Kip McGrath™

Est. 1976

ENGLISH AND MATHS TUTORING

Investor Update

2 September 2026

About Kip McGrath

Kip McGrath is a global education provider and franchise network with 50 years of experience supporting student success.

We deliver personalised, face-to-face, teacher-led small group tutoring in literacy and mathematics through proven educational programs and technology-enabled learning.

This includes our proprietary KipLearn learning management system, AI-enabled student support and our Parent Portal, which connects families with their child's learning and progress.

Our longevity reflects the strength of our educational outcomes, brand trust and scalable franchise model, positioning Kip McGrath as a trusted leader in supplementary education with a strong foundation for continued growth.

The Kip McGrath Foundations

Our mission

"We truly believe every child can learn; they just need to be taught properly. By setting meaningful goals and delivering engaging, high-quality lessons tailored to a student's individual needs, we create confident, independent learners who go on to achieve their highest potential."

Our vision

"To deliver measurable improvement and change the lives of as many students as possible around the world."

Our values

Ensure quality
We are the experts. Our qualifications, experience and commitment to quality lessons and improvement means we hit goals.

Show passion
We're changing the world one child at a time. It's something we're all passionate about – and we have fun along the way!

Be curious
We ask questions and love to learn and improve. By always asking 'why', we can see things more clearly and find a better way.

Work as one
We all have a role to play, but together we make a whole. By working as a team every day, the outcomes are magic.

Nurture needs
Our customers are at the core of everything we do. By valuing their feedback, we can all have a better journey.

Unlock potential
We want everyone in the business to be their best. We empower them with respect, tools and information to make this a reality.

Refreshed Leadership Team

Executive team

Melinda Smith
CEO

30+ years experience

Started: 2025

Adrian Sturrock
CFO

30+ years experience

Started: 2025

Michael Baxter
Country Director ANZ

25+ years experience

Started: 2026

Karen Geloven
Group Executive Network Growth

25+ years experience

Started: 2010

Daniel Pludek
CIO

25+ years experience

Started: 2020

Georgie Hannon
Country Director UK / SA / MENA

20+ years experience

Started: 2025

Jillian Ryan
Change Management

10+ years experience

Started: 2025

Executive team	10 FTEs	13 FTEs	3 FTEs	9 FTEs	22 FTEs	1 FTE

Total Corporate Employees 65

Network Investment

- MPC policy review — DELIVERED
- Curriculum review and refresh — IN PROGRESS
- Lead generation and nurturing — IN PROGRESS
- Improved Customer Service — DELIVERED

Progress

In H1, we commenced delivery on the initiatives the network told us would make a difference to their satisfaction, lesson numbers and retention.

These initiatives have been delivered or are in progress and will continue throughout 2026/27.

- Policy change and implementation framework — DELIVERED
- Systems and resources — DELIVERED
- Franchisee Collaboration — IN PROGRESS
- Consistent clear communication — DELIVERED

The KME team has undergone an operational reset over the last 9 months and have been putting into action tangible initiatives to drive growth

