



G8 Education ^{Ltd}

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.).

¹Excluding 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 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.

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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.

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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.

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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.

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Disclaimer

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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.

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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.

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	• 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	• G8 is implementing a number of interim business initiatives to mitigate the near-term financial impact of COVID-19 – 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	• 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	• 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: – 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

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

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)

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

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

- The safety and wellbeing of our children and team is paramount
- This 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 product
- G8 is closely monitoring and responding to Government and Health Authority advice to reduce the risk of exposure to COVID-19
- G8 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

- 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 phase
- Encouragement of our team members to utilise accrued annual leave
- Reduction and deferral of non-essential capital expenditure totaling \$6 million over the six-month period to 30 September 2020, and operating expenditure
- G8 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 assets
- Discussions with G8's landlords have commenced in relation to obtaining appropriate rent relief
- The 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

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	- G8 has determined to undertake an Equity Raising of c.\$301 million to: - 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: - 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 - Leverage reduces from 2.3x to 0.4x on an adjusted CY19 basis (refer to page 19)
Covenant relief from banking syndicates	- 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	- 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:

1. Subject to certain conditions being satisfied, including completion of the equity raising
2. 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

G8 is a leading childcare operator in Australia

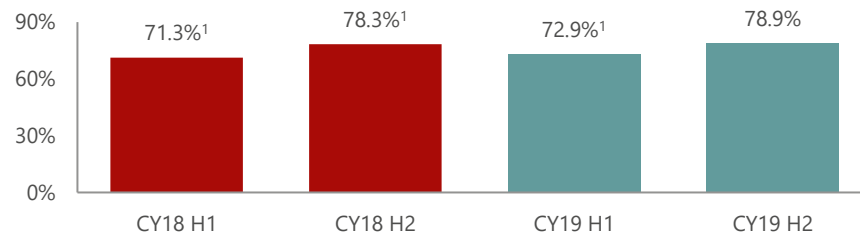
Leading national footprint with solid operating metrics prior to COVID-19 impact

Centre locations



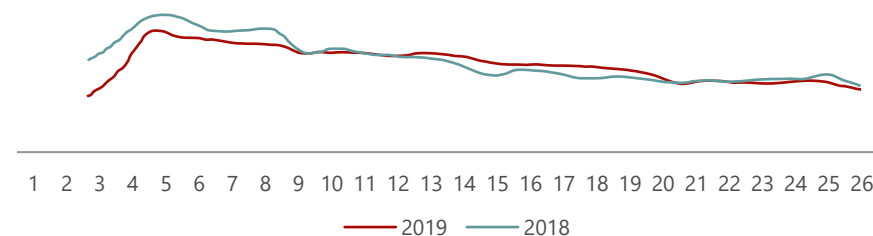
Steady occupancy rates prior to COVID-19

Half-Yearly Like-for-Like Occupancy (%)



Improved wage efficiency prior to COVID-19

Wage hours per booking by fortnight



Note:

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

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



G8 Education^{ltd}

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	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	- 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 - 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	- 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	- Deferral of non-essential capex and reductions in various overhead costs - Annual Capex reduced from \$40 million to \$25 million - Opex restricted to critical operational items
Director fees	The G8 Directors resolved to reduce Director fees by 20% until September 2020

Note:

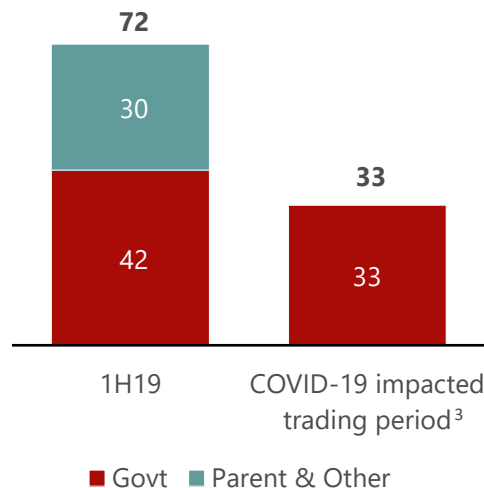
- The Government's ECECRP payment of 50% of average centre revenues for the fortnight leading into 2 March 2020 is further subject to the existing hourly rate cap and relates to a point in time before parents started withdrawing their children in large numbers

Illustrative financial impact of COVID-19

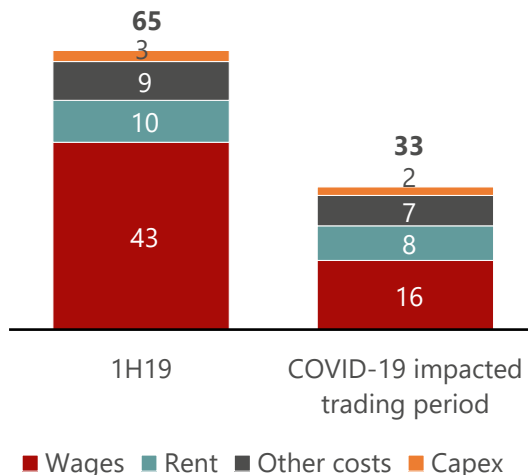
G8 is adopting prudent operating measures to minimise its cost base during the COVID-19 period

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

Average monthly revenue¹



Average monthly key cash costs (excl. tax and interest)²



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:

1. "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)
2. "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
3. 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.

Equity Raising details



Equity Raising details

Offer size and structure	- A fully underwritten Equity Raising of c.\$301 million ("Equity Raising" or "Offer") via: - 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	- 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: 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	- 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	- 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	New shares issued under the Equity Raising will rank equally in all respects with G8's existing ordinary shares
Underwriters	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	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:

- 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.
- 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)

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

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.

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

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.

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 subsidiary 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

Key risks – business (cont.)

Macroeconomic and Socioeconomic factors	• 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	• 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	• 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.

Key risks – business (cont.)

Competition	• 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	• 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	• 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.

Key risks – business (cont.)

People	• 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	• 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	• 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.

Key risks – other key risks

Stock market fluctuations

- 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.

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;

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;

Key risks – other key risks (cont.)

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

- 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).
- 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:
 - 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.

Key risks – other key risks (cont.)

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

Shortfall

- 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.

Dilution risk

- 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.



G8 Education^{ltd}

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

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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.

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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.

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