

22 May 2017

To all Shareholders

Dear Shareholder

**NON-RENOUNCEABLE RIGHTS ISSUE AT \$0.12 PER SHARE
TO RAISE UP TO \$6,093,038**

Further to our letter of 19 May 2017, attached is a copy of our announcement to the ASX this morning.

A corrected Slide 8 is attached.

Yours sincerely

Christopher Campbell
Group Managing Director

Academies Australasia has been operating for 109 years and listed on the Australian Securities Exchange for 40 years. The group comprises 18 separately licensed colleges operating in New South Wales, Victoria, South Australia, Western Australia and Queensland in Australia, and in Singapore. The group offers more than 250 qualifications in a wide range of recognised courses at different levels – Certificates, Diplomas, Advanced Diplomas and Bachelor and Master Degrees. Over the years, Academies Australasia colleges have taught tens of thousands of students from 123 countries, including 6 dependencies.

22 May 2017

Company Announcements Office
Australian Securities Exchange
Via ASX Online (Page 1 of 2)

**NON-RENOUNCEABLE RIGHTS ISSUE AT \$0.12 PER SHARE
TO RAISE UP TO \$6,093,038**

Regrettably, there were two errors in the announcement of 18 May 2017.

The heading should have been ‘NON-RENOUNCEABLE RIGHTS ISSUE.....’ not ‘NON-RENOUNCEBALE RIGHTS ISSUE.....’.

The second error was on Slide 8 of the Capital Raising Presentation. In the last bullet point in the section *Underwriter and underwriting commitment* (“*Underwriter Commitment*”), the word ‘not’ is missing. The sentence should read:

“The Underwriter may at any time terminate the underwriting agreement and its obligations if the Directors and their associates do not take up their full entitlements or if AKG is in breach of a representation or warranty and that breach has a material adverse effect on AKG.”

Both errors were repeated in the letter to shareholders the following day.

A corrected Slide 8 is attached.

A copy of this announcement will be sent to all shareholders today.

Christopher Campbell
Group Managing Director

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Entitlement Offer: Overview

Key terms

Offer structure and pricing	▪ Structure: 2-for-3 pro rata non-renounceable entitlement offering to raise up to \$6,093,038 ("Entitlement Offer") ▪ Pricing: 12 cents per share ▪ Discount: 31% to 18 May 2017 close of 17.5 cents a share
Ranking of new shares	▪ New shares will rank equally with existing ordinary shares on issue
Commitment from AKG Directors (" Directors' Commitment ")	▪ Each of the AKG Directors has committed to take up their (and their associates) full entitlement, totaling 29,696,176 shares (\$3,563,541) <i>(58.49% of the total offer)</i>
Underwriter and underwriting commitment (" Underwriter Commitment ")	▪ Mr Andrew Low, a senior investment banking executive based in Hong Kong, has agreed to underwrite any shortfall up to a further 18,333,333 shares (being a maximum amount of \$2,200,000) ▪ The underwriting commission for this underwriting will be met through the issue of 5 million Options over unissued shares at an exercise price of: ▪ 15 cents per share (a 25% premium to the rights issue price) if exercised between 1 January 2018 to 30 June 2018; or ▪ 25 cents per share (a 108% premium to the rights issue price) if exercised between 1 July 2018 to 31 December 2018 ▪ The exercise window is from 1 January to 31 December 2018, or at any time after a person, other than a person who already has a relevant interest of 20% or more in AKG's voting securities, acquires a relevant interest of 20% or more in AKG's voting securities ▪ The Underwriter may at any time terminate the underwriting agreement and its obligations if the Directors and their associates do not take up their full entitlements or if AKG is in breach of a representation or warranty and that breach has a material adverse effect on AKG
Use of proceeds	▪ \$1.500 million special repayment to ANZ Bank to reduce total term loan and overdraft balance; and ▪ \$2.275 million to repay loans made by Directors to the Company, which are now overdue, plus accrued interest of \$0.136 million on those loans; and ▪ Final payment to the vendor of STA and for acquisition of further shares in RBT, and for working capital
Benefits to AKG Shareholders	▪ Substantially improve AKG's cash-flow and operating flexibility ▪ Provides AKG a "clean slate" and working capital from which to drive business development and growth