Future focus

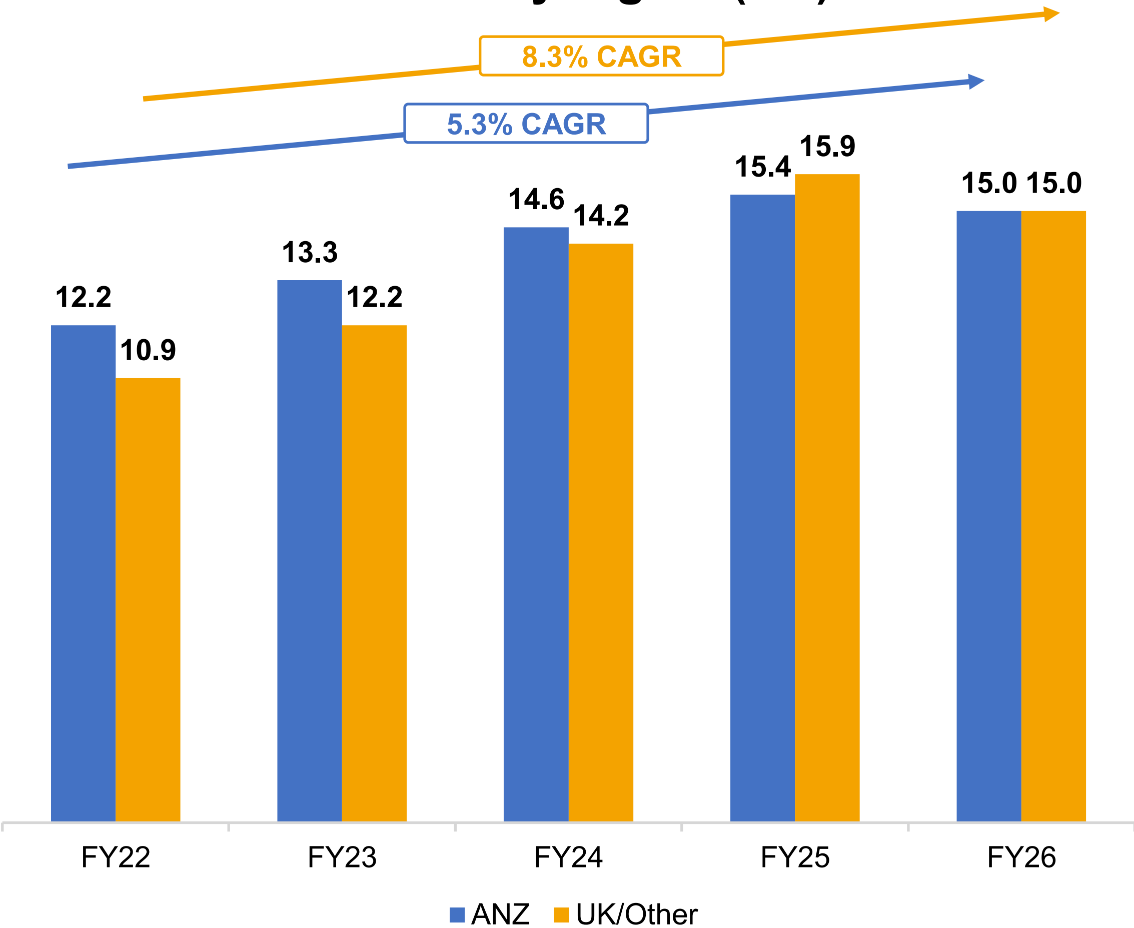
FY26 results

	$m unless otherwise stated	FY25	FY26	Change	Commentary
Financial metrics	**Total revenue (excl. interest income)**	31.4	30.1	(4.3%)	Pricing and fee mix more than offset by lower lesson volumes
	EBITDA	7.8	7.5	(4.0%)	Lower revenue was partly offset by disciplined cost management and lower operating expenses
	EBITDA margin	24.9%	25.0%	+8bps	Positive operating leverage on a stable cost base
	NPAT	2.3	2.3	+2.1%	Lower D&A and disciplined cost management
Operating metrics	**Number of centres**	453	431	(4.9%)	Centre churn stabilisation seen in 2H26
	New centre openings	3	8	+5	New leadership is driving renewed network expansion
	Number of lessons	~1.9m	~1.8m	(6.2%)	Lesson decline in line with centre closures
	Average weekly lessons by centre	80.5	80.5	0.0%	Stability in average weekly lessons
	Franchise fee yield	18.0%	18.0%	0bps	Growth moderation from Gold-tier conversion ceilings and high-performance franchise fee incentives
	Average lesson charge	$60.0	$61.7	2.9%	Average lesson charge increased in line with annual price increase

