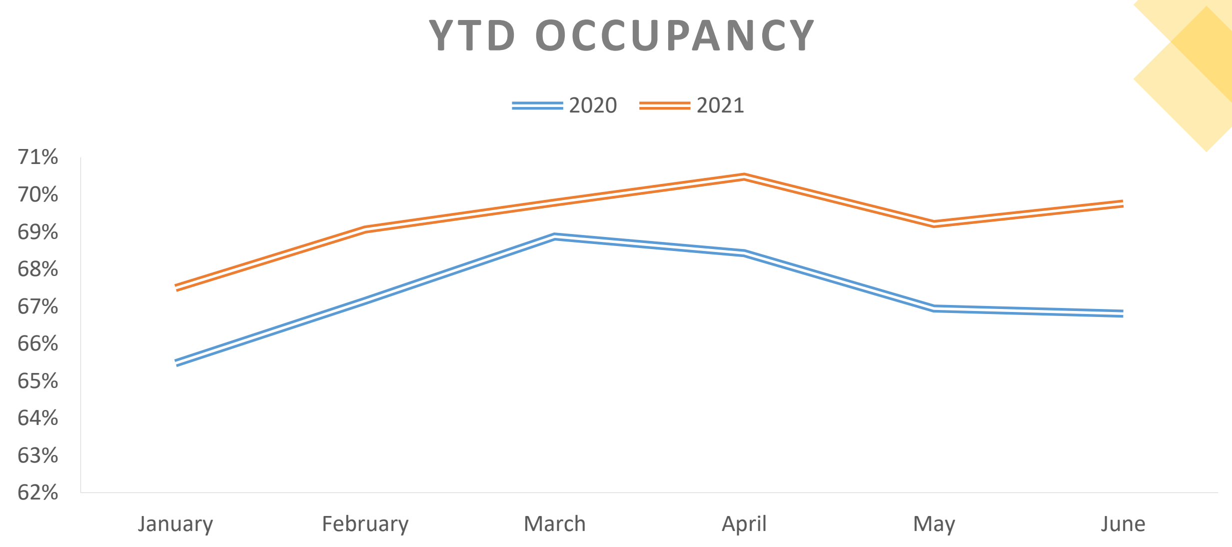
- *The Group was in compliance with all debt covenants during the current and previous periods.*

