ASX Announcement

ASX Code: NDO

Results for announcement to the market

26 February 2025

In accordance with ASX Listing Rules 4.3A and 4.7, Nido Education Limited (ASX: NDO) attaches the following documents for release:

1. Appendix 4E; and
2. 2024 Annual Report.

Shareholders are invited to participate in a conference call briefing in relation to the Company's 2024 full year financial and operational results. Details of the conference call are as follows:

Date and time: Thursday, 27 February 2025 at 11.00am (Sydney Time)
Participant Registration Site: Please click here to register https://nidoeducation.edu.au/webinars/WPGqZe-ndo-cy24-results-briefing

-Ends-

This ASX announcement was authorised for release by the Board of Nido Education Limited.

Investor & Media enquiries

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Managing Director

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About Nido

Founded in 2021, Nido Education Limited is a national owner, operator and manager of long day early childhood education and care services, operating under the Nido Early School brand. Visit: www.nidoeducation.edu.au

Appendix 4E

Preliminary final report under ASX Listing Rule 4.3A

1. Company details

Name of entity: Nido Education Limited (ABN: 12 650 967 703) (ASX: NDO)

Reporting period: For the year ended 31 December 2024

Previous period: For the year ended 31 December 2023

2. Results for announcement to the market

Key information

	UP/ DOWN	MOVEMENT %	2024 $'000	2023 $'000
Revenue from ordinary activities	up	75.2%	163,631	93,372
Earnings before interest, tax, depreciation and amortisation ('EBITDA')	*	–	42,267	(2,658)
Pre-AASB 16 EBITDA	*	–	21,954	(15,441)
Pre-AASB 16 NPAT	*	–	19,500	(14,947)
Profit/(loss) from ordinary activities after tax for the year attributable to Nido Education Limited shareholders	*	–	14,652	(18,105)
Net profit/(loss) for the year attributable to Nido Education Limited shareholders	*	–	14,652	(18,105)

* The percentage increase from the prior period has not been included as the movement from profit to loss or loss to profit cannot be expressed as a percentage.

3. Dividend information

	AMOUNT PER SHARE (CENTS)	FRANKED AMOUNT PER SHARE (CENTS)	TAX RATE FOR CREDIT
Final 2024 dividend per share determined	5.8	2.03	30%

On 26 February 2025, a final dividend for the year ended 31 December 2024 of 5.8 cents per ordinary share, partially franked was determined, with a record date of 19 March 2025. The dividend of $13.2 million will be paid on 28 March 2025. The dividend was not provided for in the financial statements.

The Company's Dividend Reinvestment Plan (DRP) will not apply to the FY24 final dividend.

Appendix 4E
(continued)

4. Reconciliation to pre-AASB 16

RECONCILIATION TO PRE-AASB 16 EBITDA	2024 $'000	2023 $'000
EBITDA	42,267	(2,658)
Lease rental expense (pre-AASB 16)	(20,313)	(12,783)
Pre-AASB 16 EBITDA	21,954	(15,441)

RECONCILIATION TO PRE-AASB 16 NPAT	2024 $'000	2023 $'000
NPAT	14,652	(18,105)
Lease rental expense (pre-AASB 16)	(20,313)	(12,783)
Right of use asset depreciation	10,146	6,248
Lease liability interest expense	17,092	11,033
Tax impact	(2,077)	(1,340)
Pre-AASB 16 NPAT	19,500	(14,947)

5. Net tangible assets per security

	2024 CENTS	2023 CENTS
Net tangible assets per share	0.03	(0.74)

6. Control gained over entities

During the reporting period Nido Education Limited gained control of Nest 6055 Pty Ltd and Think Childcare 3058 Pty Ltd on 27 September 2024.

This Appendix 4E should be read in conjunction with the 2024 Annual Report.

Additional information supporting the Appendix 4E disclosure requirements can be found in the Directors' Report and the consolidated financial statements for the year ended 31 December 2024. The following information required by listing rule 4.3A is disclosed in the accompanying 2024 Annual Report:

- The profit and loss statement.
- The balance sheet.
- The cash flow statement.
- A statement of retained earnings.

This report is based on the consolidated financial statements for the year ended 31 December 2024 which have been audited by KPMG.

Annual Report 2024

Contents

We acknowledge the Traditional Custodians of the land, waters, and skies where we work and live across Australia. We pay our respect to Elders past, present and emerging. We celebrate the stories, culture, and traditions of Aboriginal and Torres Strait Islanders of all communities, who work and live on this land.

About this report

Nido Education Limited presents this Annual Report for the financial year ended 31 December 2024.

This report is intended to provide information to security holders about the Group's activities and financial performance.

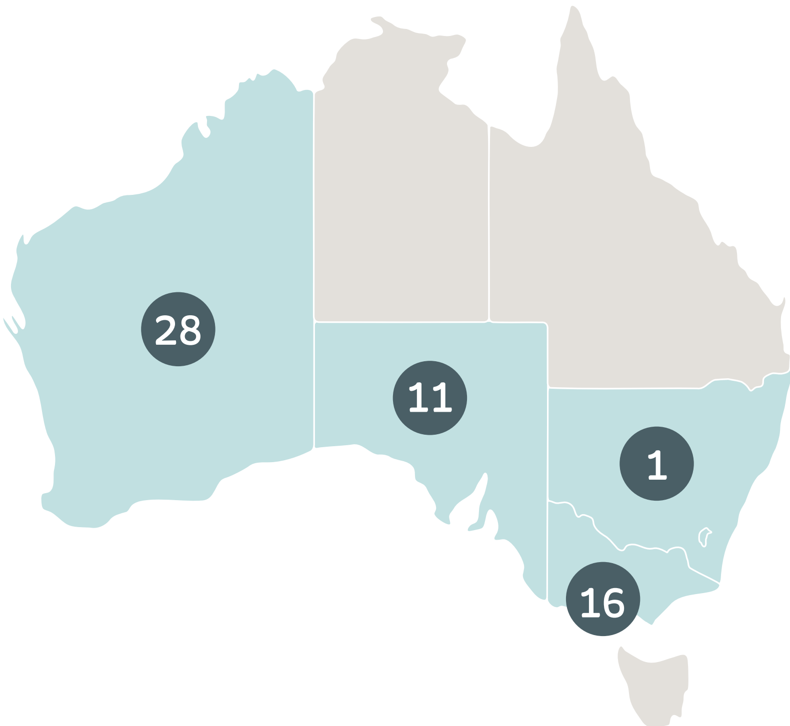
About Nido Education Limited

Nido Education Limited is a national owner, operator and manager of long day early childhood education and care services.

Nido owns 56 Services across Australia with the graph highlighting where these 56 owned Services are in our portfolio.

In addition to these owned Services, Nido manages 34 Services, with a further 12 Services in incubation (as at 31 December 2024).

The total number of Nido owned, operated and managed Services as at 31 December was 102, with over 10,000 children per day being immersed in Nido education, delivered by over 3,500 dedicated and passionate Teachers.



Our purpose

To create an environment that supports teachers to rise and make a positive impact on the lives of children.

Our mission

To create an environment where people feel happy and fulfilled in their roles, with all our schools delivering quality education that meets or exceeds, in the Nido way, the National Quality Standard ("NQS").

Our vision

To build the capacity of the world's teachers so they can deliver quality early education to children in all places and in all circumstances.

Our Guiding Principles

Nido's Guiding Principles showcase the heart of Nido and how we seek to treat every individual as competent and capable.

Our belief is that success is driven through the success of others, and only through everyone succeeding will Nido truly succeed. Our Guiding Principles unite Nido across communities, cultures and the different locations of each Service.

These serve as a guide that every employee can base taking action on, and when making decisions, both big and small.

Our people are competent and capable

Our people are competent and capable; we do it with them and never for them or to them.

The way you treat an individual will reflect in how they see themselves and treat others.

When we treat a person as "competent and capable", we actively create an environment that encourages and supports people to empower themselves.

We encourage and support our people to have agency.

Agency is recognising and supporting people's right to make choices and decisions to initiate their own development, role execution and the freedom to rise.

We actively seek the opportunity to be led, only ever taking the lead when the need exists.

We invite questions, and answer in a way that re-enforces people are capable and competent of solving the problem with the appropriate amount of input.

We are not afraid for our people to not succeed or make mistakes.

We support people to rise and grow. We focus on what is the minimum that we can do for them to ensure success or near success.

I am Nido, I am being Nido

Our success is through the success of others, and only through us all succeeding do I truly succeed.

We advocate for ourselves, for each other, for children, families, and community.

The standard we walk past is the standard we accept. No matter who, in what role and how uncomfortable we may feel in raising the issue, we absolutely must. If you allow it you teach it.

We always strive to do those one percenters because we know the little things do matter.

We expect to be needed, we expect to need others, we expect to make a difference.

We hold ourselves and each other accountable in an honest and respectful way.

We are focused on the best ideas, and these may not always be the most popular ideas.

We face problems head-on, we own the decisions made, we never say "I told you so", we all own the result.

We don't accept that just because it has always been done that way that it should be done that way, we look to find a better way.

It is ok to take it personally because you care, but we are always emotionally respectful and professional.

We do it with them and never for them or to them.

We know we aren't perfect, but we strive to improve.

Rise.

Financial Highlights

Operational Highlights

956,292
Days of Learning delivered in 2024

96%
Meet or Exceed Rating as at 31 December 2024

1,770
Number of Educators as at 31 December 2024

4,963
Licensed Places across the 56 owned Services

12 opened
Number of Services in Incubation as at 31 December 2024

Group Performance

↑ **Revenue**

$166.8m

74% from FY23

Dividend

$5.8c

per share

↑ **EBITDA***

$22.0m

from $15.4m loss in FY23

Cash conversion

110%

↑ **NPAT***

$19.5m

from a loss $14.9m in FY23

Net Leverage Ratio

0.16x

National Quality Standard Assessment and Rating progress

Nido's **mission** is to create an environment where people feel happy and fulfilled in their roles, with all our schools delivering quality education that meets or exceeds, in the Nido way, the National Quality Standard (NQS).

As at 31 December 2024, the percentage of the owned portfolio Services rated Meeting or Exceeding the National Quality Standard, increased two percentage points to **96%**.

This is 6 percentage points above the national average for National Long Day Care (LDC) Services which stands at 90%.

96%

Services Rated Meeting or Exceeding the National Quality Standard

as of 31 December 2024

94%

Services Rated Meeting or Exceeding the National Quality Standard

as of 31 December 2023

Major Milestones

Nido continues to enhance children's lives through the investment of our existing shareholders

2014

The Nido story begins with Think Childcare Limited (TNK) in October, when TNK was listed on the ASX at A$1.00 per share, with a portfolio of 30 Services and a Market Cap of $39.6m and Enterprise Value (EV) of $46m.

2017

TNK acquired three Services and the 'Nido Early School' brand (which was established in Perth in 2014).

2019

TNK implemented a stapled security structure, where TNK shares were stapled to shares in Think Childcare Development Limited ("TND") ("Think Group"). TND was focused on developing leasehold greenfield Services which once 'traded up' (meaning Services that had achieved the requisite occupancy and financial performance trade up, were sold to TNK. TND became the primary incubator for TNK, which saw the shift from external incubators to the purpose built, internal incubation model.

2021

In October, Think (TNK) and TND (and the 'Nido Early School' brand) were privatised, with TNK selling for A$3.28 per share (including an $0.08 dividend) for market cap of $201.3m and EV of $251m.

TND was acquired by Nido, which was then controlled by Mathew Edwards, consisting of 16 Services in Trade Up, a development pipeline of sites, the support office team, the 'Nido Early School' brand, and all subsidiaries of TND, to form the Nido Group of companies.

2022

A joint venture was established between Alceon and an entity controlled by Mathew Edwards to fund the development of new Services through AES Pty Ltd.

2023

Nido acquired 24 Services, bringing the owned portfolio to 52, which included acquiring AES Pty Ltd.

Nido opened 14 new Services in 2023.

NAED (100% externally owned) was established as Nido's primary incubator.

In addition, Nido managed 43 Services on behalf of third parties under Service Management Agreements.

2024

Nido acquired four Services from our incubation pipeline in September.

Nido delivered a $22.0m EBITDA, the first full year performance post-IPO.

Chair and Managing Director Report

On behalf of the Board and Managing Director, I am pleased to present our Annual Report for Nido Education Limited (Nido Education for the period ending 31 December 2024).

The disciplined execution of our unique operating and growth model gave rise to earnings before interest tax and depreciation and amortisation (pre-AASB 16 EBITDA) of $22.0 million (2023: $15.4 million loss) and net profit after tax (pre-AASB 16 NPAT) of $19.5 million (2023: $14.9 million loss).

Highlights

- Our people in the Services, and those supporting them, delivered a quality of education and operated with distinction through a challenged environment for recruitment and in the face of families pulling back on spending to reduce the cost-of-living pressures.
- The first four services were acquired from incubation in September 2024, 6 months ahead of expectation.
- Refinancing was completed in February 2024, providing Nido Education with a $67 million acquisition facilities.
- Continued to develop the incubation pipeline with currently 13 Services in incubation.

We extended the management of 34 Services, which will deliver $3.4 million of revenue to 30 June 2026.

Our People: The Heart of Nido

Nido is a purpose for profit business, whose success is through its people. Great people lead to great quality education, which leads to great outcomes for children and families, leading to their desire to enrol at Nido which drives financial performance.

Delivering Quality Education

Nido has committed and passionate Educators and Teachers that provide children with innovative, relevant and evidence based educational programmes that seek to exceed the National Quality Standard (NQS). In 2024, 96% of our owned and managed Services met or exceeded the NQS, outperforming the sector average of 90%.

Our Journey Toward Sustainability and Fostering Community Connections

We are proud of the efforts that our Services make to integrate ESG values into everyday practices, which instils a sense of responsibility in children, families and Educators. Our Services align their goals with the UN Sustainable Development Goals, and focus our efforts to support our people to make a positive impact, whether through local excursions to get to know the community or celebrating and embracing the culture, values and languages of all Nido families. While our Board is responsible for overseeing our ESG strategy, it is our passionate Educators and children who drive these efforts from the grassroots.

Financial Results – Pre AASB 16

Pre-AASB 16 EBITDA was $22.0 million (2023: $15.4 million loss).

Financial Results – Statutory

Nido recorded a statutory net profit after tax (NPAT) of $14.7 million (2023: $18.1 million loss) and statutory earnings before interest, tax, depreciation and amortisation (EBITDA) of $42.3 million (2023: $2.7 million loss).

Capital Management

Nido completed its refinancing activities in February 2024. The debt facility comprised a corporate market loan with a $25 million facility limit, an accordion facility with a facility limit of $30 million and a bank guarantee facility with a $12 million facility limit.

As at 31 December 2024 Nido Education had net debt of $3.5 million.

Dividend

Nido has significant potential growth and the capacity to pay dividends ongoing. The Board determined a partially franked dividend of 5.8 cents per share, with a payment date of 28 March 2025.

Looking ahead

The child care and early learning sector is a critical part of Australia's economic and social infrastructure. There is a growing awareness and appreciation of the benefits of structured in the early years of childhood rather than traditional 'day care' which we expect will lead to higher demand from Australian families.

Our Board

The annual general meeting of Nido Education Limited will be held at 11:00am (Melbourne time) on Thursday 1 May 2025 and is proposed to be held as a hybrid meeting.

Shareholders may attend in person or online.

Registration will open from 10.00am on 1 May 2025.

Details will be set out in the Notice of Meeting.

Thank You

Nido acknowledges that early childhood and care is critical for lifelong learning and wellbeing, especially during a child's first five years of brain development where children are wired to learn rapidly. On behalf of the Board and executive team we would like to thank you for your support and thank our Educators and Teachers for the energy and passion they dedicate to this sector and for the positive impact they have on the communities they serve.

Mark Kerr

Mark Kerr
Chairman

Mathew Edwards
Managing Director

Strategy and Operations

Nido Kindergarten Curriculum launched in November 2024

The Nido Kindergarten Curriculum is a thoughtfully developed framework designed to inspire and support the learning journey of Nido children aged 3-6 years.

Reflecting the Early Years Learning Framework (EYLF) and guided by the Reggio Emilia approach, the Curriculum reflects Nido's commitment to providing a nurturing and empowering early education.

Shaped by the voices of 990 contributors – children, families, educators, and community members – it represents a shared vision of meaningful learning and growth.

At the heart of Nido's Kindergarten Curriculum are seven *learning branches:*

Community, Confident Learners, Literacy, Numeracy, Healthy Minds and Bodies, Creativity, and STEM.

These branches provide a balanced and comprehensive foundation, blending academic and creative learning with a deep focus on children's holistic wellbeing. The principles of inclusion, sustainability, and relational pedagogy ensure that the curriculum is relevant and responsive to the needs of each child and their community.

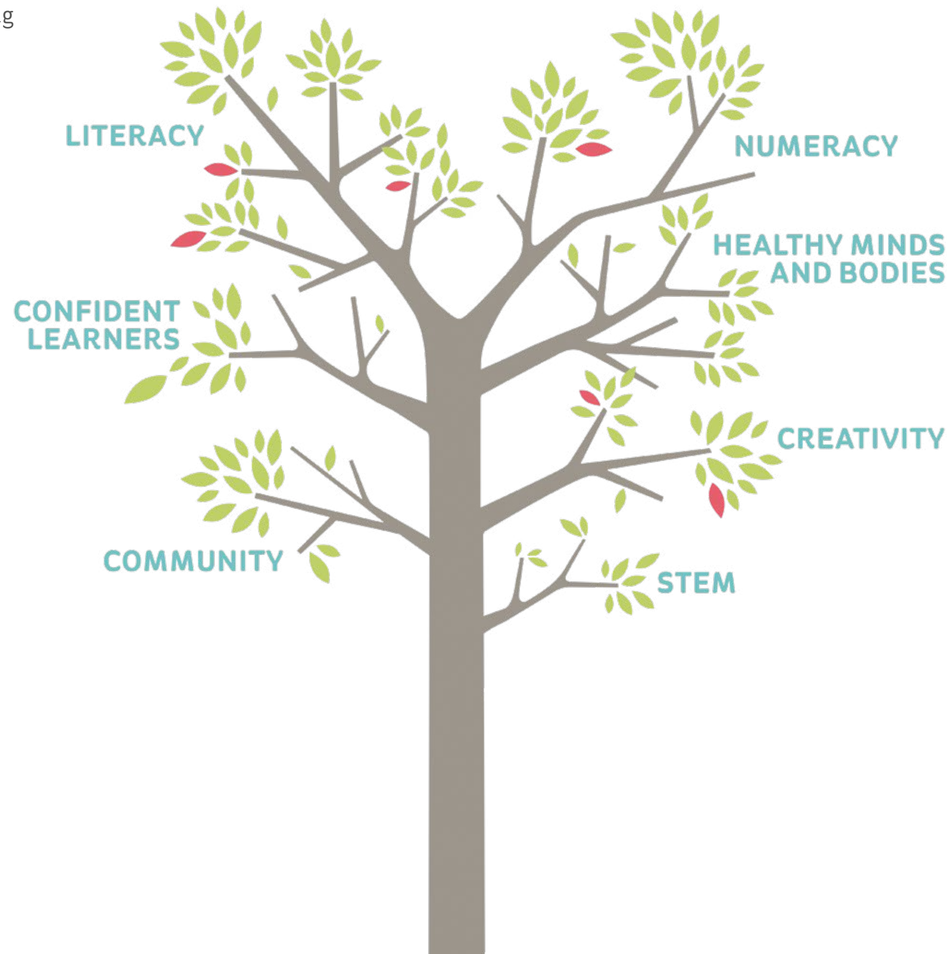
990 Contributing Voices comprising:

324 children

259 family members

371 educators

36 community members



The curriculum aims to equip children with the essential skills and dispositions they need to thrive in school and beyond, such as emergent literacy and numeracy, critical thinking, creativity, and collaboration. By fostering strong relationships and creating secure, supportive environments, the curriculum nurtures children's natural curiosity and their desire to learn and connect with others.

