G8 Education ltd

2024 Annual Report

Walking together. Learning together. Growing together.

G8 Education Limited ABN: 95 123 828 553

Acknowledgement of Country

G8 Education acknowledges the Traditional Owners of the lands on which we operate and pays our respect to Elders past and present.

We recognise that Aboriginal and Torres Strait Islander peoples have been nurturing and teaching children on these lands for thousands of years.

We are grateful for the opportunity to work, learn and grow connections together as a united community.

Artist: Elaine Chambers-Hegarty, Cultural Edge Designs

Walking together. Learning together. Growing Together.

Reflect Reconciliation Action Plan

endorsed & published by Reconciliation Australia

Our Vision for Reconciliation

G8 Education's vision for reconciliation is an Australia where Aboriginal and Torres Strait Islander cultures and knowledge are valued and our true, shared history is known and sincerely acknowledged.

We strive to walk together with Aboriginal and Torres Strait Islander peoples towards reconciliation; actively listening, learning and collaborating with our communities to build genuine unity.

As educators of Australia's children of today and tomorrow, we believe we have a responsibility to educate our next generations on our true history and build an understanding of Aboriginal and Torres Strait Islander cultures and perspectives through authentic community relationships.

About this Report

This 2024 Annual Report provides a consolidated summary of G8 Education's operating and financial performance for the 12 months ended 31 December 2024. It is designed to be read in its entirety, including:

- The Operating and Financial Review contained on pages 2-32 which have been verified through G8's internal verification process
- The Remuneration Report on page 33 and Financial Report on Page 56 which have been audited by Ernst & Young.

In this report, G8 Education Limited will be referred to as "G8 Education", "G8", "the Company", "we", "our" and "us".

Any reference to the financial year (FY) relates to the period 1 January to 31 December 2024 unless otherwise stated.

This report should be read in conjunction with our Corporate Governance Statement, at: g8education.edu.au/investor-information.

2024 Annual Reporting Suite

Annual Report 2024

Corporate Governance Statement 2024

AGM Notice of Meeting 2025

Visit our 2024 reporting suite

About G8 Education

G8 Education is the largest provider of quality early childhood education and care listed on the Australian Securities Exchange. With over 400 centres nationwide, we operate under 21 trusted brands. Driven by our purpose in creating the foundations for learning for life, we live by our values of Dedication, Compassion, Passion, Integrity and Innovation to place the child at the heart of everything we do. Our highly regarded pedagogy and developmental programs promote lifelong learning and development through innovative, evidence-based teaching methods. Our high-quality environments are designed to engage and support children in discovering, growing and learning, while keeping children safe. Our passionate and capable team celebrate each child's unique talents and strengths through meaningful interactions, experiences and relationships, creating lasting positive impacts every day.

33,846
Total licensed places

10,000+
Total team members

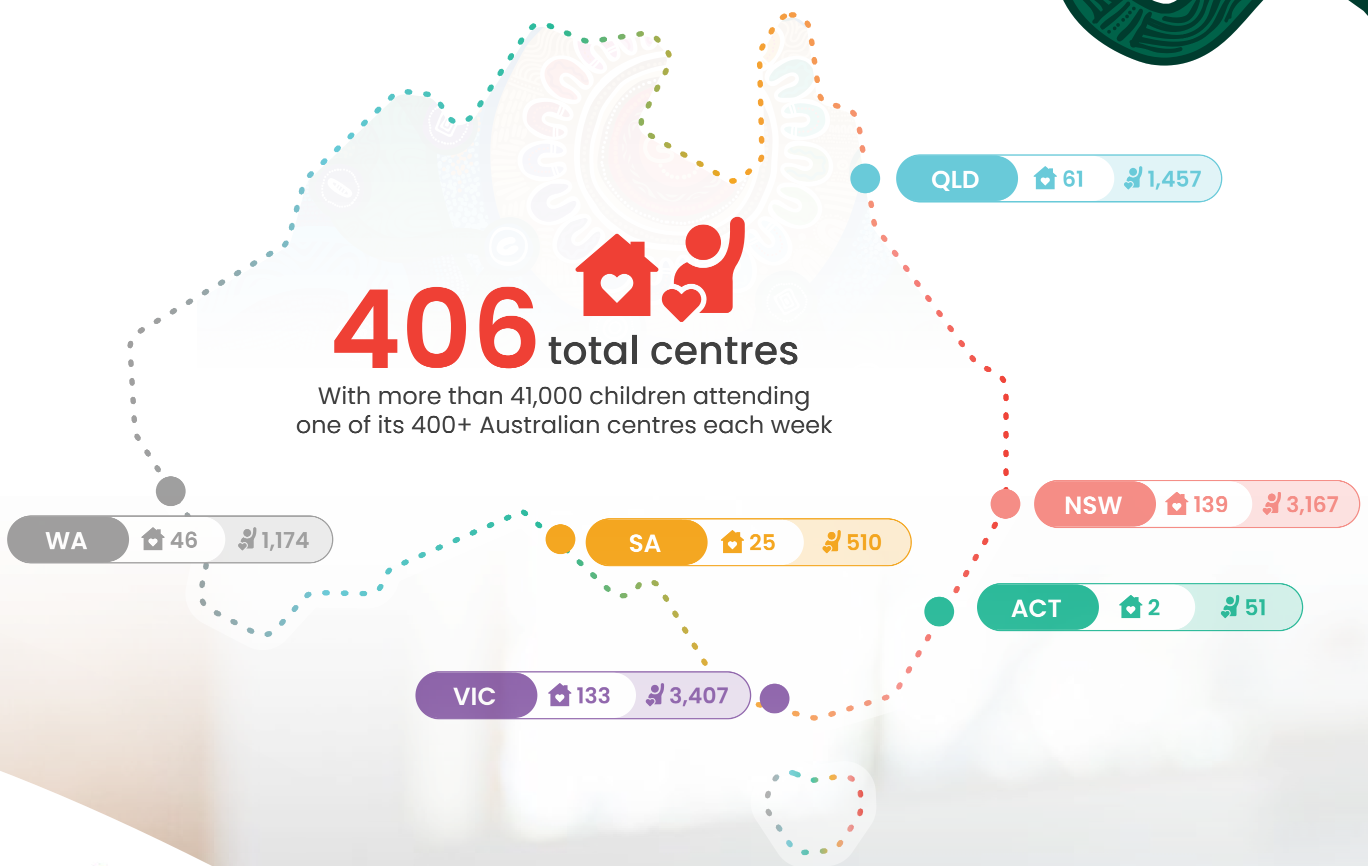
41,000+
Children per week

43.19m+
Care hours

The G8 Education family

Total centres and centre team members

centres | centre team members



Total centres by brand

Bambinos 9 · Buggles 11 · Casa Bambini 5 · Community Kids 70 · Creative Garden 17 · Early Learning Services 31 · First Grammar 22 · Great Beginnings 52 · Greenwood 14 · Headstart Early Learning Centre 14 · Jellybeans Childcare 10 · Kinder Haven 10 · Kindy Patch Kids 27 · Kool Kids 8 · NurtureOne 20 · Pelicans 10 · Pelican Childcare 3 · Penguin Childcare 5 · Sandcastles Childcare 2 · The Learning Sanctuary 18 · World of Learning 48

Chair and CEO's Message

Dear shareholders,

It's been another fulfilling and rewarding year and we, along with the Board, feel proud of what our team has achieved in 2024. At G8 Education, we are purpose-led, guided by our values and deeply proud to play a part in shaping the lives and minds of thousands of children attending our services every day. Our commitment to providing a fun, inspiring environment where all children learn, grow and thrive remains at the heart of everything we do. All our activities are aligned with providing a better outcome for our children, our families, our team and our wider stakeholders.

In 2024, our journey focused on building a "fit core" and laying the foundations for consistent operational execution to deliver high quality education and care for our children.

This included improving efficiency across our processes and systems, managing costs and assets effectively and continuing to build capabilities in our team. We proactively collaborated with the sector to advocate for improved long term reforms that create a more equitable and sustainable early childhood education and care (ECEC) sector in Australia. These reforms include measures to entitle every child to access at least three days of care and more support for lower income families. We also support the Productivity Commission's other key recommendations, to give all children the best possible start in life.

Reflecting on 2024, the year was marked by strong external forces including cost of living and inflationary pressures and a high-interest rate environment, resulting in tighter financial conditions. Throughout this, our team members stepped up with a renewed focus to deliver high-quality service and strong outcomes for our children and families.

We ended the year with more than 41,000 children attending our services each week and almost 10,000 passionate team members delivering education and care, ensuring our children receive the best experience possible.

It has been a privilege to see the passion of all teams across G8 Education as they continue to deliver on our purpose, "creating the foundations for learning for life".

Debra Singh Chair of the Board

Pejman Okhovat CEO and Managing Director

"In 2024, we achieved a solid performance, aligning our operations, activities and strategic focus with the first horizon of our strategic plan to create a "fit core". Executing our plans with rigour delivered improvement across the six key areas of focus."

Investing in Our Team and Future

Our people are the foundation of G8 Education's success and, during 2024, we made substantial strides in strengthening and supporting our team. Team attraction, retention and engagement continued to be a key focus for G8 Education throughout the year.

Employee engagement improved year-on-year, rising from 76 per cent to 78 per cent[1], placing G8 above both the sector and Australian engagement benchmark. This improvement reflects our ongoing commitment to fostering a positive and collaborative work environment. Our team member retention, increased from 74 per cent to 77 per cent[2], while significantly reducing the number of vacancies by over 40 per cent[2]. This is a testament to the strong talent pipeline we are building, the efforts of our leadership teams to create a supportive, inclusive and empowering workplace and to the range of meaningful benefits we provide including: child care discounts where team members' children benefit from access to and involvement in early childhood education and care, flexible working arrangements, a comprehensive professional development program that includes financial and non-financial support, above award pay for our teachers, six weeks annual leave for our teachers, a rewards and discount program and service recognition.

In a landmark achievement, we, alongside a small number of providers, peak industry bodies and unions, successfully bargained for a sector-wide Multi-Employer Agreement, securing a 10 per cent pay rise in December 2024, with a further 5 per cent increase in December 2025 for centre-based team members funded by the Federal Government.

This outcome recognises the hard work and dedication of our centre-based team members and the pivotal role they play in ensuring positive outcomes for children later in life.

We are also proud of our Study Pathways program, with over 2300 team members engaged in study during 2024 – an opportunity that is unique to G8 Education to gain Certificate, Diploma or Bachelor qualifications, paid for by G8 Education, while working and being supported with fee free training, study leave and mentoring. Our ongoing investment in employee development was strengthened by the launch of WonderLab, a new learning platform to support and enhance learning and growth across our teams.

In 2024, our workplace culture has garnered recognition, as we were named one of Randstad's Top 10 Most Attractive Employers in Australia, recognition that highlights our commitment to employee satisfaction and growth.

Safety is the highest priority for our team. In 2024 we recorded a 36 per cent reduction in team Lost Time Injury.[3]

Commitment to Continuous Improvement

In 2024, we placed a strong focus on operational consistency and delivered great experiences for our families. Despite a very challenging environment, we have delivered a modest growth year-on-year recording 70.7 per cent[4] group occupancy. This is a result of our commitment to and focus on creating great experiences for our families and building trust and confidence in our services to become top of mind.

Throughout 2024 we embedded the evidence-based Rhythm and Movement for Self-Regulation Program (RAMSR), developed by Queensland University of Technology, across many of our centres, supporting physical activity, cognitive development and self regulation. Our expanded *digital literacies@ play* program continued to foster creativity and curiosity supporting children's school readiness.

We remained dedicated to the enhancement of our Preschool and Kindergarten programs, with a special focus on celebrating key learning milestones through various events and activities. We also embraced and acknowledged National Child Protection Week, reinforcing our commitment to safety and child protection in all our centres.

Pleasingly, we can report as at 31 December 2024 that 93 per cent of our centres are "Meeting" or "Exceeding" the National Quality Standards, which is 2 per cent above the sector average[5], a clear indication of the high standards we maintain in early childhood education. The launch of *1Place Childcare* represents another significant milestone, providing an integrated and accessible compliance management system for our team.

Our focus on safety is unwavering with continued attention on managing key child safety categories, that includes our ongoing efforts to gather and act on family feedback through our 'always on' feedback channels. In 2024 our Net Promoter Score (NPS) increased to 50 points as at 31 December 2024 – an excellent result reflecting the loyalty of families to the G8 Education centre they attend.

1. Based on internal employee engagement surveys conducted in 2023 and 2024.
2. Based on 31 December 2023 data compared to 31 December 2024 data.
3. Based on the CY23 LTIFR compared to the CY24 LTIFR.
4. Based on data as at 31 December 2024.
5. Based on FY24 G8 Education data compared to 2024 ACECQA data.

Chair and CEO's Message

Delivering Sustainable Performance

In 2024, we achieved a solid performance, aligning our operations, activities and strategic focus with the first horizon of our strategic plan to create a "fit core". Executing our plans with rigour delivered improvement across the six key areas of focus. Of note, we delivered great team retention and sector leading reduction in vacancies, improvement in our quality rating (now above the sector for two years), significant improvement in our families' experience and stabilised occupancy in a very challenging environment.

Our financial sustainability and health continued to improve. Our statutory Earnings Before Interest and Tax (EBIT) increased 14.8 per cent to $152.8 million, with a Net Profit After Tax (NPAT) of $67.7 million. Our operating cash flow[1] is $133.2 million, with a cash conversion rate of 116 per cent. This solid financial performance enables us to continue investing in our people, our services and our future growth.

As part of our commitment to delivering value to our shareholders, we are pleased to announce a final dividend of 3.5 cents per share taking the total dividend for 2024 to 5.5 cents up 22.2 per cent on 2023 reflecting strong earnings, the strength of our financial performance and our dedication to returning value to our shareholders.

Outlook for 2025

Looking ahead to 2025, our strategy continues to evolve as we focus on Horizon 2 of our strategic plan. We have six key focus areas for 2025: Team, Safety and Compliance, Education and Quality, Family and Branding, Operating Model and Financial Sustainability. Our integrated plan across these areas will align all our activities to deliver better outcomes for all our stakeholders, with children at the heart of everything we do.

We are confident that our operational execution in a challenging environment will gain momentum in 2025 and we remain cautiously optimistic that favourable macro factors, including female workforce participation and easing inflation and unemployment, will start to increase child care participation.

G8 Education will continue to advocate for further reform, including supporting the introduction of the Productivity Commission's other key recommendations, to give all children the best possible start in life.

Board Update

We are pleased to welcome Stephen Heath as a new Non-Executive Director at G8 Education's 2025 Annual General Meeting. Our AGM will be held at 11:00 am (AEST) on Tuesday, 29 April 2025, in Brisbane.

1. Underlying operating cash flow is calculated as the reported Net cash inflows from operating activities ($167.1 million) less principal elements of lease payments ($69.9 million) and adding back the class action settlement payment ($35.0 million) and software development expenses ($1.0 million).

Thank you

As we look back on 2024, we reflect on a year of significant achievement for G8 Education. At the core of our success is our unwavering commitment to putting children's outcomes first, investing in our team and our future, driving operational excellence and delivering sustainable performance.

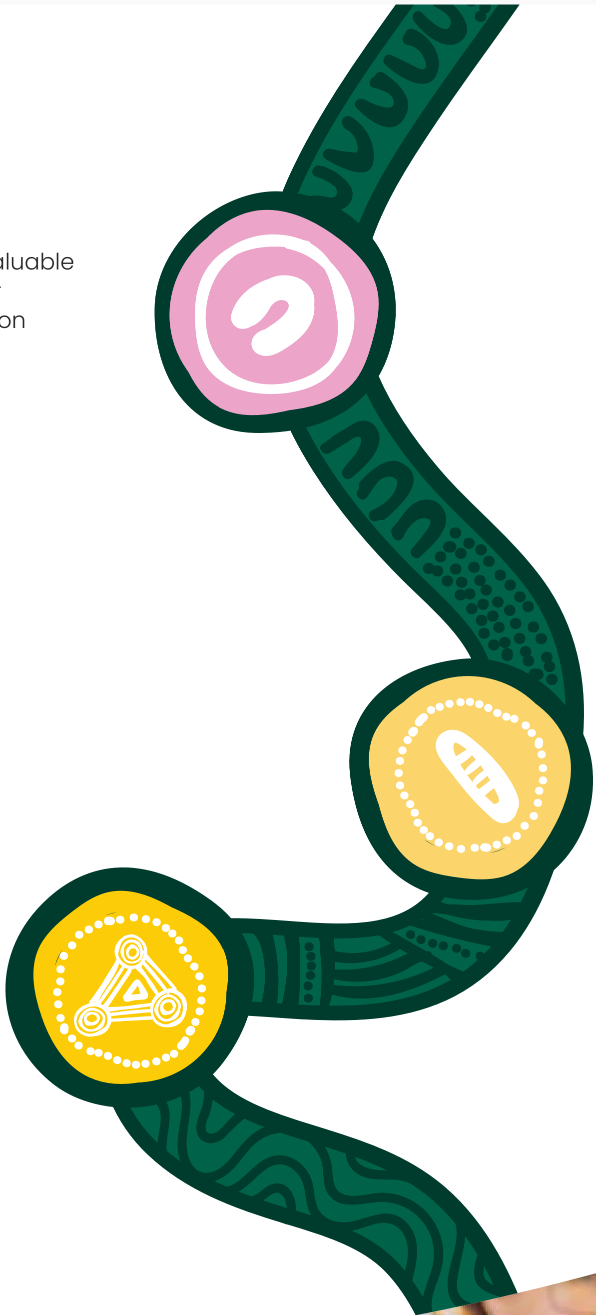
Our achievements are a testament to the commitment and dedication of our amazing team across the country, providing education and care for young Australians every day.

We are proud to highlight some of the key milestones from 2024 that underscore the strength and resilience of G8 Education and extend our heartfelt thanks to all our team members, our stakeholders, Federal and State-based authorities, sector partners, supplier partners and shareholders.

Your continued support is invaluable as we work together to deliver high quality care and education to children across Australia.