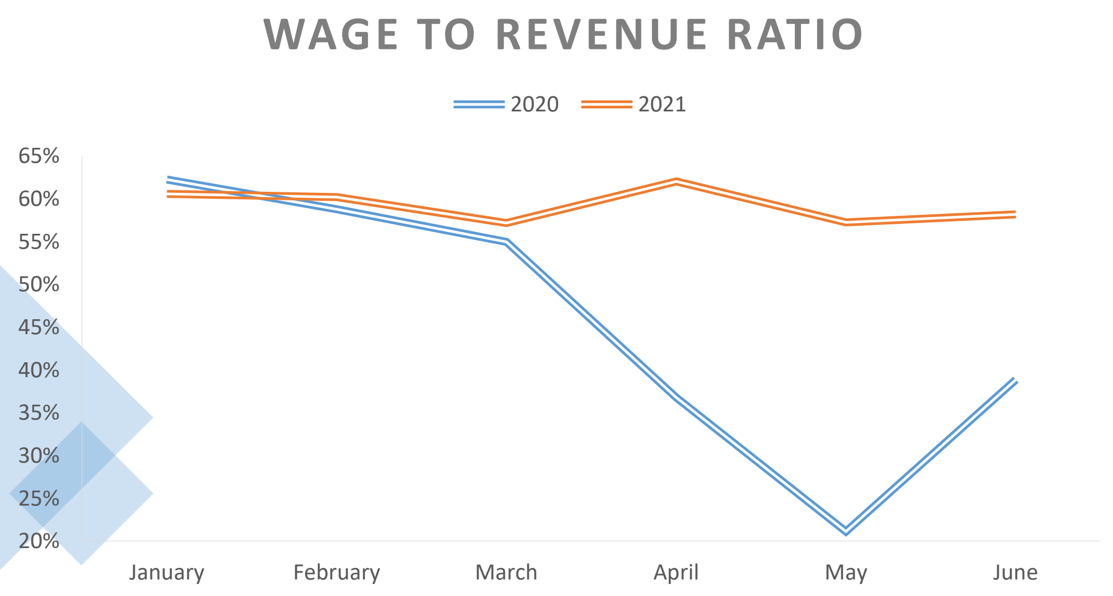
Portfolio footprint in NZ and Australia

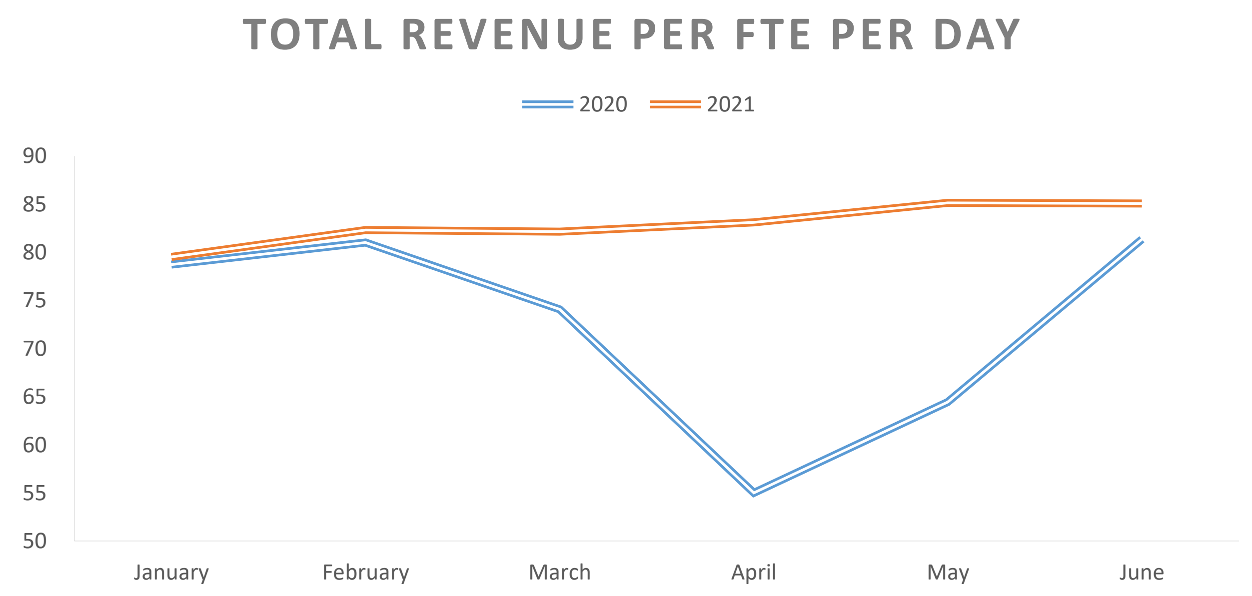
- NZ – 111 centres
- AU – 20 centres

New Zealand

- NZ occupancy averaging 69% in 2021, up 2% from 2020 however has not returned to pre-Covid-19 levels.
- Steady increase in total revenue per FTE per day attributable to fee increases.
- Metrics for 2020 have been distorted by Covid-19.