For 3- and 4-year-olds, Nido Kindergarten programs focus on play-based learning, where children build confidence, communication skills, and creativity through exploration and collaboration. Educators take an intentional and flexible approach, tailoring learning experiences to the unique interests, strengths, and needs of every child. These programs also encourage children to engage with diverse perspectives and develop an understanding of their broader community.

The curriculum reflects Nido's dedication to high-quality education by aligning to the EYLF while offering additional clarity on *what* to teach. This balance allows educators to deliver meaningful and locally relevant learning experiences to children within their community.

By fostering 21st-century skills – **Critical Thinking, Creativity, Collaboration, and Communication** – the curriculum empowers children to navigate their world with confidence and adaptability. With a clear focus on relationships, community, and a lifelong love of learning, the Nido Kindergarten Curriculum establishes a strong foundation for children to flourish and make meaningful contributions to society.

This marks an exciting new chapter in Nido's educational journey, enhancing our ability to showcase the incredible learning happening in classrooms across Australia.

In 2025, we will focus on embedding the curriculum throughout our early schools while developing comprehensive practice guides and professional development programs to empower and support our teachers and educators.

Nido Early School's Design Evolution

> **"Our environments are not only beautiful but safe, practical, and sustainable from a maintenance aspect. We are proud of our capability to design spaces that balance form and function."**

At Nido Early School, our design evolution has embraced to embody a more organic, soft aesthetic, incorporating arches, curves, and natural shapes throughout our environments. These gentle, flowing lines in our cabinetry, new feature lighting elements, custom rug designs, and overall layout help create a calming and harmonious environment from the moment you step into our open plan foyer. The introduction of organic shapes helps to break the rigidity of traditional designs, allowing for a more fluid and open space that encourages exploration and connection.

Our colour palette has also evolved, shifting from bright whites to warmer beige tones and natural greens & pops of brass that evoke a sense of comfort and warmth. These earthy hues create a welcoming atmosphere that feels grounded and connected to nature, fostering a sense of security and tranquillity. The thoughtful use of these softer tones, alongside the bespoke design elements, enhances the nurturing environment Nido Early School for which we are known, reinforcing our commitment to providing a space where children can thrive, explore, and grow.

At Nido Early School, we believe that the environment acts as the third teacher in supporting children's learning and development. Our design approach centres around the idea of creating spaces that are not only functional but also nurturing, calming, beautiful, and enriching for the individuals learning and teaching in these spaces. We draw inspiration from natural elements of the world around us – a celebration of simplicity, imperfection, and beauty – we seek to create environments that foster creativity, independence, growth, and most of all inspiration for our young learners.

As part of Nido's nationwide footprint, we combine educational leadership with a 'best for child' environment, providing families with a familiar and nurturing atmosphere, no matter where they are located. This approach contributes to creating a sense of continuity and emotional security for children and families across Australia.

We believe that the best environments are created through collaboration, informed by a diverse range of expertise. Our construction and design team are comprised of educators, facilitators, and architects, each bringing a unique perspective to the table. This multidisciplinary approach ensures every decision made, is grounded in a deep understanding of child development, educational practices, and architectural principles.

The team gathers and shares insights into how children learn, play, and interact with their surroundings. Having an educational background within the design team helps to provide a practical context, and hands-on understanding of the needs and behaviours of children, which guides the creation of spaces that promote engagement, creativity, and emotional well-being.

Our environments are not only beautiful but safe, practical, and sustainable from a maintenance aspect. We are proud of our capability to design spaces that balance form and function. Our national footprint allows us to provide services that are adaptable and scalable, ensuring that we meet the diverse needs of families.

This collaborative approach allows us to create spaces that are truly child-centred – designed not only for safety and comfort but also for fostering learning, independence, joy, and emotional health. Every decision, from the layout to material selection, is made with the well-being and development of the children in mind, ensuring that the environment serves as a supportive "third teacher" in their educational journey.

Here's how we incorporate these principles into our design approach

Nido Early School, Hilbert WA

1 Colour Palette: Warmth, Calm, Cohesion, and Natural Harmony

The shift toward soft, neutral tones speaks directly to the sensibilities of young children, creating an atmosphere that is both serene and stimulating.

2 Materials & Textures: Embracing Nature's Beauty

Our material choices reflect a deep respect for the earth and a desire to create tactile, immersive environments that support sensory exploration. By implementing a variety of textures, we ensure the design encourages creativity while being safe and sustainable.

3 Furniture & Layout: Comfort and Flexibility for Children

Our furniture and layouts are designed with one key principle in mind—creating a space where children feel at ease to explore, create, and learn. We place emphasis on the environment as the third teacher, supporting children's emotional well-being, growth, and independence.

4 Design Details: Imperfection and Timeless Appeal

The smallest design elements are carefully considered to contribute to an overall sense of warmth, tranquillity, and connection to nature.

5 Sustainability: Environmental Stewardship and Longevity

We aim to instil a respect for the environment through our design choices, ensuring sustainability is considered in each aspect of the space.

Consistency across Nido Services: Fostering Security and Familiarity

A key aspect of our design philosophy at Nido Early School is the consistent look and aesthetic across all our services.

By ensuring that each of our locations share the same design language – characterised by warm, neutral tones, natural materials, and thoughtful, child-centred furniture – we create a sense of continuity and familiarity for the children in our care.

The familiar environment ensures children experience a seamless and emotionally secure transition.

This consistency also reassures parents that their children are receiving the same high-quality care and educational support across the country.

By combining beauty, natural aesthetics, child-centred design, and sustainability considerations, Nido creates environments that not only support children's development but also provide a calming, inspiring space for both learning and rest. Our custom-designed furniture line, rooted in these same principles, offers a unique and thoughtful solution for families seeking functional, beautiful, and safe spaces for their children. This design approach nurtures growth, fosters creativity, and promotes a deeper connection to the natural world, making it an ideal fit for children's spaces.

Nido Early School, Butler WA

Achieving Success is always through our People

The world we are building for tomorrow starts with the Teachers of today

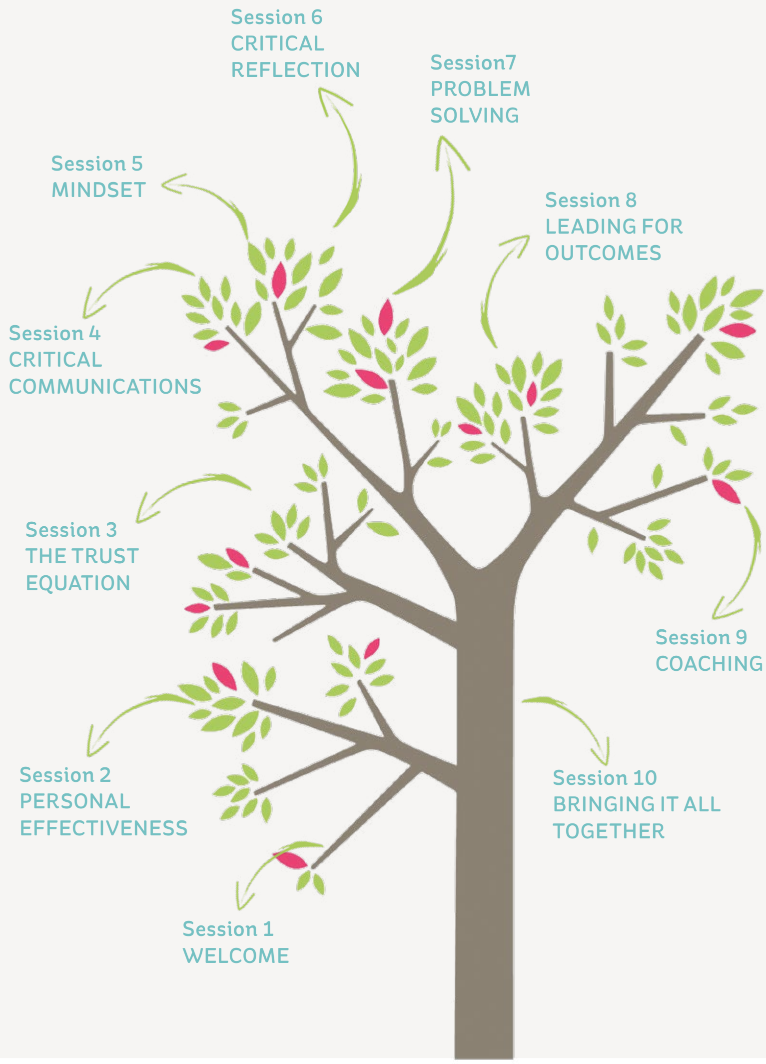
The **Rise Up – Nido Leadership Program** was developed to support the ongoing professional growth of our People and Quality Leaders and now our Executive Service Managers, enhancing their ability to drive value within their teams and the organisation.

Spanning nine months, the program combined in-person and virtual sessions, blending participants' existing skills and experience with new insights and practical leadership tools. The focus was on building efficiency and effectiveness in leadership through a structured and immersive learning journey.

Key areas of development included **self-awareness and personal effectiveness, the trust equation, critical communication skills, growth mindset, problem-solving, leading for outcomes, and coaching.** Participants engaged in interactive learning experiences that encouraged reflection, skill application, and collaboration.

The program concluded with individual presentations, where participants demonstrated the impact of their learning—both personally and for Nido. These final presentations highlighted the program's success in fostering confident, capable leaders prepared to navigate challenges and drive meaningful outcomes.

The **Rise Up** program has made a lasting impression on all involved, equipping our leaders with the mindset and capabilities to inspire their teams and contribute to the continued success of our organisation.



Achieving Success is always through our People

(continued)

We understand that the quality of our educational offering is largely dependent on the skills and experience of our Educators and Teachers delivering the curriculum.

We are committed to investing in our Educators and Teachers to ensure they have access to high quality, relevant, learning and development.

Each Nido Service has a dedicated Curriculum Leader (CL) – an experienced and University qualified Teacher who leads the development of educational programs, upskills Educators and Teachers, leads quality improvement initiatives and supports the partnerships between families and Services. The CL spends time with each Educator to coach and mentor the development of each child's individual learning program and plan. The CL also develops the professional development training plan for Teachers to enhance their career growth.

Every Teacher and Educator has unlimited access to Early Childhood Australia's online learning hub, which contains over 80 courses developed and reviewed by leading sector experts.

Nido Learning contains our own internal courses which have been developed by subject matter experts to support initial onboarding and then the implementation of Nido practices and approaches.

Image: Curriculum Leader at Nido Early School Fulham, Angela Wagnar, presenting at the 2024 ECA National Conference in Brisbane

Corporate Governance

The Board of Nido Education Limited (**Company**) is responsible for the corporate governance practices of the Group (being the Company and its controlled entities) and are accountable to the shareholders for overall strategic direction, management and delivering accountable corporate performance in accordance with the Group's goals and objectives.

The Company and its Board are committed to upholding responsible business and financial practices while continually strengthening our corporate governance framework. We have implemented a comprehensive system of internal controls, risk management strategies, and corporate governance policies designed to foster and uphold the responsible operation of the Company, and we see these practices as essential to the Company's successful growth.

Refer to our 2024 Corporate Governance Statement for more information on our corporate governance framework, policies and practices as at 26 February 2025. The Statement, along with the Board and Committee Charters and policies are available at: https://nidoeducation.edu.au/corporate-governance

Nido Education is proud to present this financial report for the financial year ended 31 December 2024.

Name	Nido Education Limited
ABN	12 650 967 703
Reporting period	1 January 2024 to 31 December 2024
ASX code	NDO

Contents

Directors' Report

The Directors of Nido Education Limited (**Company**) present their report together with the consolidated financial statements of the Group comprising the Company and its controlled entities (hereafter, referred to as **Nido Education**) for the financial year ended 31 December 2024 (referred to hereafter, as the Financial Year) pursuant to the requirements of the *Corporations Act 2001* (Cth) (**Corporations Act**).

The shares of Nido Education Limited trade on the Australian Securities Exchange (**ASX**) (ASX code NDO).

Directors

The following persons were Directors of Nido Education Limited during the whole Financial Year and up to the date of this report, unless otherwise stated:

Continuing Directors

Mark Kerr	Independent Non-Executive Chairperson appointed 1 June 2023 Member of Nomination and Remuneration Committee Member of Audit, Risk and Compliance Committee
Mathew Edwards	Managing Director appointed 11 June 2021 Member of Human Resources and Remuneration Committee
Joe Dicks	Independent Non-Executive Director appointed 1 June 2023 Chair of Audit, Risk and Compliance Committee Member of Nomination and Remuneration Committee
Vanessa Porter	Independent Non-Executive Director appointed 1 June 2023 Chair of Nomination and Remuneration Committee Member of Audit, Risk and Compliance Committee

Directors' meetings and attendance at those meetings for the Financial Year (including meetings of committees of Directors) are disclosed on page 29. The qualifications and experience of Directors, including current and recent directorships, as well as their special responsibilities, are detailed on pages 20 to 23.

Company Secretaries

Current

Trinh Bui

Special Counsel and Company Secretary
B.Mgt, LLB, FGIA

Appointed Company Secretary on 20 May 2024.

Trinh Bui joined the Company on 20 May 2024 as Special Counsel and Company Secretary.

She is a member of the Law Society of New South Wales and a Fellow of the Governance Institute of Australia, with over 7 years' experience as a company secretary in the listed sector and more than 15 years in governance and risk management. Trinh is responsible for managing the company secretariat function and providing corporate governance support across Nido Education.

Trinh holds a Bachelor of Management, LLB, and a Graduate Diploma in Applied Corporate Governance and Risk Management. She was admitted as a solicitor and barrister in New South Wales in June 2001 and as a solicitor in the Supreme Court of England and Wales in 2005.

Former

Tony Amato served as the Company Secretary from 25 July 2023 to 20 May 2024.

Directors' Report

(continued)

Information on Directors

Mark Kerr

Title

Chair and Independent Non-Executive Director

Term of Office

Mark was appointed on 1 June 2023.

Qualifications

Mark holds a Bachelor of Laws (LLB) from the University of Melbourne.

Experience and expertise

Mark has extensive experience as Chair, Non-Executive Director and advisor across a range of publicly listed and private companies and across a diverse range of sectors.

Mark was previously the Chair and a Non-Executive Director of Think Childcare Limited from its IPO and ASX listing in 2014 until its acquisition by scheme of arrangement in 2021 by Busy Bees Early Learning Australia Pty Ltd. He was also previously Chair of WCM Global Long Short Limited until January 2023 and Managing Director of Hawthorn Resources Limited until December 2022.

Mark is a Director of Berkeley Consultants Pty Ltd, which specialises in public and investor relations and reputation management consultancy.

Mark's community involvement currently extends to being a member of the Victorian Committee for the Juvenile Diabetes Research Foundation. He is also a committee member of the St Vincent's Institute Charity Golf Day Committee.

Other current directorships

Cryosite Limited (ASX: CTE) – Chair since December 2023

Former directorships (last 3 years)

Managing Director of Hawthorn Resources Limited (ASX: HAW), resigned as a Director effective 31 December 2022

Special Responsibilities

Chair of Nido Education Limited

Interests in shares

1,983,866 NDO Ordinary Shares (escrowed 16 October 2025)

Interests in premium options

745,099 Options expiring 12 July 2027, exercise price of $0.96

Mathew Edwards

Title

Managing Director

Term of Office

Mathew was appointed on 11 June 2021.

Experience and expertise

Mathew founded Nido Education Limited following the sale of Think Childcare Limited to Busy Bees Early Learning Australia Pty Ltd by scheme of arrangement in 2021.

Mathew has been involved in the early learning sector since 2001 and was the Founder, Managing Director and Chief Executive Officer of Think Childcare Limited. Mathew was responsible for overseeing the growth of the Think Childcare Group, taking it from 30 Services at IPO to 88 Services on the sale of the business in 2021.

Prior to Think Childcare Limited, Mathew was the former Managing Director of Learning and Education Australia Pty Ltd from 2008, which at the time owned 12 Services.

Mathew has extensive management experience in retail and commercial property, and experience in strategy and management of multi-site business operations.

Other current directorships

None

Former directorships (last 3 years)

None

Special Responsibilities

Managing Director

Interests in shares

6,527,566 NDO Ordinary Shares

111,613,750 NDO Ordinary Shares (escrowed until 16 October 2025)

Interests in premium options

1,192,160 Options expiring 12 July 2027, exercise price of $0.96

Directors' Report

(continued)

Joe Dicks

Title

Independent Non-Executive Director

Term of Office

Joe was appointed on 1 June 2023.

Qualifications

Joe holds a Bachelor of Commerce and a Postgraduate Diploma in Accountancy from the University of Durban. Joe is also a registered Australian Chartered Accountant.

Experience and expertise

Joe was previously a Non-Executive Director of Think Childcare Limited, from April 2018 until its acquisition by scheme of arrangement in 2021 by Busy Bees Early Learning Australia Pty Ltd. Joe has 20 years' multi-national experience as a Non-Executive Director in a broad range of industries. He also has in-depth experience in government funded and regulated industries, infrastructure and the education and aged care sectors.

Joe currently chairs Campus Living Funds Management Limited as well as being a Non-Executive Director of Qudos Bank Limited. Joe is also a Director of the PPB Advisory legacy group of companies and is overseeing the wind down of this group.

Other current directorships

None

Former directorships (last 3 years)

None

Special Responsibilities

Chair of Audit, Risk and Compliance Committee

Interests in shares

100,000 NDO Ordinary Shares

Interests in premium options

149,021 Options expiring 12 July 2027, exercise price of $0.96

Vanessa Porter

Title

Independent Non-Executive Director

Term of Office

Vanessa was appointed on 1 June 2023.

Qualifications

Vanessa is a Graduate of the Australian Institute of Company Directors, a certified chair and an approved advisor. She also holds a Bachelor of Education (Adult Education) in Human Resource Development from the University of Technology Sydney.