Debra Singh
Chair of the Board

Pejman Okhovat
CEO and Managing Director



2024 Highlights

Multi-Employer Agreement signed

providing a Federal Government funded 15% wage increase to Early Childhood Educators over 2 years

G8 Education becomes a member of Supply Nation

reinforcing its commitment to promoting greater economic empowerment for Aboriginal and Torres Strait Islander peoples and communities and working towards Closing the Gap.

Supply Nation

$1,021.8m
Total Revenue increased ↑ by 3.5% on FY23

$115.0m
Operating EBIT adjusted for leases increased ↑ 14.3% on FY23

8.4c
Reported EPS increased ↑ 21.1% on FY23

$67.7m
Statutory NPAT increased ↑ 20.8% on FY23

Fifth spot in Randstad's Australia Top 10

Most Attractive Employers for 2024

randstad

77%

Team Retention increased ↑ 3% on FY23

70.7%

Group Occupancy increased ↑ 0.3% on FY23

11.3%

EBIT Margin[1] increased ↑ 1.1% on FY23

50

NPS[2] increased ↑ 6 pts on FY23

93%

of centres "Meeting" or "Exceeding" the National Quality Standards increased ↑ 3% on FY23

94%

of centres "Meeting" or "Exceeding" NQS Quality Area 1 increased ↑ 1% on FY23

1. Operating EBIT less lease interest.
2. Net Promoter Score.

2024 Highlights

G8 Education launched its Reflect Reconciliation Action Plan (December 2023 – June 2025) alongside the G8 Education Reconciliation Artwork by artist Elaine Chambers-Hegarty

A new partnership between TAFE Queensland and G8 Education will support the learning and development of Queensland's early childhood education workforce

Early Childhood Educator Nicolle Wood from Mooringe World of Learning celebrated 30 years working at the centre, where she has educated more than 1,000 children

G8 Education participated in three sessions at the Early Childhood Australia national conference held in Brisbane. G8's collaborative work with its *Digital Literacies@ Play* program was showcased together with team attending this learning opportunity to grow professionally

Award winning G8 Education Centre Managers undertook a study tour of New Zealand to tour centres and witness NZ educational programs in action

G8 Education centre Kindy Patch Clarinda was a finalist in the award for Outstanding Service at the 2024 HESTA Early Childhood Education & Care Awards

2024 Centre Manger Award winners at the G8 Education National Conference on the Gold Coast

About the artwork

The central piece or the 'heart' of the G8 Education artwork represents children. The two small U-shape motifs symbolise children, as they are the main focus of everything G8 Education does. The dots around the children represent learning and growth - as the children interact with each other and the environment around them.

The U-shapes in the broader ring represent people - these are the G8 educators, parents, families and community that surround and support the child in their development. The rainbow colour palette of the people in this circle was selected to represent the 21 brands that sit within G8 across Australia. The rainbow also represents the diversity, uniqueness and the colourful characteristics of each centre. The patterning behind this circle of people represents the core values of G8 Education - passion, innovation, dedication, compassion and integrity - as these guide every interaction between G8 educators and children, families and the broader community.

The red colour, taken directly from the G8 Education brand, has been incorporated into the centre of the artwork. This builds the foundations for the rest of the artwork colour palette to compliment and contrast. The different patterning and markings throughout the piece highlight growth and progress with the crosshatching work highlighting connections. The circles throughout the piece highlight the connectivity of people and place, through the interwoven pathways. The geographical reach of G8 Education is also highlighted in the colour palette ranging from yellows and browns for regional centres, greens and purples for urban centres and blue tones for coastal centres. These locations of urban, regional and coastal have also been symbolised by specific motifs. The message stick motif throughout the artwork represents knowledge, the U-shape motif represents G8 educators and the heart-shaped motif represents learning and care between the educators and children.

About the artist

Elaine Chambers-Hegarty

Aboriginal Artist / Graphic Designer
Cultural Edge Designs

Elaine is an award winning Graphic Designer and Aboriginal Artist with over 30 years experience in the graphic design and print media industry. Elaine is a proud Kuku Yalanji and Koa woman who comes from a highly respected family of Aboriginal artists and cultural educators with strong ties to the Cherbourg community in the South Burnett region of Queensland.

Strategy

Evolving strategy

G8 continues with its existing strategy. We place the child at the heart of everything we do as we seek to fulfill our purpose to create the foundations for learning for life. Our values, which guide and inspire our behaviours, also remain the same.

During 2024 our strategic activities evolved towards progression over the next horizon. This recognises progress made to date to execute the strategy and the changing external environment (both experienced and anticipated). We continue to focus on six strategic focus areas. One of these areas has been reoriented to enhance focus on the ongoing importance of safety and compliance.

The activity to be progressed across each of the strategic focus areas, over the next horizon, is largely centred on optimisation and enhancement initiatives. This reflects that the focus of the previous horizon, to improve core business operations – or to establish a "fit core", has been delivered. The delivery of the next "optimisation and enhancement" horizon will create the exciting opportunity to pursue growth and differentiation over the following horizon.

The existing key measures have been retained for 2025. This consistency enables all stakeholders to follow G8 Education's progress towards achieving its aspirational goals as each horizon of the strategy is delivered.

An overview of G8 Education's strategy and the 2025 strategic focus areas, activities and measures, is set out here.

Our values

Passion
We have an infectious positive attitude and are excited every day to be part of our unique calling.

Compassion
Our moral compass points true north and is a beacon for the little eyes that watch and interpret our actions.

Integrity
We go home tired but satisfied every day knowing that we put our hearts and souls into making our families and children proud to be our partners.

Dedication
Our smallest acts of kindness often put the largest smile on a face.

Innovation
Children see the world in a simpler way than adults and sometimes it's the simple path that leads to the greatest innovation

Strategic Focus Areas

1 Team

Having a capable and confident team, motivated by their passion, aligned by our culture and values

- Culture & Ways of Working transformation
- Talent development

2 Safety & Compliance

...delivers a high-quality environment that protects children and team, that is safe and enables wellbeing

- Embedment of CMS
- Implement next phase of CMS improvements
- Complete QLD EU & share key improvements

3 Education & Quality

...and delivers pedagogy and developmental programs that are seen as differentiators, preparing children for school

- Strengthening ECT workforce
- Delivering differentiated education programs
- Sustaining high quality everyday

4 Family & Branding

...creates great experiences for our families, building trust and confidence in our services, to become top of mind

- CVP enhancement by key age group
- Tactical brand consolidation

5 Operating Model

...combined with an efficient operating model that supports the team to be productive, deal with challenges and deliver great outcomes

- Optimise operating models
- Key process mapping & optimisation

6 Financial Sustainability

...ensures G8 is serving its communities for decades, while being sustainable, regenerative and financially strong

- Investment - property & growth
- Data foundations & advanced analytics

Creating the foundations for learning for life

2025 Measures

1. Team retention
2. % of centres "meeting" or "exceeding" National Quality Standard (NQS)
3. High quality education – % of centres "meeting" or "exceeding" Quality Area 1 of NQS
4. NPS[1]
5. Occupancy
6. EBIT margin

1. Net Promoter Score.

Sustainability Report

At G8 Education our purpose is to create the foundations for learning for life, with children at the heart of everything we do. This commitment extends beyond education to encompass our environmental, social and governance (ESG) commitments, reflecting our dedication to fostering positive change and contributing to a sustainable and inclusive future.

This Sustainability Report provides an update on G8 Education's sustainability progress, addressing key ESG matters in 2024.

This year we continued to advance our sustainability initiatives and made progress against our ESG strategy to embed ESG principles in alignment with our business objectives and strategic priorities. Our ESG strategy aims to recognise sector-specific challenges, enhance compliance and advance G8 Education's position as a responsible, quality driven leader in early childhood education and care.

Our overall approach to ESG remains consistent with prior years and is shaped by the results of our refreshed materiality assessment which prioritises our initiatives and commitments into four sustainability pillars: Governance, Service Quality, Our People and Our Environment. This report is organised around the four sustainability pillars, with each pillar containing sections discussing our approach to material topics identified within those pillars.

We continue to remain committed to progressing the United Nations Sustainable Development Goals (SDGs) and have mapped our priority goals to our sustainability pillars.

Following the approval of the Australian Sustainability Reporting Standards (ASRS) in mid-2024, G8 Education completed a gap analysis against ASRS requirements to develop our road-map towards robust, ASRS compliant reporting from our first year of mandatory reporting which will commence in 2025.

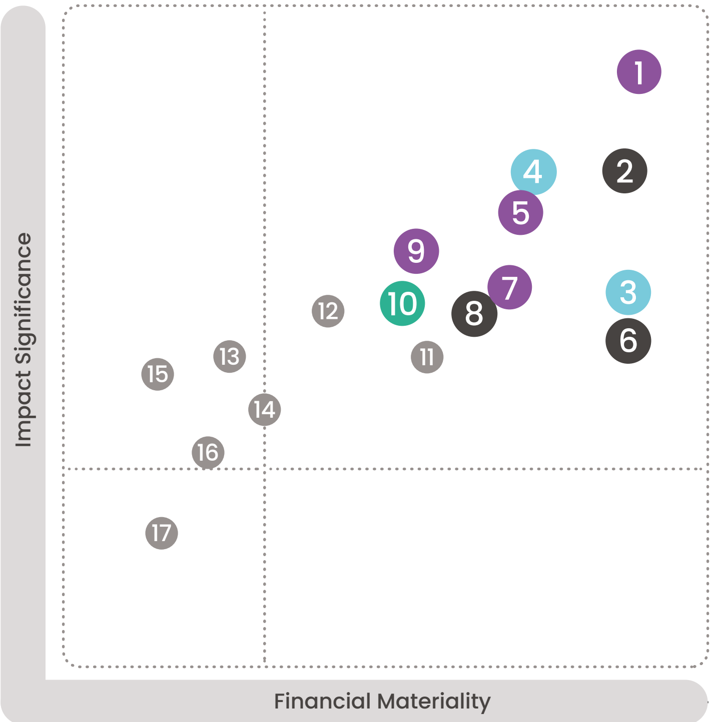
Further information about our value chain, ESG strategy and approach to sustainability can be found at g8education.edu.au/about-us/sustainability.

Our material topics

In 2024 we refreshed our materiality assessment, aligning ESG priorities with our business goals and stakeholder expectations. This assessment informs our approach to our ESG strategy, including emissions reduction, climate risk assessment and embedding ESG principles across decision making in our business. We took a double materiality approach to our assessment, simultaneously considering how G8 Education's operations impact the environment and society and the financial implications of sustainability issues such as climate change and resource scarcity.

Seventeen priority topics were identified which are detailed on the materiality matrix below. Our performance against the top ten priority topics are referenced throughout this report.

Materiality Assessment



Current as at August 2024.

Governance

2 Governance and ethical practices
6 Responsible earnings
8 Data privacy, security and confidentiality

Service Quality

1 Child Safety
5 Education, service quality and delivery
7 Access to affordable and quality education
9 Family experience and engagement

Our People

3 Talent attraction, engagement and retention
4 Employee health, safety and wellbeing

Environment

10 GHG reduction and climate resilience

11 Human rights
12 Community contributions & impact
13 First Nations
14 Diversity, equity and inclusion
15 Environmental education in learning
16 Technology and innovation
17 Water and waste

Sustainability Report

Pillar: Governance

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

G8 implements strong governance structures to enhance accountability, risk management and compliance. We demonstrate our commitment to good governance by:

- Conducting materiality assessments to understand what is material to our stakeholders
- Providing regular ESG reporting and updates to the Board and other stakeholders
- Ensuring Board and Risk Committee oversight of ESG risks, including climate related risks integrated with the enterprise risk management framework
- Upholding robust privacy and data security measures to protect stakeholder information
- Enforcing compliance through policies and procedures, with regular compliance training and a structured investigations process
- Prioritising sustainable growth strategies and responsible earnings practices.

Our aim is to build trust and ensure ESG considerations are integrated across our operations.

Responsible earnings

G8 Education is committed to ethical, transparent and sustainable financial management. Our capital allocation framework prioritises growth, debt reduction and long-term returns.

- **>$23.1m** invested in centre improvements
- **>$10.9m** invested in equipment upgrades
- Government funded wage increase via **Multi-Employer Agreement**

Governance and Ethical Practices

G8 Education complies with the ASX Corporate Governance Principles and Recommendations (4th Edition) and the Board oversees enterprise risks supported by a comprehensive Enterprise Risk Management Framework further described on pages 24 and 25 of this Annual Report. In 2024 we continued to uphold ethical practices enabled through our confidential whistleblower policy and mandatory compliance training for all team members on child safety and information security.

- Refreshed **materiality assessment**
- Completed **value chain mapping**
- Continued to standardise performance through **employee playbooks**
- Launched new **digital compliance system**
- Used technology to enhance **data driven insights**

Data privacy, security and confidentiality

Data privacy, security and confidentiality remain a high focus area. The Chief Digital Officer provides regular cyber security updates to the Executive Leadership Team and the Board. All team members undergo annual mandatory information security training, supplemented by phishing awareness and other cyber security and privacy education. We continue to implement a variety of security measures such as vendor security assessment, legislative monitoring, cyber threat assessment, penetration testing, industry benchmarking and internal and external audits. Technology security measures, including identity and access management and endpoint solutions are used to mitigate risks, however, we recognise the importance of continuing to update, monitor and invest in these solutions in response to the evolving cyber threat landscape.

- Enhanced **monitoring and alerting**
- **85%** employees completed Get Cyber Smart training, **3%** ↑ on pcp
- Completed **website unification project**

Sustainability Report

SERVICE QUALITY

Pillar: Service Quality

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

10 REDUCED INEQUALITIES

G8 Education is committed to providing safe, high quality care and education. We demonstrate this commitment by:

- Setting annual targets to achieve a minimum number of centres assessed in the period as "meeting" or "exceeding" National Quality Standards (NQS)
- Requiring all team members to complete child safety and protection training annually
- Implementing internal quality and compliance audits
- Adopting an education strategy focused on enhancing educator capability and quality of pedagogy
- Engaging families and communities through targeted support initiatives
- Developing and implementing a reconciliation action plan to promote inclusivity and community engagement.

We are guided by the National Quality Framework (NQF)[1] to strive for excellent education, service quality and delivery through improved educator capability, enhanced family engagement and inclusive, supportive environments.

1. See www.acecqa.gov.au/national-quality-framework.

Child Safety

G8 Education places the safety and wellbeing of children at the heart of our operations. Guided by our Child Protection Policy, we are committed to maintaining safe and inclusive environments where children are respected, valued and empowered to reach their full potential. Team members complete annual training in child safety, supported by a child focused complaints system and a compliance system designed for swift and effective resolutions to concerns.

Child Safe Organisation

92% of team members completed annual Child Safety Training

Family Experience and Engagement

We prioritise strong partnerships with families, ensuring they are active participants in their children's early learning journey. Through initiatives such as our customer feedback program and a dedicated in-house Family Support Team, families have accessible channels to provide feedback, resolve concerns and access tailored support.

NPS 50, 6 pts ↑ on FY23

Education, Service Quality and Delivery

G8 Education is dedicated to providing high-quality early childhood education through a play-based, child-led pedagogy aligned with the NQF. In 2024 we enhanced educator capability with a range of professional development programs, including a focus on developing children's self regulation and an expansion of our digital literacies program. G8 has a dedicated program to support early childhood teachers delivering teaching programs for children in 3-5 year old Kindergarten and Pre-School. Our education strategy also includes partnerships with leading universities to advance pedagogy and early learning research.

3 Educational Advisory Committee meetings

93% centres "meeting" or "exceeding" NQS standards

94% centres "meeting" or "exceeding" NQS QA1 (Educational Program & Practice)[1]

Access to affordable and quality education

In 2024, G8 Education strengthened its commitment to making early childhood education and care more accessible and affordable. Collaborating with the Early Learning and Care Council of Australia (ELACCA), G8 supported advocacy for significant government investments, including universal preschool access and wage subsidies for educators, to improve affordability and workforce retention. Through its engagement with policy reforms, such as the Productivity Commission's recommendations to increase subsidies for low-income families and remove barriers like the activity test, G8 Education is working to create a more equitable early childhood education and care system. These efforts reflect G8's dedication to partnering with industry bodies and government agencies to expand access to high quality education for all families across Australia.

Supported **>11,700** children in funded kindy or preschool programs

In 2024 we continued our progress on First Nations initiatives, with delivery of 100% of our planned deliverables for our Reflect Reconciliation Action Plan (RAP). Our refreshed RAP deliverables also continue to be key targets for our sustainability linked loan.

1. % centres assessed from 1 January 2024 to 31 December 2024.

Sustainability Report

Pillar: Our People

We recognise that our people are the core to our success. In 2024 we continued to invest in creating a workplace that values inclusivity, professional growth and the health and well-being of our team members. We are committed to fostering a supportive and inclusive environment where every team member can develop and feels valued.
We demonstrate this commitment by:

- Providing comprehensive study pathways and scholarship programs to support career growth and development
- Offering flexible working arrangements that promote work-life balance and enhance wellbeing
- Regularly measuring retention and engagement, with proactive actions to address negative trends
- Ensuring diverse representation in leadership roles
- Promoting a culture of diversity and inclusion across team members, families and community profiles
- Encouraging career advancement through structured opportunities
- Cultivating a supportive, inclusive workplace culture that values employee contributions and fosters engagement.

Through our targeted initiatives we aim to position ourselves as the employer of choice in the early childhood education and care sector.

Following extensive collaboration with sector stakeholders throughout the year, G8 Education was proud to sign the Multi-Employer Agreement in December 2024. This landmark agreement, which delivers better conditions and a fully government funded 10% pay rise in December 2024 and a further 5% increase scheduled for 2025, reflects our commitment to advocating for and supporting our team.

Talent Attraction, Engagement and Retention

Attracting and retaining top talent remains a key priority. In 2024 we addressed workforce shortages and enhanced our employer brand through strategic investments in training and development. We funded qualifications for team members and high school students through partnerships with universities and other higher education providers across Australia. This contributed to a reduction in vacancies and improvement in time-to-fill rates compared to the prior year.

Our team engagement score continued to improve, reflecting enhanced workplace culture and retention efforts. By leveraging initiatives like Teach@G8 and other professional development programs, we strengthened our educator capabilities and provided clear career pathways, particularly for our Early Childhood Teachers (ECTs) and Centre Managers (CMs).