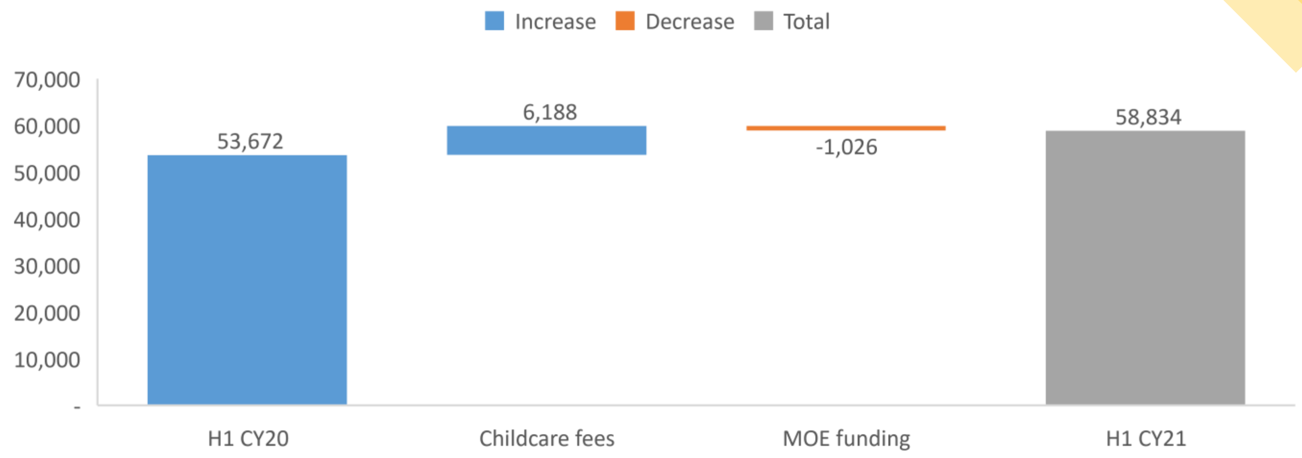




Revenue and EBIT Reconciliation – New Zealand

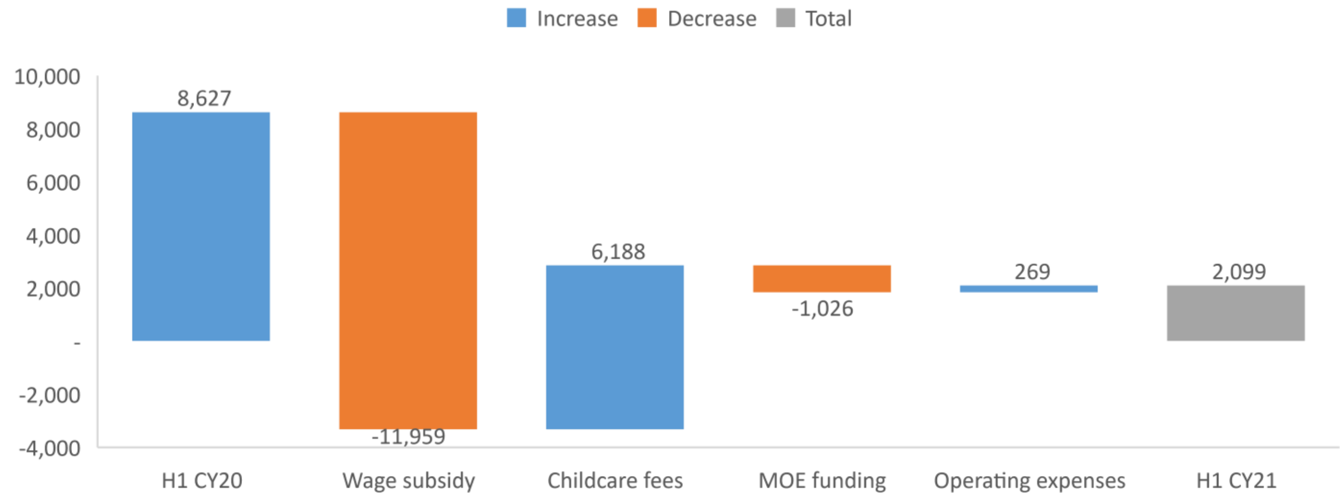
1H CY 2021 Revenue Bridge (NZD $000's)

- Increase in revenue of $5.2m (10%) attributable to childcare fees lost in 2020 due to alert level 4 centre closures.
- Teacher shortages have affected our ability to hit higher MOE funding band.
- Decrease in number of centres has also reduced MOE funding.



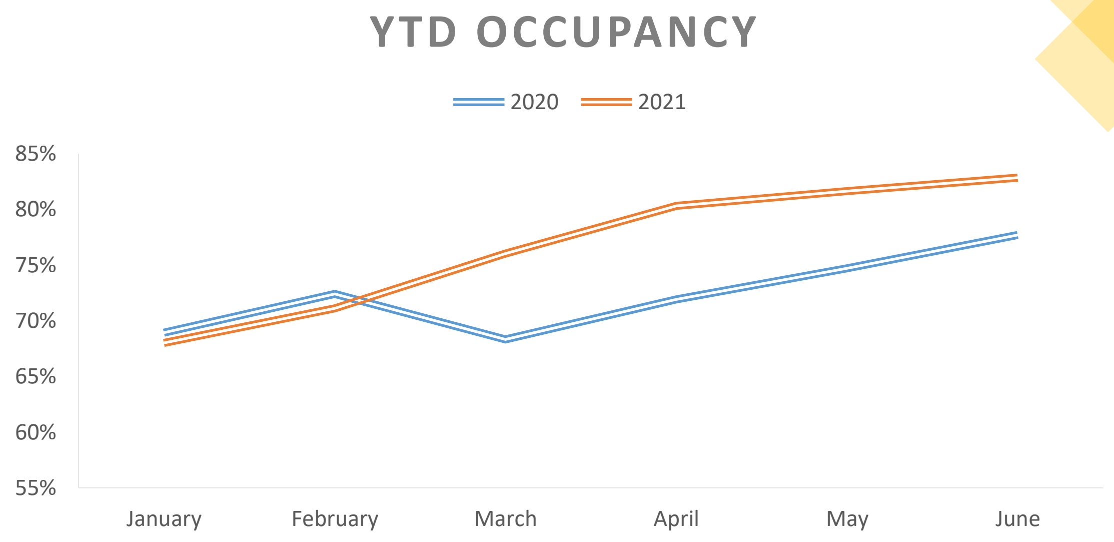
1H CY 2021 Underlying EBITDA Bridge (NZD $000's)