Experience and expertise

Vanessa is a seasoned executive with over 30 years of experience in major global companies, across industries and markets. Previously, Vanessa served as the Director of Talent and Development, Divisional Lead (Australian, New Zealand and South Africa) and the Chief Executive Officer of the Registered Training Organisation (RTO) for McDonald's Australia Limited. She also held the position of General Manager (Global) – Human Resources of Staging Connections Group Limited and was the CEO of their RTO. Vanessa has also previously held board member roles at Gearhouse Staging Connections and UnitingCare NSW/ACT. She is currently the Vice President of the Southern Highlands Artisan Collective (SHAC), a role undertaken on a voluntary basis.

Vanessa started her own boutique consultancy (All Of You Pty Ltd) in 2015. Her reputation has been built on providing HR strategic advice and building people's capability through designing and delivering immersive and sustainable learning environments. She is currently supporting leaders across financial services, professional services, FMCG, retail, not-for-profit, biotechnology, and education.

Other current directorships

None

Former directorships (last 3 years)

None

Special Responsibilities

Chair of Nomination Remuneration Committee

Interests in shares

50,000 NDO Ordinary Shares

Interests in premium options

149,021 Options expiring 12 July 2027, exercise price of $0.96

Directors' Report

(continued)

Principal activities

Nido Education operates Early Childhood Education Services (Services) in Australia. The principal activities of the Company are summarised as follows:

- Owns and operates purpose-built Services under the "Nido" brand and operating model;
- Provides establishment and management services to clients and third-party incubator partners; and
- Acquires high-performing purpose-built Services from third-party incubators.

Dividends

The Board determined a partially franked dividend of 5.8 cents per share, with a payment date of 28 March 2025.

There were no other dividends paid, recommended, or declared during the current or previous financial year.

Review and results of operations

Nido Education currently owns and operates 56 Services under the brand Nido Early School. Additionally, Nido Education provides establishment and management services to partners, including NAED Holdings Pty Limited (NAED), its primary incubator partner.

Nido's strategy is to create an environment that supports teachers to rise and make a positive impact on the lives of children. Nido Education lays the foundation for delivering high quality education by supporting and nurturing its people. This leads to sustained demand and allows the Group to build a stable, predicable, and profitable business, delivering value and recurring earnings growth to security holders over the medium to long term.

All Nido Services are purpose-built and designed to Nido Education standards and specifications that allow Nido Education to provide quality education. The Group has actively chosen to locate its Services in suburban areas, supported by long-term leases.

In addition to the 56 Services that Nido Education own and operate, Nido Education also manages 47 Services on behalf of external parties. This takes the total number of Nido Education owned, operated and managed Services to 103, with a total maximum capacity of 9,065 children per day that can be educated.

Nido Education has a derisked model of growth which seeks to reduce, for Nido, the inherent Trade Up risk of opening a brand new Service.

Nido Education has an agreement with NAED as the Group's primary Incubator. NAED is 100% externally owned, with the Incubator receiving equity funding of $25.0 million from private investors through Alceon Private Equity and by Nido Education providing, under a loan agreement, an interest bearing loan facility of up to $25.0 million. Mathew Edwards is one of the three Directors of NAED but he holds no equity interest in NAED.

Nido's Incubators target the development of 20 to 30 new Services per year, with the intent to provide Nido with a pipeline of new Services that Nido will have an exclusive call option to acquire when acquisition metrics are achieved. The Group has access to over 30 pipeline Services, which are at various stages of development and trade-up. The acquired Services will be trading at an average occupancy rate over the last six months exceeding 80%, with proven profitability, and with the purchase price being at a known acquisition multiple of 4.5x EBIT.

Financial overview

Financial Results – Statutory

Nido recorded a statutory net profit after tax (NPAT) of $14.7 million (2023: –$18.1 million) and statutory earnings before interest, tax, depreciation and amortisation (EBITDA) of $42.3 million (2023: –$2.7 million).

Financial Results – Pre-AASB 16 EBITDA

EBITDA was $22.0 million, after adjusting for the $20.3 million positive impact of AASB 16 *leases* (2023: –$15.4 million after adjusting for the $12.8 million positive impact of AASB 16 *leases*).

EBITDA, EBITDA (pre-AASB 16), NPAT (pre-AASB 16) reflect the results of the ongoing business of the consolidated entity as determined by the Board and Management. They have been disclosed in accordance with ASIC's Regulatory Guide 230 – Disclosing non-IFRS financial information. These financial measures have not been audited by our external auditors; however, the adjustments to profit after tax have been extracted from the books and records that have been audited. EBITDA (pre-AASB 16) and NPAT (pre-AASB 16) is disclosed as a useful guide for investors to gain a better understanding of the Group's financial results from normal operating activities.

Operating results

	2024			2023		
$'000	PRE AASB 16	AASB 16 ADJUSTMENT	STATUTORY	PRE AASB 16	AASB 16 ADJUSTMENT	STATUTORY
Revenue	163,631	–	163,631	93,372	–	93,372
Other income	3,122	–	3,122	2,259	–	2,259
Expenses						
Employee benefits	103,600	–	103,600	76,829	–	76,829
Occupancy	28,891	(20,313)	8,578	17,596	(12,783)	4,813
Direct expense of providing services	9,038	–	9,038	6,714	–	6,714
Transaction costs	–	–	–	3,250	–	3,250
Other	3,270	–	3,270	6,683	–	6,683
EBITDA	**21,954**	**20,313**	**42,267**	**(15,441)**	**12,783**	**(2,658)**
Depreciation and amortisation	687	10,146	10,833	505	6,261	6,766
Net finance costs	474	17,092	17,566	1,296	11,033	12,329
Profit/(loss) before tax	20,793	(6,925)	13,868	(17,242)	(4,511)	(21,753)
Income tax (expense)/benefit	(1,294)	2,078	784	2,295	1,353	3,648
Profit/(loss) for the period	19,499	(4,847)	14,652	(14,947)	(3,158)	(18,105)
Other comprehensive income for the period, net of tax	–	–	–	–	–	–
Total comprehensive profit/(loss) for the period	19,499	(4,847)	14,652	(14,947)	(3,158)	(18,105)

Capital management

The group completed refinancing activities in February 2024. The debt facility comprised a corporate market loan with a $25 million facility limit, an accordion facility with a facility limit of $30 million and a bank guarantee facility with a $12 million facility limit.

As at 31 December 2024 Nido Education held unrestricted cash of $3.5 million, and had drawn $7 million from the Corporate Market loan.

Directors' Report
(continued)

Going concern

These financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and settlement of liabilities in the normal course of business. The Group recognised a net profit after tax of $14.7 million for the year ended 31 December 2024 and, as at that date, current liabilities exceed current assets by $25.9 million which includes $21.0 million of current lease liabilities which will be settled through operating cash flows earned in the next 12 months.

The Group is forecasting positive cash flows for at least the next 12 months after this report is issued. In addition, the Group has a loan facility of $25.0 million with a maturity date in 2027. As of 31 December 2024, $18 million is undrawn and available for use by the group. Based on these factors, management has a reasonable expectation that the Group has and will have adequate resources to operate and pay its debts as and when they fall due.

Likely developments

The Group is expected to continue to execute its business plan and strategy as outlined in its Initial Public Offering Prospectus dated 20 September 2023, including the acquisition of new Services and organic growth of its portfolio.

Risks

The Group identifies and manages risks which could adversely affect the achievement of the Group's growth strategy through its Risk Management Framework. A summary of material risks and associated mitigation activities is shown below:

Safety, health and well being

The Group is required to maintain safe business environments and work practices to protect the wellbeing of children, team members, families, contractors and other people who visit our Services.

The Group has a suite of policies that address various aspects of both team and child safety and health, including interactions with children, conduct, physical environments, procedures, recruitment and reporting. Incidents are categorised according to the severity of the incident and are reported to the Board on a monthly basis.

Strategic execution

The Group's ability to achieve its objectives depends on the ability of its Directors and management team to implement the established business plan and to respond effectively and appropriately to unforeseen circumstances. Specific elements of the business plan which may impact the Groups operating results include:

- The ability to control the costs and organisational impacts of business growth;
- The ability to increase child care fees;
- The ability to achieve intended quality assessments;
- The ability to achieve intended occupancy rates;
- The ability to acquire Services from its Incubator partners as a result of operation or funding issues;
- The ability to attract and retain suitably qualified and experienced management and employees at service support office and at its Services;
- The ability to secure additional funding if required;
- The ability to develop and maintain a reputation as a provider of quality Early Childhood Education Services; and
- The ability to respond appropriately to any changes in economic conditions that may adversely impact the Group's profitability.

Any changes in circumstances that impact on the above are immediately reported to the Board and strategies to address any adverse impacts agreed by the Board for implementation by management.

Information systems and cyber security risk

The Group relies on information technology, including third party software products and services, to deliver services to our customers. It has implemented industry standard measures to prevent or mitigate loss, damage or interruption to its network, systems and data. Through its ordinary course of business, the Group will collect information about its customers (which would usually include personal and confidential information). A cyber attack or incident may compromise the systems used to protect that information. Industry standard measures, including data integrity validation and security enforcement processes, have been put in place to prevent misuse or loss of, unauthorised access to, or unauthorised modification or disclosure of the information that it holds. Data integrity validation and security enforcement run concurrently within all scenarios.

Industrial relations

The Group is subject to risks which affect the labour market. Any labour reform which reduces the flexibility of the Group in relation to its employees may cause higher labour and compliance costs, industrial disputes and complications with compliance. Such changes may affect the ability to retain and attract quality employees. Failure to comply with relevant employment laws or awards can lead to potential regulatory investigations or enforcement actions or other civil or criminal fines or penalties. Training, support and supervision is in place around rostering work force planning and payroll compliance. Certain controls are embedded into our systems and policies and processes to ensure compliance.

Changes to the regulatory environment

Regulatory changes to the early learning sector may have an adverse impact on the way the Group manages and operates its services and financial performance. Such changes may include, but are not limited to, legislative changes that affect employee-to-child ratios and employment qualification criteria, the demand for Services and changes to government funding and subsidies. The sector continues to enjoy strong bipartisan Government support, and the Group maintains productive working relationships at both Federal and State Government levels providing early visibility of pending regulatory changes to allow timely preparation and an appropriate response.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Indemnity and insurance of officers

The company has indemnified the executives of the company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

There are no proceedings brought or intervened in, or applications to bring or intervene in proceedings, on behalf of Nido Education by a member or other person entitled to do so under section 237 of the Corporations Act.

Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the Group during the financial year.

Directors' Report

(continued)

Matters subsequent to the end of the financial year

Apart from the CEO commencement disclosed below and the dividend determination as disclosed above, no other matter or circumstance has arisen since 31 December 2024 and up to the date of this report that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Rounding of amounts

The Group is of a kind referred to in ASIC Corporations Instrument (Rounding in Financial/Directors' Reports) 2016/191, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Chief Executive Officer

Renee Bowman resigned as Chief Executive Officer effective from 26 July 2024, with Mathew Edwards assuming the role of interim CEO.

Adam Lai was appointed Chief Executive Officer effective from 10 February 2025. He is responsible for the operations and direction of Nido Education and providing advice and guidance to the Board on the operations of the company.

Adam joins from PwC Australia where he was Managing Partner, Sydney. During an 18-year career with PwC, including 12-years as Partner, Adam led pivotal transformation programs and developed expertise across a range of sectors including Healthcare, Financial Services, Professional Services, Transport and Emergency Services.

Non-Audit Services

During the year KPMG, the Group's auditor, has performed certain other services in addition to the audit and review of the financial statements.

The board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the audit, risk and compliance committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the audit committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Group, KPMG, and its network firms for audit and non-audit services provided during the year are set out below:

	2024 $	2023 $
Services other than audit and review of financial statements:		
Pre lend financial due diligence	104,500	–
IPO due diligence and transaction support services	–	1,207,037
Audit or review of financial statements for IPO	–	352,734
	104,500	**1,559,771**
Audit or review of the financial statements	258,500	244,100
Total Paid to KPMG	**363,000**	**1,803,871**

Lead auditor's independence declaration

A copy of the Lead auditor's independence declaration as required under section 307C of the Corporations Act is included in this report for the financial year ended 31 December 2024.

Meetings of Directors

The number of meetings of the Group's Board of Directors ('the Board') held during the year ended 31 December 2024, and the number of meetings attended by each Director were:

	Full Board		Numeration and Remuneration Committee		Audit, Risk and Compliance Committee	
	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD
Mark Kerr	14	14	3	3	5	5
Vanessa Porter	13	14	3	3	4	5
Joe Dicks	14	14	3	3	5	5
Mathew Edwards	14	14	3	3	N/A	N/A

Mark Kerr

Mark Kerr
Chairman

26 February 2025
Melbourne

Remuneration Report

Scope

This is the Remuneration Report for Nido Education Limited (Company or Nido) for the year ended 31 December 2024, this forms part of the Directors' Report and has been prepared in accordance with section 300A of the *Corporations Act 2001* (Cth) (Corporations Act). The data provided in the Remuneration Report was audited as required under section 308(3C) of the Corporations Act.

Contents

Introduction from the Nomination and Remuneration Committee Chair

On behalf of the Board of Directors, I am pleased to present the Remuneration Report for the year ended 31 December 2024.

This Remuneration Report is designed to provide shareholders with information on key remuneration activities undertaken by Nido during the year, details of remuneration paid to Key Management Personnel (KMP) and demonstrate the link between the reward outcomes and the Company's performance.

The purpose of the Nomination and Remuneration Committee is to ensure that remuneration principles are aligned to the Company's strategic objectives and remuneration levels are set appropriately to attract and retain key executives. The Board has linked remuneration outcomes to the corporate strategy for the medium to long-term. The purpose of this Report is to set out, in a clear and transparent way, our approach to remunerating Executive KMP and Non-Executive Directors (NEDs).

The Board believes the approach to Executive and Board KMP remuneration is a balanced, fair and equitable approach designed to reward and motivate a successful and experienced executive team to deliver ongoing business growth which is designed to meet the expectations of all security holders.

2024 Reward Outcomes

Fixed Remuneration

There were no increases in 2024 to Fixed Remuneration for the Managing Director & Chief Executive Officer or the Chief Financial Officer.

Long-Term Incentive Plan (LTIP)

The Executive KMP have been issued premium share options as part of the 2023 NestEgg Share Plan for senior management that vest annually from 31 March 2025 to 31 March 2027 subject to the satisfaction of service and performance conditions and discretion from the Board.

Although CY24 EBITDA (pre-AASB 16) was below the IPO forecast included in the prospectus, the Board has used its discretion to waive the performance conditions and allow the first tranche of premium options to vest subject to the service conditions being met. The Board note that the premium options have an exercise price of 0.96c which is approximately 15% higher than what the share price has traded between 73c-81c in the 3 months to 31 January 2025.

In the Board's view, it is appropriate for the premium options to vest because the options are expected to be out of the money at the time of vesting and it is highly unlikely any will be exercised in the near term. The Executive KMP and other senior management with premium options will therefore be incentivised to drive performance and increase the share price in the future.

Board Remuneration

The Directors have a clause in their contracts to have their fees adjusted each year on their anniversary, in line with CPI. Accordingly, Director fees increased 3.62% from 1 June 2024.

Resignation of Chief Executive Officer

In July 2024, Renee Bowman resigned from her role as CEO of Nido. On behalf of the Board, I wish to extend our gratitude to Renee for her impact, spirit, wonderful energy, depth of knowledge and kind heartedness that has helped move Nido forward.

2024 Key Achievements

Nido Education has had a successful 2024 delivering NPAT of $14.7 million, building solid foundations for future growth. Key highlights are as follows:

- Generated pre-AASB 16 EBITDA of $32.4 million from its portfolio of owned Services at an average of $611 thousand per Service.
- Acquired the first four Services from incubation in September 2024 increasing the owned portfolio to 56 services.
- Opened eight Services in incubation and progressed the pipeline of new Services providing certainty over Nido Education's, core growth and acquisition strategy.
- Successfully established new finance arrangements providing Nido Education with $37.5 million of debt facilities to fund future acquisitions.

Remuneration Report

(continued)

Key management personnel

Key Management Personnel (KMP) as at 31 December 2024 are persons identified as having direct or indirect authority and responsibility for planning, directing and controlling the activities of the Company.

KMP of the Company for the year ended 31 December 2024 have been determined by the Board as follows:

	NAME	TITLE/COMMITTEES	CHANGE IN 2024
Non-Executive Directors	Mark Kerr	Independent Non-Executive Chairperson Member of Nomination and Remuneration Committee Member of Audit, Risk and Compliance Committee	No change
	Joe Dicks	Independent Non-Executive Director Chair of Audit, Risk and Compliance Committee Member of Nomination and Remuneration Committee	No change
	Vanessa Porter	Independent Non-Executive Director Chair of Nomination and Remuneration Committee Member of Audit, Risk and Compliance Committee	No change
Executive Director	Mathew Edwards	Managing Director Chief Executive Officer Member of Nomination and Remuneration Committee	Chief Executive Officer from 26 July 2024
Other executive KMP	Renee Bowman	Chief Executive Officer	Until 26 July 2024
	Thomas Herring	Chief Financial Officer	No change

Remuneration Governance

This section of the Remuneration Report describes the role of the Board and the Nomination and Remuneration Committee (NRC or Committee) and the use of remuneration consultants when making remuneration decisions affecting Executive KMP.

Role of the Board and the Nomination and Remuneration Committee

The Board is ultimately responsible for remuneration policies and practices of the Group. The Board has established the NRC to advise the Board on remuneration policies and practices.

The NRC comprises the following non-executive Directors and the Managing Director who have held their positions since the NRC was established on 1 June 2023:

- Vanessa Porter, Chair;
- Mark Kerr;
- Joe Dicks; and
- Mathew Edwards.

The role of the NRC is set out in its Charter, which is reviewed annually and was last revised and approved by the Board in December 2024. In summary, the NRC's role is to ensure Nido:

- has a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties, having regard to the Board skills matrix;
- has coherent remuneration policies and practices to attract and retain executives and Directors who can reasonably be expected to create value for shareholders;
- observes those remuneration policies and practices;
- fairly and responsibly rewards executives having regard to the performance of the Group, the performance of the executives and the general external pay environment;
- ensure that reporting disclosures related to remuneration meet the Board's disclosure objectives and all relevant legal requirements; and
- develop, maintain and monitor appropriate talent management programs including succession planning, recruitment, development, retention and termination policies and procedures for executives.

The Governance framework of the Group is as follows:

GROUP	ROLE
Management	• Makes recommendations to the NRC with respect to individual remuneration arrangements for executive KMP • Implements policies and practices relating to talent management, remuneration, organisational culture, diversity and inclusion, work, health and safety and leadership development
NRC	• The NRC is empowered to source any internal resources and obtain external independent professional advice it considers necessary to enable it to review management proposals and make decisions on behalf of the Board on: – Remuneration policy in respect of executive KMP and NEDs – Organisational culture, diversity and inclusion, talent management and leadership development strategies and practices – Work, health and safety metrics and initiatives – Design features of employee and executive STI and LTI awards
Board	• Reviews, applies judgement and, as appropriate, approves recommendations from the NRC

Use of remuneration consultants

All proposed remuneration consultancy contracts (within the meaning of section 206K of the Corporations Act) are subject to prior approval by the Board or the NRC in accordance with the Corporations Act.

