

**ASX Market Release**

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**Acquisition of Nurse Training Australia  
\$6.0m Placement  
Launch of Share Purchase Plan****Key Highlights**

- EDU to acquire Care Plus Training Pty Ltd, trading as Nurse Training Australia (**NTA**) for \$6.0m
- Highly complementary vocational education provider, focussed on nursing
- 65% increase to EDU's covid affected pro-forma CY21 EBITDA to \$3.3m
- Strong synergies and benefits across proposed national rollout of NTA's nursing course, complementary agent networks, and higher education articulation opportunities
- Secured commitments for acquisition and working capital funding via two-tranche placement to raise \$6.0m at \$0.13 per share – well supported by existing institutional shareholders, Directors and new strategic substantial shareholder, Mulpha
- Mulpha's CEO, Mr Greg Shaw, to join EDU Board as a Non-Executive Director

**Acquisition of Nurse Training Australia**

The Board of EDU Holdings Limited (**EDU or the Company**) is pleased to announce that the Company has entered into an agreement to acquire 100% of the shares in Care Plus Training Pty Ltd trading as Nurse Training Australia (**NTA**) for \$6.0m in cash, representing an acquisition multiple of approximately 4.6x normalised CY21 EBITDA of \$1.3m (6x normalised pre-AASB 16 EBITDA of \$1.0m).

NTA is a vocational education provider in Health & Community Services fields of study, including nursing. The business is primarily focussed on the international student market and delivers from two campuses in Burwood, Western Sydney.

Commenting on the acquisition, CEO, Adam Davis said:

"We have been planning a strategic entry into nurse training for some time now and see the acquisition of NTA as a highly attractive opportunity to expand EDU's offering. There is strong alignment between the businesses, both sharing a commitment to deliver high-quality training and employment outcomes.

NTA currently operates from Burwood, Western Sydney, presenting a clear path for growth through expanding the nursing offer nationally through EDU's campus network. The agent networks are complementary, with little cross-over, broadening the reach of both businesses.

The acquisition is also a catalyst for the Group to develop a higher education nursing program, in line with our strategy of creating pathways from vocational to higher education."

### About Nurse Training Australia

NTA was founded in 2013 and is a privately-owned Registered Training Organisation (**RTO**) and Commonwealth Register of Institutions and Courses for Overseas Students (**CRICOS**) provider. It offers certificate and diploma level courses in Health & Community Services fields of study aligned to areas with skills shortages, including nursing. NTA currently operates from two campuses located in Burwood, Western Sydney.

The business primarily focuses on the international student market, with revenue from international students representing approximately 85% of calendar 2021 revenue. It has 239 international students currently studying across its two campuses, with approximately half of these students undertaking the Diploma of Nursing program. Graduates of the program can articulate into the University of Canberra's Bachelor of Nursing program via a pathway agreement. NTA recruits students both onshore and offshore, with its top three source countries being Nepal, India and The Philippines.

NTA also services domestic students through a NSW Smart and Skilled government funding contract and a small fee-for-service offering. In calendar 2021, revenue from domestic students represented approximately 15% of NTA's revenue.

During calendar 2021, NTA generated revenue of \$4.1m and EBITDA of \$1.3m.

### Strategic Rationale

The acquisition of NTA expedites EDU's strategic entry into the nurse training market and broadens its course offering within Health and Community Services.

EDU considers the nurse training market to be highly attractive, given the strong job prospects for graduates, relatively few competing providers focused on the international student market, and the opportunity to develop a higher education nursing program to extend the lifetime value of Group's nursing students. Nursing is on the Skilled Occupations List, presenting potential permanent residency opportunities for international students.

NTA's agent network and student nationality mix complement EDU's, with opportunities to promote course offerings across the two groups.

EDU sees a strong opportunity to expand NTA's Diploma of Nursing program into EDU's campus network across Australia.

On a proforma CY21 basis, the acquisition adds 18% to EDU's revenue and 65% to its EBITDA.

### Transaction Details

EDU has entered into an agreement to acquire Care Plus Training Pty Ltd, trading as Nurse Training Australia, for a fixed purchase price of \$6.0m cash. The purchase price represents an acquisition multiple of approximately 4.6x normalised CY21 EBITDA of \$1.3m (6x normalised pre-AASB 16 EBITDA of \$1.0m).

EDU will pay \$4.5m upfront for 75% of the shares (**Initial Payment**) with a further \$1.5m payable in 12 months for the remaining 25% (**Deferred Payment**).

The Initial Payment is subject to typical net debt and working capital adjustments. The Deferred Component is not subject to any performance milestones or working capital adjustment.

The acquisition is expected to complete in 3Q22, subject to satisfaction or waiver of a number of conditions precedent, in favour of EDU.

### **\$6.0m Institutional Placement**

To fund the acquisition, and provide the Company with additional working capital, the Company has secured commitments to issue 46,153,848 ordinary shares to existing and new institutional, professional and sophisticated investors, as well as certain Directors of the Company (subject to shareholder approval), at an issue price of \$0.13 per share (**Issue Price**) to raise \$6.0m (**the Placement**). The Issue Price represents a:

- 7.1% discount to the closing price of the Company's shares on ASX on 30 May 2022, the day before the Trading Halt; and
- 14.4% discount to the volume-weighted average market price (**VWAP**) of shares on ASX during the last 10 trading days.