- **78%** engagement score (+2% vs sector benchmark)
- **1.6%pt reduction** in agency usage compared to pcp
- **56% decrease** in ECT vacancies
- **26% improvement** in time to fill rates
- **>40% reduction** in overall vacancies
- **>2300** team members engaged in Study Pathways program

Diversity, equity and inclusion

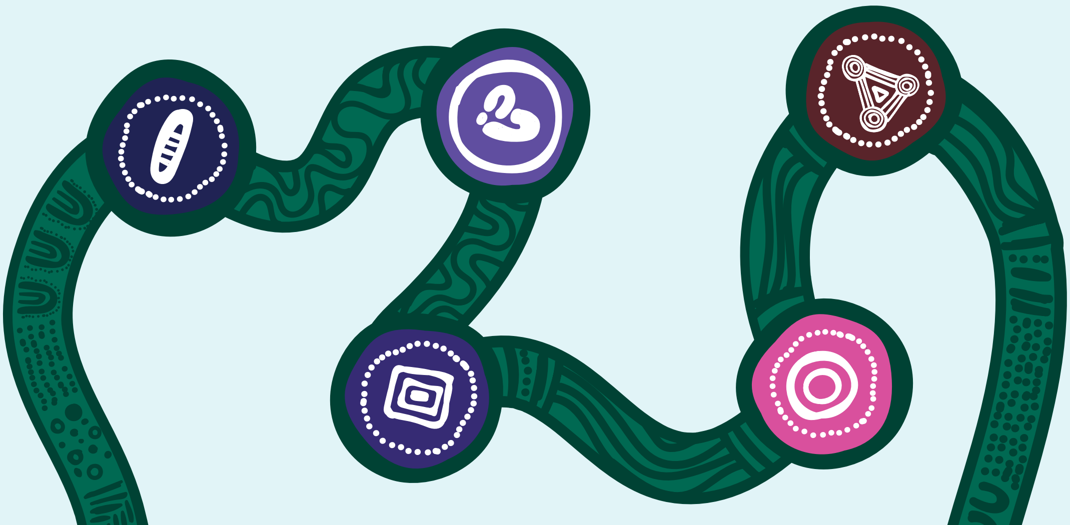
We are committed to fostering a diverse and inclusive environment for team members, children and families. Through inclusive programming in our centres, we celebrate cultural diversity and provide resources that reflect the unique heritage of all families. Our education team supported centres through a number of initiatives including aligning with the Be You initiative, a national mental health program that fosters inclusive and supportive environments for children. These initiatives reflect our ongoing commitment to inclusion, equity, and respect for diversity, creating a workplace and learning environments where everyone feels valued and supported.

- **Linda Carroll** appointed as Chief People Officer
- **2% reduction** in gender pay gap
- **>50%** female Board and Management

Employee Health, Safety and Wellbeing

We prioritise the health, safety and well being of our team members. In 2024 we reduced our Lost Time Injury Frequency Rates (LTIFR) through enhanced safety measures and continued to support our team's mental and emotional well-being via our Employee Assistance Program. Our health and safety programs were strengthened with the rollout of tailored workplace safety training programs and implementation of enhanced hazard reporting systems. We also rolled out stage-based professional development programs to help equip our team members with the skills and resilience needed to thrive in their roles. Our flexible work arrangements and child care discounts available to team members continue to contribute to improving team well-being and work-life balance.

- **3% improvement** in retention
- **>36% reduction** in LTIFR compared to pcp



Sustainability Report

OUR ENVIRONMENT

Pillar: Our Environment

G8 Education is committed to reducing its environmental footprint and fostering a sustainable future for generations to come. We demonstrate this commitment by:

- Continuing our investment in solar and green energy
- Disclosing and reporting Scope 1 and Scope 2 emission targets aligned with a 1.5 degree Paris Agreement scenario
- Taking steps to be ready to measure Scope 3 emissions in compliance with ASRS standards
- Role modelling, teaching and promoting awareness of environment in children through daily practices, resources and educational opportunities
- Engaging in recycling initiatives.

In 2024 we continued our progress on reducing emissions, transitioning to renewable energy and educating children about environmental stewardship. These initiatives align with our support of the goal of the Paris Agreement to limit global warming and our role in preparing the next generation for a sustainable future.

GHG Reduction and Climate Resilience

The G8 Education Board oversees climate-related risks and opportunities, delegating this responsibility to the Audit & Risk Management Committee. Senior leadership manages these risks and opportunities, reporting progress on sustainability targets and climate related initiatives.

Climate change presents risks and opportunities for G8 Education. Physical risks, including flooding and bushfires, disrupt centre operations, damage facilities, and increase energy demands to maintain comfortable environments in rising temperatures. Transition risks involve higher grid energy costs, evolving compliance requirements, and reputational impacts. However, climate action also presents opportunities, such as lowering operating costs, enhancing organisational resilience and attracting environmentally conscious team members, families and investors. For example, our solar rollout program not only reduces reliance on grid electricity but also decreases energy costs while reinforcing our commitment to sustainability.

Our prior investment in solar has contributed to a reduction in Scope 1 and Scope 2 emissions by >10% for our second consecutive year in 2024, surpassing our 4.2% annual reduction target aligned with the Paris Agreement's 1.5-degree Celsius scenario. In light of this, we have raised our reduction target to 6% annually and are extending our solar rollout project into 2025.

We also renewed our sustainability linked loan in 2024, with emissions reduction set as a key performance target. Linking our emissions reductions targets to our sustainability linked loan ensures robust data collection and annual assurance, improving the accountability and transparency of our climate initiatives.

>14% reduction in Scope 1 & Scope 2 Emissions

89% of fleet transitioned to **hybrid vehicles**

Signed **Sustainability Linked Loan** with emissions targets

>9.7% reduction in grid electricity consumption

6.8% of total energy use generated by solar

Environmental Education in Learning

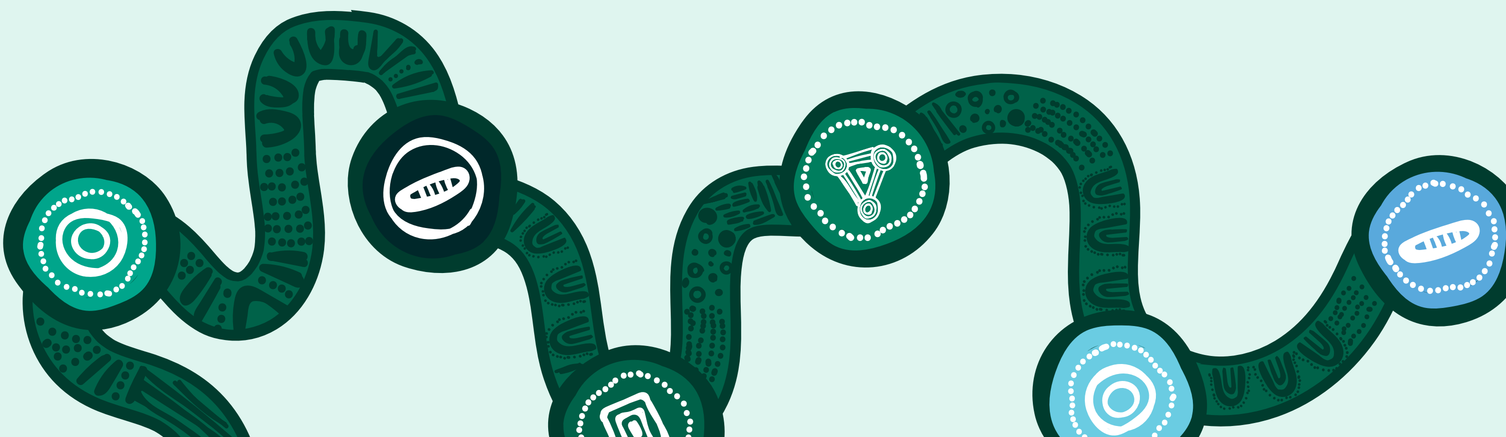
Environmental education is embedded in our centres' daily practices and resources. Through interactive programs, we aim to model lifelong environmental values, fostering awareness and stewardship. Our educators engage children in sustainability activities, such as recycling and conservation, creating a foundation for future eco-conscious behaviours.

98% centres assessed as "meeting" or "exceeding" NQS QA3[1]

Performance measure

	FY24 result	FY23	FY22	FY21
Scope 1 emissions	667,590 kg CO2-e[2]	756,899 kg CO2-e[2]	306,960 kg CO2-e[3]	351,762 kg CO2-e[3]
Scope 2 emissions	9,360,624 kg CO2-e	10,132,459 kg CO2-e	11,761,701 kg CO2-e	12,026,123 kg CO2-e
Total Scope 1 and Scope 2 emissions[4]	10,028,214 kg CO2-e	10,889,358 kg CO2-e	12,068,661 kg CO2-e	12,377,885 kg CO2-e

1. NQS Element QA3 includes 3.2.3 (the service cares for the environment and supports children to become environmentally responsible).
2. Fleet and grid (gas) emissions.
3. Fleet only emissions.
4. Does not include any bottled LPG or consumption met by on-site solar generation.



Material Risks

Child Protection

Child safety is paramount and ensuring all children in our care are protected from harm is essential. A failure to safeguard may result in child harm, reputational damage, financial liabilities and team member challenges.

Mitigating Activities

- Probity checks, mandatory "Working with Children Checks", inductions and mandatory annual training
- Protocols for visitor and contractor access
- Adherence to National Principles for Child Safe Organisations
- Comprehensive policies and procedures, readily available and translated
- Incident management and regulatory reporting
- Monthly Board reporting on child protection

Heath, safety and well-being

It is imperative that G8 Education upholds safe business practices and work environments. We prioritise both physical and psychological safety to ensure everyone returns home unharmed. Safety issues could harm our reputation and lead to injuries, regulatory action, penalties and recruitment challenges.

Mitigating Activities

- Board reporting
- Compliance checks
- Comprehensive policies and procedures
- Injury management procedures and early intervention programs are in place, overseen by Health & Safety Champions and a dedicated advisory team
- Ongoing investment in safety programs fosters a culture of safety and quality improvement across our business

Attraction, retention and capability of team

Our success hinges on our team. We need skilled, motivated team members who meet education and care needs, ensure compliance and drive growth. Inefficient structures, capability misalignment and cultural issues may negatively impact team attraction and retention and hinder strategy execution.

Mitigating Activities

- Enhanced network workforce planning for flexibility and mobility
- Dedicated in-house team for talent acquisition and retention
- Education strategy
- Study pathways program, Teach@ G8 and extensive suite of learning and development options
- Regular engagement surveys
- Investment in employee value proposition and remuneration
- Participation in multi-employer bargaining for sector recognition

Liquidity and funding management

Managing cash flow, payments, capital and funding is vital for our business sustainability and growth. Mismanagement could result in financial liability and hinder our ability to fund our strategy.

Mitigating Activities

- Monthly monitoring of Board approved budget, liquidity and financing policies
- Board approved capital management framework and Treasury Policy, managing liquidity, funding, interest rates, the use of derivatives and counterparty risk
- Bank funding facilities in place to meet forecasted liquidity and capital requirements

Strategy and competitive pressures

Underperformance may occur if we do not effectively execute our strategy. Changes in market dynamics and competitor actions could impact our market share and strategic goals, leading to diminished performance and market relevance.

Mitigating Activities

- Refreshed strategic framework with clear initiatives
- Monthly meetings and Board updates for strategic oversight
- Family attraction and retention program
- Ongoing external environment monitoring
- Development of metrics and guidelines for growth
- Portfolio optimisation for underperforming centers
- Defined education and inclusion strategy for quality and innovation

G8 Education aligns to ISO 31000:2018 Risk Management Guidelines to identify and manage its risks. The Board oversees this process, reviewing monthly reports and conducting annual reviews of enterprise risk management, including to set the risk appetite of the group to achieve its strategic goals. Management plays a key role in promoting a culture of risk awareness, fostering open communication and taking proactive measures to manage risks.

Government and policy reform

Failure to anticipate and adapt to early childhood education policy changes or government reforms could harm G8 Education's financial performance and future prospects.

Mitigating Activities

- Strong bipartisan Government support demonstrated by increased child care subsidy levels in 2024
- Engagement of external advocate to improve relationships with Federal and State Governments
- Membership in sector leading bodies

Cyber, confidential data and IP

The risk to digital security and personal information remains high in the ever-changing threat environment. Unauthorised access, disclosure or misuse could lead to reputational harm, financial losses and legal consequences.

Mitigating Activities

- Head of Cyber Security oversees information security management system, reporting to the Audit and Risk Management Committee
- Mandatory annual cyber security awareness training
- Policies and procedures for technology asset management, identity/access and cyber protection
- Continuous investment in technology infrastructure and cyber incident response

Regulatory and legislative obligations

We operate in a complex regulatory and legislative landscape. Non-compliance could lead to penalties, fines, or jeopardise our provider and/or service approvals.

Mitigating Activities

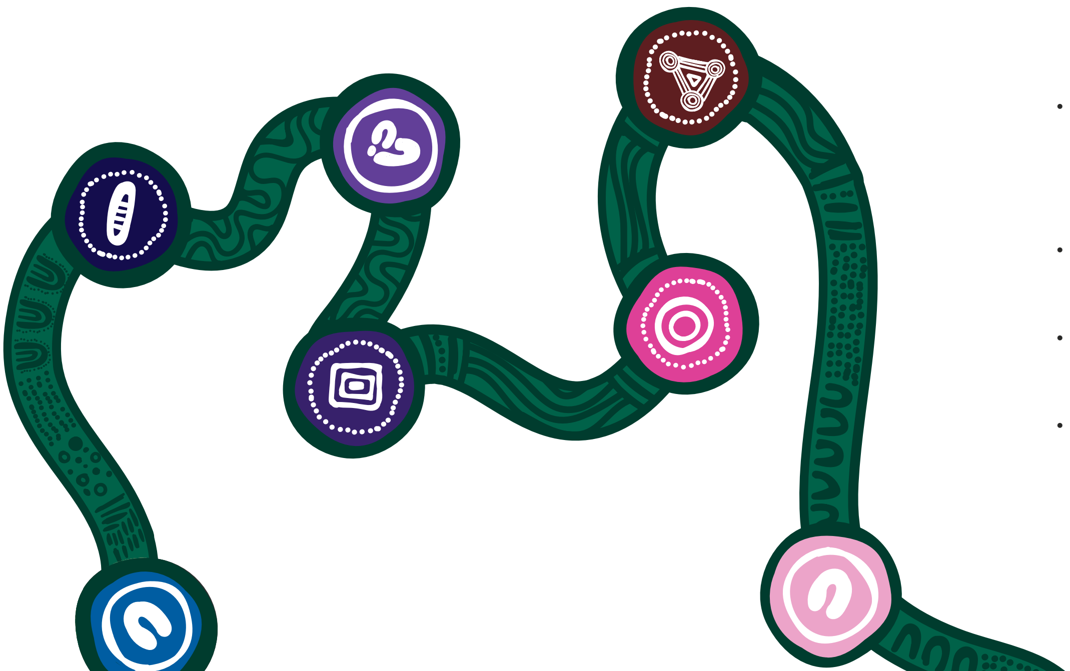
- Comprehensive suite of policies and procedures for legal and regulatory compliance
- In-house legal and subject matter experts advising on compliance, legislative and regulatory risk obligations
- Engagement of external experts
- Incident notification and escalation processes
- Internal audit function ensures governance effectiveness and legislative compliance

Business disruption, system failure and climate impact

G8 Education faces risks from disruptions such as extreme weather (floods, storms and bushfires), cyber incidents, system failures and supply chain challenges. Additionally, climate-related risks ranging from physical damage (centre service interruptions) to transitional impacts (regulatory shifts and evolving consumer expectations), may further challenge operational efficiency, damage reputation and complicate long-term strategic planning. Failure to adapt to these risks could result in extended disruptions, increased costs and challenges in achieving strategic objectives.

Mitigating Activities

- Review and testing of business continuity and disaster recovery plans
- Ongoing risk assessment and scenario planning
- An established significant incident response team
- Continuous investment in technology infrastructure to enhance system resilience
- Collaboration with suppliers to ensure continuity and address potential disruptions in the supply chain
- Mitigation of insurable risks through insurance program
- Development of business impact assessment and disaster recovery plans
- Monitoring regulatory changes and preparing for mandatory climate-related reporting



Directors' Report

The Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of G8 Education Limited and the entities it controlled at the end of, or during, the year ended 31 December 2024.

All of the following persons were Directors of G8 Education Limited during the financial year and up to the date of this report unless otherwise stated.

Debra Singh

MAICD

CHAIR SINCE 25 OCTOBER 2023

INDEPENDENT NON-EXECUTIVE DIRECTOR SINCE 29 NOVEMBER 2021

Debra Singh has over 30 years' retail experience in C-suite roles across business transformation, general management, retail operations, change management and human resources. Debra was the first woman to run a trading division at Woolworths where she spent 11 years working across supermarkets, operations and consumer electronics. In more recent years Debra was also the CEO of Fantastic Furniture and Group CEO of Greenlit Brands Household Goods. Debra is also a Non-Executive Director of the Shaver Shop, The Kids Cancer Project and Hypnos Group boards.