During the 2024 financial year, the Group/NRC engaged Pricewaterhouse Coopers (PwC) to assist with the design of a remuneration framework for the group. The remuneration advice was provided in accordance with the Corporations Act. Fees paid to PwC during the 2024 financial year amounted to $41,310. These consultants were engaged with the approval of the NRC.

No remuneration recommendations (as defined by the *Corporations Act 2001* (Cth)) were provided by PwC or any other advisor during the year.

Remuneration Report

(continued)

Our Strategy, Vision and Values and link to Executive KMP Reward

Performance and variable remuneration outcomes

The Company's remuneration policy assesses variable remuneration outcomes in the context of the overall performance of the Company against both financial and non-financial objectives.

The NRC is responsible for implementing objectives and targets that cover the achievement of financial and operational performance metrics and strategic plan implementation milestones across four areas, being financial, culture, quality/risk and compliance and systems/business processes.

This ensures continued alignment of the Company's remuneration framework with the Company's long-term strategic and operational objectives.

Remuneration of Executive KMP

The Company's remuneration principles aim to ensure that remuneration packages properly reflect the person's duties and responsibilities and that the remuneration is competitive in attracting, retaining and motivating people of suitable quality.

The structure of remuneration, as explained below, is designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of long-term value creation for shareholders.

The remuneration structures consider a range of factors, including the following:

- Capability, skills and experience;
- Ability to impact achievement of the strategic objectives of the Company;
- Performance of each individual KMP and internal relativities;
- The Company's overall performance;
- Remuneration levels being paid by competitors for similar positions; and
- The need to ensure executive continuity and succession.

The NRC's objectives in determining the remuneration and incentive framework, policies and practices are to:

a) motivate relevant executives to pursue the growth and success of the Company in both the short term and over the longer term, without taking undue risks;

b) demonstrate a clear relationship between performance and remuneration;

c) involve an appropriate balance between fixed and incentive remuneration, reflecting short and long-term performance objectives of the Company; and

d) comply with relevant laws and regulations and have regard to shareholder expectations.

The Board understands the importance of the relationship between the executive KMP remuneration and the Company's performance. Executive KMP remuneration packages are structured to align outcomes with the interests of shareholders.

Framework for remuneration of KMP

In 2024, KMP remuneration comprised:

- Total fixed remuneration;
- Short-term incentive; and
- Long-term incentive

REMUNERATION ELEMENT	DESCRIPTION	POTENTIAL OPPORTUNITY FOR 2024	CHANGES FOR 2025
Total Fixed remuneration (TFR)	Consists of base pay, employer superannuation contributions, salary-sacrifice benefits and other non-monetary benefits.	TFR is set with reference to market data of comparable organisations and is generally reviewed on an annual basis.	N/A
Short Term Incentive (STI)	A discretionary bonus amount determined by the Board which can be settled in cash and performance rights.	N/A	No STI is currently contracted with Executive KMP. The board will continue to evaluate the appropriateness of Executive KMP remuneration and may make changes if deemed appropriate.
Long Term Incentive (LTI)	Premium Options	Fixed amount determined by the Board and the achievement of vesting conditions.	The LTI was able to be achieved for the first time in 2024. The board will continue to evaluate the appropriateness of Executive KMP remuneration and the effectiveness of the current LTI and may make changes if deemed appropriate.

Total fixed remuneration (TFR)

TFR consists of base salary, employer superannuation contributions, salary sacrifice benefits and other non-monetary benefits. TFR is set based on the role, responsibilities, experience and qualifications of the individual, and with reference to market data of comparable organisations. TFR will generally be reviewed on an annual basis.

Short-term incentive plan (STI)

A short-term incentive is a performance-based component of remuneration and is designed to reward annual performance and focus KMP on meeting strategic and operational objectives. Any STI opportunity for KMP is set by the Board as an agreed amount forming part of the KMP's Total Maximum Remuneration (TMR). 2024 was the first full year of trade as a listed entity and no STI was issued. The Board intends to review in conjunction with Company performance the existing incentive arrangements, the structure and performance metrics associated with any STI to be considered. Any updates will be communicated with shareholders in the 2025 Remuneration Report.

STI objectives for each KMP would consider their respective role and the objectives of the organisation to which they are expected to contribute. The link between the organisation's objectives and the KMPs' short-term incentive KPIs would be designed to align KMP to the Company's objectives. Taking into consideration circumstances over the course of the financial year, the Board would have discretion to reduce, cancel or increase STI payments.

Remuneration Report

(continued)

Long term incentive plan (LTI)

The LTI plan is an equity-based incentive scheme designed to align the interests of KMP and shareholders over the long term and retain high performing individuals. KMP (and other Company staff) participate in the LTI at the discretion of the Board.

The LTI opportunity for each KMP was set by the Board as an agreed amount forming part of the KMP's TMR. The actual benefit delivered to the KMP will depend on the quantum of options granted, the extent to which the performance hurdles are achieved and share price performance. The LTI will be satisfied through the issue of 1 fully paid ordinary share for each option that vests and is exercised. Premium options were issued to all KMP in the lead up to listing on the ASX.

2024 was the first full year of operation as a listed entity. The Board intends to review in conjunction with Company performance the existing incentive arrangements, the structure and performance metrics associated with any LTI changes. The intention of the Board is to ensure that the LTI plan is aligned to market and further aligned to the Company's strategic objectives. LTI vesting Conditions may be waived at the absolute discretion of the Board.

The Performance hurdles for the LTI are as follows:

HURDLES	DETAIL
Performance Gateway	In addition to the below financial measures, there is a performance gateway applied to the vesting of each Tranche. That is, the Board, in its absolute discretion, may reduce the number of options that vest regardless of the financial measures being met if: • more than 5% of Nido owned Services do not always meet or exceed the National Quality Standard (NQS) up until vesting; or • an individual's Objectives and Key Results are not met.
Tranche 1 Financial measures	For 50% of tranche 1 to vest, Nido financial performance must exceed 95% of the IPO earnings forecast CY24 Earnings before interest, tax, depreciation, and amortisation (EBITDA). The IPO earnings forecast was included in the approved Prospectus. For 100% of tranche 1 to vest, Nido financial performance must equal or exceed the IPO CY24 EBITDA forecast. Vesting will be on a straight-line interpolation between 95% and 100%.
Tranche 2 Financial measures	For 50% of tranche 2 to vest, Nido financial performance must exceed 95% of the EBITDA forecast for CY25. This forecast will be advised to participants on or before 31 March 2025. For 100% of tranche 2 to vest, Nido financial performance must equal or exceed CY25 EBITDA forecast. Vesting will be on a straight-line interpolation between 95% and 100%.
Tranche 3 Financial measures	For 50% of tranche 3 to vest, Nido financial performance must exceed 95% of the EBITDA forecast for CY26. This forecast will be advised to participants on or before 31 March 2026. For 100% of tranche 2 to vest, Nido financial performance must equal or exceed CY26 EBITDA forecast. Vesting will be on a straight-line interpolation between 95% and 100%.

Clawback policy

All participants of the deferred STI and LTI plans are subject to the terms of a Clawback Policy outlined in the 'Equity Incentive Plan Rules'. The policy enables the Board to claw back remuneration outcomes in the event that it was later discovered that vesting conditions were not satisfied; the participant was not, in fact, entitled to the remuneration outcome; or the satisfaction of the vesting condition, or the decision of the Board to waive a vesting condition, was contributed to by the participant's fraud, unlawful behaviour, wilful default, or conduct in material breach of the Company's policies and code of conduct. The policy is designed to further align the interests of participants with the long-term interests of Nido Education and shareholders, and to ensure that excessive risk taking is not rewarded.

Link between remuneration and performance of executive KMP

Remuneration Component Link to Company Performance

Total Fixed Remuneration (TFR)

TFR is determined with reference to the executive KMP's role, responsibilities and performance and remuneration levels for similar positions in the market.

Short-Term Incentive (STI)

STI maybe awarded to executive KMP whose achievements, behaviours and focus meet the Company's values, strategic and operational priorities and objectives measured over the financial year. The Board maintains the sole discretion over the granting of STIs to employees.

Long-Term Incentive (LTI)

LTIs are granted to executive KMP to align their focus with the Company's medium to longer term strategy. The Company has an Employee Share Option Plan. LTIs are granted in the form of premium options to acquire shares in the Company. The premium options vest a third annually over a three-year period, where certain performance, service or other vesting conditions determined by the Board are satisfied. The Board maintains sole discretion over the granting of LTIs. There were no LTI's granted in 2024.

KMP remuneration mix

The following table summarises the relative proportions of total remuneration based on the 2024 Remuneration Summary.

	2024 Remuneration Mix		
EXECUTIVE KMP	FAR	STI*	LTI*
Mathew Edwards	93%	0%	7%
Thomas Herring	92%	0%	8%

* STI and LTI are related to performance.

Remuneration Report

(continued)

Remuneration of Executive KMP

Remuneration earned by Executive KMP

The following table sets out the value of the remuneration earned by Executive KMP during the year. For the avoidance of doubt, remuneration figures in the table include all remuneration earned, but not necessarily received, relating to performance during the period of 1 January to 31 December 2024.

The table below shows:

- Total Fixed Remuneration including non-monetary benefits
- Short-Term Incentives
- Long-Term Incentives
- Termination Payments

Executive KMP remuneration summary

			Short-term benefits	Post-employment benefits	Other benefits	Other Long-term benefits	Share-based payments			
			SALARY	SUPERANNUATION	TERMINATION PAYMENTS	LONG SERVICE LEAVE	STI FREE OPTIONS	STI EQUITY BONUS	LTI PREMIUM OPTIONS	TOTAL
Mathew Edwards	Managing Director & Chief Executive Officer	2024	597,660	30,866	–	8,052	–	–	49,926	686,504
		2023	242,872	10,900	–	109,592	–	4,585,770*	66,745	5,015,879
Renee Bowman	Chief Executive Officer	2024	310,446**	21,182**	248,784**	–	–	–	(13,914)**	566,498
		2023	303,599	20,023	–	–	120,000	1,000	40,084	484,706
Thomas Herring	Chief Financial Officer	2024	327,681	30,202	–	1,662	–	–	31,203	390,748
		2023	327,681	26,345	–	836	250,000	1,000	41,793	647,655
	TOTAL	**2024**	**1,235,787**	**82,250**	**248,784**	**9,714**	**–**	**–**	**67,215**	**1,643,750**
		2023	**874,152**	**57,268**	**–**	**110,428**	**370,000**	**4,587,770**	**148,622**	**6,148,240**

* As part of the IPO the Managing Director was eligible for a $4,584,770 performance bonus. This was settled in December 2023 with 4,584,770 shares being issued to him.

** Terminated on 26 July 2024, payments are for the period until termination, LTI was subsequently forfeited and reversed.

Remuneration outcomes aligned with Company performance

In line with the remuneration strategy, performance measures are chosen to align rewards to Executive KMP and the achievement of annual performance targets in the short term and shareholder value creation in the long term. As the Group listed on the ASX on 16 October 2023, analysis between performance and remuneration is only presented from 2023. This section with be expanded each year to provide comparative measures as required.

During a financial year, our executive team delivered a solid financial performance while undertaking the following initiatives:

- Secured a pipeline of sites for the development of greenfield leasehold Services;
- Secured a $67.5 million debt facility;
- Acquired four Nido purpose-built Services from incubator partners; and
- Enhanced the operating capability of the Group. The performance of the Group and remuneration paid to KMP over the year is summarised in the table below.

MEASURE $	2024	2023
Total revenue	$166,753,000	$93,372,000
Managed Revenue*	$294,200,000	$233,245,000
Pre-AASB 16 EBITDA	$21,954,000	$351,000
EBITDA	$42,267,000	($2,658,000)
Net Profit/(Loss) After Tax	$14,652,000	($18,105,000)
EPS (cents)	6.48	(15.84)
Closing share price – 31 December	$0.77	$1.00
Dividend per security (cents)	5.8c	–

* Service revenue generated at owned and managed Services.

KMP Equity interests

Interests in shares

The tables below set out the equity interests held by Non-Executive Directors ("NEDs") and Executive KMP.

SHARES	1-JAN-24	ACQUIRED	RECEIVED AS REMUNERATION	DISPOSED/ CEASED TO BE A KMP	31-DEC-24
Mark Kerr*	1,983,866	–	–	–	1,983,866
Joe Dicks*	100,000	–	–	–	100,000
Vanessa Porter	50,000	–	–	–	50,000
Mathew Edwards*	122,176,471	549,615	–	(4,584,770)	118,141,316
Renee Bowman**	8,025	–	–	(8,025)	–
Thomas Herring*	251,025	372,550	–	–	623,575

* Includes shares indirectly held by Directors and KMP as disclosed in each Directors' Appendix 3Y

** Renee Bowman ceased to be a KMP on 26 July 2024

Remuneration Report
(continued)

Outcome of variable remuneration

The 2024 EBITDA did not meet the requirement of the first tranche of the 2023 NestEgg options to vest however the Board has used their discretion to waive and allow the first tranche of premium options to vest subject to service conditions being met.

In the Board's view, it is appropriate for the premium options to vest because the options are out of the money at the time of vesting. The Executive KMP and other senior management with premium options will be incentivised to drive performance and increase the share price in the future.

In 2025, the 2025 EBITDA and other vesting conditions will be assessed compared to forecast to assess whether the next tranche will vest.

Premium Options and Free Options

The movement during the reporting period in the number of Premium Options and Free Options over ordinary shares in the Company held by each KMP is as table below.

PREMIUM OPTIONS	1-JAN-24	GRANTED	EXERCISED	CANCELLED/ OTHER	31-DEC-24
Mark Kerr*	745,099	–	–	–	745,099
Joe Dicks*	149,021	–	–	–	149,021
Vanessa Porter*	149,021	–	–	–	149,021
Mathew Edwards**	1,192,160	–	–	–	1,192,160
Renee Bowman**	715,296	–	–	715,296***	–
Thomas Herring**	745,099	–	–	–	745,099

FREE OPTIONS	1-JAN-24	GRANTED	EXERCISED	CANCELLED/ OTHER	31-DEC-24
Renee Bowman	178,824	–	–	178,824***	–
Thomas Herring	372,550	–	372,550****	–	–

* In relation to Non-Executive Directors, the Premium Options will vest in 3 equal proportions over the each vesting period but will not be subject to any performance hurdles.

** In relation to Executive KMP the Premium Options will vest in 3 equal proportions subject to performance criteria measured by the performance results in each year of vesting, being the satisfaction of the company achieving a EBITDA targets and maintaining National Quality Standards and the individuals objectives and key results (OKR) targets that cover achievement of financial and operational performance metrics and strategic plan implementation milestones across four areas, being financial, culture, quality/risk and compliance and systems/business processes.

*** Renee Bowman ceased to be a KMP on 26 July 2024 and her premium options were subsequently forfeited, her free options had vested but had not been exercised at the time of her resignation.

****Thomas Herring exercised his free options during the year and was issued 372,550 ordinary fully paid shares in The Company. They were valued at $186,275 when granted and $311,079 when exercised. No exercise payment was required or made for the options to be exercised.

Ordinary fully paid shares are issued to settle the vested options issued under the terms of the Company's equity incentive schemes.

Equity grants (STI and LTI)

The table below presents the number of equity instruments granted under NestEgg to Director and Executive KMP as well as the number of options that have vested or lapsed during the year.

DIRECTOR/EXECUTIVE KMP		PLAN	GRANT DATE	NUMBER	MAXIMUM VALUE TO BE EXPENSED $	FAIR VALUE PER UNIT GRANTED $	VESTING DATE	EXPIRY DATE	VESTED	CANCELLED*/ OTHER
Mathew Edwards	Premium Options**	2023	14-Jul-23	533,333	48,000	0.09	31-Mar-25	12-Jul-27	0%	0%
	Premium Options**	2023	14-Jul-23	533,333	58,667	0.11	31-Mar-26	12-Jul-27	0%	26%
	Premium Options**	2023	14-Jul-23	533,334	64,000	0.12	31-Mar-27	12-Jul-27	0%	26%
	$1,000 Share Gift***	2023	15-Dec-23	1,025	1,000	0.97	22-Dec-23	N/A	100%	0%
	Performance Bonus***	2023	1-Jul-23	4,584,770	4,584,770	1.00	22-Dec-23	N/A	100%	0%
	Total			**6,185,795**	**4,756,437**					
Renee Bowman	Premium Options**	2023	14-Jul-23	320,000	28,800	0.09	31-Mar-25	12-Jul-27	0%	100%****
	Premium Options**	2023	14-Jul-23	320,000	35,200	0.11	31-Mar-26	12-Jul-27	0%	100%****
	Premium Options**	2023	14-Jul-23	320,000	38,400	0.12	31-Mar-27	12-Jul-27	0%	100%****
	$1,000 Share Gift***	2023	15-Dec-23	1,025	1,000	0.97	22-Dec-23	N/A	100%	0%
	Free Options***	2023	14-Jul-23	240,000	120,000	0.50	15-Dec-23	12-Jul-27	74%	26%
	Total			**1,201,025**	**223,400**					
Thomas Herring	Premium Options**	2023	14-Jul-23	333,333	30,000	0.09	31-Mar-25	12-Jul-27	0%	0%
	Premium Options**	2023	14-Jul-23	333,333	36,667	0.11	31-Mar-26	12-Jul-27	0%	26%
	Premium Options**	2023	14-Jul-23	333,334	40,000	0.12	31-Mar-27	12-Jul-27	0%	26%
	$1,000 Share Gift***	2023	15-Dec-23	1,025	1,000	0.97	22-Dec-23	N/A	100%	0%
	Free Options***	2023	14-Jul-23	500,000	250,000	0.50	15-Dec-23	12-Jul-27	74%	26%
	Total			**1,501,025**	**357,667**					
Mark Kerr	Premium Options**	2023	14-Jul-23	333,333	30,000	0.09	31-Mar-25	12-Jul-27	0%	26%
	Premium Options**	2023	14-Jul-23	333,333	36,667	0.11	31-Mar-26	12-Jul-27	0%	26%
	Premium Options**	2023	14-Jul-23	333,334	40,000	0.12	31-Mar-27	12-Jul-27	0%	26%
	Total			**1,000,000**	**106,667**					
Joe Dicks	Premium Options**	2023	14-Jul-23	66,666	6,000	0.09	31-Mar-25	12-Jul-27	0%	26%
	Premium Options**	2023	14-Jul-23	66,667	7,333	0.11	31-Mar-26	12-Jul-27	0%	26%
	Premium Options**	2023	14-Jul-23	66,667	8,000	0.12	31-Mar-27	12-Jul-27	0%	26%
	Total			**200,000**	**21,333**					
Vanessa Porter	Premium Options**	2023	14-Jul-23	66,666	6,000	0.09	31-Mar-25	12-Jul-27	0%	26%
	Premium Options**	2023	14-Jul-23	66,667	7,333	0.11	31-Mar-26	12-Jul-27	0%	26%
	Premium Options**	2023	14-Jul-23	66,667	8,000	0.12	31-Mar-27	12-Jul-27	0%	26%
	Total			**200,000**	**21,333**					

* Premium Options and Free Options were cancelled as a result of a capital reorganisation which took place in conjunction with the IPO. The number of Premium Options and Free Options as a proportion of share capital remained unchanged prior to and subsequent to the capital reorganisation.