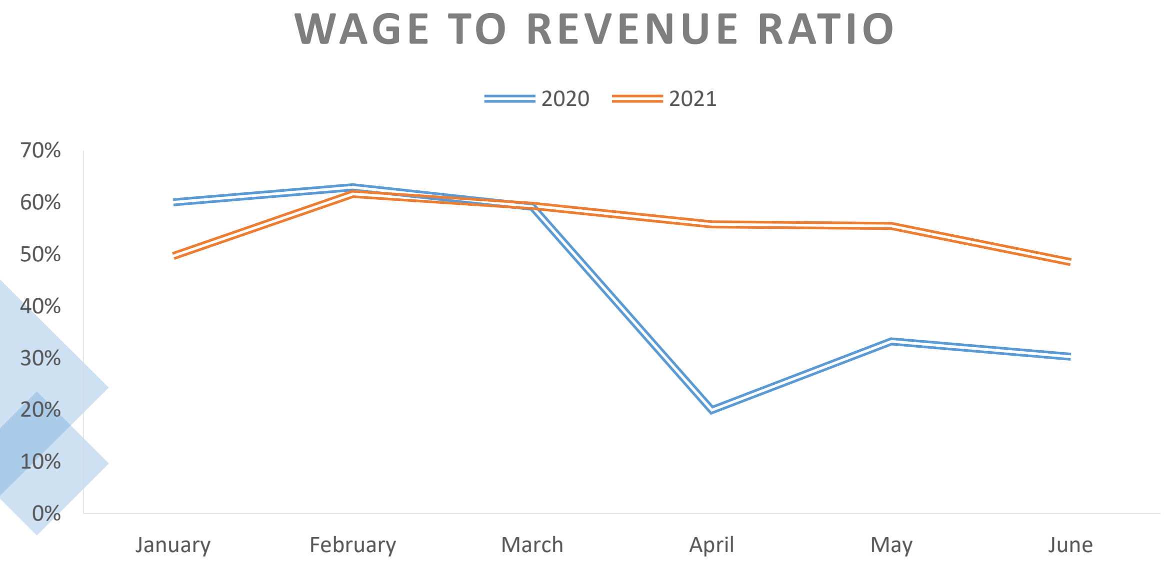
- Underlying EBITDA has decreased by 76% largely due to wage subsidies received in 2020.