The Placement will be completed in two tranches:

- Tranche 1: 16,769,232 shares (**Tranche 1 Shares**) comprising 5,017,788 Tranche 1 Shares to be issued utilising the Company's capacity under ASX Listing Rule 7.1 and 11,751,444 Tranche 1 Shares to be issued utilising the Company's capacity under ASX Listing Rule 7.1A. These shares will be issued and commence trading on the ASX on 9 June 2022; and
- Tranche 2: 29,384,616 shares (**Tranche 2 Shares**) comprising 23,076,923 shares to be issued to Mulpha Education Investments Pty Ltd and 6,307,693 shares to participating Directors. These shares will be issued subject to shareholder approval at a meeting of shareholders anticipated to be held in July 2022 (**EGM**).

The EDU Board is pleased to welcome Mulpha onto the Company's share register as a strategic substantial investor. On completion of the Placement and Share Purchase Plan (if fully subscribed), Mulpha is expected to hold approximately 13.8% of the Company's issued share capital.

Canaccord Genuity acted as Lead Manager for the Placement.

Commenting on the Placement, CEO, Adam Davis said: "EDU is fortunate to have a group of committed, long-term shareholders who believe in EDU's vision and strongly supported the placement, together with Directors. I'd like to take this opportunity to thank them for their continued support.

"I am excited to be welcoming Mulpha, our new strategic substantial investor, to the EDU register. Mulpha have deep experience in the education sector and a highly capable management team. We look forward to working with them, and with Greg Shaw on the Board of EDU, to build value for all shareholders."

### **Appointment of Mulpha CEO Greg Shaw to the EDU Board**

Concurrent with Mulpha's investment in EDU, Mulpha's CEO, Mr Greg Shaw, will be joining the EDU Board as a Non-Executive Director, subject to the approval of shareholders at the EGM.

Mr Shaw has over 25 years' experience in listed leisure and hospitality businesses with operations across Australia, New Zealand and the United States. He was appointed as CEO of Mulpha Australia Limited in 2015, and in 2016 became CEO of Mulpha International Berhad, listed in Kuala Lumpur. As CEO of Mulpha, Greg has oversight over a diverse portfolio of real estate, hospitality, hotels, debt, private equity, retirement and education investments.

Prior to Mulpha, between 2002 and 2015, Greg was CEO of Ardent Leisure, one of Australia's most successful leisure and hospitality owners which during his 13-year tenure as CEO grew from a \$70 million enterprise to a \$1.2 billion business. Greg has extensive experience in growing operating business platforms across many industry sectors. Greg graduated with a Bachelor of Commerce Degree from the University of Queensland, Australia and qualified as a Chartered Accountant.

Commenting on the strategic investment in EDU, Mulpha CEO Mr Greg Shaw commented: "We look forward to our involvement with EDU and being a supportive shareholder in its strategy of organic and acquisition-led growth, commencing with the proposed acquisition of Nurse Training Australia.

Our investment in EDU is consistent with our experience in the education sector where students receive high quality learning outcomes and career-focused qualifications in partnership with industry operators.

Mulpha has a strong track-record in the education sector including its successful partnership in The Hotel School with Southern Cross University since 2004 and being a substantial shareholder in K-12 ed-tech platform, Education Perfect Group Limited, which was sold to KKR in 2021."

### **Share Purchase Plan**

To provide eligible shareholders an opportunity to purchase new shares at the same price as institutional, professional and sophisticated investors under the Placement, EDU will shortly launch a Share Purchase Plan (**SPP**).

Under the SPP, eligible shareholders will be invited to apply to subscribe for up to \$30,000 of shares without the cost of brokerage fees or commissions. The SPP will be open to eligible shareholders, being shareholders on the Company's register as at 7:00pm (AEST), 1 June 2022 (**Record Date**) and with a registered address in Australia or New Zealand (**Eligible Shareholders**).

EDU intends to raise up to \$0.5m via the SPP. Participation in the SPP is not compulsory and, to the extent the SPP is oversubscribed, EDU intends to scale back any applications based on the number of SPP Shares applied for by Eligible Shareholders.

The SPP Shares will be issued pursuant to ASX Listing Rule 7.2 (exception 5) and therefore not utilise any of the Company's Listing Rule 7.1 or 7.1A capacity.

Eligible Shareholders seeking to participate in the SPP should carefully read the SPP Offer Booklet which is expected to be lodged with ASX on 9 June 2022.

## Timetable

The timetable below is indicative only and subject to change. EDU reserves the right to alter the dates at its discretion and without prior notice, subject to its obligations under the ASX Listing Rules and Corporations Act 2001(Cth).

<b>Event</b>	<b>Date</b>
SPP Record Date	Wednesday, 1 June 2022
Issue of Tranche 1 Shares	Wednesday, 8 June 2022
Quotation and commencement of trading of Tranche 1 Shares	Thursday, 9 June 2022
Dispatch of SPP Offer Booklet to Eligible Shareholders	Thursday, 9 June 2022
Opening date of SPP	Thursday, 9 June 2022
Closing date of SPP	Thursday, 30 June 2022
Announcement of SPP results	Wednesday, 6 July 2022
Issue of SPP Shares	Thursday, 7 July 2022
Quotation and commencement of trading of SPP Shares	Friday, 8 July 2022
Extraordinary General Meeting of Shareholders	Monday, 18 July 2022
Issue of Tranche 2 Shares	Friday, 22 July 2022
Quotation and commencement of trading of Tranche 2 Shares	Monday, 25 July 2022

Commenting on the Share Purchase Plan, CEO, Adam Davis said: “EDU is at a post-covid inflection point. The acquisition of NTA gives us another growth engine as the pace of return of international students picks up.

We appreciate shareholders’ ongoing support through what has been a challenging few years and welcome participation in the SPP at the same price as the institutional placement.”

This announcement was authorised for release by the EDU Board of Directors.

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