** Premium Options have an exercise price of $0.96.

*** Free Options and $1,000 Share gift have nil exercise price.

****Upon termination on 26 July 2024 Renee Bowman's Options were subsequently forfeited as the service condition was no longer able to be achieved.

Remuneration Report

(continued)

Shares issued on the exercise of options

Ordinary shares of Nido Education Limited were issued on the exercise of the options in the table above during the year ended 31 December 2024 and up to the date of this report. Refer to the Equity Grants table above where the CFO exercised his options and was issued 372,550 shares.

Service agreements for KMP

The Managing Director & CEO and CFO operate under employment agreements.

The following sets out details of the employment agreements relating to the Managing Director & CEO and other Executive KMP, in addition to the remuneration arrangements set out in this report, as it pertains to those employed as at 31 December 2024.

TITLE	MATHEW EDWARDS MANAGING DIRECTOR & CEO	THOMAS HERRING CHIEF FINANCIAL OFFICER
Contract term	1 July 2023 Ongoing	28 July 2023 Ongoing
Termination by the Executive KMP	6 months' notice Unvested STI and LTI entitlements lapse unless the Board determines otherwise	
Termination by Company without cause or mutually agreed resignation	6 months' notice Unvested STI and LTI entitlements lapse unless the Board determines otherwise	
Termination by Company for serious misconduct	No notice period or termination payment unless the Board determines otherwise	
Post-employment restraints	Restrained from soliciting suppliers, customers and employees for 12 month period post-employment.	

Remuneration of Non-Executive Directors

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, these Directors. Non-Executive Directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of other Non-Executive Directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration.

ASX listing rules require the aggregate Non-Executive Directors' remuneration be determined periodically by a general meeting. Under the Company's constitution the total aggregate remuneration available to Non-Executive Directors was set at $1,500,000 per annum (including statutory superannuation contributions).

Annual fees in respect (exclusive of superannuation) were:

ELEMENTS	DETAILS	2024	2023
Board fees per annum	Board Chairman	207,240	200,000
	Board NED	124,344	120,000

NED remuneration summary

		Short-term benefits	Share-based payments	Post-employment benefits	
	YEAR	FEES $	PREMIUM OPTIONS $	SUPER-ANNUATION BENEFITS $	TOTAL $
Mark Kerr	2024	204,223	31,203	23,486	258,912
Chairman	2023	113,077	41,716	12,438	167,231
Joe Dicks	2024	122,534	6,241	14,091	142,866
NED	2023	67,846	8,343	7,463	83,652
Vanessa Porter	2024	122,534	6,241	14,091	142,866
NED	2023	67,846	8,343	7,463	83,652
Total	**2024**	**449,291**	**43,685**	**51,668**	**544,644**
Total	**2023**	**248,769**	**58,402**	**27,364**	**334,535**

Minimum shareholding guidelines

There are no approved minimum security holdings guidelines for NED.

Loans given to related party of KMP

NAED Holdings Pty Ltd, a related party of Mathew Edwards via directorship not equity holding, received a $4,000,000 secured loan from Nido during 2024 ($10,000,000 principal drawn in total, $6,000,000 drawn as at 31 December 2023). Mathew is a Director of NAED Holdings but holds no equity or controlling rights. This loan has accrued $882,347 of interest at an arm's length rate fixed at 8%, the interest remains unpaid as per the loan agreement, $777,027 of the interest was accrued in 2024. The loan matures in October 2029. No other loans were made to any of the KMP or their related parties during the financial year.

Remuneration Report
(continued)

Other transactions with KMP

Mark Kerr

Nido provided management and establishment services to a Service incubator entity of which Mark Kerr (Non-Executive Director of the Company) was both a shareholder and a Director. In consideration for the services provided by Nido to the incubator entity, Nido was paid fees in accordance with the agreed terms of engagement and management services under a Centre Management Agreement.

During the 2024 financial year, the incubator entity operated one Service which Nido managed until it acquired the service on 27 September 2024. During the year ended 31 December 2024, Nido recognised from the incubator entity $90,532 in management fees.

As a result of this acquisition, an entity in which Mark Kerr is both a shareholder and a Director became one of the Group's landlords. Nido paid fees to the entity under the terms of the lease. During the year ended 31 December 2024, Nido recognised $102,500 in lease payments.

There is nil balance outstanding as at 31 December 2024.

Mathew Edwards

During the year ended 31 December 2024, Nido provided establishment services to an Service incubator entity (NAED Holdings Pty Limited) in which Mathew Edwards (Managing Director of the Company) is a Non-Executive Director but holds no equity. This incubator was established in 2023. In consideration for the services provided by Nido to the incubator entity, Nido is paid fees in accordance with the agreed terms of engagement and management services.

During the 2024 financial year, the incubator entity established eight Services in addition to the six existing Services in place from the start of the year. In September 2024 Nido Education acquired two services from the service incubator. As at 31 December 2024 Nido currently manages twelve services. During the year ended 31 December 2024, Nido recognised from the incubator entity $2,823,000 in management and establishment fees. The balance outstanding as at 31 December 2024 is $285,000 payable by the incubator to Nido.

There were no other transactions with any of the KMP or their related parties during FY 2024 except as disclosed above.

Lead Auditor's Independence Declaration

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Nido Education Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Nido Education Limited for the financial year ended 31 December 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Paul Thomas

Partner

Sydney

26 February 2025

Consolidated Statement of Financial Position

As at 31 December 2024

	NOTE	2024 $'000	2023 $'000
Assets			
Current Assets			
Cash and cash equivalents	10	3,506	25,569
Trade and other receivables	11	5,913	3,953
Other assets		1,520	1,110
Total current assets		**10,939**	**30,632**
Non-current assets			
Property, plant and equipment	12	3,290	2,497
Loan receivables	26	10,882	6,109
Right-of-use assets	25	164,229	155,085
Intangible assets	13	123,612	111,126
Rental bonds		–	9,977
Deferred tax assets	14	10,854	8,457
Total non-current assets		**312,867**	**293,251**
Total assets		**323,806**	**323,883**
Liabilities			
Current liabilities			
Trade and other payables	15	3,129	7,035
Tax payable		1,984	–
Borrowings	17	–	17,987
Employee benefits	16	9,487	9,163
Consideration payable	29	1,243	8,141
Lease liabilities	25	21,024	18,832
Total current liabilities		**36,867**	**61,158**
Non-current liabilities			
Borrowings	17	6,391	10,382
Employee benefits	16	217	119
Lease liabilities	25	156,652	142,775
Total non-current liabilities		**163,260**	**153,276**
Total liabilities		**200,127**	**214,434**
Net assets/(liabilities)		**123,679**	**109,449**
Equity			
Issued capital	18	124,999	125,454
Reserves	20	9,803	9,770
Accumulated deficit		(11,123)	(25,775)
Total equity		**123,679**	**109,449**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	NOTE	2024 $'000	2023 $'000
Revenue	5a	163,631	93,372
Other income	5b	3,122	2,259
Expenses			
Employee benefits	6	103,600	76,829
Occupancy		8,578	4,813
Direct expense of providing services		9,038	6,714
Transaction costs		–	3,250
Other		3,270	6,683
Depreciation and amortisation	7	10,833	6,766
Net finance costs	8	17,566	12,329
Profit/(loss) before tax		13,868	(21,753)
Income tax benefit	9	784	3,648
Profit/(loss) for the period		14,652	(18,105)
Other comprehensive income for the period, net of tax		–	–
Total comprehensive profit/(loss) for the period		**14,652**	**(18,105)**

EARNINGS PER SHARE		CENTS	CENTS
Basic	32	6.48	(15.84)
Diluted	32	6.37	(15.84)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

2024	NOTE	ISSUED CAPITAL $'000	RESERVES $'000	ACCUMULATED DEFICIT $'000	TOTAL EQUITY $'000
Balance at 1 January 2024		125,454	9,770	(25,775)	109,449
Profit for the year		–	–	14,652	14,652
Other comprehensive income for the year		–	–	–	–
Total comprehensive income for the period		–	–	14,652	14,652
Costs related to the issue of share capital	18	(455)	–	–	(455)
Share-based payments net of taxation	20	–	33	–	33
Total contributions and distributions		(455)	33	–	(422)
Balance at 31 December 2024		**124,999**	**9,803**	**(11,123)**	**123,679**

2023	NOTE	ISSUED CAPITAL $'000	RESERVES $'000	ACCUMULATED DEFICIT $'000	TOTAL EQUITY $'000
Balance at 1 January 2023		10	–	(7,670)	(7,660)
Loss for the year		–	–	(18,105)	(18,105)
Other comprehensive income for the year		–	–	–	–
Total comprehensive income for the period		**–**	**–**	**(18,105)**	**(18,105)**
Issue of share capital	18	130,835	–	–	130,835
Costs related to the issue of share capital	18	(5,391)	–	–	(5,391)
Share-based payments net of taxation	20	–	9,770	–	9,770
Total contributions and distributions		**125,444**	**9,770**	**–**	**135,214**
Balance at 31 December 2023		**125,454**	**9,770**	**(25,775)**	**109,449**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flow

For the year ended 31 December 2024

	NOTE	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers and government funding		165,148	95,493
Payments to suppliers and employees		(119,335)	(83,590)
Cash flows generated from operations		45,813	11,903
Interest and other finance costs		(17,318)	(11,610)
Net cash from/(used in) operating activities	**31**	**28,495**	**293**
Cash flows from investing activities			
Loans issued	26	(4,000)	(6,000)
Acquisition of subsidiary (net of cash received)	29	(11,031)	(73,314)
Payment of deferred consideration		(8,141)	–
Payments for property, plant and equipment		(1,165)	(351)
Net cash used in investing activities		**(24,337)**	**(79,665)**
Cash flows from financing activities			
Proceeds from issue of shares	18	–	99,564
Payment of transaction costs		–	(10,951)
Proceeds from borrowings		25,487	17,500
Repayments on borrowings		(48,487)	(478)
Repayment of lease principal		(3,221)	(3,006)
Net cash from financing activities		**(26,221)**	**102,629**
Net increase in cash and cash equivalents		(22,063)	23,257
Cash and cash equivalents at the beginning of the period		25,569	2,312
Cash and cash equivalents at the end of the period		**3,506**	**25,569**

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

Note 1. General information

The financial statements cover Nido Education Limited ('the Company') and its controlled entities (hereafter, referred to as the 'Group' or 'Nido Education').

For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The Company is a public company limited by shares, incorporated and domiciled in Australia. It's registered office and principal place of business is:

Suite 3, 1 Park Avenue
Drummoyne, NSW 2047

A description of the nature of the Company's operations and its principal activities are included in the Directors' report, which is not part of the financial statements. The financial statements were authorised for issue, in accordance with a resolution of Directors, on 26 February 2025. The Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policies

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit entities. These financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Boards ('IASB').

The financial statements have been prepared under the historical cost convention, unless otherwise stated. Cost is based on the fair values of the consideration given in exchange for assets.

Functional and presentation currency and rounding

The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency. The Group is of a kind referred to in ASIC Corporations Instrument (Rounding in Financial/Directors' Reports) 2016/191, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, unless stated otherwise.

Going Concern

These financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and settlement of liabilities in the normal course of business. The Group recognised a net profit after tax of $14.7 million for the year ended 31 December 2024 and, as at that date, current liabilities exceed current assets by $25.9 million which includes $21.0 million of current lease liabilities which will be settled through operating cash flows earned in the next 12 months.

The Group is forecasting positive cash flows for at least the next 12 months after this report is issued. In addition, the Group has a loan facility of $25.0 million with a maturity date in 2027. As of 31 December 2024, $18 million is undrawn and available for use by the group. Based on these factors, management has a reasonable expectation that the Group has and will have adequate resources to operate and pay its debts as and when they fall due.

New and amended accounting standards and interpretations

The Group applied certain standards and amendments for the first time, which are effective for annual periods beginning on or after 1 January 2024. The new and amended standards did not have a significant impact on the Group's consolidated financial statements.

AASB 2020-1 Classification of liabilities as current or non-current

AASB 2020-1 was issued in March 2020 and is applicable to annual periods beginning on or after 1 January 2024, as extended by AASB 2022-6. This standard amends AASB 101 *'Presentation of Financial Statements'* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. If the deferral right is conditional, the right only exists if, at the end of the reporting period, those conditions have been complied with. Classification of a liability as non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least 12 months after the reporting date or even if the entity settles the liability prior to issue of the financial statements. Furthermore, the amendments require new disclosures for non-current liabilities that are subject to future covenants. Management have reviewed the accounting policy and have made any relevant updates accordingly.

AASB 2021-2 Amendments to Australian Accounting Standards – disclosure of accounting policies and definition of accounting estimates

AASB 2021-2 amended the requirements in AASB 101 *Presentation of Financial Statements* by requiring companies to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The standard also clarified that accounting policies relating to immaterial transactions or other immaterial events/conditions are not required to be disclosed. The amendments did not have a material impact to the Group and only material accounting policy information is disclosed within the relevant notes to the Consolidated Financial Statements.

AASB 2022-6 Amendments to Australian Accounting Standards – non-current liabilities with covenants

The amendments clarify when liabilities should be presented as current or non-current in the consolidated statement of financial position, including the impact of covenants on that classification. The Group has assessed any impacts on classification of financial liabilities and amended the financial statements and associated notes accordingly.

New accounting standards and interpretations issued but not yet adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the reporting year ended 31 December 2024. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group is that these new accounting standards and interpretations will not have a material impact on the financial statements of the Group.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the consolidated results of the Group. Supplementary information about the parent entity is disclosed in note 27.

Notes to the Consolidated Financial Statements
(continued)

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, any related non-controlling interest and other components of equity. Any gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Operating segments

Operating segments are presented using the 'management approach' where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Maker ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition

The accounting policies for the Group's revenue from contracts with customers are explained below:

Provision of child care services

The Group provides child care services, namely the provision of full or part-time care for babies, toddlers, and young children based on fixed-price schedules.

Fees paid by families and/or the Australian Government (Child Care Subsidy) are recognised as and when a child attends a child care service. Billing for services occurs on a weekly basis, in advance for parent fees and in arrears for Australian Government payments, based on attendance records.

Revenue is recognised at the fixed amount for each child care service provided (permanent or casual, full day or half day). Cash received in advance from families and/or the Australian Government is recognised as deferred income and classified as a current liability.

Establishment fees

Fees paid by third parties and the related party incubator partners for establishment of new externally owned Services are recognised over the period in which the services are performed. The revenue recognition of establishment fees is constrained until there is certainty that the Group will receive the payment in relation to the services provided.

Management fees

Fees paid by third parties and the related party incubator partners for management of externally owned child care services are recognised over the period in which the services are performed.

Contract balances

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due). Refer to the "Trade and other receivables" accounting policy.

Contract liabilities

A contract liability is recognised if a payment is received from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e. transfers control of the related services to the customer).

Commonwealth, State and Territory Government grants

Grants from the Commonwealth, State or Territory Governments are recognised at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all conditions associated with the grant.

Government grants relating to an expense item are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants of this nature are presented on a net basis within the category in which it relates to.

Other income

Other income is recognised when it is received or when the right to receive payment is established.

Leases

Definition of a lease

The Group assesses at inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. For leases of properties in which it is a lessee, the Group has elected to separate non-lease components and will separately account for the lease and non-lease components of a lease.

As a lessee

The Group mainly leases properties for child care services. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. Under AASB 16, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Notes to the Consolidated Financial Statements

(continued)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of future lease payments. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Income tax

The income tax expense or benefit for the year is the tax payable on that year's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill; or
- An asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Nido Education Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group have each applied the 'separate taxpayer within the group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to their own current and deferred tax amounts, the head entities also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intergroup charge equals the current tax liability or benefit of each tax consolidated Group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when it is expected to be realised or intended to be sold or consumed in the entity's normal operating cycle, it is held primarily for the purpose of trading and it is expected to be realised within 12 months after the reporting period or the asset is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is current when it is expected to be settled in the entity's normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within 12 months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash at bank and on hand.

Rental bonds

Rental bonds are paid to the financial institution that has given corporate guarantees to lessors in relation to property leases on a number of child care facilities. These guarantees are required for various durations dependent on the individual lease and the deposits will be returned when each guarantee is no longer required by the lease.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including interest on short-term and long-term borrowings.

Notes to the Consolidated Financial Statements
(continued)

Trade and other receivables
Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method, as the Group holds the trade receivables with the objective to collect the contractual cash flows.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. A provision for impairment is determined using a provision matrix based on historically observed default rates that are adjusted for forward looking estimates.

Property, plant and equipment
Recognition and measurement
Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Classroom equipment and start up resources are recognised as an expense at the time of purchase.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure
Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation
Depreciation is calculated to write off the cost of items of property, plant and equipment less estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

- Plant and equipment — 4-12 years
- Leasehold improvements — the shorter of the lease term and 15 years
- Motor vehicles — 5-7 years
- Computer equipment — 3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Intangible assets
Goodwill
Where an entity or operation is acquired in a business combination that is not a common control transaction, the identifiable net assets acquired are measured at fair value. The excess of the fair value of the cost of the acquisition over the fair value of the identifiable net assets acquired is brought to account as goodwill. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30-60 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Fees and other costs directly attributable to the establishment of loan facilities are capitalised, offset against the liability and amortised over the period of the facility to which it relates. Borrowings are extinguished when its contractual obligations are discharged or cancelled, or expire.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for employee benefits not expected to be settled within 12 months of the reporting date is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of Shares, Options or Performance Rights over shares, that are provided to employees.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate or the term of the option, together with non-vesting conditions that do not determine whether the Company receives the services that entitle the employees to receive payment.

Notes to the Consolidated Financial Statements
(continued)

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum, an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and assumes that the transaction will take place either in the principal market or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use.

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

For assets and liabilities that are to be settled in the short term the carrying value is a reasonable approximation of the fair value.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

The Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when declared during the financial year.

Business combinations

The acquisition method of accounting is used to account for business combinations, other than those deemed to be common control transactions, regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition date at fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition date's fair value. Subsequent changes in the fair value of the contingent consideration, classified as an asset or liability, is recognised in profit and loss or goodwill depending on whether facts and circumstances existed at acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Group's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from a financier under comparable terms and conditions.

The difference between the acquisition date's fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Notes to the Consolidated Financial Statements
(continued)

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to share holders of Nido Education Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary share outstanding during the financial year, adjusted for bonus elements in ordinary share issued during the financial year.

Diluted earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary share and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary share.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates may differ from the related actual results.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Goodwill recoverability

The Group tests goodwill annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations.

These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to Note 13 for additional information.

Business combinations

As discussed in note 2, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported. Refer to Note 29 for further information.

Note 4. Operating segments

Identification of reportable operating segments

The Group operates in one segment being child care services. This is based on the internal reports that are reviewed and used by the Chief Operating Decision Maker ("CODM") in assessing performance and in determining the allocation of resources.