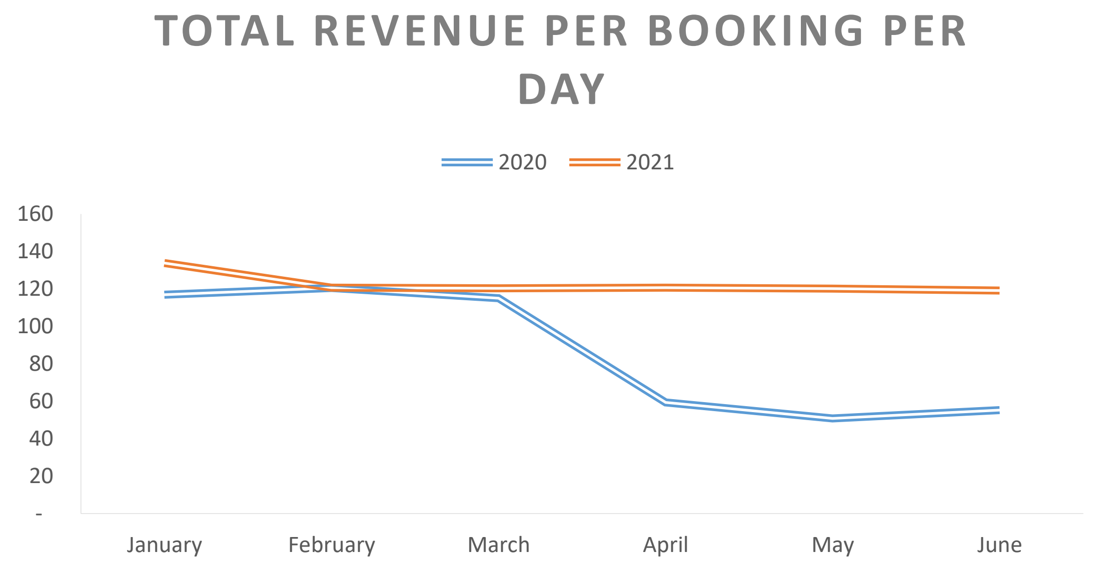


Australia

- Steady increase in occupancy and decrease in wage to revenue ratio in 2021.
- Covid-19 government support measures ended on 31 January 2021.
- Metrics for 2020 have been distorted by Covid-19.