Revenue by region

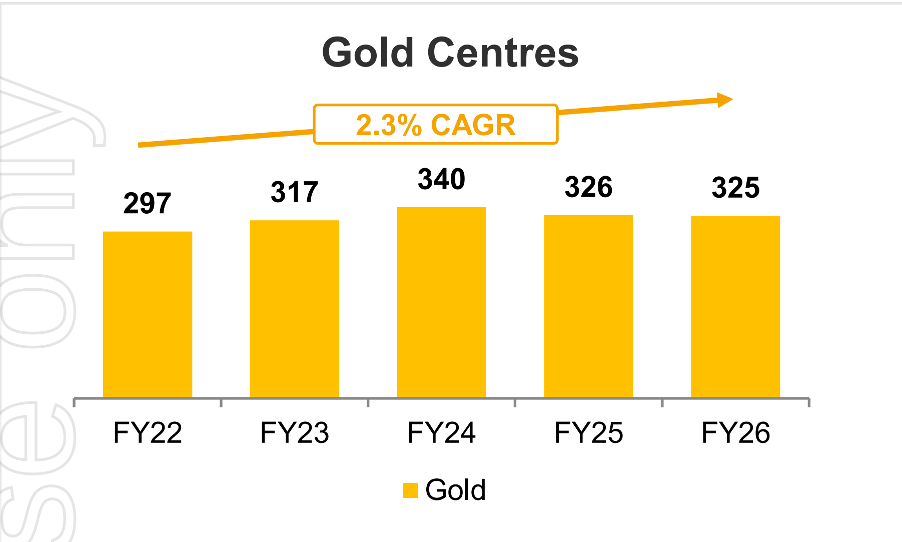
- Group revenue (4.3)%, (3.1)% in constant currency
- ANZ revenue $15.0m, (2.5)%, (1.1)% in constant currency
- UK/Other revenue $15.0m, (6.0)%, (5.0)% in constant currency
- UK revenue has been impacted by the exit of smaller, retiring and Silver centres

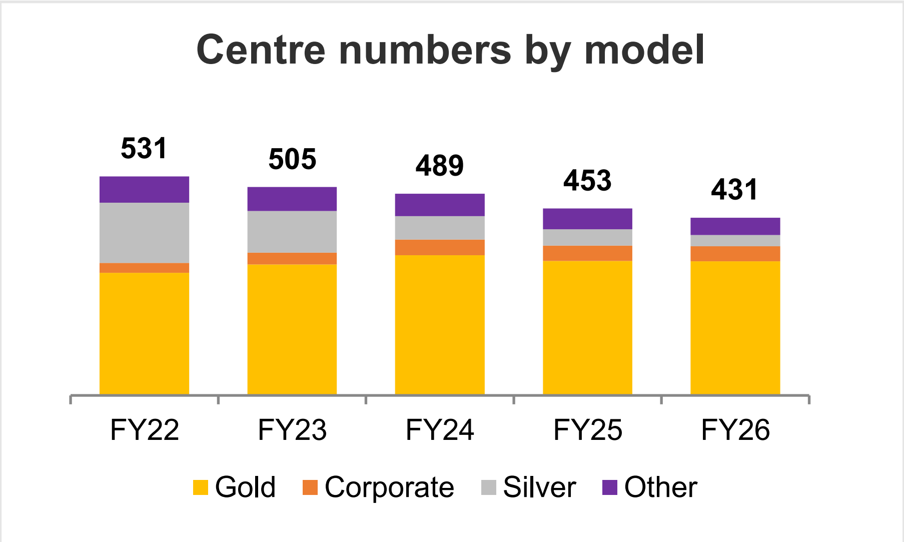
Revenue by region ($m)*



*Excludes other revenue of $75k (FY25: $103k).