Special responsibilities:

- Member of Audit and Risk Management Committee
- Member of Nomination Committee
- Member of People, Culture and Education Committee

Other current listed public Company Directorships: Shaver Shop Group Limited (appointed 2 September 2020)

Former listed public Company Directorships in the last three years: Nil

Pejman Okhovat

B.Business Studies (Hons)

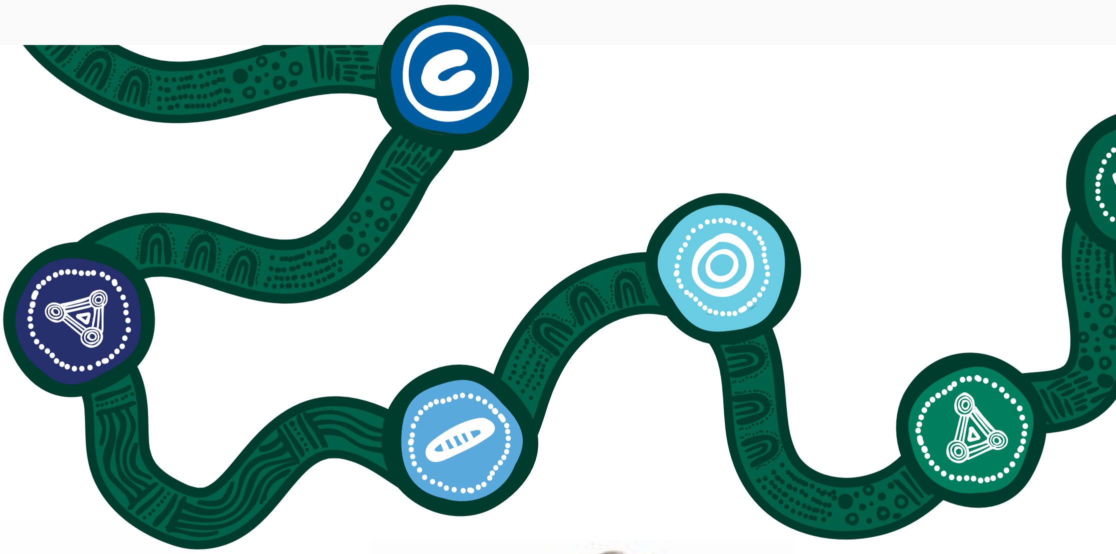
CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR SINCE 3 JANUARY 2023

Pejman Okhovat joined G8 Education as Chief Executive Officer and Managing Director in January 2023. Prior to joining the Group, Pejman held senior leadership positions across a number of well-known retail organisations in Australia and internationally, including as the Managing Director of BIG W, Chief Executive Officer of NZX-listed retailer The Warehouse and as a senior leader at UK retailers Marks and Spencer, Sainsburys and ASDA/Walmart. Pejman has experience with charitable organisations as director of Variety NZ and chair of The Warehouse Trust in New Zealand. He has extensive experience in leading large teams within geographically dispersed networks, with a strong focus on customer service, business transformation and delivering value for all stakeholders. Pejman is committed to continuing G8 Education's purpose-led approach to delivering meaningful societal impact through quality early childhood education and care delivered through a passionate and capable team of educators and support teams. He holds a BA Hons in Business Studies from Leeds Business School, with further executive education at Babson College (USA) and the AMP course at INSEAD (Singapore).

Special responsibilities: Nil

Other current listed public Company Directorships: Nil

Former listed public Company Directorships in the last three years: Nil



David Foster

B.App.Sci, MBA, GAICD, SFFin

**INDEPENDENT NON-EXECUTIVE DIRECTOR
UNTIL 7 MAY 2024**

David Foster has had a successful career in financial services spanning over 25 years, with his last executive role being Chief Executive Officer of Suncorp Bank, Australia's 5th largest bank. Since leaving Suncorp, David has further developed his career as an experienced Non-Executive Director with a portfolio of board roles across a diverse range of industries including financial services, retailing, local government, education and professional services. David currently serves as Director, and holds the position of Chair, for Youi Insurance Pty Ltd.

Special responsibilities:

- Member of Audit and Risk Management Committee
- Member of the Nomination Committee
- Member of the People, Culture and Education Committee

Other current listed public Company Directorships: Nil

Former listed public Company Directorships in the last three years:
Genworth Mortgage Insurance Australia Limited (retired 31 March 2022), MotorCycle Holdings Limited (retired 23 December 2022), Bendigo and Adelaide Bank Limited (retired 23 September 2024) and Star Entertainment Group Limited (retired 21 June 2024)

Peter Trimble

B.Com, FCPA, GAICD

**INDEPENDENT NON-EXECUTIVE DIRECTOR
SINCE 13 MAY 2020**

Peter Trimble is an experienced senior management and finance executive of publicly listed companies having held roles at CSR Limited, Rinker Limited, ABC Learning Limited and Sugar Terminals Limited. These roles have crossed a diverse range of industries comprising education, construction materials, manufacturing, infrastructure and agriculture and includes 12 years of experience in the USA. He is also an experienced Non-Executive Director. Peter has an extensive background in child care operations, having joined ABC Learning in 2008 (now Goodstart Early Learning) as Chief Financial Officer immediately prior to the group going into administration and being a critical part of the team that managed, restructured and prepared the child care business for sale. Peter also has a background in governance, risk management, strategy and planning, merger and acquisitions and business restructuring and improvement.

Special responsibilities:

- Chair of Audit and Risk Management Committee
- Member of Nomination Committee

Other current listed public Company Directorships:
Sugar Terminals Limited (appointed 18 December 2024)

Former listed public Company Directorships in the last three years: Nil

Directors' Report

Professor Julie Cogin

PhD, M. Law (Distinction), M. Ed / HRM, Grad. Dip. Cyber Security, B. Bus, FAICD

**INDEPENDENT NON-EXECUTIVE DIRECTOR
SINCE 1 SEPTEMBER 2017**

Professor Julie Cogin has worked in the Australian education sector for more than 30 years. In addition to her Non-Executive Director responsibilities, Professor Cogin is the Provost at Australian Catholic University (ACU), ranked in the global top 2% of all universities. In this role, she is responsible for education and research outcomes, the student experience, financial performance and global operations. As the Chief Academic Officer of the university, Professor Cogin holds accountability for the quality and integrity of all academic work. Prior to ACU, she was Deputy Vice Chancellor and Vice President at RMIT University, Australia's largest multisector university and accountable for financial, people, legal and student experience outcomes in Australia, Vietnam, Singapore and China. Over the last two decades, Professor Cogin has held a number of senior academic leadership positions, including Dean and Head of UQ Business School at the University of Queensland and Director of the Australian Graduate School of Management, University of New South Wales. She has also Chaired the Board of two education entities which were subsidiaries of universities. Professor Cogin has made numerous leadership contributions while achieving substantial research and education outcomes. She is a recognised thought leader in strategy implementation, high performing workplaces, corporate culture and executive remuneration, having authored books and world leading academic articles. Professor Cogin has received prestigious education awards at university, national and international levels and delivered education or consulting engagements for many leading companies throughout Australia, Asia and the USA. Professor Cogin has been engaged as an expert witness in a number of tribunals and courts of Australia. In 2016, she was named as one of Australia's Women of Influence for her work to address gender imbalance in leadership. Professor Cogin is a member of Chief Executive Women (CEW).

Special responsibilities:

- Chair of the People, Culture and Education Committee
- Chair Education Advisory Committee
- Member of the Nomination Committee

Other current listed public Company Directorships: Nil

Former listed public Company Directorships in the last three years: Nil

Margaret Zabel

MBA, BMath, GAICD

**INDEPENDENT NON-EXECUTIVE DIRECTOR
SINCE 1 SEPTEMBER 2017**

Margaret Zabel is a specialist in customer centred business transformation, brand strategy, innovation, digital communications, customer experience and change leadership. She has 20 years' senior executive experience working across major companies and brands in FMCG, food, technology and communications industries including multinationals, ASX 100 and not-for profits. Her previous roles include National Marketing Director for Lion, VP Marketing for McDonald's Australia and CEO and Board Director of The Advertising Council of Australia. Margaret has also served as a Non-Executive Board Director for the mental health charity R U OK? and is currently a Non-Executive Director on the Boards of Select Harvests, The Reject Shop, Collective Wellness Group and Australian Vintage.

Special responsibilities:

- Chair of Nomination Committee
- Member of People, Culture and Education Committee

Other current listed public Company Directorships: The Reject Shop (appointed 4 June 2021), Select Harvests (appointed 1 Oct 2022) and Australian Vintage (appointed 23 July 2024)

Former listed public Company Directorships in the last three years: Nil

Toni[1] Thornton

B.A PolSCi Ec, GradCert AppFin, LLM EG

INDEPENDENT NON-EXECUTIVE DIRECTOR
SINCE 29 NOVEMBER 2021

Toni Thornton has worked in corporate finance agencies for more than 15 years. She brings a strategic commercial focus to the G8 Education Board, having previously held senior positions with JBWere, Goldman Sachs and NAB. Toni has more than 15 years' experience in audit at board level and holds a Master of Law in Enterprise Governance through Bond University. Current directorships include Star Entertainment Group Limited, as well as being a Founding Director of the private child care enterprise Habitat Early Learning. Toni was previously a Board Member of CS Energy, South Bank Corporation, boutique developer Devcorp and the Gallipoli Medical Research Foundation. During her time with a leading global investment bank, Toni gained significant strategic advisory experience with prominent Queensland listed companies, large private companies and Profit-for-Purpose groups including a number of Queensland's major hospital groups.

Special responsibilities:

- Member of the Audit and Risk Management Committee
- Member of the Nomination Committee

Other current listed public Company Directorships:
Star Entertainment Group Limited (appointed 17 October 2023)

Former listed public Company Directorships
in the last three years: Nil

1. Full name Antonia Thornton.

Stephen Heath

Graduate Diploma in Management (GAIM)

INDEPENDENT NON-EXECUTIVE DIRECTOR
SINCE 3 JUNE 2024

Stephen Heath is a highly accomplished Chair and Non-Executive Director with extensive experience leading and growing prominent consumer brands across Australia, New Zealand and Asia. His 15-year executive career includes CEO and Managing Director roles at major companies such as Rebel Sport, Godfrey's & Hoover and Fantastic Holdings, where he demonstrated expertise in retail operations, strategic management and driving shareholder value. Mr. Heath currently serves as Chair of Temple & Webster Group Limited and is a Director for Sapphire Group Pty Ltd, Sapphire Group Holdings Pty Ltd and Sapphire Retail Pty Ltd. Mr. Heath as also held board positions at Best & Less Holdings Limited, Total Tools Pty Ltd and Redhill Education Ltd. His board experience spans diverse sectors, including e-commerce, retail, education and early childhood learning, showcasing his adaptability and strategic acumen. Mr. Heath possesses deep expertise in complex business models, including multi-country operations and vertically integrated supply chains. He is adept at navigating various strategic scenarios, from IPOs and takeovers to capital raises and business turnarounds. His early career in software engineering provides a unique technology perspective, particularly relevant in his current focus on AI integration at Temple & Webster.

Special responsibilities:

- Member of the Nomination Committee
- Member of the People, Culture and Education Committee

Other current listed public Company Directorships:
Temple & Webster Group Limited (appointed 1 May 2016)

Former listed public Company Directorships
in the last three years:
Best & Less Holdings retired (30 September 2023) and
Redhill Education Ltd retired (31 October 2021)

Directors’ Report

Key Operational Information

406	33,846	10,109	7,099
Consolidated Group number of owned centres at year end	Licence capacity of owned centres at year end	Total number of employees at year end	Total number of full time equivalent employees at year end

Principal Activities

The principal continuing activity of the Group during the year was the operation of early childhood education and care centres owned by the Group.

Review of Operations

Information on the operations and financial position of the Group and its business strategies and prospects are set out on pages 2-32 inclusive of this Annual Report.

Company Secretary

Following the departure of Tracey Wood, Josie King joined G8 Education in September 2024 in the role of Chief Legal, Quality and Risk Officer and Company Secretary. Josie has more than 25 years’ experience in executive leadership, general counsel, company secretarial, corporate governance, risk management and compliance roles across a variety of sectors including financial services, resources, transport and retail. Josie’s experience includes mergers and acquisitions, corporate governance, regulatory compliance, enterprise risk management and insurance. Josie holds a Bachelor of Commerce, a Bachelor of Laws (Hons I) and a Graduate Diploma in Applied Corporate Governance. Josie is a Fellow of the Chartered Governance Institute and the Governance Institute of Australia and is a Graduate of the Australian Institute of Company Directors (Order of Merit). Josie is responsible for the Legal, Quality, Risk Management, Insurance and Company Secretarial functions of the Group.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group during the year ended 31 December 2024.

Matters subsequent to the end of the financial year

The following matters have taken place subsequent to year end:

- Effective 17 January 2025, Sharyn Williams resigned as Chief Financial Officer
- Effective 20 January 2025, Steven Becker was appointed Chief Financial Officer
- Subsequent to 31 December 2024, the Group completed the sale of two centres
- Between 13 January 2025 and 24 February 2025, the Group repurchased 6,230,321 shares on-market relating to the share buy-back program for a total consideration of $8.4 million
- On 25 February 2025 the Board declared a fully franked final dividend of 3.5 cents to be paid on 3 April 2025.

Likely developments and expected results of operations

The Group will continue to pursue its objectives of increasing the profitability and market share of its early childhood education and care business during 2025 financial year. This will be achieved through organic growth, including a disciplined capital allocation framework, continued focus on optimisation of the existing network and implementation of prudent cost management principles.

Rounding amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors’ reports) Instrument 2016/191, relating to the “rounding off” of amounts in the financial reports. In certain instances amounts in the financial statements have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, the nearest tenth of a million dollars.

Directors' Report

Dividends

Dividends declared or paid during the financial year were as follows:

	2024 $'000
Final dividend for the financial year ended 31 December 2023 of 3.0 cents per share paid on 4 April 2024	24,285
Dividend for the half year ended 30 June 2024 of 2.0 cents per share paid on 30 September 2024	16,190
Total	**40,475**

Meeting of Directors

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

	Full meetings of Directors		Audit and Risk Management Committee		Nomination Committee		People, Culture & Education Committee	
	A	B	A	B	A	B	A	B
D Singh	10	10	5	5	3	3	5	5
P Okhovat	10	10	5	5	3	3	5	5
J Cogin	10	10	4	5	3	3	5	5
D Foster	2	4	1	2	1	1	2	2
T Thornton	10	10	4	5	3	3	5	5
P Trimble	10	10	5	5	3	3	5	5
M Zabel	9	10	5	5	3	3	5	5
S Heath	5	5	3	3	2	2	2	2

A = Number of meetings attended by member

B = Number of meetings held during the time the Director held office or was a member of the Committee during the year

While the above table records Committee member attendance, Directors are invited to all Committee meetings.

Environmental and social risk and regulations

The Group is subject to and complies with environmental regulations under state legislation in the management of its operations. The Group does not engage in activities that have potential for material environmental harm. No environmental incidents have been recorded.

Whilst the Directors are not aware of any current environmental issues which have had, or are likely to have, a material impact on the Group's business, the long term effects of climate change have the potential to impact the Group's operations and business. The Group's approach with respect to climate governance, strategy and risk management is set out on pages 14 to 23.

Other risks that could have a material impact on the Company are set out on pages 24 and 25.

Insurance of Officers and Auditors

During the year, the Group paid a premium to insure the Directors and Officers (Managers) of the Company and its controlled entities. Under the terms of the policy the amount of the premium and the nature of the liability cannot be disclosed. The liabilities insured include legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Managers in their capacity as Managers of entities in the Group alleging a wrongful act, and other payments arising from liabilities incurred by the Managers in connection with such proceedings. This does not include such liabilities that arise from conduct involving wilful breach of duty of the Managers or the improper use by the Managers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group. It is not possible to apportion the premium between the amounts relating to the insurance against legal costs and those relating to other liabilities. No insurance premiums or indemnities have been paid for or agreed by the Group for the current or former auditors.

Directors' Report

Indemnification of Auditors

To the extent permitted by law, the Group has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year. Ernst & Young provide an annual declaration of their independence to the Audit and Risk Management Committee in accordance with the requirements of the *Corporations Act 2001* (Cth).

Performance rights

Unissued ordinary shares of G8 Education Limited under the G8 Education Employee Incentive Plan (GEIP) at the date of this report are set out in the table below.

Grant date	Vesting date	Value of performance right at grant date ($)	Number of performance rights	Expiry date
19 May 2022	1 March 2025	1.01	431,108	31 May 2025
20 February 2023	1 March 2025	0.67	633,870	31 May 2025
20 February 2023	1 March 2025	1.22	633,870	31 May 2025
13 June 2023	1 March 2026	0.46	448,670	31 May 2026
13 June 2023	1 March 2026	0.92	448,669	31 May 2026
13 November 2023	1 March 2026	0.49	46,453	31 May 2026
13 November 2023	1 March 2026	0.93	46,452	31 May 2026
7 May 2024	1 March 2027	0.50	377,674	31 May 2027
7 May 2024	1 March 2027	1.13	377,673	31 May 2027
29 May 2024	1 March 2027	0.44	221,427	31 May 2027
29 May 2024	1 March 2027	1.08	221,427	31 May 2027
Total			**3,887,293**	

Non-IFRS financial information

The 2024 Annual Report contains certain non-IFRS financial measures of historical financial performance, balance sheet or cash flows that are used by management and the Directors as the primary measures of assessing the financial performance of the Group. Non-IFRS financial measures are financial measures other than those defined or specified under all relevant accounting standards and may not be directly comparable with other companies' measures but are common practice in the industry in which G8 Education operates. Non-IFRS financial information should be considered in addition to, and is not intended to be a substitute for, or more important than, IFRS measures.

The presentation of non-IFRS measures is in line with Regulatory Guide 230 issued by Australian Security and Investments Commission (ASIC) in December 2011 to promote full and clear disclosure for investors and other users of financial information and minimise the possibility of being misled by such information. Non-IFRS measures are not subject to audit or review.

Operating Net Profit After Tax (NPAT) is considered a non-IFRS measure. 2024 Operating NPAT is calculated as the reported NPAT and adding back post-tax non-trading net expense items totalling $4.7 million. Operating Net Profit Before Tax (NPBT) is considered a non IFRS measure. 2024 Operating NPBT is calculated as the reported NPBT and adding back pre-tax non-trading net expense items totalling $6.7 million. Non-trading items are not included in Operating NPAT or NPBT due to their non-operational nature. Non-trading items include net impairment expense, loss on sale of centres and disposal of assets / centres, software development expenses (during the development phase only) offset in part by gain on surrender / termination of leases. Refer to note 7 of the Financial Report section of this Annual Report for a breakdown of the non-trading items. The Board exercises its discretion in determining whether non-trading items or other significant items are adjusted for when determining remuneration outcomes.