The Group operates in one geographical region being Australia. The operating segment information is the same information as provided throughout these financial statements and therefore not duplicated.

Major customers

During the period ended 31 December 2024, none of the Group's external revenue was derived from one specific customer or group of customers that comprised more than 10% of total revenue.

Note 5a. Revenue

	2024 $'000	2023 $'000
Child care services	156,759	86,198
Management fees	4,817	5,574
Establishment fees	2,055	1,600
Revenue	**163,631**	**93,372**

Revenue from contracts with customers

Disaggregation of revenue from contracts with customers

2024	CHILD CARE SERVICES	MANAGEMENT FEES	ESTABLISHMENT FEES	TOTAL
Revenue from external customers	156,759	4,817	2,055	163,631
Timing of revenue recognition				
Over time	156,759	4,817	2,055	163,631

2023	CHILD CARE SERVICES	MANAGEMENT FEES	ESTABLISHMENT FEES	TOTAL
Revenue from external customers	86,198	5,574	1,600	93,372
Timing of revenue recognition				
Over time	86,198	5,574	1,600	93,372

Notes to the Consolidated Financial Statements

(continued)

Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

	NOTE	2024 $'000	2023 $'000
Child care advances	15	614	502
Total contract liabilities		**614**	**502**

No information is provided about remaining performance obligations at 31 December 2024 or 31 December 2023 that have an original expected duration of one year or less as allowed by AASB 15.

Note 5b. Other Income

	2024 $'000	2023 $'000
Government grants	3,122	2,259
Other income	**3,122**	**2,259**

Government grants have been received in the form of wage subsidies and to fund certain education programs. There are no unfulfilled conditions or contingencies attached to these grants.

Note 6. Employee benefits expense

	2024 $'000	2023 $'000
Salaries and wages	94,253	61,492
Share-based payment expense	33	9,770
Defined contribution to superannuation plans	9,314	5,567
Employee benefits expense	**103,600**	**76,829**

Note 7. Depreciation and amortisation expense

	2024 $'000	2023 $'000
Property, Plant and Equipment depreciation	687	518
Right-of-use asset amortisation	10,146	6,248
Depreciation and amortisation expense	**10,833**	**6,766**

Note 8. Net finance costs

	2024 $'000	2023 $'000
Interest on borrowings	1,006	828
Amortisation of borrowing costs	242	577
Interest on lease liabilities	17,092	11,033
Interest income	(774)	(109)
Net finance costs	**17,566**	**12,329**

Note 9. Income tax expense

	2024 $'000	2023 $'000
Income tax expense		
Current tax	1,984	–
Deferred tax – origination and reversal of temporary differences	(2,906)	(3,795)
Over/under recognised for prior periods	138	147
Aggregate income tax (benefit)	**(784)**	**(3,648)**
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before tax	13,868	(21,753)
Tax at the statutory tax rate of 30% (2023: 30%)	4,160	(6,526)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income		
Adjustment recognised for prior periods	(1,920)	1,938
Utilisation of carried forward tax losses	(3,437)	–
Over/under recognised for prior periods	138	147
Acquisitions and other adjustments	275	793
Income tax expense/(benefit)	**(784)**	**(3,648)**
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	–	9,927
Potential benefit at the statutory tax rate of 30%	–	2,978
Amounts charged directly to equity		
Deferred tax assets (note 14)	(455)	2,310

The effective tax rate for the period ended as at 31 December 2024 is (5.65%). (2023: 16.8%).

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Note 10. Cash and cash equivalents

	2024 $'000	2023 $'000
Cash at bank	3,506	7,319
Cash at bank – restricted	–	17,500
Term deposits – 1 month	–	750
Cash and cash equivalents	**3,506**	**25,569**

Note 11. Trade and other receivables

	2024 $'000	2023 $'000
Trade receivables	2,536	1,830
Less: Provision for impairment of receivables	(13)	(46)
	2,523	1,784
Other receivables	3,390	2,169
Trade and other receivables	5,913	3,953

Movements in the provision for impairment of receivables are as follows:

	2024 $'000	2023 $'000
Opening balance	46	29
Additional provisions recognised/(derecognised)	(16)	71
Receivables written off	(17)	(54)
Closing balance	**13**	**46**

Past due but not impaired

Customers with balances past due but without provision for impairment of receivables amount to $2,523,000 as at 31 December 2024 (2023: $1,784,000). Of the $2,523,000 outstanding as at 31 December 2024, $2,363,000 was received within one week of the period end.

Note 12. Property, plant and equipment

	2024 $'000	2023 $'000
Plant and equipment – at cost	1,555	1,061
Less: Accumulated depreciation	(704)	(407)
	851	654
Leasehold improvements – at cost	2,077	1,248
Less: Accumulated depreciation	(201)	(109)
	1,876	1,139
Computer equipment – at cost	1,169	934
Less: Accumulated depreciation	(847)	(585)
	322	349
Motor vehicles – at cost	568	568
Less: Accumulated depreciation	(327)	(213)
	241	355
Construction in progress	–	–
	3,290	**2,497**

Reconciliations

Reconciliations of the written down values at the beginning and end of the current period are set out below:

	PLANT AND EQUIPMENT $'000	LEASEHOLD IMPROVE-MENTS $'000	COMPUTER EQUIPMENT $'000	MOTOR VEHICLES $'000	CONSTRUCTION IN PROGRESS $'000	TOTAL $'000
Opening at 1 January 2024	654	1,139	349	355	–	2,497
Additions	311	643	119	–	–	1,073
Additions from business combinations	135	179	93	–	–	407
Transfers	–	–	–	–	–	–
Depreciation Expense	(249)	(85)	(239)	(114)	–	(687)
Balance at 31 December 2024	**851**	**1,876**	**322**	**241**	**–**	**3,290**

	PLANT AND EQUIPMENT $'000	LEASEHOLD IMPROVE-MENTS $'000	COMPUTER EQUIPMENT $'000	MOTOR VEHICLES $'000	CONSTRUCTION IN PROGRESS $'000	TOTAL $'000
Opening at 1 January 2023	386	543	242	423	85	1,679
Additions	6	127	175	43	–	351
Additions from business combinations	319	535	131	–	–	985
Transfers	85	–	–	–	(85)	–
Depreciation Expense	(142)	(66)	(199)	(111)	–	(518)
Balance at 31 December 2023	**654**	**1,139**	**349**	**355**	**–**	**2,497**

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Note 13. Intangible assets

	2024 $'000	2023 $'000
Goodwill – at cost	123,612	111,126
Intangibles assets	**123,612**	**111,126**

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	GOODWILL $'000	TOTAL $'000
Balance at 1 January 2023	–	–
Additions through business combinations	111,126	111,126
Balance at 31 December 2023	111,126	111,126
Additions through business combinations (note 28)	12,486	12,486
Balance at 31 December 2024	**123,612**	**123,612**

Impairment of non-financial assets, excluding goodwill

The Group's non-financial assets (excluding goodwill) are tested for indicators of impairment as part of the cash generating units (CGUs).

The Group reviewed the key performance indicators of these CGUs, and assessed whether there are triggers that indicate a risk of impairment. As a result of this review, the Group has not identified any potential impairment for CGUs to which the non-financial assets (excluding goodwill) relate.

Impairment test for goodwill

The Group performed its annual goodwill impairment assessment in December 2024. No impairment of goodwill has been identified as result of this assessment.

The goodwill acquired through business combinations is allocated to the group of CGU's which is also the Company's only operating segment. As at 31 December 2024, the goodwill amount allocated to the Child Care Operations group of CGU's was $123,612,000.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The recoverable amount of the group of CGUs is determined based on a value in use calculation using cash flow projections based on approved financial budgets for 2025, and extrapolated using estimated growth rates. The recoverable amount is compared to the carrying value of the assets of the Group.

The cash flow projections are a function of each of the following key assumptions:

- Service occupancy rates which are based on the current market conditions plus anticipated fee increases.
- Service wages which are based on industry award standards and forecast to increased by historically established wage cost as a percentage of revenue which is driven by future growth occupancy.
- Occupancy expenses which are based on current rental payments and increase by forecast rental growth rates.

The pre-tax discount rate applied to the cash flow projections is 11.4%. The discount rate is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). The WACC takes into account both the cost of debt and equity. The cost of equity is derived from the expected return on investment by the Company's investors. The cost of debt is based on the interest-bearing borrowings of the Company and reflects current market assessments of the time value of money and risks specific to the group of CGU's.

The terminal growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 3%.

Detailed sensitivity testing was performed on the group of CGUs by increasing the pre-tax discount rate and reducing the cash flow projections, neither of these results in the carrying value exceeding the recoverable amount.

Based on a range of sensitivities applied, any reasonable possible change in assumptions would not cause the carrying amount of the CGU to exceed its recoverable amount.

Note 14. Deferred tax

2024 $'000	OPENING BALANCE AT 1 JANUARY 2024	CREDITED/ (CHARGED) TO PROFIT AND LOSS	CREDITED/ (CHARGED) TO EQUITY	ACQUISITION AND OTHER ADJUSTMENTS	BALANCE AT 31 DECEMBER 2024
Receivables	14	(10)	–	–	4
Prepayments	(46)	1	–	–	(45)
Employee benefits	1,804	(48)	–	84	1,840
Right-of-use assets	(45,648)	(2,812)	–	–	(48,460)
Lease liabilities	48,480	4,821	–	–	53,301
Property, plant and equipment	(128)	165	–	(85)	(48)
Capitalised costs	2,766	(224)	(455)	(53)	2,034
Other	1,215	(907)	–	–	308
Net temporary differences	8,457	986	(455)	(54)	8,934
Tax losses – revenue	–	1,920	–	–	1,920
Deferred tax asset	**8,457**	**2,906**	**(455)**	**(54)**	**10,854**

2023 $'000	OPENING BALANCE AT 1 JANUARY 2023	CREDITED/ (CHARGED) TO PROFIT AND LOSS	CREDITED/ (CHARGED) TO EQUITY	ACQUISITION AND OTHER ADJUSTMENTS	BALANCE AT 31 DECEMBER 2023
Receivables	9	5	–	–	14
Prepayments	(151)	105	–	–	(46)
Employee benefits	670	712	–	422	1,804
Right-of-use assets	(25,739)	879	–	(20,788)	(45,648)
Lease liabilities	27,096	596	–	20,788	48,480
Property, plant and equipment	(182)	67	–	(13)	(128)
Capitalised costs	90	378	2,310	(12)	2,766
Other	228	1,053	–	(66)	1,215
Net temporary differences	2,021	3,795	2,310	331	8,457
Tax losses – revenue	–	–	–	–	–
Deferred tax asset	**2,021**	**3,795**	**2,310**	**331**	**8,457**

Notes to the Consolidated Financial Statements

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Note 15. Trade and other payables

CURRENT	2024 $'000	2023 $'000
Trade payables	1,471	2,923
Child care advances	614	502
Other payables	1,044	3,610
Trade and other payables	**3,129**	**7,035**

All of the opening contract liabilities all related to child care advances were recognised as revenue during the year. Refer to note 21 for further information on financial instruments.

Note 16. Employee benefits

CURRENT	2024 $'000	2023 $'000
Annual leave	4,578	3,729
Employee related payables	4,405	5,044
Long service leave	504	390
Employee benefits – current	**9,487**	**9,163**

NON-CURRENT	$'000	$'000
Long service leave	217	119
Employee benefits – non current	**217**	**119**

Note 17. Borrowings

CURRENT	2024 $'000	2023 $'000
Secured bank loans	–	17,987
Borrowings – current	**–**	**17,987**

NON-CURRENT	$'000	$'000
Secured bank loans	6,391	–
Loans from a related party	–	10,382
Borrowings – non current	**6,391**	**10,382**

Refer to Note 21 for further information about the Group's exposure to interest rate and liquidity risks.

The unused portion of the bank loan facility established in FY24 is $18.0 million. The interest rate on the drawndown balance is based on the base rate (BBSW) plus lender's margin depending on the facility. The maturity date of the facility is in February 2027. As at 31 December 2024, the Group was not in breach of any covenants.

Reconciliation of movements of borrowings

	LOANS FROM A RELATED PARTY $'000	SECURED BANK LOANS $'000	TOTAL $'000
1 January 2023	**12,518**	**–**	**12,518**
Proceeds from borrowings	–	17,500	17500
Interest accrual	341	487	828
Repayment of borrowings	(478)	–	(478)
Conversion of loan to share capital	(2,000)	–	(2,000)
31 December 2023	**10,382**	**17,987**	**28,369**
Proceeds from borrowings	–	25,487	25,487
Capitalised Borrowing Costs	–	(609)	(609)
Repayment of borrowings	(10,382)	(36,474)	(46,856)
31 December 2024	**–**	**6,391**	**6,391**

Note 18. Equity – issued capital

	2024 SHARES	2024 $'000	2023 SHARES	2023 $'000
Ordinary securities – fully paid	228,069,706	124,999	227,625,758	125,454

Movements in ordinary share capital

DETAILS	SHARES	ISSUE PRICE	$'000
31 December 2022	**10,000**	**1.00**	**10**
Issue of share capital	550	725	398
Share split and capital reorganisation	89,052,352	–	–
Conversion of portion of Director's loan to share capital	2,000,000	1.00	2,000
Shares issued as part of the purchase consideration for AE Early School Holdings Pty Ltd	29,271,418	1.00	29,271
Shares issued at IPO	99,165,683	1.00	99,166
Equity raising transaction costs	–	–	(5,391)
Issue of share capital to the share trust reserved for issue under options	6,358,697	–	–
31 December 2023	**225,858,700**		**125,454**
Issue of share capital from the share trust reserved for issue under options	813,490	–	–
Deferred tax change on equity raising transaction costs	–	–	(455)
31 December 2024	**226,672,190**		**124,999**

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Treasury shares

The reserve for the Company's treasury shares comprised the cost of the Company's shares held by the Group. At 31 December 2024, the Group held 1,397,516 of the Company's shares.

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Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for security holders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to security holders, return capital to security holders, issue new securities or sell assets to reduce debt.

The Group may look to raise capital in addition to its borrowing facilities with the Group's lenders for acquisitions when an opportunity to invest in a business or Company is seen as value adding relative to the current Group's value at the time of the investment.

When the Group is subject to certain financing arrangement covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the period.

Note 19. Equity – dividends

Dividends

On 26 February 2025, a final dividend for the year ended 31 December 2024 of 5.8 cents per ordinary share, partially franked was determined, with a record date of 19 March 2025. The dividend of $13.2 million will be paid on 28 March 2025. The dividend was not provided for in the accounts. (2023: nil).

Franking credits

No franking credits were available for distribution as at 31 December 2024 (2023: nil). The determination of a partially franked dividend is based on managements forecast of franking credits to be generated in 2025.

Note 20. Equity – reserves

	2024 $'000	2023 $'000
Share-based payments reserve	9,803	9,770
Equity – reserves	**9,803**	**9,770**

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and employees as part of their compensation for services.

Movements in reserves

Movements in each class of reserves during the current and previous year are set out below:

	SHARE-BASED PAYMENTS $'000	TOTAL $'000
1 January 2023	**–**	**–**
Share-based payment	9,770	9,770
Tax on share-based payments	–	–
Balance at 31 December 2023	**9,770**	**9,770**
Share-based payment	33	33
Tax on share-based payments	–	–
Balance at 31 December 2024	**9,803**	**9,803**

Description of share-based payment arrangements

a) Option Plans

As at 31 December 2024, the Company has an equity-based long term incentive scheme designed to align the interest of Key Management Personnel (KMP) and shareholders over the long-term and retain high performing individuals. Participation in the scheme is at the discretion of the Board and may include employees outside the KMP. The scheme is delivered as Free Options and Premium Options with each option representing a right to one fully paid ordinary security. The Board determines each participant's target quantum and the performance hurdles attaching to each grant. This incentive scheme was implemented on 14 July 2023. Terms of the offers made under the plan were unchanged in 2024, they are:

TERM	FREE OPTIONS	FREE OPTIONS	PREMIUM OPTIONS
Issue price	Nil	Nil	Nil
Exercise price	Nil	Nil	$0.96
Performance conditions	Service only	There are three conditions: 1. Continuing employment/Service; 2. Nido Education must meet or exceed EBITDA targets for the tranche vesting; and 3. Participants have individual performance conditions that must be met.	There are three conditions: 1. Continuing employment/Service; 2. Nido Education must meet or exceed EBITDA targets for the tranche vesting; and 3. Participants have individual performance conditions that must be met.
Vesting dates	16 October 2023, 15 December 2023 or 31 March 2024	31 March 2025, 31 March 2026 and 31 March 2027	31 March 2025, 31 March 2026 and 31 March 2027
Expiry date	12/7/2027	12/7/2027	12/7/2027
The inputs used in the Black Scholes measurement of the fair values at grant date of the Premium Options were as follows:		Weighted average share price	$0.50
		Expected volatility (weighted average)	40%
		Option Life (weighted average)	3.3 years
		Expected dividends	nil
		Risk free rate	3.91%

Free Options granted to Key Management Personnel and employees

YEAR/EMPLOYEE ENTITLED	NUMBER OF INSTRUMENTS
Free Options granted to Key Management Personnel	
2024	–
2023	740,000
Free Options granted to Employees	
2024	–
2023	7,878,297
Total Free Options	**8,618,297**

Notes to the Consolidated Financial Statements
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Premium Options granted to Key Management Personnel and employees

YEAR/EMPLOYEE ENTITLED	NUMBER OF INSTRUMENTS
Premium Options granted to Key Management Personnel	
2024	–
2023	4,960,000
Premium Options granted to Employees	
2024	–
2023	5,472,000
Total Premium Options	**10,432,000**

Reconciliation of outstanding Free Options

	Numbers		Weighted Average Fair Value	
	2024	2023	2024	2023
Outstanding at 1 January	5,729,723	–	0.50	–
Granted during the year	–	8,618,297	–	0.50
Forfeited during the year	(1,165,124)	(538,866)	0.50	0.50
Exercised during the year	(813,490)	(155,452)	0.50	0.50
Cancelled during the year	–	(2,194,256)	–	0.50
Outstanding at 31 December	**3,751,109**	**5,729,723**	**0.50**	**0.50**
Exercisable at 31 December	1,362,551	1,777,058	–	–

Reconciliation of outstanding Premium Options

	Numbers		Weighted Average Fair Value	
	2024	2023	2024	2023
Outstanding at 1 January	7,707,312	–	0.11	–
Granted during the year	–	10,432,000	–	0.11
Forfeited during the year	(1,168,319)	(65,569)	0.11	0.11
Exercised during the year	–	–	–	–
Cancelled during the year	–	(2,659,119)	–	0.11
Outstanding at 31 December	**6,538,993**	**7,707,312**	**0.11**	**0.11**
Exercisable at 31 December	–	–	–	–

Expense recognised in statement of profit and loss

The Company has recognised share-based payment expense of $33,000 (FY23: $9,769,652).