Centre numbers

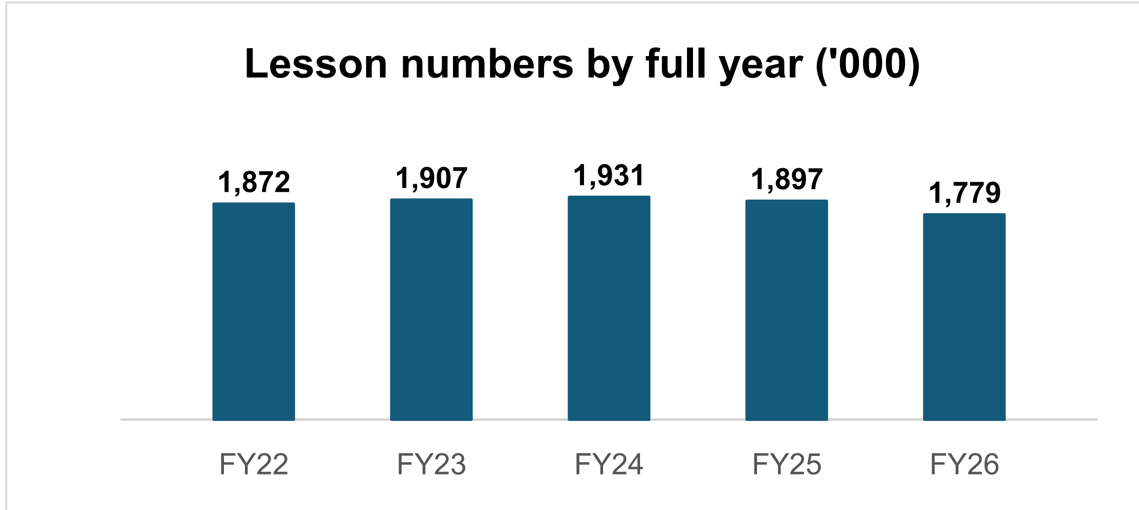


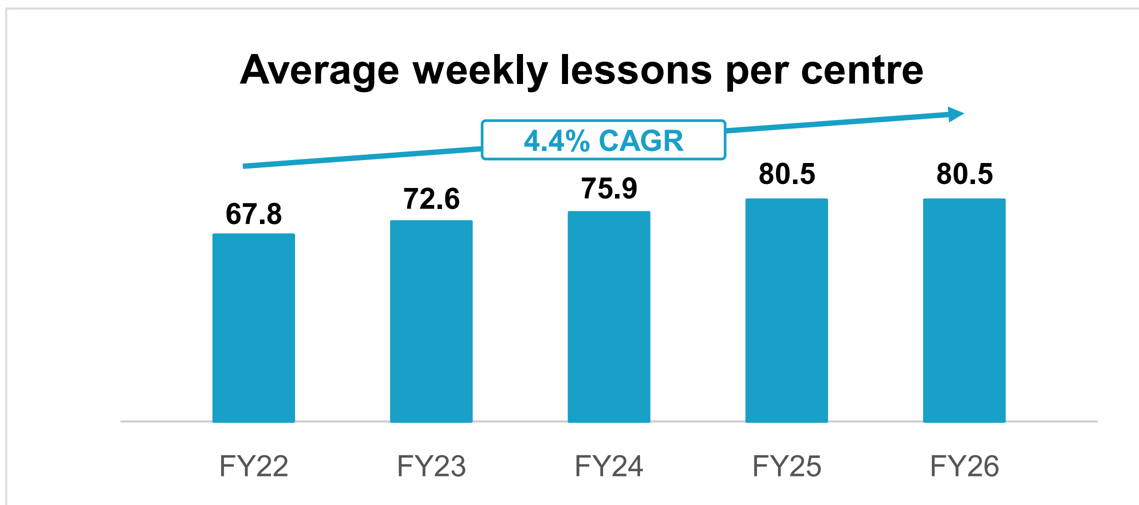


- The company finished FY26 with 431 centres
- Centre numbers stabilised during H2, with a net decrease of 6 centres
- During H2, 6 new centres opened and there were 7 centre resales and transfers
- 8 new centres opened during FY26 compared to 15 in the previous 5 years
- The pace of closures among smaller, retiring and Silver Contract centres slowed considerably
- Gold centres and Corporate centre numbers remain stable