Operating Earnings Per Share (EPS) is considered a non-IFRS measure. 2024 Operating EPS is calculated by dividing 2024 Operating NPAT by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Directors' Report

Remuneration Report (Audited)

Professor Julie Cogin
Chair, People, Culture
& Education Committee

Scope

This Remuneration Report sets out, in accordance with the relevant *Corporations Act 2001* (Cth) and accounting standard requirements, the remuneration arrangements in place for Key Management Personnel (KMP) during 2024.

Contents

1. Introduction from the People, Culture and Education Committee Chair

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

The purpose of this Report is to set out, in a clear and transparent way, our approach to remunerating Executive KMP, the elements of our Strategic Remuneration Framework and remuneration of our Non-Executive Directors.

The Board believes that the Strategic Remuneration Framework is appropriate for our business and seeks to balance remuneration outcomes which reward and motivate Executive KMP with overall business performance and delivering value to our shareholders.

2024 Reward Outcomes

Fixed Remuneration

As part of our Strategic Remuneration Framework, fixed remuneration is externally benchmarked to ensure market competitiveness. After reviewing the Executive KMP remuneration arrangements compared to the market, the Board approved an adjustment to the remuneration of the Chief Executive Officer and Managing Director, effective 1 October 2024, and Chief Operating Officer, effective 1 July 2024. There was no increase in the fixed remuneration for the Chief Financial Officer.

2024 Short-Term Incentive Plan (STIP)

The STI Balanced Scorecard outcome for 2024 was 80.17% of Target. Operating Net Profit Before Tax (NPBT) was set as a gate for any payment under the 2024 STIP. As the Operating NPBT gate (set at 90% of budget) was achieved, Executive KMP were eligible to receive STI awards. Operating NPBT performance was slightly above target and all but one of the non-financial Key Performance Indicator (KPI) targets achieved near miss or above target.

Long term Incentive Plan (LTIP)

As disclosed in the 2023 Remuneration Report, the Earnings Per Share (EPS) growth performance conditions under the 2021 LTIP (vesting on 1 March 2024) was not met in full. Consequently, all rights granted under the 2021 LTIP lapsed for Executive KMP.

Regarding the 2022 LTIP (due to vest on 1 March 2025), the EPS growth performance conditions were met and accordingly all rights under the plan will vest for Executive KMP.

In the Board's view, the vesting and quantum of awards under these incentive plans appropriately reflects the achievements and performance of G8 Education over the respective performance periods.

Directors' Report

Remuneration Report (Audited)

Board Remuneration and Gender Balance

At the 2024 AGM, the Board sought an increase to the aggregate Non-Executive Director fee pool, although the fees paid to directors did not change for the 2024 year. Our Board composition continues to reflect a healthy gender balance, including the appointment of a female chair, resulting in 67% of our independent Non-Executive Directors being female.

2024 Key Achievements

We have continued to invest in succession planning and talent management initiatives (attraction, engagement and retention), with our sector leading Study Pathways Program resulting in over 2300 team members engaged and completing Certificate III, Diploma and Bachelor programs since the program inception in 2019. During 2024, our Quarterly Listening Program was launched with a 78% Engagement Score recorded in our most recent survey. This result exceeds Australian and Sector benchmarks.

We have observed a positive and sustained trend in team retention, particularly in critical front-line leadership roles. Retention rates for Centre Managers and Early Childhood Teachers have significantly improved year-on-year. Improved team stability has also had a positive impact on our vacancy rates, with a reduction of over 40% in front-line Educator, Centre Manager, and Early Childhood Teacher positions. Additionally, we have been able to attract and hire new team members 26% faster than the prior year, contributing to enhanced stability for families and reducing our reliance on external labour hire support.

In 2024 G8 Education was involved in collective bargaining resulting in our nation's first Multi-Employer Agreement (MEA). This outcome recognises the value and significant contributions of our educators working in our centres and whilst early days, the first uplift in wages is already having a positive impact on employee engagement and retention. The MEA delivers Federal Government funded 15% award rate pay increase for early childhood education and care workers over a two-year period (10% on top of the current national award rate in the first year and an additional 5% above the current national award rate in the second year).

Looking Forward

The Strategic Remuneration Framework which commenced in 2023 has a lifespan of three years and will be reviewed by the Board in 2025 to assess its ongoing effectiveness in supporting the achievement of G8 Education's business strategy. We will look to implement any changes in response to the review in 2026.

The Board has confidence in the integrity of our People Strategy and Strategic Remuneration Framework and believes the balance between market competitiveness and performance against agreed KPIs in a challenging economic environment has been achieved.

The Board hopes you find this Report informative and thanks you for your ongoing support.

Professor Julie Cogin
Chair, People, Culture & Education Committee
25 February 2025

Directors' Report

Remuneration Report (Audited)

2. Who is covered by the Report

Key Management Personnel

KMP have authority and responsibility for planning, directing and controlling the activities of G8 Education, directly or indirectly, including any directors (whether executive or otherwise) of G8 Education, and comprise the Non-Executive Directors and Executive KMP (being the executive directors and other senior executives named in this report). Details of the KMP during the year are set out in the table below:

Executive Directors	Title/Committees	Change in 2024
Pejman Okhovat	**CEO and Managing Director**	**No Change**
Other Executive KMP		
Sharyn Williams[1]	**Chief Financial Officer**	**No Change**
Shane Dann	**Chief Operating Officer**	**No Change**
Non-Executive Directors		
Debra Singh	**Chair**	**No Change**
	Member, Audit & Risk Management	No Change
	Member, People, Culture & Education	No Change
	Member, Nomination	No Change
Julie Cogin	**Director**	**No Change**
	Chair, People, Culture & Education	No Change
	Member, Nomination	No Change
Peter Trimble	**Director**	**No Change**
	Chair, Audit & Risk Management	No Change
	Member, Nomination	No Change
Toni Thornton	**Director**	**No Change**
	Member, People, Culture & Education	No Change
	Member, Nomination	No Change
Margaret Zabel	**Director**	**No Change**
	Chair, Nomination	No Change
	Member, People, Culture & Education	No Change
Stephen Heath	**Director**	**From 3 June 2024**
	Member, People, Culture & Education	From 2 August 2024
	Member, Nomination	From 2 August 2024
David Foster	**Director**	**Until 7 May 2024**
	Member, Audit & Risk Management	Until 7 May 2024
	Member, People, Culture & Education	Until 7 May 2024
	Member, Nomination	Until 7 May 2024

1. S Williams resigned as Chief Financial Officer effective 17 January 2025. Effective 20 January 2025, S Becker was appointed Chief Financial Officer.

Directors' Report

Remuneration Report (Audited)

3. Remuneration Governance

This section of the Remuneration Report describes the role of the Board and the PCEC and the use of remuneration consultants when making remuneration decisions affecting Executive KMP.

Role of the Board and the People, Culture and Education Committee

The Board is responsible for G8 Education's remuneration strategy and policies. Consistent with this responsibility, the Board has established the PCEC which is comprised solely of independent Non-Executive Directors (NEDs).

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

- ensure that appropriate procedures exist to assess the remuneration levels of the Chair, NEDs, Executive Directors, direct reports to the CEO, Board Committees and the Board as a whole;
- ensure that G8 Education meets diversity requirements as determined by the Australian Securities Exchange (ASX) or other relevant guidelines;
- ensure that G8 Education adopts, monitors and applies appropriate remuneration policies and procedures;
- ensure that reporting disclosures related to remuneration meet the Board's disclosure objectives and all relevant legal requirements;
- develop, maintain and monitor appropriate talent management programs including succession planning, recruitment, development, retention and termination policies and procedures for executives;
- develop, maintain and monitor appropriate superannuation arrangements for G8 Education; and
- oversee the establishment and operation of an Education Advisory Board.

The PCEC's role and interaction with the Board and internal and external advisors are further illustrated below:

The Board

Reviews, applies judgment and, as appropriate, approves the PCEC's recommendations

The People, Culture & Education Committee

The PCEC operates under the delegated authority of the Board.
The PCEC is empowered to source any internal resources and obtain external independent professional advice it considers necessary to enable it to make recommendations to the Board on the following matters:

- Remuneration policy, composition and quantum of remuneration components for Executive KMP, and performance targets
- Remuneration policy in respect of NEDs
- Talent management policies and practices including superannuation arrangements
- Design features of employee and executive STI and LTI plan awards, including setting of performance and other vesting conditions

External consultants | **Internal resources**

Further information on the PCEC's role, responsibilities and membership is contained in the PCEC Charter, at g8education.edu.au/investor-information/corporate-governance.

Directors' Report

Remuneration Report (Audited)

3. Remuneration Governance *Continued*

Use of Remuneration Consultants

All proposed remuneration consultancy contracts (within the meaning of section 206K of the *Corporations Act 2001* (Cth)) are subject to prior approval by the Board or the PCEC in accordance with the *Corporations Act 2001* (Cth).

The Board directly engages external advisors to provide input to the process of reviewing Executive KMP and NED remuneration. During 2024, Crichton & Associates[1], were engaged by the Chair of the PCEC to externally benchmark Executive KMP roles. AON Advisory were engaged by the Chair of the PCEC to externally benchmark Director Fees. The Board was satisfied that the remuneration recommendations provided to the Board were made free from undue influence from any member of the Executive KMP. That view was formed due to the above arrangements being in place, the professional nature of the remuneration consultants' businesses and reputation and the absence of any reason to suggest otherwise.

4. Executive KMP Remuneration Framework

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

Executive KMP remuneration has been designed to support and reinforce G8 Education's Strategy, Purpose and Values. The at-risk components of Executive KMP remuneration are therefore closely linked to the successful execution of the organisation's strategy.

To support the building of a high-performance culture and in line with the Board and Executive Remuneration Policy, the Short-Term Incentive Plan (STIP) includes threshold, near miss, target and stretch components, to support a focus on driving incremental improvements in performance and includes linear vesting between target and stretch.

To continue the alignment of Executive KMP remuneration with shareholder interests, the Long term Incentive Plan (LTIP) consists of two performance measures: growth in Total Shareholder Return (TSR) and Earnings Per Share (EPS). This positions G8 Education's remuneration framework more closely in line with general market practice.

Our Purpose

CREATING THE FOUNDATIONS FOR LEARNING FOR LIFE

Our Values

DEDICATION	COMPASSION	PASSION	INTEGRITY	INNOVATION

Our Remuneration Framework is designed to support G8 Education's Strategic Focus Areas

Our Strategic Focus Areas

TEAM	SAFTEY & COMPLIANCE	EDUCATION & QUALITY	FAMILY & BRANDING	OPERATING MODEL	FINANCIAL SUSTAINABILITY

1. Fee paid to Crichton & Associates was $19,336.63.

Directors' Report

Remuneration Report (Audited)

4. Executive KMP Remuneration Framework *Continued*

Remuneration Principles

The four principles that underpin the remuneration framework for Executive KMP are:

Attract, motivate and retain executive talent across diverse geographic locations	The creation of reward differentiation to drive performance values and behaviours	An appropriate balance of 'fixed' and 'variable' components	Alignment of Executive and Shareholder interests through equity components

These principles are the same as those that apply to other employees, however Executive KMP arrangements have a greater emphasis on, and a higher proportion of remuneration that is at-risk as performance related variable pay.

FY24 Remuneration Framework

		Variable Remuneration	
	Fixed Remuneration	**Short Term Incentive (STI)**	**Long Term Incentive (LTI)**
Purpose	Total Fixed Remuneration (TFR) is set based on relevant market relativities, reflecting responsibilities, performance, qualifications, experience and geographical location	Short Term Incentive encourages and focuses Executives' efforts for the financial year to deliver against our Strategic Focus Areas	Long Term Incentive is intended to reward Executives for long term growth aligned with shareholders' interests
Component	Base Salary, Allowances, Superannuation (up to Statutory Maximum) and any salary sacrifice arrangements	Part cash and/or part equity (via performance rights and the Board's discretion). Any deferred component will be subject to service and deferred for one year	Equity in Performance Rights. All equity is held subject to service and performance for three years from the date of grant. Performance is tested once at the date of vesting
Approach and link to performance	Executive KMP is reviewed annually taking into consideration the Executive's performance and expertise	Consisting of a Balanced Scorecard aligned to our Strategic Focus Areas with performance payout at Threshold, Near Miss, Target and Stretch, with the largest weighting towards financial sustainability	LTI Targets are linked to the growth in G8 Education's Earnings per Share (EPS) and Total Shareholder Return (TSR)

Directors' Report

Remuneration Report (Audited)

4. Executive KMP Remuneration Framework *Continued*

Remuneration Mix

The diagram below illustrates the scenarios for the potential total remuneration of the CEO and Executive KMP at different levels of performance.

G8 Education endeavours to provide an appropriate and competitive mix of fixed and variable remuneration components paid in cash and equity.

The target remuneration mix represents the intended variable remuneration opportunities for Executive KMP assuming all relevant performance requirements are fully satisfied. The remuneration mix is intended to support a high-performance culture at the Executive KMP level, with at least half of TFR tied to variable remuneration components. The CEO target remuneration mix places more weighting on LTI to align more closely with sustainable financial performance and shareholder interests and returns.

1. At the discretion of the Board, subject to continued employment, half of the component of any STIP award which exceeds $100,000 may be deferred for one year and may be satisfied in either performance rights or cash.

Directors' Report

Remuneration Report (Audited)

4. Executive KMP Remuneration Framework *Continued*

How Total Target Remuneration is delivered

Executive KMP remuneration is delivered over several years, with a material portion of total remuneration deferred and awarded as equity. This remuneration mix is designed to ensure Executive KMP are focused on delivering results over the short, medium and long term if they are to maximise their remuneration opportunity. The Board believes this approach aligns Executive KMP remuneration to shareholder interests and expectations.

The three complementary components of Executive KMP remuneration are 'earned' over multiple time horizons. This is illustrated in the following chart:

		FY23	FY24	FY25	FY26	FY27
FY23	TFR	TFR				
	STI	Cash	— [2]			
	Deferred STI[1]	Cash or Rights	Deferral Period	— [2]		
	LTI	Performance Rights			— [2]	
FY24	TFR		TFR			
	STI		Cash	— [2]		
	Deferred STI[1]		Cash or Rights	Deferral Period	— [2]	
	LTI		Performance Rights			— [2]

1. Triggers if total STI award is above threshold value. Delivery via cash or rights at Board's discretion
2. Date of payment or vesting of incentive awards

Total Fixed Remuneration (TFR)

Total Fixed Remuneration (TFR) includes all remuneration and benefits paid to Executive KMP calculated on a total employment cost basis. In addition to base salary, superannuation, allowances and any salary sacrificed components are included.

G8 Education's approach continues to position Executive KMP at or around the market median (allowing for a range of 15% either side of the determined market median level). This target positioning is validated by reference to remuneration surveys and independent benchmark assessments undertaken on a biennial basis, or more regularly as required. Where a market reference peer / comparator group is used, careful consideration is given to relevant ASX-listed organisations selected for inclusion, based on factors such as Market Capitalisation, sector, size and complexity.

TFR adjustments, if any, are made with reference to individual performance, an increase in job role or responsibility, changing market circumstances as reflected through independent benchmark assessments or through promotion.

Any adjustments to Executive KMP remuneration are approved by the Board, based on PCEC and CEO recommendations (where appropriate).

Directors' Report

Remuneration Report (Audited)

4. Executive KMP Remuneration Framework *Continued*

Variable Remuneration

The key aspects of the STI and LTI Plans are summarised below:

Short-Term Incentives (STI)

Purpose	The STI Plan at G8 Education is designed to reward executives for the achievement of annual performance targets set by the Board at the beginning of the performance period. The STI Plan is reviewed annually by the PCEC and approved by the Board. All STI awards to Executive KMP are approved by the PCEC and Board.
Performance Targets	The key performance objectives under the STI Plan are tied to achievement of Board approved group objectives and performance targets relevant to the specific executive. Operating Net Profit Before Tax (NPBT) has been set as a gate for any award under the STI Plan. This means that there is no STI award payable unless a threshold level of Operating NPBT (as approved by the Board) has been met. As a key indicator of G8 Education's performance, Operating NPBT is also a primary measure under the STI Plan, comprising at least 50% of the overall STI opportunity available to Executive KMP. In 2024 there were four non-financial KPIs including Occupancy, Net Promotor Score, Team Retention and Quality. These KPIs were set based on annual targets linked to G8 Education's strategic priorities. 2024 Scorecard outcomes are further subject to adjustment at the Board's discretion based on holistic performance, across areas including but not limited to safety and occupancy outcomes. Details of the 2024 Scorecard are set out in Section 5 below. To support the building of a high-performance culture and in line with the Board and Executive Remuneration Policy, the Short-Term Incentive Plan (STIP) includes threshold, near miss, target and stretch components, to support a focus on driving incremental improvements in performance and includes linear vesting between target and stretch. The Board approves the gate, performance measures and hurdles, and retains absolute discretion in determining the achievement thereof for Executive KMP.
Performance Period	The STI Plan measures performance over a time horizon of one year, commencing 1 January and ending 31 December. For the 2024 year, the relevant Performance Period is 1 January 2024 to 31 December 2024. Any awards under the Plan are made at the completion of the Performance Period and following the announcement of full-year results.
Delivery	Generally, any award under the STI Plan will be made in cash. However, the Board may defer 50% of any component of an STI award above $100,000, to be delivered in cash or performance rights, at its discretion. Any deferred portion will be determined at the end of the Performance Period and deferred for a period of one year. There are no further performance measures attached to any deferred portion of STI other than continued tenure for the deferral period or subject to Board discretion. This mechanism achieves additional retention of Executive KMP and aligns their interests with those of shareholders. Should the Board apply discretion to award deferred STI in performance rights, the equity allocation will be calculated using G8 Education's five-day volume weighted average price (VWAP) following the announcement of year end results.