Note 21. Financial Instruments

	NOTE	2024 $'000	2023 $'000
Financial assets measured at amortised cost			
Cash and cash equivalents	10	3,506	25,569
Trade and other receivables	11	5,913	3,953
Rental bonds		–	9,977
Loan receivable – related party	26	10,882	6,109
		20,301	**45,608**
Financial liabilities measured at amortised cost			
Trade payables	15	1,471	2,923
Other payables	15	1,044	3,610
Secured bank loan	17	6,391	17,987
Lease liabilities	25	177,676	161,607
Loans from a related party	17	–	10,382
Consideration payable	29	1,243	8,141
		187,825	**204,650**

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and ageing analysis for credit risk.

Risk management is carried out by the CFO under policies approved by the Directors. These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits.

Assets pledged as security

The secured bank loan are both secured on the assets and undertakings of the Group.

The lease liabilities are effectively secured as the rights to the leased assets, recognised in the statement of financial position, which revert to the lessor in the event of default.

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Market risk

Foreign currency risk

The Group is not exposed to any significant foreign currency risk.

Price risk

The Group is not exposed to any significant price risk due to the competitive nature of the industry.

Interest rate risk

The Group's main interest rate risk arises from its bank facility which is issued at a variable rate plus margin. As at reporting date, the Group is not exposed to any significant interest rate risk.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Customer credit risk is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management in a three tier approach. With regard to child care fees: at the executive service manager level; at the people and quality leader level; and then at the executive management level. Outstanding customer receivables and contract assets are regularly monitored.

Borrower credit risk is managed at the executive management level via review of monthly creditor and operational metrics. Outstanding loan receivables are regularly monitored.

An impairment analysis is performed at each reporting date using the general approach measure expected credit losses. The provision rate calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low.

In the event that the Group is exposed to credit risk outside of trade receivable, depending on the quantum, it may obtain agency credit information, confirm references and will establish an appropriate credit limit for that debtor. The Group may obtain guarantees where appropriate to mitigate credit risk.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2024	WEIGHTED AVERAGE INTEREST RATE %	1 YEAR OR LESS $'000	BETWEEN 1 AND 2 YEARS $'000	BETWEEN 2 AND 5 YEARS $'000	OVER 5 YEARS $'000	REMAINING CONTRACTUAL MATURITIES $'000
Non-derivatives						
Non-interest bearing						
Trade payables	–	1,471	–	–	–	1,471
Other payables	–	1,044	–	–	–	1,044
Consideration payable	–	1,243	–	–	–	1,243
Interest-bearing						
Secured bank loan	6.20%	434	434	7,072	–	7,940
Lease liability	9.60%	22,022	22,299	68,281	250,913	363,515
Total non-derivatives		**26,214**	**22,733**	**75,353**	**250,913**	**375,213**

2023	WEIGHTED AVERAGE INTEREST RATE %	1 YEAR OR LESS $'000	BETWEEN 1 AND 2 YEARS $'000	BETWEEN 2 AND 5 YEARS $'000	OVER 5 YEARS $'000	REMAINING CONTRACTUAL MATURITIES $'000
Non-derivatives						
Non-interest bearing						
Trade payables	–	2,923	–	–	–	2,923
Other payables	–	3,610	–	–	–	3,610
Deferred consideration	–	8,141	–	–	–	8,141
Interest-bearing						
Related party loans	3.00%	328	328	10,943	–	11,599
Secured bank loan	7.00%	1,225	17,806	–	–	19,031
Lease liability	9.60%	19,748	20,006	61,304	248,022	349,080
Total non-derivatives		**35,975**	**38,140**	**72,247**	**248,022**	**394,384**

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value due to their short-term nature.

Notes to the Consolidated Financial Statements

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Note 22. Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of Key Management Personnel of the Company is set out below:

	2024 $'000	2023 $'000
Short-term employee benefits	1,685	1,123
Post-employment benefits	134	85
Long-term employee benefits	9	110
Share-based payments	110	5,165
Termination benefits	249	–
Aggregate compensation – Directors & other KMP	**2,187**	**6,483**

Note 23. Remuneration of auditors

During the financial period the following fees were paid or payable for services provided by KPMG the auditor of the Company, and its network firms:

	2024 $	2023 $
Audit services		
Audit or review of the financial statements	258,500	244,100
Audit or review of financial statements for IPO	–	352,734
Total audit services	**258,500**	**596,834**
Non audit services		
Pre-lend financial due diligence	104,500	–
IPO due diligence and transaction support services	–	1,207,037
Remuneration of auditor	**363,000**	**1,803,871**

Note 24. Commitments and contingencies

Commitments

At 31 December 2024 the group has nil commitments (2023: nil).

Contingent liabilities

The group had no contingent liabilities as at 31 December 2024 (2023: nil).

Guarantees

The Company has a bank guarantee as at 31 December 2024 of $11,982,000 (2023: $9,977,000) to lessors in relation to property leases on a number of child care facilities.

Note 25. Leases

Leases as lessee (AASB 16)

The Company leases properties for child care Services. Leases typically run for a period of 10-20 years, with options to renew the lease after that date for another 5-15 years. Lease payments are renegotiated on a regular basis to reflect market rentals. Some leases provide for additional rent payments that are based on changes in CPI. For certain leases, the Company is restricted from entering into any sub-lease arrangements.

Information about leases for which the Company is a lessee is presented below.

Right-of-use assets

	2024 $'000	2023 $'000
Opening	155,085	87,049
Additions	3,958	4,990
Additions through business combinations	15,332	69,294
Depreciation expense	(10,146)	(6,248)
Balance at 31 December	**164,229**	**155,085**

Lease liability

	2024 $'000	2023 $'000
Opening	161,607	90,329
Additions	3,958	4,990
Additions through business combinations	15,332	69,294
Interest expense	17,092	11,033
Lease payments	(20,313)	(14,039)
Balance at 31 December	**177,676**	**161,607**
Current	21,024	18,832
Non-current	156,652	142,775

Future undiscounted lease payments

	2024 $'000	2023 $'000
Less than one year	22,022	19,748
One to five years	90,580	81,310
More than five years	250,913	248,022
	363,515	**349,080**

Notes to the Consolidated Financial Statements
(continued)

Amounts recognised in profit or loss

	2024 $'000	2023 $'000
Leases under AASB 16		
Interest on lease liabilities	17,092	11,033
Depreciation on right-of-use assets	10,146	6,248

Amounts recognised in statement of cashflows

	2024 $'000	2023 $'000
Total cash outflow for leases	**20,313**	**14,039**

Extension options

Property leases contain extension options exercisable by the Group before the end of the non-cancellable period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonable certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Note 26. Related party transactions

Parent entity

Nido Education Limited is the parent entity of Nido Group.

Subsidiaries

Interests in subsidiaries are set out in note 30.

Transactions with related parties

Mathew Edwards related parties

Mathew Edwards, is a Non-Executive Director of NAED Holdings Pty Ltd (NAED) which was established in 2023. He does not hold any shares in NAED. In October 2023, the Group entered into a Centre Management Deed (Deed) with NAED, a related party. The Group develops and manages Nido branded services on behalf of NAED under this Deed. The terms and conditions with the related party are consistent with Centre Management Deeds held with non-related party owned incubator partners.

Mark Kerr related parties

Mark Kerr, a Director of the Company, held an interest in the service Nido Early School Ferntree Gully (Nido FG) which opened in 2023. In October 2023, the Group entered into a Centre Management Deed (Deed) with Nido FG, a related party. The Group developed and manages the Nido branded service on behalf of its owners under this Deed. The terms and conditions with the related party are consistent with Centre Management Deeds held with non-KMP owned incubator partners. Nido FG was acquired by Nido in September 2024. As a result of this acquisition, an entity in which Mark Kerr is both a shareholder and Director became one of the Group's landlords. Nido paid fees to the entity under the terms of the lease.

The following related party transactions occurred during the year ended 31 December 2024

	2024 $'000	2023 $'000
Loans repaid to the Director	(10,382)	(478)
Interest on the Director's Loan	–	341
Directors loan converted to shares	–	2,000
Loan to related parties	(4,000)	(6,000)
Purchase of share capital	–	756
Acquisition of childcare services	(8,385)	–
Rent paid to related parties	103	–
Rendering of services	2,937	2,384

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to trade payables with related parties:

	2024 $'000	2023 $'000
Trade payables to related parties	–	(32)
Trade receivables from related parties	285	817

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	2024 $'000	2023 $'000
Non current borrowings		
Loan from Director	–	(10,382)
Loan to NAED	10,882	6,109

Terms and conditions

The loan from the Director has a fixed interest rate of 3% and was repaid in 2024.

The loan to NAED has an interest rate of 8% per annum and is repayable to Nido Education in 2029.

Notes to the Consolidated Financial Statements
(continued)

Note 27. Parent entity information

Set out below is the supplementary information about the parent entity.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Parent 2024 $'000	Parent 2023 $'000
Loss for the period	(1,780)	(13,714)
Total comprehensive income	**(1,780)**	**(13,714)**

STATEMENT OF FINANCIAL POSITION	Parent 2024 $'000	Parent 2023 $'000
Total current assets	108	–
Total assets	**121,955**	**117,570**
Total current liabilities	(8,350)	(8,141)
Total liabilities	**(14,741)**	**(8,141)**
Equity		
Issued capital	124,999	125,454
Reserves	9,803	9,770
Accumulated losses	(27,588)	(25,775)
Total equity	**107,214**	**109,449**

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no such guarantees as at 31 December 2024 (2023: nil).

Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2024 (2023: nil).

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Company, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 28. Deed of cross guarantee

Nido Education Limited, Nest Education Finance Pty Ltd, Nest Education Development Pty Ltd, Think Childcare Development Pty Ltd, AE Early School Holdings Pty Ltd, AES Finance (Holdings) Pty Ltd and AES Services (Holdings) Pty Ltd (Relevant Entities) have entered into a deed of cross guarantee with the Company dated 18 December 2023 (as amended from time to time) (Deed of Cross Guarantee) in accordance with ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 (ASIC Instrument).

Subject to compliance with the conditions of that ASIC Instrument, the Relevant Entities are relieved from the requirement to prepare and lodge an audited financial report and Directors' report.

The effect of the Deed of Cross Guarantee is that each party to the Deed of Cross Guarantee guarantees the debts of the other parties to the Deed. That liability only arises upon a winding up of a party to the Deed of Cross Guarantee.

Set out below are the consolidated profit or loss and other comprehensive income, statement of financial position and a summary of movements in retained earnings of the entities within the 'closed group' as defined in the Deed of Cross Guarantee (ie, all of the parties to the Deed of Cross Guarantee).

Consolidated statement of profit or loss and other comprehensive income

	2024 $'000	2023 $'000
Revenue	–	–
Other income	–	–
Expenses		
Employee benefits	451	10,027
Other	1,113	3,687
Finance cost	1,000	–
Loss before tax	(2,564)	(13,714)
Income tax	784	–
Loss for the period	(1,780)	(13,714)
Other comprehensive income for the period, net of tax	–	–
Total comprehensive loss for the period	**(1,780)**	**(13,714)**

Notes to the Consolidated Financial Statements
(continued)

Consolidated statement of financial position

	2024 $'000	2023 $'000
Assets		
Current Assets		
Cash and cash equivalents	108	176
Total current assets	**108**	**176**
Non-current assets		
Loan receivables – related party	10,882	6,109
Investment in subsidiaries	113,658	113,658
Deferred tax assets	3,954	2,310
Total non-current assets	**128,494**	**122,077**
Total assets	**128,602**	**122,253**
Liabilities		
Current liabilities		
Trade and other payables	7,448	–
Tax payable	1,984	–
Deferred consideration	–	8,141
Total current liabilities	**9,432**	**8,141**
Non-current liabilities		
Total non-current liabilities	6,391	–
Total liabilities	**15,824**	**8,141**
Net assets/(liabilities)	**112,778**	**114,112**
Equity		
Issued capital	124,999	125,454
Reserves	9,803	9,770
Accumulated deficit	(22,024)	(21,112)
Total equity	**112,778**	**114,112**

Note 29. Business combinations

Current period acquisitions

On 27 September 2024, Nido Education Limited, acquired two NAED owned Services and two other third party owned Services through business sale arrangements. Total consideration for these acquisitions was $12.3 million and funded by drawing on the Groups borrowing facilities.

The acquisitions are the first which leverages the groups incubation model allowing the existing Nido brand grow and to provide high quality child care services at scale. The Group also expects to reduce costs through economies of scale.

At 31 December 2024 the purchase price accounting for the acquisitions is provisional.

Purchase consideration

Total consideration for the acquisitions was $12.3 million. The consideration comprised $11.1 million cash, and $1.2 million deferred cash, of which $0.91 million is contingent consideration.

Goodwill

The goodwill is attributable to future value of acquired child care Services and the synergies expected to be achieved from integrating the acquired child care Services into the Group's existing portfolio. No goodwill is expected to be deducted for tax purposes at 31 December 2024.

Revenue and profit contribution

The acquired businesses contributed revenues of $3.2 million to the Group for the period from 28 September 2024 to 31 December 2024.

If the acquisition had occurred on 1 January 2024, the Group's consolidated pro-forma revenue and profit before tax for the year ended 31 December 2024 would have been $174.6 million and $15.5 million respectively.

Details of the acquisitions are as follows:

Fair Value

2024	NOTE	$'000
Property, plant and equipment		316
Deferred tax asset		84
Right-of-use asset (ROU)		15,332
Lease liability		(15,332)
Employee benefits		(279)
Trade and other payables		(312)
Other liabilities		(21)
Net liabilities acquired		**(212)**
Goodwill	13	**12,486**
Acquisition date fair value of the total consideration transferred		**12,274**
Representing:		
Cash paid to vendors		11,031
Contingent consideration	21	913
Deferred consideration	21	330
Total consideration		**12,274**

Notes to the Consolidated Financial Statements

(continued)

Prior period acquisitions

Summary of acquisition

On 10 October 2023, under an IPO Implementation Deed Nido Education Limited acquired 100% of the ordinary share capital of AE Early School Holdings Pty Limited ("AES") and its subsidiaries which included gaining control over the 24 childcare Services owned by AES prior to the acquisition ("AES Acquisition").

Immediately preceding the AES acquisition, AE Development Co Pty Ltd, a joint venture entity formed by Nido Education and AES acquired 13 third party childcare Services through Business Sale Agreements with individual vendors which were added to the existing portfolio of 11 child care Services already owned by AES.

The acquisition is in line with the Group's growth strategy which leverages the existing Nido brand to provide high quality child care services at scale. The Group also expects to reduce costs through economies of scale.

At 31 December 2024 the purchase price accounting for the acquisitions is finalised.

Purchase consideration

Total consideration for the acquisitions was $113.7 million. The consideration comprised $76.3 million cash, $8.1 million deferred cash and $29.3 million ordinary share capital which was funded by the Groups IPO. Interest is to be charged on the deferred cash if it is not paid prior to 31 December 2024.

Goodwill

The goodwill is attributable to future value of acquired child care Services and the synergies expected to be achieved from integrating the acquired child care Services into the Group's existing portfolio. No goodwill is expected to be deducted for tax purposes at 31 December 2023.

Revenue and profit contribution

The acquired businesses contributed revenues of $15.5 million to the Group for the period from 10 October to 31 December 2023.

If the acquisition had occurred on 1 January 2023, the Group's consolidated pro-forma revenue and loss before tax for the year ended 31 December 2023 would have been $136.1 million and $23.4 million respectively.

Details of the acquisitions are as follows:

Fair Value

2023	NOTE	$'000
Other current assets		552
Cash		2,932
Rental bonds		1,797
Property, plant and equipment		985
Trade and other receivables		427
Deferred tax asset		476
Right-of-use asset (ROU)		69,294
Lease liability		(69,294)
Employee benefits		(1,407)
Trade and other payables		(2,622)
Other liabilities		(608)
Net assets acquired		**2,532**
Goodwill	**13**	**111,126**
Acquisition date fair value of the total consideration transferred		**113,658**
Representing:		
Cash paid to vendors		76,246
Shares issued	18	29,271
Deferred consideration	21	8,141
Total consideration		**113,658**

Notes to the Consolidated Financial Statements
(continued)

Note 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

The subsidiaries are incorporated in Australia and their principal place of business is also in Australia.

NAME	OWNERSHIP INTEREST 2024	OWNERSHIP INTEREST 2023
AE Early School Development Co Pty Ltd	100%	100%
AE Early School Holdings Pty Ltd	100%	100%
AES 3150 Pty Ltd	0%	100%
AES 4133 Pty Ltd	0%	100%
AES 4165 Pty Ltd	0%	100%
AES 5043 Pty Ltd	100%	100%
AES 6101 Pty Ltd	100%	100%
AES 6167 Pty Ltd	0%	100%
AES Employee Services Pty Ltd	100%	100%
AES Finance (Holdings) Pty Ltd	100%	100%
AES Operations Pty Ltd	100%	100%
AES Property Services East Coast Pty Ltd	100%	100%
AES Property Services West Coast Pty Ltd	100%	100%
AES Services (Holdings) Pty Ltd	100%	100%
Kensington SA Early School Pty Ltd	100%	100%
Nest 2171 Pty Ltd	0%	100%
Nest 3034 Pty Ltd	100%	100%
Nest 3150 Pty Ltd	100%	100%
Nest 3226 Pty Ltd	100%	100%
Nest 5024 Pty Ltd	100%	100%
Nest 5041 Pty Ltd	0%	100%
Nest 5043 Pty Ltd	100%	100%
Nest 5052 Pty Ltd	100%	100%
Nest 6014 Pty Ltd	100%	100%
Nest 6021 Pty Ltd	100%	100%
Nest 6023 Pty Ltd	100%	100%
Nest 6054 Pty Ltd	100%	100%
Nest 6055 Pty Ltd	100%	0%
Nest 6065 Pty Ltd	100%	100%
Nest 6101 Pty Ltd	100%	100%
Nest 6107 Pty Ltd	100%	100%
Nest 6157 Pty Ltd	100%	100%
Nest 6171 Pty Ltd	100%	100%

NAME	OWNERSHIP INTEREST 2024	OWNERSHIP INTEREST 2023
Nest 6984 Pty Ltd	100%	100%
Nest AE Pty Ltd	100%	100%
Nest Early Education Services Pty Ltd	100%	100%
Nest Education Development Pty Ltd	100%	100%
Nest Education Finance Pty Ltd	100%	100%
Nest Employee Services Pty Ltd	100%	100%
Nest Management Pty Ltd	100%	100%
Nest Operations Pty Ltd	100%	100%
Nest Property Services East Coast Pty Ltd	100%	100%
Nest Property Services West Coast Pty Ltd	100%	100%
Nest WA Operations Pty Ltd	100%	100%
Nido Education Finance Pty Ltd	100%	100%
Nido Employee Services Pty Ltd	100%	100%
Nido Operations Pty Ltd	100%	100%
Nido Property Services East Coast Pty Ltd	100%	100%
Nido Property Services West Coast Pty Ltd	100%	100%
Nido Services Pty Ltd	100%	100%
Nest Treeby 6164 Pty Ltd	100%	100%
Think 2 Franklin Nul Pty Ltd	100%	100%
Think 3 Cheltenham Ber Pty Ltd	0%	100%
Think 3 Essendon Ral Pty Ltd	100%	100%
Think 3 Sandringham Bay Pty Ltd	100%	100%
Think 6 Coogee Pin Pty Ltd	100%	100%
Think 6 Kensington Fou Pty Ltd	100%	100%
Think Childcare 2171 Pty Ltd	100%	100%
Think Childcare 3006 Pty Ltd	100%	100%
Think Childcare 3024 Pty Ltd	100%	100%
Think Childcare 3040 Pty Ltd	100%	100%
Think Childcare 3058 Pty Ltd	100%	0%
Think Childcare 3083 Pty Ltd	100%	100%
Think Childcare 3085 Pty Ltd	100%	100%
Think Childcare 3204 Pty Ltd	100%	100%
Think Childcare 3930 Pty Ltd	100%	100%
Think Childcare 5013 Pty Ltd	100%	100%
Think Childcare 5035 Pty Ltd	100%	100%
Think Childcare 5044 Pty Ltd	100%	100%
Think Childcare 5076 Pty Ltd	100%	100%