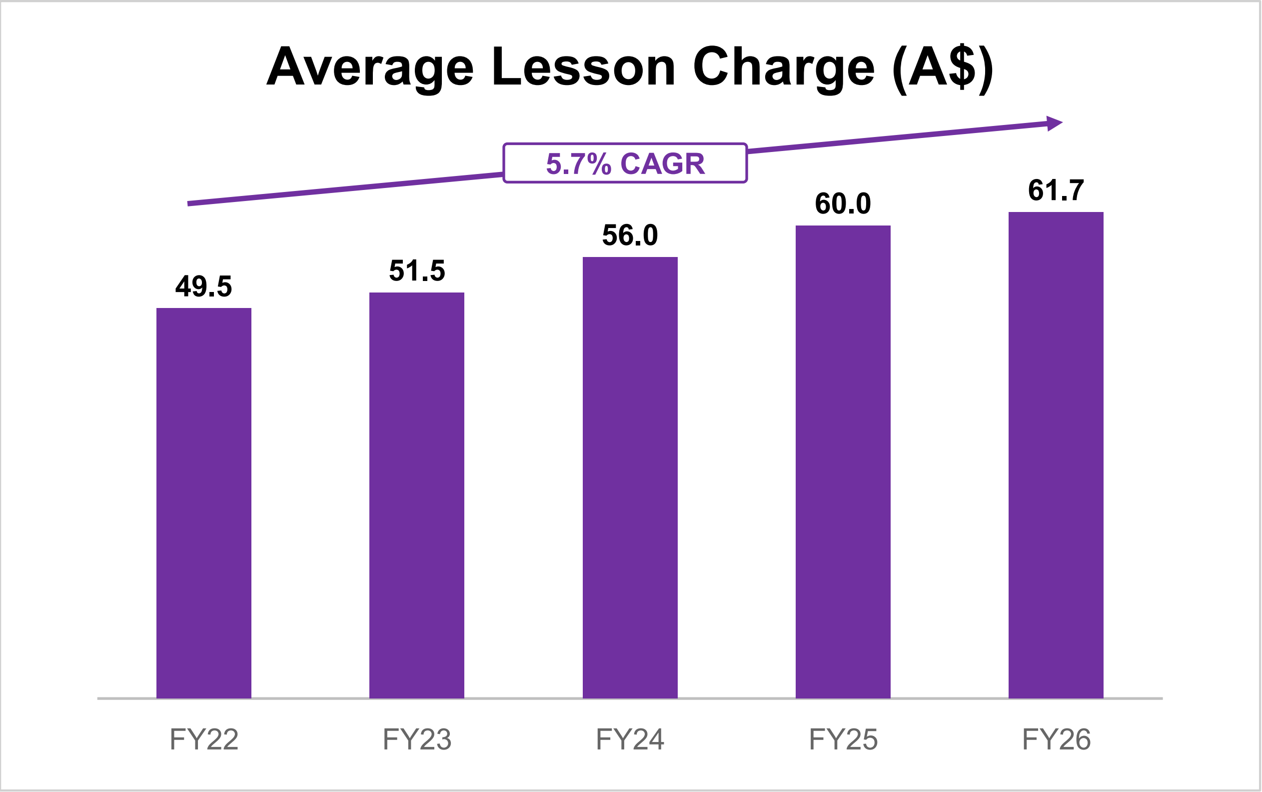
Lesson numbers

- Lesson numbers declined 6% to 1,779k, driven by UK:
  - ANZ (0.5)%
  - UK (9.4)%
- Decrease is due to reduction in UK, SA and MENA silver centre numbers
- Gold lesson numbers in line with prior year
- FY26 average weekly lessons in line with prior year at 80.5