Directors' Report

Remuneration Report (Audited)

4. Executive KMP Remuneration Framework *Continued*

Long Term Incentives (LTI)

Purpose	The LTI Plan at G8 Education is designed to align a significant portion of executives' overall remuneration to the delivery of sustainable shareholder value and provide retention stimulus over the long term.
Delivery	LTI is awarded in equity and provided under the G8 Education Executive Incentive Plan (GEIP). The GEIP underwent formal review in 2022 and was approved by Shareholders at the 2023 Annual General Meeting, with an intended operating cycle of three years. Under the GEIP, selected senior executives (based on their ability to influence and execute strategy) are offered performance rights (one right being a nil exercise price right to one fully paid ordinary share in G8 Education Limited), subject to satisfying the relevant Vesting Conditions. The number of rights granted under the 2024 LTI grant is determined by dividing the executive's LTI target opportunity by the notional value of a Performance Right. The notional value of a Performance Right is calculated using the 5-day Volume Weighted Average Price (VWAP) of one G8 Education Limited share up to and including 5 March 2024.
Performance Period	The LTI Plan measures performance over a time horizon of three years. For the 2024 LTI grant, the Performance Period is 1 January 2024 to 31 December 2026. Any awards under the Plan are made at Vesting Date (following the announcement of full-year results). LTI is tested against pre-determined performance hurdles at the end of the Performance Period. If the performance hurdles are not met at time of testing, performance rights lapse. There is no holding lock or retesting of awards under the LTI.
Vesting Conditions	Vesting of the 2024 LTI grant is subject to the Vesting Conditions being met. These comprise a service condition and two performance hurdles. The service condition is continuous employment with G8 Education Limited from the date performance rights are granted until the Vesting Date. Compound Annual Growth Rate (CAGR) of Reported (audited) Earnings Per Share (EPS) is used as a measure to align Executive outcomes as a sound indicator of performance over the medium to long term and is a key indicator of the value of a company's stock. CAGR of EPS is measured over the Performance Period and is subject to adjustment for significant items as determined by the Board in its discretion. The percentage of performance rights that vest for each % of CAGR of EPS is set out in the following table:

CAGR of EPS over the three financial year ending 31 December 2026	% of Performance Rights that vest
< 10%	0%
10% – 15%	25% to 50% (pro-rata)
> 15%	50%

Compound Annual Growth Rate (CAGR) of Absolute Total Shareholder Return (TSR) is used as a measure to align Executive outcomes with long-term shareholder value creation and is calculated as:

$$\frac{\textit{(share price at end of the period – share price at the beginning of period)} \atop \textit{+ dividends during the period}}{\textit{share price at beginning of period}} \; x\ 100$$

Directors' Report

Remuneration Report (Audited)

4. Executive KMP Remuneration Framework *Continued*

Long Term Incentives (LTI)

Vesting Conditions *Continued*

The percentage of performance rights that vest is set out in the following table:

CAGR of Absolute TSR over the three financial year ending 31 December 2026	% of Performance Rights that vest
< 12%	0%
12% – 15%	25% to 50% (pro-rata)
> 15%	50%

In respect of the 2023 LTI grant, the performance hurdle was CAGR of Reported (audited) EPS and CAGR of Absolute TSR over the Performance Period, subject to adjustment for significant items as determined by the Board in its discretion. The relevant vesting schedule is as follows:

CAGR of EPS over the three financial year ending 31 December 2025	% of Performance Rights that vest
< 10%	0%
10% – 15%	25% to 50% (pro-rata)
> 15%	50%

CAGR of Absolute TSR over the three financial year ending 31 December 2025	% of Performance Rights that vest
< 12%	0%
12% – 15%	25% to 50% (pro-rata)
> 15%	50%

In respect of the 2022 LTI grant, the performance hurdle was CAGR of Reported (audited) EPS over the Performance Period, subject to adjustment for significant items as determined by the Board in its discretion. The relevant vesting schedule is as follows:

CAGR of EPS over the three financial year ending 31 December 2024	% of Performance Rights that vest
< 10%	0%
10% – 15%	25% to 50% (pro-rata)
> 15%	50%

Dividends No dividends are attached to Performance Rights.

Voting Rights There are no voting rights attached to Performance Rights.

Cessation of Employment

In general, when an Executive resigns, is terminated with cause or is terminated in other circumstances involving unacceptable performance or conduct, any Performance Rights which have not vested will be forfeited.

In the case of retrenchment or redundancy, Performance Rights will remain on foot on a pro-rata basis and may vest at the end of the relevant Performance Period, subject to satisfaction of the relevant performance hurdles.

In the case of termination without cause, death or permanent disability – the number of Performance Rights which vest will be determined by the Board in its sole discretion.

Change of Control Where a Change of Control occurs, or in the Board's opinion will occur, the number of Performance Rights available to be exercised will be determined by the Board in its absolute discretion.

Directors' Report

Remuneration Report (Audited)

4. Executive KMP Remuneration Framework *Continued*

Other Remuneration elements and disclosures relevant to Executive KMP

One-off Outperformance Cash Bonus

In addition to the above, the CEO and Managing Director and Executive KMP participates in a one-off Outperformance Cash Bonus to the value of 40% of Fixed Remuneration for the CEO and Managing Director and 25% of Fixed Remuneration for the Executive KMP, payable in March 2026 following the announcement of 2025 full-year results and upon the achievement of the following hurdles:

- CAGR of EPS subject to adjustment of significant items as determined by the Board in its discretion – CAGR EPS over the three financial years ending 31 December 2025 – 17.5% or above equates to 50% payable
- CAGR of Absolute TSR (CAGR of Absolute Total Shareholder Return) – CAGR of Absolute TSR over the three financial years ending 31 December 2025 – 16.5% or above equates to 50% payable. (TSR) is calculated as:

$$\frac{\textit{(share price at end of the period – share price at the beginning of period)} \atop \textit{+ dividends during the period}}{\textit{share price at beginning of period}} \times 100$$

CEO and Managing Director Special Equity Award and Sign-On Equity Grants and Bonus

In addition to the above the Managing Director & Chief Executive Officer's remuneration also includes:

- a Special Equity Award comprising 1,267,740 Performance Rights. The Special Equity Award Performance Rights will vest in March 2025, subject to satisfaction of performance hurdles, with any shares required to meet the grant to be acquired by the G8 Education Limited on-market by the G8 Education Employee Share Scheme Trust. Vesting of the Special Equity Award is subject to the vesting conditions being met. These comprise a service condition and two performance hurdles.

  The service condition is continuous employment with G8 Education Limited from the date performance rights are granted until the vesting date.

  CAGR of Reported (audited) Earnings Per Share (EPS) is used as a measure to align Executive outcomes as a sound indicator of performance over the medium to long term and is a key indicator of the value of a company's stock.

  CAGR of EPS is measured over the Performance Period and is subject to adjustment for significant items as determined by the Board in its discretion. The percentage of performance rights that vest for each % of CAGR of EPS is set out in the following table:

CAGR of EPS over the two financial years ending 31 December 2024	% of Performance Rights that vest
< 10%	0%
10% – 15%	25% to 50% (pro-rata)
> 15%	50%

Compound Annual Growth Rate (CAGR) of Absolute Total Shareholder Return (TSR) is used as a measure to align Executive outcomes with the long-term shareholder value creation and is calculated as:

$$\frac{\textit{(share price at end of the period – share price at the beginning of period)} \atop \textit{+ dividends during the period}}{\textit{share price at beginning of period}} \times 100$$

Directors' Report

Remuneration Report (Audited)

4. Executive KMP Remuneration Framework *Continued*

The percentage of performance rights that vest is set out in the following table:

CAGR of Absolute TSR over the two financial years ending 31 December 2024	% of Performance Rights that vest
< 12%	0%
12% – 15%	25% to 50% (pro-rata)
> 15%	50%

The Board determined in their assessment that the EPS growth performance conditions was met in full and the CAGR of Absolute TSR growth performance condition was achieved at 12% resulting in 25% of the Performance Rights attributable to this performance condition vesting and therefore 75% of the performance rights under the Special Equity Award will vest on 1 March 2025.

CEO and Managing Director Sign-On Equity Grants

Mr P Okhovat's remuneration package included two equity grants (one in 2023 and one in 2024) of G8 Education Limited shares equivalent to forfeited long-term incentives, to be purchased and issued at the applicable time of vesting and following notification of the relevant vesting outcomes from Mr P Okhovat's prior employer (Woolworths Group Limited).

The number of G8 Education Limited shares is calculated as the amount that would have been received (if applicable) at the time of vesting at Woolworths Group Limited and will be paid in equivalent value ($) in G8 Education Limited shares based on a 5-day volume weighted average price (VWAP) following notification of Woolworths Group Limited's vesting outcomes.

The 2024 Sign-On Equity Grant was dependent on Woolworths Group Limited achieving a certain percentage of Relative Total Shareholder Return (TSR) (Relative TSR is the ranking of a company's absolute TSR in comparison to a group of companies) and certain other non-market performance conditions (reputation, using the RepTrak measure, and return on funds employed) over the three year period to 1 July 2024. As these vesting conditions were not met, Mr P Okhovat did not receive the 2024 Sign-on Equity Grant.

Malus and Clawback

The Executive KMP STI and LTI arrangements are subject to malus and clawback provisions that enable the Board to adjust unpaid and/or unvested awards (including cancellation of all outstanding incentives) where it is appropriate to do so. The Board may determine that any unpaid cash STI or cash deferred STI, or unvested deferred STI or LTI awards will be forfeited in the event of fraudulent, dishonest, gross misconduct or breach of G8's Code of Conduct by the Executive KMP. The Board may also adjust these incentives where the Executive KMP acts in a manner that brings G8 into disrepute or contributes to material reputational damage to the Group, where there have been material misstatements of the financial results as a result of errors, omissions, misrepresentation, fraud or dishonesty, or the Board determines the Executive KMP would otherwise obtain an unfair benefit from the incentive.

Hedging and margin lending prohibition

Under the G8 Education Securities Trading Policy and in accordance with the *Corporations Act 2001* (Cth), equity granted under G8 Education equity incentive schemes must remain at risk until vested, or until exercised if performance rights. It is a specific condition of grant that no schemes are entered into, by an individual or their associates that specifically protect the unvested value of performance rights allocated.

G8 Education also prohibits the CEO or other 'Designated Persons' (including Executive KMP) providing G8 Education securities in connection with any margin loan or similar financing arrangement unless that person has received a specific notice of no objection in compliance with the policy from the Board.

G8 Education, in line with good corporate governance, has a formal policy setting out how and when employees of G8 Education may deal in G8 Education securities.

G8 Education's Securities Trading Policy is available at g8education.edu.au/investor-information/corporate-governance.

Directors' Report

Remuneration Report (Audited)

5. Remuneration details for Executive KMP

2024 Short-Term Incentive Plan Outcomes

The Operating NPBT financial target in the 2024 Short-Term Incentive Plan (STIP) is aligned to our shareholder value proposition to deliver sustainable double-digit earnings growth for shareholders. As a key and critical indicator of G8 Education's overall performance, Operating NPBT was set as a gate for any payment under the 2024 STIP. The Operating NPBT KPI comprised 60% of the 2024 STI opportunity for the CEO and Managing Director and 50% for the other Executive KMP. The Operating NPBT gate (set at 90% of the Board-approved Operating NPBT budget) was met, as the Operating NPBT budget/target was achieved.

The remaining 40% of STI awards for the CEO and Managing Director and 50% for other Executive KMP was determined based on the achievement of agreed non-financial KPIs. These performance objectives were critical to the delivery of the 2024 strategic plan and fundamental to the success of the long-term strategy, while addressing the ongoing challenges of our competitive operating environment.

A robust and holistic assessment of performance was undertaken for Executive KMP, considering both the degree of achievement of these objectives and how this performance was achieved (i.e. through demonstrating visible and positive leadership aligned to our values). Detailed assessments were prepared by the CEO and Managing Director (where appropriate) and discussed with the PCEC.

The table below summarises the results for Executive KMP against the 2024 G8 Scorecard.

Category	Measure	Calculation	Achieved
Financial	GATE – Operating Net Profit Before Tax (NPBT)[1]	Operating Net Profit Before Tax[1] has been set as a gate before any STI can be paid	**Achieved Above Target**
	Operating Net Profit Before Tax (NPBT)[1]	Operating Net Profit Before Tax[1] is the sole financial KPI	
Team	Team Retention	Number of voluntary terminations divided by the average headcount for the same period	**Near Miss**
Quality	NQS Assessment & Rating (A&R)	Assessment & Rating results of centres assessed in 2024 in relation to the National Quality Standards	**Achieved Above Target**
Family	Net Promotor Score	(Promotor % - Detractor %)/100	**Near Miss**
Occupancy	Occupancy	Calculated as total bookings divided by total licensed places	**Below Threshold**

Based on the outcomes detailed above and the Board's overall adjustment to reflect a holistic view of performance, the CEO and Managing Director was awarded 91.03% of his total 2024 STIP opportunity, with other Executive KMP awarded 80.17% of their total STIP opportunity.

1. 2024 Operating NPBT is calculated as the reported NPBT and adding back pre-tax non-trading net expense items totaling $6.7 million (refer to note 7 of the Financial Report section of this Annual Report for a breakdown of these costs). Non-trading items include net impairment expense, loss on sale of centres and disposal of assets / centres, software development expenses (during the development phase only) offset in part by gain on surrender / termination of leases. Non-trading items are not included in Operating NPBT due to their non-operational nature.

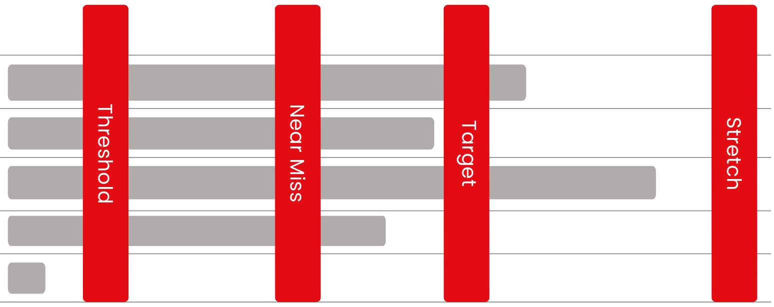
Directors' Report

Remuneration Report (Audited)

5. Remuneration details for Executive KMP *Continued*

2024 performance against the STI measures was 91.03% of Target (72.83% of Maximum) for CEO & Managing Director and 80.17% of Target (64.14% of Maximum) for Executive KMP

KPI Measure	2024 STI measure outcome (% of target)
Gate: Operating Net Profit Before Tax (NPBT) > 90%	
Operating Net Profit Before Tax (NPBT)	
Team Voluntary Turnover	
NQS Assessment & Rating (A&R)	
Net Promoter Score	
Occupancy	



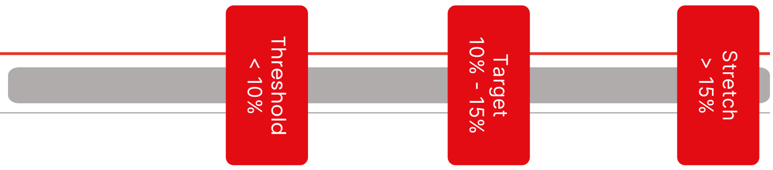
In accordance with the STIP framework, 50% of the component of STI awards above $100,000 have been deferred until March 2026 for payment.

2022 Long-Term Incentive Plan outcomes

The 2022 LTI Plan was tested on 31 December 2024. The Board determined in their assessment that the EPS growth performance conditions were met and performance rights under the Plan will vest on 1 March 2025 for eligible Executive KMP.

2022 LTI Outcomes - 100% vested

KPI Measure	Achieved	
CAGR of EPS	17.8%	



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 figures in this table differ from those shown in the statutory table as the statutory table includes an apportioned accounting value for all unvested equity grants (which remain subject to the satisfaction of performance and service conditions and may not ultimately vest).

The values disclosed in the below table, while not in accordance with the accounting standards, are intended to be helpful for shareholders in better demonstrating the linkages between performance and the remuneration realised by the Executive KMP during the 2024 financial year.

The table below shows:

- Total Fixed Remuneration
- Short-Term Incentives
- Non-Monetary Benefits
- Tested Long-Term Incentives
- Termination Payments

Directors' Report

Remuneration Report (Audited)

5. Remuneration details for Executive KMP *Continued*

Executive KMP	Fixed Remuneration[1] Base Salary and Superannuation benefits	Non-monetary benefits	2024 STI – Cash[2]	2024 STI Deferred – Cash[3]	2021 LTI[4]	2024 Sign-On Equity Grant[5]	Total actual remuneration earned
P Okhovat	956,468	40,016	317,213	217,213	—	—	1,530,910
S Williams	591,750	—	240,495	—	—	—	832,245
S Dann	456,491	—	142,891	42,891	—	—	642,273

1. Base salary, superannuation and non-monetary benefits.
2. STI relating to the 2024 Performance Period and payable in cash following the announcement of full-year 2024 results.
3. STI Deferred relating to the 2024 Performance Period to be awarded in cash, subject to continued employment by the Executive KMP at March 2026. The Board applied discretion for S Williams (no deferral applied due to resignation agreement).
4. 2021 LTI grant did not vest in 2024.
5. CEO Sign-On Equity Grant relating to 2024 did not vest.

Relationship between G8 Education performance and KMP remuneration

The performance of the Group and remuneration paid to KMP over the last 5 years is summarised in the table below.

	2024 $'000	2023 $'000	2022 $'000	2021 $'000	Restated 2020[1] $'000
Total revenue	1,021,777	987,001	905,224	878,733	788,358
EBIT	152,782	133,079	105,635	118,720	(141,141)
Operating EBIT (adjusted for leases)	115,045	100,659	80,307	80,121	101,416
Net Profit After Tax	67,688	56,056	36,606	45,681	(188,970)
Underlying NPBT (unaudited, Non IFRS)[2]	104,424	90,588	66,667	66,404	79,300
Underlying NPAT (unaudited, Non IFRS)[2]	72,403	63,412	45,690	39,499	62,658
Underlying EPS (cents)[2]	8.97	7.83	5.69	4.66	7.39
Annual dividend per share (cents)	5.00	3.50	4.00	—	—
Share price as at 31 December ($)	1.31	1.18	1.11	1.11	1.18
Total Fixed Remuneration Executive KMP[3]	**2,045**	**2,187**	**1,955**	**1,900**	**1,577**
Total Variable Remuneration Executive KMP[4]	**961**	**1,549**	**1,430**	**836**	**—**
Total Fees Non-Executive Directors[3,5]	**1,050**	**1,068**	**1,082**	**1,018**	**959**

1. The year ended 31 December 2020 has been restated for a change in the Group's accounting policy for Software as a Service (SaaS) arrangements.
2. As defined on page 32.
3. TFR for Executive KMP and NED fees in 2020 reflected a 20% reduction for 6 months, due to COVID-19. 2023 included once off sign-on bonus relating to P Okhovat.
4. Includes STI and LTI earned in year (i.e., 2024 includes 2024 STIP over the January – December 2024 performance period; does not include 2021 LTI Grant nor the 2024 CEO and Managing Director Sign-On Equity Grant due to not meeting the vesting criteria for either grant).
5. NED fees are inclusive of superannuation.