Notes to the Consolidated Financial Statements
(continued)

NAME	OWNERSHIP INTEREST 2024	OWNERSHIP INTEREST 2023
Think Childcare 5097 Pty Ltd	100%	100%
Think Childcare 5112 Pty Ltd	100%	100%
Think Childcare 5121 Pty Ltd	100%	100%
Think Childcare 5125 Pty Ltd	100%	100%
Think Childcare 6016 Pty Ltd	100%	100%
Think Childcare 6025 Pty Ltd	100%	100%
Think Childcare 6028 Pty Ltd	100%	100%
Think Childcare 6055 Pty Ltd	100%	100%
Think Childcare 6112 Pty Ltd	100%	100%
Think Childcare 6148 Pty Ltd	100%	100%
Think Childcare 6164 Pty Ltd	100%	100%
Think Childcare 6165 Pty Ltd	100%	100%
Think Childcare 6166 Pty Ltd	100%	100%
Think Childcare 6173 Pty Ltd	100%	100%
Think Childcare 6308 Pty Ltd	100%	100%
Think Childcare Development Pty Ltd	100%	100%
Think Childcare Services Pty Ltd	100%	100%
Think Ellenbrook 6069 Pty Ltd	100%	100%
Think Paradise 5075 Pty Ltd	100%	100%
Think Rosanna 3084 Pty Ltd	100%	100%
Tildamo Childcare 3032 Pty Ltd	100%	100%
Tildamo Childcare 3226 Pty Ltd	100%	100%
Tildamo Childcare 5052 Pty Ltd	100%	100%
Tildamo Childcare 6021 Pty Ltd	100%	100%

Note 31. Reconciliation of profit after income tax to net cash from operating activities

	2024 $'000	2023 $'000
Profit for the period	14,652	(18,105)
Adjustments for:		
Depreciation and amortisation	10,833	6,766
Finance income	(774)	(109)
Borrowing costs paid	1,021	828
Share-based payments net of taxation	33	9,770
Transaction costs	–	5,560
Change in operating assets and liabilities:		
Increase in tax payable	1,984	–
Increase in trade and other receivable	(2,289)	(856)
Increase in deferred tax assets	(2,768)	(5,960)
(Increase)/decrease in other assets	9,567	(3,184)
Increase in trade and other payables	(3,906)	(385)
Increase in employee benefits	142	5,968
Net cash from operating activities	**28,495**	**293**

Note 32. Earnings per share

	2024 $'000	2023 $'000
Total comprehensive income attributable to:		
Members of Nido Education Limited	14,652	(18,105)

	NUMBER	NUMBER
Weighted average number of shares used in calculating basic earnings per share	226,167,872	114,265,946
Weighted average number of shares used in calculating diluted earnings per share	229,918,981	114,265,946

EARNINGS PER SHARE	CENTS	CENTS
Basic	6.48	(15.84)
Diluted	6.37	(15.84)

The weighted average number of shares assumes the 2023 share split had occurred as at the beginning of the comparative period to enable the earnings per share to be comparable between the two periods. Dilutive earnings per share is equal to basic earnings per share in 2023. As at 31 December 2024, 6,538,993 options were excluded from the dilutive weighted average number of ordinary shares calculation because their effect would have been anti-dilutive.

Note 33. Events after the reporting period

On 31 January 2025, The Group announced the appointment of CEO Adam Lai to commence his role from 10 February 2025.

Apart from the above and the dividend determination as disclosed in note 19, no other matter or circumstance has arisen since 31 December 2024 and up to the date of this report that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Consolidated Entity Disclosure Statement

Determination of Tax Residency

Section 295(3A) of the *Corporation Acts 2001* (Cth) requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the *Income Tax Assessment Act 1997* (Cth). The determination of tax residency involves judgement as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied current legislation and judicial precedent in concluding that each entity is an Australian resident for tax purposes, as:

- they are incorporated in Australia;
- the carry on business in Australia; and
- moreover, their central management and control is in Australia.

Set out below is a list of entities that are consolidated in this set of Consolidated financial statements at the end of the financial year as required by the *Corporations Act 2001* (s.295(3A)(a)).

ENTITY NAME	BODY CORPORATE, PARTNERSHIP OR TRUST	PLACE FORMED OR INCORPORATED AND TAX JURISDICTION	% OF SHARE CAPITAL HELD	AUSTRALIAN OR FOREIGN TAX RESIDENT	JURISDICTION FOR FOREIGN TAX RESIDENT
Nido Education Ltd	Body corporate	Australia		Australian	N/A
AES Finance (Holdings) Pty Ltd	Body corporate	Australia	100%	Australian	N/A
AE Early School Development Co Pty Ltd	Body corporate	Australia	100%	Australian	N/A
AE Early School Holdings Pty Ltd	Body corporate	Australia	100%	Australian	N/A
AES Services (Holdings) Pty Ltd	Body corporate	Australia	100%	Australian	N/A
AES Property Services East Coast Pty Ltd	Body corporate	Australia	100%	Australian	N/A
AES Property Services West Coast Pty Ltd	Body corporate	Australia	100%	Australian	N/A
AES Employee Services Pty Ltd	Body corporate	Australia	100%	Australian	N/A
AES Operations Pty Ltd	Body corporate	Australia	100%	Australian	N/A
AES 5043 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
AES 6101 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Kensington SA Early School Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest 3034 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest 3150 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest 3226 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest 5024 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest 5043 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest 5052 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest 6014 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest 6021 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest 6023 Pty Ltd	Body corporate	Australia	100%	Australian	N/A

ENTITY NAME	BODY CORPORATE, PARTNERSHIP OR TRUST	PLACE FORMED OR INCORPORATED AND TAX JURISDICTION	% OF SHARE CAPITAL HELD	AUSTRALIAN OR FOREIGN TAX RESIDENT	JURISDICTION FOR FOREIGN TAX RESIDENT
Nest 6054 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest 6055 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest 6065 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest 6101 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest 6107 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest 6157 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest 6171 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest 6984 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest AE Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest Education Development Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest Early Education Services Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest Education Finance Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest Employee Services Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest Management Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest Operations Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest Property Services East Coast Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest Property Services West Coast Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest Treeby 6164 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nest WA Operations Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nido Education Finance Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nido Employee Services Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nido Operations Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nido Property Services East Coast Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nido Property Services West Coast Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Nido Services Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think 2 Franklin Nul Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think 3 Essendon Ral Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think 6 Coogee Pin Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think 6 Kensington Fou Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think 3 Sandringham Bay Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 2171 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 3006 Pty Ltd	Body corporate	Australia	100%	Australian	N/A

Consolidated Entity Disclosure Statement

(continued)

ENTITY NAME	BODY CORPORATE, PARTNERSHIP OR TRUST	PLACE FORMED OR INCORPORATED AND TAX JURISDICTION	% OF SHARE CAPITAL HELD	AUSTRALIAN OR FOREIGN TAX RESIDENT	JURISDICTION FOR FOREIGN TAX RESIDENT
Think Childcare 3024 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 3040 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 3058 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 3083 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 3085 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 3204 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 3930 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 5013 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 5035 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 5044 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 5076 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 5097 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 5112 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 5121 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 5125 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 6016 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 6025 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 6028 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 6055 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 6112 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 6148 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 6164 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 6165 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 6166 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 6173 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare 6308 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare Development Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Childcare Services Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Ellenbrook 6069 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Paradise 5075 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Think Rosanna 3084 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Tildamo Childcare 3032 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Tildamo Childcare 3226 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Tildamo Childcare 5052 Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Tildamo Childcare 6021 Pty Ltd	Body corporate	Australia	100%	Australian	N/A

Directors' Declaration

In the Directors' opinion:

a) the consolidated financial statements and notes that are set out on pages 46 to 89 and the Remuneration report on pages 30 to 44 in the Directors' Report, are in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance, for the financial year ended on that date; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*;

b) the Consolidated entity disclosure statement as at 31 December 2024 is true and correct; and

c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

There are reasonable grounds to believe that the Company and the group entities identified in Note 28 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group of entities pursuant to *ASIC Corporations (Wholly owned Companies) Instrument 2016/785*.

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* for the financial year ended 31 December 2024.

The attached consolidated financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 2 to the financial statements.

Signed in accordance with the resolution of the Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

Mark Kerr
Chairman

26 February 2025
Melbourne

Independent Auditor's Report

Independent Auditor's Report

To the shareholders of Nido Education Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Nido Education Limited (the Group).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group***'s financial position as at 31 December 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001,* in compliance with *Australian Accounting Standards and* the *Corporations Regulations 2001*.

The ***Financial Report*** of the group comprises:

- Consolidated statement of financial position as at 31 December 2024
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Consolidated Entity Disclosure Statement and accompanying basis of preparation as at 31 December 2024
- Notes, including material accounting policies
- Directors' Declaration.

The ***Group*** consists of Nido Education Limited and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of Goodwill ($123.6m)

Refer to Note 13 'Intangible assets' to the Financial Report

The key audit matter	How the matter was addressed in our audit
A significant audit matter for us was the Group's annual assessment of goodwill impairment, considering the substantial balance (comprising 38% of total assets). We concentrated on the critical forward-looking assumptions the Group used in their value-in-use model for the Child Care Operations Cash Generating Unit (CGU), including: • Forecast service occupancy rates - Forecast service occupancy rates influence the forecast operating cash flows, underlying forecast growth rate, and terminal growth rate assumptions. Their significance to the modelling is paramount as the model is highly sensitive to these assumptions. This necessitates additional audit effort to verify their feasibility and alignment with the Group's strategy. • Discount rate - The Group's model is sensitive to minor adjustments in the discount rate with the discount rate being judgemental. The Group uses a sophisticated model for their annual goodwill impairment testing. The model is primarily manually constructed, utilizing adjusted historical performance, and various internal and external sources for assumptions. Complex modelling, incorporating forward-looking assumptions, is more susceptible to potential bias, errors, and	Our procedures included: • We considered the appropriateness of the value-in-use method applied by the Group to perform the annual test of goodwill for impairment against the requirements of the accounting standards. • We, along with our valuation specialists, assessed the integrity of the value-in-use model used, including the accuracy of the underlying calculation formulas. • We compared the forecast cash flows contained in the value-in-use model to the latest board approved forecast. • We assessed the accuracy of previous forecasts to inform our evaluation of forecasts incorporated in the model. • We considered the sensitivity of the model by varying key assumptions, such as forecast growth rates, terminal growth rate, and discount rate, within a reasonably possible range. We did this to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures. • We assessed forecast service occupancy rates against publicly available industry studies of average occupancy by location, which the Group adjusted for their specific locations.

Independent Auditor's Report
(continued)

inconsistent application. These factors require us to apply additional scrutiny, particularly to ensure the objectivity of sources used for assumptions and their consistent application. We engaged valuation specialists to assist our senior audit team members in addressing this key audit matter.	• We challenged the Group's significant forecast cash flows by comparing them to published studies of industry trends and expectations and considered differences specific to the Group's operations. We used our knowledge of the Group, their past performance, business and customers, and our industry experience. • Working with our valuation specialists, we independently developed a discount rate range considered comparable using publicly available market data for comparable entities, adjusted by risk factors specific to the Group and the industry it operates in. • We considered the Group's determination of their CGUs based on our understanding of the operations of the Group's business, the impact of acquisitions, and how independent cash inflows were generated, against the requirements of the accounting standards. • We assessed the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Nido Education Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Nido Education limited are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information and based on the work, we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors of Nido Education Limited are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf . This description forms part of our Auditor's Report.

Independent Auditor's Report

(continued)

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Nido Education Limited for the year ended 31 December 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 30 to 44 of the Directors' report for the year ended 31 December 2024.

Our responsibility is to express an opinion as to whether the Remuneration Report complies in all material respects with *Section 300A* of the *Corporations Act 2001*, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Paul Thomas

Partner

Sydney

26 February 2025

Security Holder Information

This section contains additional information required by the Australian Securities Exchange Limited listing rules not disclosed elsewhere in this report.

Shareholdings

The total issued capital of the Company as at 31 December 2024 and as at the date of this report is 228,069,706.

The Security Holder information set out below was applicable as at 19 February 2025.

Twenty Largest Security Holders

Twenty largest security holders of ordinary shares as at 19 February 2025

SECURITY HOLDER		NUMBER HELD	% ISSUED
1	THREE MAGIC BEANS PTY LTD <BIG ADVENTURE A/C>	73,993,963	32.44
2	MONEY DESERT PTY LTD <THE HUNDRED ACRES A/C>	29,271,418	12.83
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	25,340,146	11.11
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	17,481,767	7.67
5	MAMAKAI FOUNDATION LIMITED <MAMAKAI FOUNDATION A/C>	4,584,770	2.01
6	CITICORP NOMINEES PTY LIMITED	3,860,263	1.69
7	KALUKI PTY LTD <THE PINCZEWSKI SUPER A/C>	3,259,073	1.43
8	TILDAMO PTY LTD	3,000,000	1.32
9	NSR INVESTMENTS PTY LTD <NSR SUPER FUND A/C>	2,948,582	1.29
10	ISAMAX PTY LTD <EDWARDS FAMILY A/C>	2,000,000	0.88
11	MARK KERR + LINDA KERR <LINDMARK INVESTMENTS A/C>	1,983,866	0.87
12	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	1,980,250	0.87
13	UBS NOMINEES PTY LTD	1,902,350	0.83
14	BELLA HORIZON PTY LTD <EA MELVILLE-JONES FAMILY AC>	1,688,396	0.74
14	BELLA HORIZON PTY LTD <KM CHAPPELL FAMILY A/C>	1,688,396	0.74
16	CPU SHARE PLANS PTY LTD <NDO EST UNALLOCATED A/C>	1,360,457	0.60
17	CERTANE CT PTY LTD <BC2>	1,107,148	0.49
18	GOLD TIGER INVESTMENTS PTY LTD	1,000,000	0.44
18	MR PAUL DAVID HUNTER	1,000,000	0.44
20	ALCEON LIQUID INVESTMENTS PTY LTD <ALI TRADING A/C>	995,000	0.44
Total		**180,445,845**	**79.12**

Security Holder Information
(continued)

Distribution of Equity Securities

RANGE	NUMBER OF HOLDERS OF SECURITIES	ORDINARY SHARES	% SHARES
1 – 1,000	49	30,867	0.01
1,001 – 5,000	133	397,279	0.17
5,001 – 10,000	164	1,369,805	0.60
10,001 – 100,000	537	18,398,408	8.07
100,001 Over	106	207,873,347	91.14
Rounding			**0.01**
Total	**989**	**228,069,706**	**100.00**

There were 25 security holders holding less than a marketable parcel of 642 ordinary shares as at 19 February 2025.

Unquoted Equity Securities

Unquoted Equity Securities as at 19 February 2025

UNQUOTED SECURITIES	NUMBER OF OPTIONS	NUMBER OF HOLDERS
NDOAA – Options over ordinary securities – ex nil	3,730,977	336
NDOAB – Options over ordinary securities – ex $0.96	6,539,000	25
NDOAJ – Options over ordinary securities – ex $1.40	4,000,000	1
NDOAK – Options over ordinary securities – ex $1.50	3,000,000	1
NDOAL – Options over ordinary securities – ex $1.60	2,000,000	1
NDOAM – Options over ordinary securities – ex $1.70	1,000,000	1

Securities subject to voluntary escrow

Securities subject to voluntary escrow as at 19 February 2025

SECURITIES SUBJECT TO VOLUNTARY ESCROW	NUMBER OF SHARES	DATE ESCROW PERIOD ENDS
Ordinary shares	114,357,394	16-Oct-25

Class of shares and voting rights

As at 19 February 2025, there were 989 holders of ordinary shares in the Company.

The voting rights attached to each class of equity securities are set out below.

(i) Ordinary shares

On a show of hands, every member present in person or by proxy or attorney, or being a corporation, present by its representative, shall have one vote. On a poll, every member present in person or by proxy or attorney, or being a corporation, present by its representative, shall have one vote for every share held.

(ii) Options

There are no voting rights attached to the options.

Substantial Holders

The number of ordinary shares held by Substantial Shareholders based on the most recent notifications contained in the Company's Register of Substantial Shareholders as at 19 February 2025 are as follows:

DATE OF NOTICE	DECLARED ENTITY	NUMBER OF SHARES HELD PER NOTICE	% OF SHARES (NOTICE DATE)	% OF SHARES (19-FEB-2025)
16-Oct-23	Wilsons Advisory and Stockbroking Limited	12,463,327	5.68	5.46
16-May-24	AustralianSuper Pty Ltd	23,729,185	10.40	10.40
6-Jun-24	Escrowed shareholders	114,357,394	50.14	50.14
12-Jun-24	Mathew Graeme Edwards	118,091,701	51.78	51.78

Buy-back

As at the date of this report, the Company does not have a current on-market buyback.

Statement regarding use of funds

The Company has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives as set out in the Prospectus.

Investor Services

Directors

Mark Kerr
Chairman and Independent Non-Executive Director

Mathew Edwards
Managing Director

Joe Dicks
Independent Non-Executive Director

Vanessa Porter
Independent Non-Executive Director

Company Secretary

Trinh Bui

Notice of Annual General Meeting

The annual general meeting of Nido Education Limited will be held at 11:00am (Melbourne time) on Thursday 1 May 2025 and is proposed to be held as a hybrid meeting. Shareholders may attend in person or online. Registration will open from 10.00am on 1 May 2025. Details will be set out in the Notice of Meeting.

Registered Office

Nido Education

Suite 3, 1 Park Avenue
Drummoyne NSW 2047

Share Register

Computershare Investor Services Pty Limited

Yarra Falls, 452 Johnson Street
Abbotsford VIC 3067

Telephone 1300 787 272

Auditor

KPMG Australia

Level 38, International Towers Three
300 Barangaroo Avenue
Sydney NSW 2000

Australian Corporate Legal Advisor

MinterEllison

Collins Arch, Level 20
447 Collins Street
Melbourne VIC 3000

Stock Exchange Listing

Australian Securities Exchange

ASX Code

NDO

Website

www.nidoeducation.edu.au

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Nido Education Limited
ACN 650 967 703