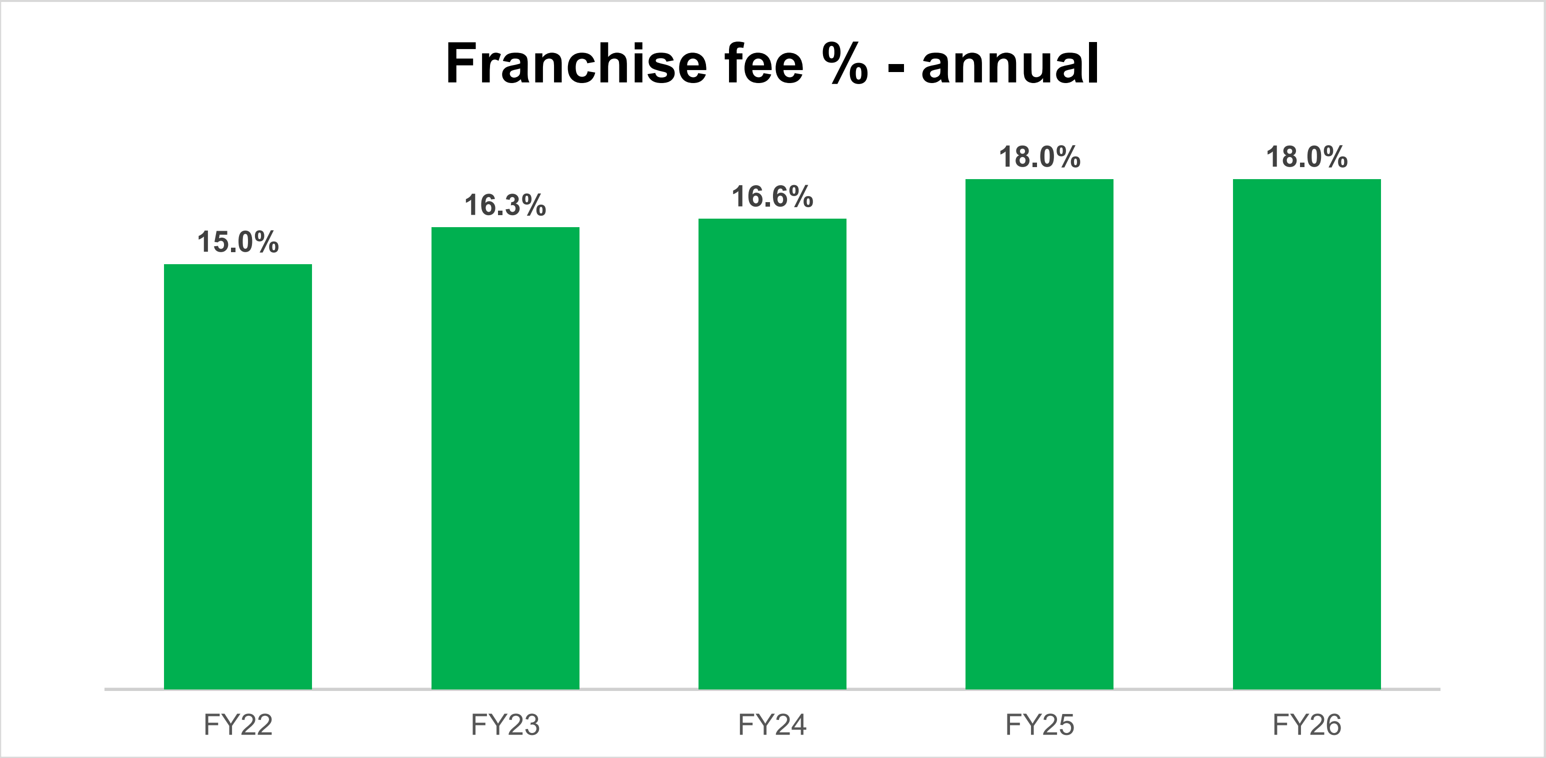


Average lesson charge



- FY26 average lesson charge increased by 2.9% from $60.00 to $61.70
  - FY26 $62.70, +4.6% in constant currency