Directors' Report

Remuneration Report (Audited)

5. Remuneration details for Executive KMP *Continued*

Statutory Remuneration Table

		Short-term benefits				Post-employment benefits	Termination benefits	Long-term benefits/ Share-based payments		Total Remuneration	Performance Related	Share Plan related
	Year	Base Salary	Non-monetary benefits[1]	Sign on bonus	Cash STI	Superannuation benefits	Cash	Performance Rights and Shares[2]	Cash[3]		% of Total Remuneration	% of Total Remuneration
P Okhovat	**2024**	**927,802**	**40,016**	**—**	**317,213**	**28,666**	**—**	**1,706,496**	**310,023**	**3,330,216**	**70%**	**51%**
	2023	904,424	127,061	150,000	249,500	26,346	—	1,389,012	201,417	3,047,760	60%	46%
S Williams	**2024**	**563,084**	**—**	**—**	**240,495**	**28,666**	**—**	**47,491**	**(72,609)**	**807,127**	**27%**	**6%**
	2023	573,654	—	—	151,250	26,346	—	118,850	131,594	1,001,694	40%	12%
S Dann	**2024**	**427,825**	**—**	**—**	**142,891**	**28,666**	**—**	**47,055**	**51,978**	**698,415**	**35%**	**7%**
	2023	126,780	—	—	48,515	9,174	—	2,329	30,533	217,331	37%	1%
M Ashcroft	2023	230,902	—	—	—	12,125	—	(47,441)	13,137	208,723	(16%)	(23%)
Totals	**2024**	**1,918,711**	**40,016**	**—**	**700,599**	**85,998**	**—**	**1,801,042**	**289,392**	**4,835,758**	**58%**	**37%**
	2023	1,835,760	127,061	150,000	449,265	73,991	—	1,462,750	376,681	4,475,508	51%	33%

1. 2024 non-monetary benefits include rent and airfares.
2. 2024 long-term performance rights and shares figures include expenses recognised in relation to the 2022 LTI, 2023 LTI, 2024 LTI and CEO and Managing Director Sign-On Equity Grants and Special Equity Award.
3. 2024 long-term cash figures relate to the 2023 and 2024 Deferred STI awards and a portion of the potential one-off cash incentive following the end of 2025 measured against a stretch target of the LTI performance hurdles. Refer to section 4 for further information.

6. Equity Interests

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

Shares	Ownership type	Balance at the start of the year	Changes during the year	Balance at the end of the year/ at retirement or termination
Directors of G8 Education Limited				
Ordinary Shares				
D Singh (Chair)	Indirectly	125,000	—	125,000
D Foster[1]	Indirectly	130,047	—	130,047
P Okhovat (CEO)	Directly	737,207	—	737,207
J Cogin	Directly	60,000	6,500	66,500
S Heath[2]	Indirectly	—	37,750	37,750
A Thornton	Indirectly	88,150	—	88,150
P Trimble	Indirectly	150,000	—	150,000
M Zabel	Indirectly	82,000	—	82,000
Executive KMP of G8 Education Limited				
Ordinary Shares				
S Dann	—	—	—	—
S Williams	Directly and Indirectly	283,708	—	283,708

1. Until 7 May 2024.
2. From 3 June 2024.

Directors' Report

Remuneration Report (Audited)

6. Equity Interests *Continued*

The movement during the reporting period in the number of performance rights over ordinary shares in the Company held directly or beneficially, by each Executive KMP, including their related parties is as table below.

				Number of Rights				Value of Rights $[1]			
Executive KMP / Plan	Grant date	Fair Value at Grant Date[2]	Balance at the start of the year	Granted in year	Vested in year	Lapsed/ forfeited Granted	Balance at the end of the year	Granted in year	Vested in year[3]	Lapsed/ forfeited in year[3]	Year in which grant vests
P Okhovat											
2024 LTI EPS	7 May 24	1.13	–	377,673	–	–	377,673	426,770	–	–	2027
2024 LTI TSR	7 May 24	0.50	–	377,674	–	–	377,674	188,837	–	–	2027
2023 LTI EPS	13 Jun 23	0.92	387,060	–	–	–	387,060	–	–	–	2026
2023 LTI TSR	13 Jun 23	0.49	387,060	–	–	–	387,060	–	–	–	2026
2023 Special Equity Grant EPS	20 Feb 23	1.22	633,870	–	–	–	633,870	–	–	–	2025
2023 Special Equity Grant TSR	20 Feb 23	0.67	633,870	–	–	–	633,870	–	–	–	2025
Total			**2,041,860**	**755,347**	**–**	**–**	**2,797,207**	**615,607**	**–**	**–**	
S Williams											
2024 LTI EPS	29 May 24	1.08	–	199,265	–	–	119,265	128,806	–	–	2027
2024 LTI TRS	29 May 24	0.44	–	199,265	–	–	119,265	52,477	–	–	2027
2023 LTI EPS	13 Jun 23	0.92	122,229	–	–	–	122,229	–	–	–	2026
2023 LTI TSR	13 Jun 23	0.49	122,229	–	–	–	122,229	–	–	–	2026
2022 LTI	19 May 22	1.01	194,795	–	–	–	194,795	–	–	–	2025
2021 LTI	28 Jun 21	0.89	211,833	–	–	211,833	–	–	–	188,531	2024
Total			**651,086**	**238,530**	–	**211,833**	**677,783**	**181,283**	**–**	**188,531**	
S Dann											
2024 LTI EPS	29 May 24	1.08	–	89,449	–	–	89,449	96,605	–	–	2027
2024 LTI TRS	29 May 24	0.44	–	89,448	–	–	89,448	39,357	–	–	2027
2023 LTI EPS	13 Nov 23	0.93	29,284	–	–	–	29,284	–	–	–	2026
2023 LTI TSR	13 Nov 23	0.46	29,284	–	–	–	29,284	–	–	–	2026
Total			**58,568**	**178,897**	**–**	**–**	**237,465**	**135,962**	**–**	**–**	
Grand Total			**2,751,514**	**1,172,774**	**–**	**211,833**	**3,712,455**	**932,852**	**–**	**188,531**	

1. Performance Rights are expensed in line with the vesting conditions of the Performance Rights (refer Note 31).
2. Fair value at grant date is calculated independently based on either a Monte Carlo or Black Scholes pricing model and using a risk-neutral assumption (refer Note 31).
3. Amount provided is the initial dollar value at fair value grant date, not amount actually received/forfeited.

Directors' Report

Remuneration Report (Audited)

7. Employment Agreements

The CEO and Managing Director and other Executive KMP operate under employment agreements.

The following sets out details of the employment agreements relating to the CEO and Managing Director and other Executive KMP, as it pertains to those employed as at 31 December 2024.

Length of contract

The CEO and Managing Director and other Executive KMP are on permanent contracts, which is an ongoing employment contract until notice is given by either party.

Notice periods

Unless otherwise agreed, in order to terminate the employment arrangements, all Executive KMP (including the CEO and Managing Director) are required to provide G8 Education with six months' written notice.

Resignation

On resignation, unless the Board determines otherwise, all unvested STI or LTI benefits are forfeited.

Termination on notice by G8 Education

Unless otherwise agreed, G8 Education may terminate employment of the CEO and Managing Director or any other Executive KMP by providing six months' written notice. The Company may make payment, based on total fixed remuneration, in lieu of the notice period. For termination without cause, the number of unvested STI or LTI benefits which will vest will be determined by the Board in its sole discretion.

Death or total and permanent disability

On death or total and permanent disability, the Board has discretion to allow any unvested STI and LTI benefits to vest.

Termination for serious misconduct

Unless otherwise agreed, G8 Education may immediately terminate employment at any time in the case of serious misconduct and CEO and Managing Director and other Executive KMP will only be entitled to payment of TFR up to the date of termination. On termination without notice by G8 Education in the event of serious misconduct:

- all unvested STI or LTI benefits will be forfeited; and
- any employee share scheme instruments provided to the employee on vesting of STI or LTI awards that are held in trust will be forfeited.

Statutory entitlements

Payment of statutory entitlements of long service leave and annual leave applies in all events of separation.

Post-employment restraints

The CEO and Managing Director and all other Executive KMP are subject to post-employment restraints for up to 6 months.

Directors' Report

Remuneration Report (Audited)

8. Non-Executive Director (NED) Remuneration

Principle	Comment
Fees are set by reference to key considerations	Fees for NEDs are based on the nature of the NEDs' work and their responsibilities. The remuneration rates reflect the complexity of G8 Education's business and the extent of the number of geographical locations in which G8 Education operates. In determining the level of fees, survey data on comparable companies is considered. NEDs' fees are recommended by the PCEC and determined by the Board. Shareholders approve the aggregate amount available for the remuneration of NEDs. There was no increase in NED remuneration for 2024, and there has been no increase since 2018.
Remuneration is structured to preserve independence whilst creating alignment	To preserve independence and impartiality, NEDs are not entitled to any form of variable remuneration including incentive payments or equity awards. NED fees are not set with reference to any measure of G8 Education performance. However, to create alignment between directors and shareholders, the Board has adopted a Minimum Shareholding Guideline that encourages NEDs to hold (or have a benefit in) shares in G8 Education equivalent in value to at least one year's base fees. G8 Education does not offer loans to NEDs to fund share ownership. Aggregate Board and committee fees are approved by shareholders.
Aggregate Board and committee fees are approved by shareholders	The total amount of fees paid to NEDs in 2024 is within the aggregate amount approved by shareholders at the AGM in May 2024 of $1,350,000 per annum including superannuation.

NED Fees and Other Benefits Explained

Element	Details	2024[1] $	2023 $
Board base fees per annum	Board Chair	**285,000**	285,000
	Board NED	**140,000**	140,000
Committee fees per annum	Audit & Risk Chair	**25,000**	25,000
	Nominations Chair	**25,000**	25,000
	People, Culture & Education Chair	**25,000**	25,000
	Audit & Risk Member	**No fee**	No fee
	Nominations Member	**No fee**	No fee
	People, Culture & Education Member	**No fee**	No fee

1. NED fees include Superannuation

Directors' Report

Remuneration Report (Audited)

8. Non-Executive Director (NED) Remuneration *Continued*

Post-Employment Benefits

Superannuation	Superannuation contributions are made in line with the legislated Superannuation Guarantee. NED fees are inclusive of superannuation contributions, which have been made at a rate of 11.5% from 1 July 2024 (and 11% for the 2023 financial year and up to 30 June 2024). Any superannuation contributions will be limited to the Australian Government's prescribed maximum contributions limit.
Retirement schemes	There are no retirement schemes in place for NEDs other than Statutory Superannuation.
Fixed Fees	NEDs do not receive any performance-related compensation in cash, options, rights or shares.
Other fees/ benefits	NEDs receive reimbursement for costs directly related to G8 Education business and reimbursement for up to $1,000 per annum of relevant continued education expenses. No payments were made to NEDs during 2024 for travel allowances, extra services or special exertions.

NED Total Remuneration Paid

	Year	Fees $	Superannuation benefits $	Total $
D Singh (Chair)	**2024**	**256,603**	**28,397**	**285,000**
	2023	167,004	17,997	185,001
D Foster[1]	**2024**	**47,055**	**5,176**	**52,231**
	2023	236,911	24,188	261,099
M Zabel	**2024**	**148,315**	**16,685**	**165,000**
	2023	136,228	14,638	150,865
J Cogin	**2024**	**148,315**	**16,685**	**165,000**
	2023	148,985	16,015	165,000
P Trimble	**2024**	**148,315**	**16,685**	**165,000**
	2023	148,985	16,015	165,000
T Thornton[2]	**2024**	**125,843**	**14,157**	**140,000**
	2023	132,818	7,965	140,783
S Heath[3]	**2024**	**70,024**	**8,053**	**78,077**
Totals	**2024**	**944,472**	**105,836**	**1,050,308**
	2023	970,930	96,818	1,067,748

1. Until 7 May 2024.
2. 2023 includes a superannuation shortfall exemption for 1 June 2023 - 30 June 2023.
3. From 3 June 2024.

Directors' Report

Minimum Shareholding Guidelines

The Board has approved minimum shareholding guidelines for NEDs, the CEO and Executive KMP. Under these guidelines, all NEDs are encouraged to accumulate a minimum shareholding in G8 Education shares equivalent in value to one year's base fees and all Executive KMP are encouraged to accumulate a minimum shareholding in G8 Education shares equivalent to one year's fixed remuneration. The Board believes that this guideline will ensure alignment with shareholders' interests.

The guidelines were implemented in January 2017, with NEDs and Executive KMP encouraged to accumulate the recommended holding five years after appointment.

Directors' Tenure

The Directors shall retire from office in accordance with the, Constitution, of G8 Education and/or the applicable sections of the *Corporations Act 2001* (Cth). The Board has a policy that, in general, the maximum term of service for a NED should be approximately ten years. However, this term may be extended for reasons such as Board or Committee chairship, providing continuity or a particular capability of a Non-Executive Director.

Corporate Governance

G8 Education is strongly committed to good corporate governance practices and substantially complies with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition)(ASX Governance Recommendations). The Board of directors guides and monitors the business and affairs of G8 Education on behalf of the shareholders by whom they are elected and to whom they are accountable. G8 Education's compliance with the Principles can be found at: www.g8education.edu.au/investor-information/corporate-governance.

Non-Audit Services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important. During 2024 G8 Education did not engage Ernst & Young to perform not-audit services.

Auditor's Independence Declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) is set out on page 55.

Auditor

Ernst & Young were appointed as auditor on 25 May 2016 and continue in office in accordance with section 237 of the *Corporations Act 2001* (Cth).

This report is made in accordance with a resolution of Directors.

Pejman Okhovat
CEO and Managing Director
25 February 2025

Auditor's Independence Declaration

Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
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Auditor's independence declaration to the directors of G8 Education Limited

As lead auditor for the audit of the financial report of G8 Education Limited for the financial year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of G8 Education Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

K McKenzie

Kellie D McKenzie
Partner
25 February 2025

Financial Report

Consolidated Income Statement

For the year ended 31 December 2024

	Notes	Consolidated 2024 $'000	Consolidated 2023 $'000
Continuing operations			
Revenue	3	1,015,268	983,438
Other income	4	6,509	3,563
Total revenue		**1,021,777**	**987,001**
Expenses			
Employment costs	5	(621,198)	(603,005)
Properties, utilities and maintenance costs		(53,116)	(50,470)
Direct costs		(34,154)	(36,278)
Software development expenses		(956)	(7,004)
Depreciation and amortisation	5	(104,575)	(102,986)
Net impairment (expense) / reversal	7	(4,041)	13,645
Other expenses		(49,579)	(66,083)
Finance costs	5	(56,470)	(53,704)
Total expenses		**(924,089)**	**(905,885)**
Profit before income tax		**97,688**	**81,116**
Income tax expense	6	(30,000)	(25,060)
Profit for the year attributable to members of the parent entity		**67,688**	**56,056**
		Cents	**Cents**
Basic earnings per share	8	8.38	6.92
Diluted earnings per share	8	8.34	6.89

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	Consolidated 2024 $'000	Consolidated 2023 $'000
Profit for the year	67,688	56,056
Total comprehensive income for the year	**67,688**	**56,056**

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at 31 December 2024

	Notes	Consolidated 2024 $'000	Consolidated 2023 $'000
Assets			
Current assets			
Cash and cash equivalents	19	47,679	40,253
Trade and other receivables	9	20,726	22,413
Government funding receivables	14	8,954	1,341
Other current assets	10	13,498	14,401
Total current assets		**90,857**	**78,408**
Non-current assets			
Property, plant and equipment	11	136,311	138,781
Right of use assets	21	529,174	527,965
Deferred tax assets	6	97,494	101,566
Intangible assets	17	1,048,685	1,049,342
Investment in an associate	25(b)	915	812
Other non-current assets	10	3,945	5,920
Total non-current assets		**1,816,524**	**1,824,386**
Total assets		**1,907,381**	**1,902,794**
Liabilities			
Current liabilities			
Trade and other payables	12	83,466	72,207
Contract liabilities	3(i)	6,933	8,973
Government funding liabilities	14	13,944	2,427
Current tax liability		10,163	13,022
Borrowings	20	612	1,311
Lease liabilities	21	71,886	81,278
Provisions	13	75,454	106,115
Total current liabilities		**262,458**	**285,333**
Non-current liabilities			
Borrowings	20	114,000	99,000
Lease liabilities	21	597,496	596,546
Provisions	13	17,114	16,412
Total non-current liabilities		**728,610**	**711,958**
Total liabilities		**991,068**	**997,291**
Net assets		**916,313**	**905,503**
Equity			
Contributed equity	22	879,410	897,761
Reserves		140,027	108,489
Retained earnings		(103,124)	(100,747)
Total equity		**916,313**	**905,503**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