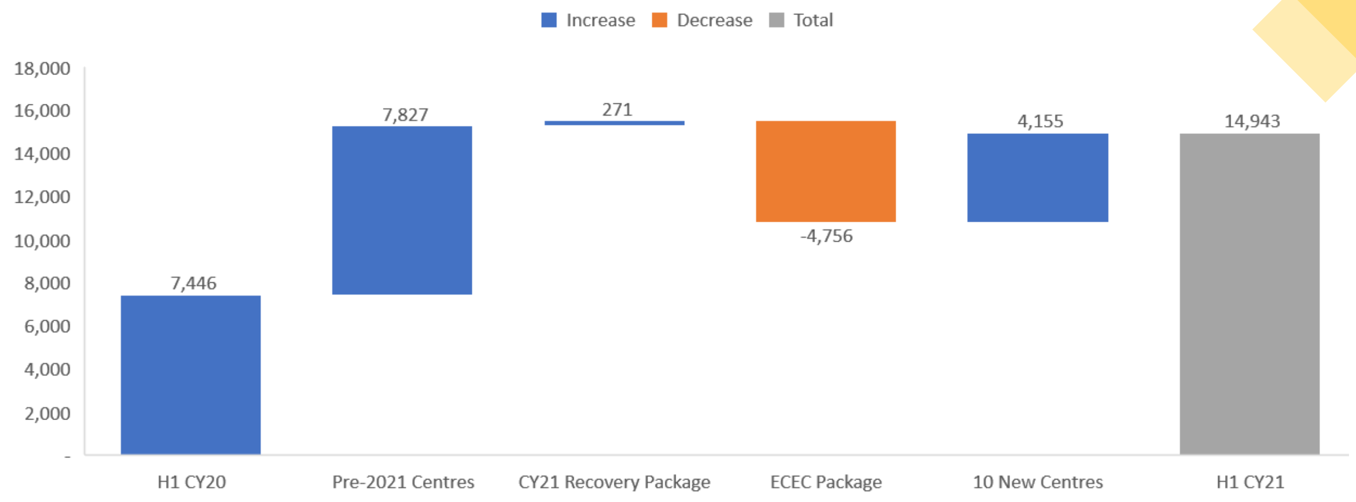




Revenue and EBIT Reconciliation - Australia

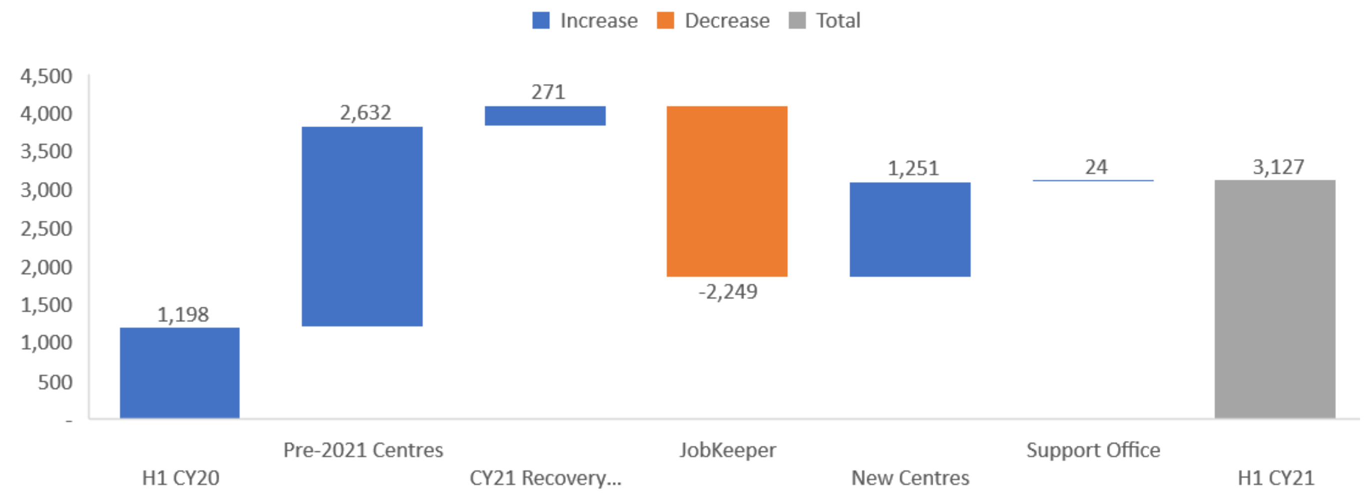
1H CY 2021 Revenue Bridge (A$000's)

- Revenue was $14.9m, up 101%
- New centres contributed $4.2m of total revenue (28%)
- Final government support payments of $0.3m received in January 2021



1H CY 2021 Underlying EBITDA Bridge (A$000's)

- Underlying EBITDA for 2021 is $3.1m, up 161%
- New centres contributed $1.3m of total Underlying EBITDA (40%), offset by small increase in support office costs of $24k
- Increases achieved by centres acquired prior to 2021 offset by $2.2m decrease from JobKeeper payments



STRATEGY AND OUTLOOK

Strategy and Outlook

- Further acquisitions are being contemplated following the capital raise which was completed at the end of March 2021.
- Continued focus on increasing occupancy, centre upgrades, and more prudent use of labour.

APPENDIX

Glossary

Term	Definition
EBITDA	Earnings before interest, taxation, depreciation and amortisation
Underlying EBITDA	Earnings before interest, taxation, depreciation and amortisation less the effects of NZ IFRS 16: Leases, gains and losses on the sale or closure of businesses, acquisition and integration costs, impairment losses (or reversals of impairment losses), restructuring costs and non-operational items.
Group	Comprises Evolve Education Group Limited and its subsidiaries across New Zealand and Australia
Occupancy	Number of children attending per period specified as a percentage of the service's licensed places
Wage to Revenue ratio	Employee benefits expense as a percentage of total revenue
Total Revenue per FTE per day	Revenue earned per full-time-equivalent child booking per day
Total Revenue per Booking per day	Revenue earned per child booking per day

Disclaimer

The information in this presentation is an overview and does not contain all information necessary to make an investment decision. It is intended to constitute a summary of certain information relating to the performance of Evolve Education Group Limited ("Evolve Education") for the current period. Please refer to the unaudited financial statements for the period ended 30 June 2021 that have been simultaneously released with this presentation.

The information in this presentation does not purport to be a complete description of Evolve Education. In making an investment decision, investors must rely on their own examination of Evolve Education, including the merits and risks involved. Investors should consult with their own legal, tax, business and/or financial advisors in connection with any acquisition of financial products.

The information contained in this presentation has been prepared in good faith by Evolve Education. No representation or warranty, expressed or implied, is made as to the accuracy, adequacy or reliability of any statements, estimates or opinions or other information contained in this presentation, any of which may change without notice. To the maximum extent permitted by law, Evolve Education, its directors, officers, employees and agents disclaim all liability and responsibility (including without limitation any liability arising from fault or negligence on the part of Evolve Education, its directors, officers, employees and agents) for any direct or indirect loss or damage which may be suffered by any person through use of or reliance on anything contained in, or omitted from, this presentation.

This presentation includes non-GAAP financial measures in various sections. This information has been included on the basis that management and the Board believe that this information assists readers with key drivers of the performance of Evolve Education which are not otherwise disclosed as part of the financial statements. Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as it is not an indication of future performance.

This presentation is not a product disclosure statement, prospectus, investment statement or disclosure document, or an offer of shares for subscription, or sale, in any jurisdiction.