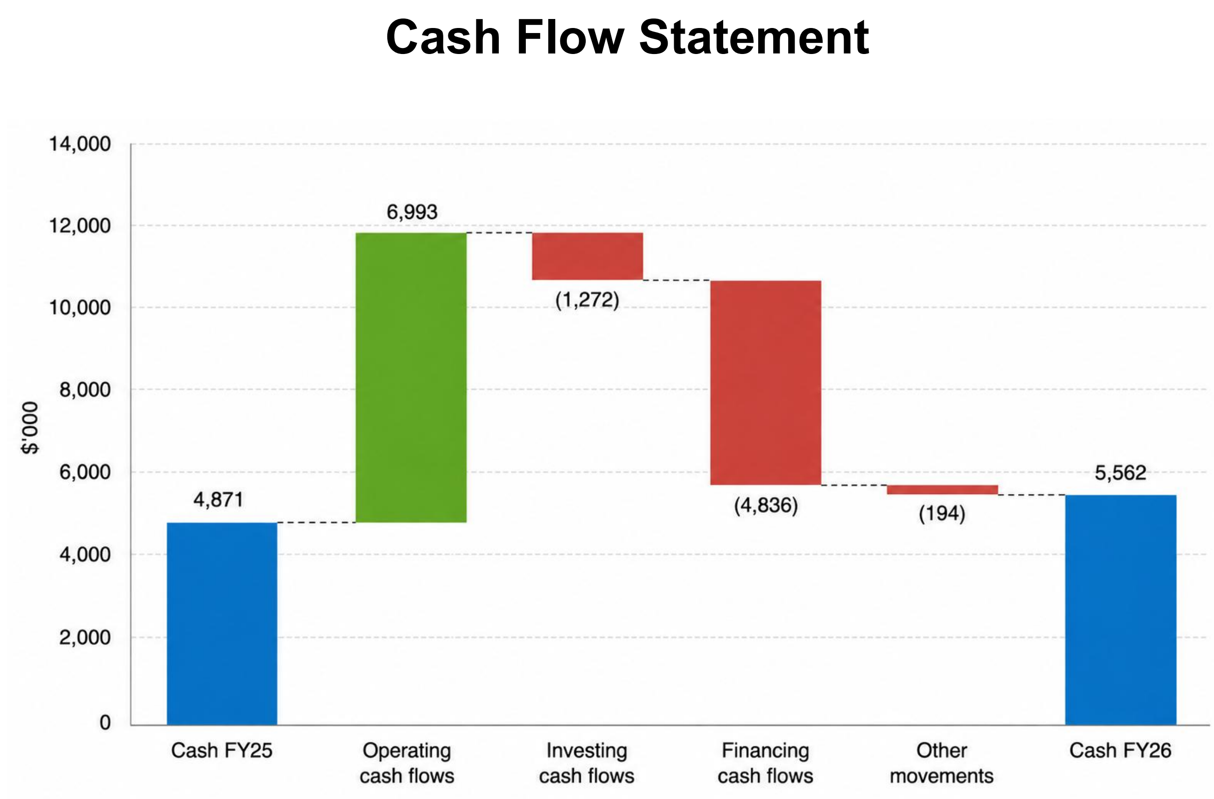
Franchise fee %



- Franchise fee of 18.0% stable with prior year

Cash flow

- Strong operating cash flow driven by solid EBITDA performance
- Investing outflow mainly due to technology and curriculum capex
- Financing outflows consist of share buyback ($2,480k), dividends paid ($836k) and lease payments ($1,520k)
- The company has no debt and has not utilised any of its bank facility
- Subject to shareholder approval at the AGM, the proposed 6 cents dividends represent payments to shareholders of $3.15m



Business improvement and operational priorities

2025
- Refresh board and refresh management team

2026
- Reengagement with franchisees and development of growth plan

2027 and beyond
- Continue building a scalable franchise growth engine
- Strengthen student lead conversion and centre operations
- Increase lessons and customer lifetime value
- Improve corporate centre economics

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QUESTIONS