Consolidated	Notes	Contributed Equity $'000	Share Based Payment Reserve $'000	Profits Reserve $'000	Retained Earnings $'000	Total $'000
Balance 1 January 2023		**1,174,419**	**1,218**	**72,079**	**(364,353)**	**883,363**
Profit / (loss) for the year		–	–	63,950	(7,894)	56,056
Total comprehensive income / (loss) for the year		**–**	**–**	**63,950**	**(7,894)**	**56,056**
Transactions with owners in their capacity as owners						
Buy back of equity, including transaction costs and net of tax	22	(5,152)	–	–	–	(5,152)
Purchase of treasury shares	22	(2,070)	–	–	–	(2,070)
Issue of treasury shares to employees	22	2,064	(2,064)	–	–	–
Share based payment expense	31	–	1,639	–	–	1,639
Dividends provided for or paid	23(a)	–	–	(28,333)	–	(28,333)
Share capital reduction	22	(271,500)	–	–	271,500	–
Total		**(276,658)**	**(425)**	**(28,333)**	**271,500**	**(33,916)**
Balance 31 December 2023		**897,761**	**793**	**107,696**	**(100,747)**	**905,503**
Balance 1 January 2024		**897,761**	**793**	**107,696**	**(100,747)**	**905,503**
Profit / (loss) for the year		–	–	70,065	(2,377)	67,688
Total comprehensive income / (loss) for the year		**–**	**–**	**70,065**	**(2,377)**	**67,688**
Transactions with owners in their capacity as owners						
Buy back of equity, including transaction costs and net of tax	22	(18,351)	–	–	–	(18,351)
Share based payment expense	31	–	1,948	–	–	1,948
Dividends provided for or paid	23(a)	–	–	(40,475)	–	(40,475)
Total		**(18,351)**	**1,948**	**(40,475)**	**–**	**(56,878)**
Balance 31 December 2024		**879,410**	**2,741**	**137,286**	**(103,124)**	**916,313**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Notes	Consolidated 2024 $'000	Consolidated 2023 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,021,693	989,926
Payments to suppliers and employees (inclusive of GST)		(772,884)	(740,461)
Interest received		1,376	1,741
Interest paid (non-leases)		(9,868)	(11,168)
Interest paid (leases)		(44,474)	(38,601)
Income taxes (paid) / received		(28,788)	75
Net cash inflows from operating activities	24	**167,055**	**201,512**
Cash flows from investing activities			
Payments for contingent consideration		—	(600)
Payments for purchase of intangible assets		(617)	(864)
Payments for divestments and surrender fees		(11,729)	(11,700)
Proceeds from the sale of property, plant and equipment		—	75
Payments for property, plant and equipment		(31,899)	(43,660)
Payment for investment in an associate	25(b)	(100)	—
Net cash outflows from investing activities		**(44,345)**	**(56,749)**
Cash flows from financing activities			
Dividends paid	23	(40,475)	(28,333)
Principal elements of lease payments	21	(69,858)	(77,001)
Buy back of equity (including transaction costs)	22	(18,351)	(5,152)
Payments for purchase of treasury shares	22	—	(2,070)
Net (repayments) / proceeds from current borrowings		(699)	1,311
Proceeds from non-current borrowings		164,000	25,000
Repayments of non-current borrowings		(149,000)	(56,000)
Borrowing costs paid		(901)	(91)
Net cash outflows from financing activities		**(115,284)**	**(142,336)**
Net increase in cash and cash equivalents		**7,426**	**2,427**
Cash and cash equivalents at the beginning of the financial year		40,253	37,826
Cash and cash equivalents at the end of the financial year	19	**47,679**	**40,253**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

1. Financial Overview

Note 1: Going concern

The Group recognised a net profit after tax of $67.7 million for the year ended 31 December 2024 (2023: $56.1 million) while current liabilities exceed current assets by $171.6 million as at 31 December 2024 (2023: $206.9 million). Cashflows from operating activities were $167.1 million for the year ended 31 December 2024 (2023: $201.5 million).

Management expects the cash reserves and undrawn debt facilities, together with the forecast cash flow generation from operations will allow the Group to fulfil the Group's obligations and meet its debts for the 12 months from the date of this report. On this basis, the Directors have concluded that there are reasonable grounds to believe that the going concern basis is appropriate.

Further, the Group expects to realise its assets, and extinguish its liabilities in the ordinary course of business. As a result, the financial statements have been prepared on a going concern basis.

Note 2: Segment Information

Description of segments

The Executive Team (the Chief Operating Decision Maker) considers the business as one Group of centres and regularly reviews operating results at this level to assist and make decisions about the allocation of resources. The Executive Team has therefore identified one operating segment, being the operation of child care centres. All revenue in this report relates to the single operating segment in Australia and the segment disclosure has not altered from the last Annual Report.

	Consolidated	
	2024 $'000	2023 $'000
Revenue from external customers continuing operations	1,015,268	983,438
Profit before tax from continuing operations	97,688	81,116
Non-current assets[1] at 31 December	**1,719,030**	**1,722,820**

1. Non-current assets exclude deferred tax assets.

	Consolidated	
Timing of revenue recognition	2024 $'000	2023 $'000
Revenue recognised at a point in time	991,025	953,498
Total revenue from contracts with customers	**991,025**	**953,498**
Other revenue recognised over time	24,243	29,940
Total revenue	**1,015,268**	**983,438**

Notes to the financial statements

1. Financial Overview

Note 3: Revenue

Disaggregation of revenue

	Consolidated	
	2024 $'000	**2023 $'000**
From continuing operations		
Sales revenue		
Revenue from child care centres	991,025	953,498
Funding relating to child care operations	24,243	29,940
Total revenue continuing operations	**1,015,268**	**983,438**

Accounting policy

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of discounts and refunds.

Revenue is recognised for the major business activities as follows:

i) Revenue from child care centres

Fees paid by families and/or the Australian Government (Child Care Subsidy) are recognised as and when a child is booked to attend a child care service, as under AASB 15 *Revenue from Contracts with Customers* this is when the customer has consumed the benefits of this service (satisfies its performance obligation).

Revenue received in advance from parents and guardians for child care services is recognised as deferred income and classified as a current liability (i.e. contract liability for performance obligations yet to be satisfied), 31 December 2024: $6.9 million (2023: $9.0 million).

ii) Funding related to child care operations

The Group receives Government funding including training incentives and additional funding receipts such as State kindergarten funding. Such funding is recognised in revenue when there is reasonable assurance that the incentive will be received and when the relevant conditions have been met under AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*.

The Group also receives other funding such as the ECEC worker retention payment grant which is recognised as a credit to employment costs (refer note 5) to offset costs as they are incurred. Traineeship subsidies (includes Boosting Apprenticeship Commencement, Priority Wages, and Hiring Incentives for registrations) to support businesses to take on new apprentices and trainees are also recognised as a credit to employment costs (refer note 5) to offset costs as they are incurred.

The Group recognises funding as a credit to employment costs when the Group is incurring additional employment related costs which would not have been incurred by the Group if the grant/subsidy had not been available.

Refer to note 14 for additional information relating to Government funding.

Note 4: Other Income

	Consolidated	
	2024 $'000	**2023 $'000**
Interest	1,376	1,741
Gain on lease modifications	70	–
Gain on surrender / termination of leases	2,637	–
Insurance proceeds	1,488	691
Other	938	1,131
Total other income	**6,509**	**3,563**

Notes to the financial statements
1. Financial Overview

Note 4: Other Income *Continued*

Accounting policies

i) Interest income

Interest income is recognised using the effective interest method.

ii) Gain on sale of centres

Gains and losses on disposal are determined by comparing proceeds with the carrying amount.

2024 Loss on sale of centres and disposal of assets / centres totalling $4.4 million (2023: $2.0 million) was included in 'other expenses' in the consolidated income statement (refer note 7).

iii) Gains on lease modifications, surrenders and termination

Gains / (losses) from lease modifications are recognised as a result of the remeasurement of the right of use asset and lease liability following the modification of lease agreements including changes in the lease term.

Gains / (losses) from the surrender / termination of leases are determined by comparing payments with the carrying amount of the right of use asset, lease liability and make good provision (refer note 7).

Note 5: Expenses

	Consolidated	
	2024 $'000	2023 $'000
Profit before income tax includes the following specific expenses:		
Employment costs		
Wages and salaries	569,464	545,727
Early Childhood Education and Care (ECEC) Worker Retention Payment[1]	(6,282)	–
Traineeship subsidies[2]	(4,434)	(3,937)
Training and professional development	4,403	8,109
Superannuation	56,099	51,467
Share-based payment expense	1,948	1,639
	621,198	**603,005**
Depreciation and amortisation		
Depreciation expense of property, plant and equipment (note 11)	31,112	30,207
Amortisation of intangibles (note 17)	1,274	860
Depreciation expense of right-of-use assets (note 21)	72,189	71,919
	104,575	**102,986**
Finance costs		
Interest expense	9,907	10,807
Borrowing costs expense	1,451	657
Interest expense on lease liabilities and make good provision (notes 21(c) and 13(a))	45,112	42,240
	56,470	**53,704**

1. This grant relates to Federal Government funding to support a wage increase for all eligible ECEC workers from 2 December 2024 until 30 November 2026. Refer to note 14 for more information on the grant.
2. Traineeship subsidies relate to limited time support to encourage businesses to take on new apprentices and trainees. The support includes Boosting Apprenticeship Commencement, Priority Wages, and Hiring Incentives for registrations.

Notes to the financial statements

1. Financial Overview

Note 6: Income Tax and Deferred Tax Assets

	Consolidated	
	2024 $'000	2023 $'000
a) Income tax expense		
Current tax	24,514	25,360
Deferred tax	5,486	(215)
Under / (over) provision current tax prior year	1,414	(1,119)
(Over) / under provision deferred tax prior year	(1,414)	1,034
Income tax expense	**30,000**	**25,060**
Deferred income tax expense included in income tax expense comprises:		
Decrease in deferred tax assets	4,072	819
b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before income tax expense	97,688	81,116
Tax on operations at the Australian tax rate of 30% (2023: 30%)	29,306	24,335
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Adjustments relating to prior year	(5)	(85)
Entertainment	115	103
Acquisition and divestment related costs - not deductible	—	150
Goodwill impairment	—	621
Other non-allowable items	584	(64)
Income tax expense	**30,000**	**25,060**
Weighted average tax rate	30.7%	30.9%
c) Amounts recognised directly in equity		
Aggregate current and deferred tax arising in the reporting year and not recognised in the consolidated income statement but directly debited or credited to equity		
Net deferred tax - (credited) / debited directly to equity	—	—

Notes to the financial statements

1. Financial Overview

Note 6: Income Tax and Deferred Tax Assets *Continued*

	Consolidated	
	2024 $'000	2023 $'000
Deferred tax asset		
Employee benefits provisions	24,772	28,266
Share issue transaction costs	8	668
Business-related costs	4,559	3,534
Provision for expected credit loss	582	704
Accrued expenses	2,519	1,393
Property, plant and equipment	13,269	9,597
Intangibles	989	1,496
Lease liabilities	200,816	197,446
Provisions	10,903	12,660
Total deferred tax asset	**258,417**	**255,764**
Deferred tax liability		
Buildings	(519)	(532)
Right of use / make good assets	(158,752)	(151,920)
Prepayments	(1,652)	(1,746)
Total deferred tax liability	**(160,923)**	**(154,198)**
Net deferred tax asset	**97,494**	**101,566**

Tax consolidation

i) Members of the tax consolidated group and the tax sharing agreement

G8 Education Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 3 December 2007. G8 Education Limited is the head entity of the tax consolidated group. Members of the tax consolidated group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

ii) Tax effect accounting by members of the tax consolidated group

Measurement method adopted under AASB Interpretation 1052 Tax Consolidation Accounting

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 *Income Taxes*. The nature of the tax funding agreement is discussed further below.

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

Nature of the tax funding agreement

Members of the tax consolidated group have entered into a tax funding agreement. Under the funding agreement, the funding of tax within the Group is based on an acceptable method of allocation under AASB Interpretation 1052. The tax funding agreement requires payments to/from the head entity to be recognised via an inter-entity receivable (payable) which is at call. To the extent that there is a difference between the amount charged under the tax funding agreement and the allocation under AASB Interpretation 1052, the head entity accounts for these as equity transactions with the subsidiaries.

The amounts receivable or payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Notes to the financial statements

1. Financial Overview

Note 6: Income Tax and Deferred Tax Assets *Continued*

Accounting policy

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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.

G8 Education Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

Current and deferred tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

AASB Interpretation 23 Uncertainty over Income Tax Treatments

The Group applies judgement in identifying uncertainties over income tax treatments and considers whether it has any uncertain tax positions. The Group determines, based on its tax compliance and reviews, whether it is probable that its tax treatments (including those for the subsidiaries) would be accepted by the taxation authorities.

Tax related contingencies

At 31 December 2024 there are no tax related contingencies (2023: nil).

Notes to the financial statements

1. Financial Overview

Note 7: Profit for the Year

Non-trading items

Profit for the year includes the following non-operational items that are material because of their nature, size or incidence.

	Consolidated	
	2024 $'000	2023 $'000
Non-trading income		
Gain on lease modifications	70	–
Gain on surrender / termination of leases	2,637	–
Net impairment reversal (refer to note (i) below)	–	13,645
Total non-trading income	**2,707**	**13,645**
Non-trading expenses		
Net impairment expense (refer to note (ii) below)	(4,041)	–
Loss on surrender / termination of leases	–	(3,573)
Loss on sale of centres and disposal of assets / centres	(4,380)	(1,961)
Net restructuring, regulatory and legal costs	(66)	(10,579)
Software development expenses	(956)	(7,004)
Total non-trading expenses	**(9,443)**	**(23,117)**
Non-trading items	**(6,736)**	**(9,472)**
Income tax benefit	2,021	2,116
Net non-trading items	**(4,715)**	**(7,356)**

i) Net impairment reversal

2023 Net impairment reversal of $13.6 million included $18.1 million of impairment reversal for Right of use assets (note 21(c)) and was offset in part by $2.4 million of impairment expense relating to Plant and Equipment (note 11) and $2.1 million of impairment expense relating to Goodwill (note 17).

ii) Net impairment expense

2024 Net impairment expense of $4.0 million included $3.3 million of net impairment expense for Right of use assets (note 21(c)) and $0.7 million impairment expense relating to Plant and Equipment (note 11).

Notes to the financial statements

1. Financial Overview

Note 8: Earnings per Share

	Consolidated	
	2024 Cents	2023 Cents
a) Basic earnings per share		
Profit attributable to the ordinary equity holders of the Company	8.38	6.92
b) Diluted earnings per share		
Profit from continuing operation attributable to the ordinary equity holders of the Company	8.34	6.89
	$'000	$'000
c) Reconciliation of earnings used in calculating earnings per share		
Basic earnings per share		
Profit attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	67,688	56,056
Diluted earnings per share		
Profit attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share	67,688	56,056
	Number	Number
d) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	807,431,606	809,677,944
Adjustments for calculation of diluted earnings per share:		
Performance rights	3,829,308	3,364,696
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	811,260,914	813,042,640

Accounting policy

i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii) 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 shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Notes to the financial statements

1. Financial Overview

Note 9: Current Assets – Trade and Other Receivables

	Consolidated 2024 $'000	Consolidated 2023 $'000
Trade receivables		
Trade receivables	20,375	18,895
Allowance for expected credit losses (refer to note (a) below)	(1,942)	(2,200)
Total	**18,433**	**16,695**
Other receivables		
GST receivable	1,125	3,873
Other debtors	1,168	1,845
Total trade and other receivables	**20,726**	**22,413**

a) Allowance for expected credit losses

The Group applies the AASB 9 *Financial Instruments* simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of revenue over the year ended 31 December 2024 and the corresponding historical credit losses experienced within this period, in the year ended 31 December 2023 and also in the year ended 31 December 2022. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of families to settle the receivables. The Group has identified the current cost of living and the unemployment rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the allowance for expected credit losses of receivables as at 31 December 2024 was determined as follows:

31 December 2024	Current and up to 30 days past due $'000	More than 30 days past due $'000	More than 60 days past due $'000	Total $'000
Expected loss rate	1%	62%	92%	10%
Gross carrying amount – trade receivables	18,434	204	1,737	20,375
Allowance for expected credit losses	**216**	**126**	**1,600**	**1,942**

Movements in the allowance for expected credit losses of receivables are as follows:

	Consolidated 2024 $'000	Consolidated 2023 $'000
Opening balance	2,200	2,247
Allowance for impairment recognised during the year net of collections	736	1,184
Receivables written off during the year as uncollectable	(994)	(1,231)
Closing balance	**1,942**	**2,200**

The creation and release of the provision for expected credit losses has been included in 'other expenses' in the consolidated income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovery.

Notes to the financial statements

1. Financial Overview

Note 9: Current Assets - Trade and Other Receivables *Continued*

b) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is considered to approximate their fair value.

For information concerning the credit risk of receivables, refer to note 18.

Accounting policy

A trade 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).

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

Trade receivables represent child care fees receivable from families (parent fees) and/or the Australian Government.

Under the Child Care Subsidy (CCS), subsidies are generally paid weekly in arrears by the Australian Government based on the actual attendance and entitlement of each child attending the child care centre.

Parent fees are required to be paid one week in advance. Any parent fees receivable relate to child care fees not paid in advance and are therefore all considered to be past due.

The Group applied the expected credit loss (ECL) model. For trade receivables the Group has applied the standard's simplified approach whereby the loss allowance is measured at an amount equal to lifetime expected credit losses. The Group assesses expected credit losses in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The Group has established a calculation that is based on the Group's historic credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Note 10: Current and Non-Current Assets - Other

	Consolidated	
	2024 $'000	2023 $'000
Current		
Prepayments	11,504	12,163
Prepaid borrowing costs	253	776
Inventory	1,289	1,416
Deposits	452	46
Total other current assets	**13,498**	**14,401**
Non-current		
Prepayments	2,590	3,760
Prepaid borrowing costs	629	657
Deposits	726	1,503
Total other non-current assets	**3,945**	**5,920**
Total other current and non-current assets	**17,443**	**20,321**

Accounting policy

Inventories relate to child care centre consumables. These are measured at the lower of cost or net realisable value. Any write down in the value of the inventory due to obsolescence is booked as an expense when the inventory becomes obsolete.

Non-current prepayments relate to payments made, more than one year in advance.

Notes to the financial statements

1. Financial Overview

Note 11: Non-Current Assets – Property, Plant and Equipment

	Land and buildings $'000	Leasehold improvements $'000	Furniture, fittings and equipment $'000	Total $'000
Consolidated				
Year ended 31 December 2024				
Opening net book amount	3,750	103,441	31,590	138,781
Additions	—	23,414	11,416	34,830
Disposals[1]	—	(4,523)	(930)	(5,453)
Impairment expense	—	(595)	(140)	(735)
Depreciation charge	(138)	(18,071)	(12,903)	(31,112)
Closing net book amount	**3,612**	**103,666**	**29,033**	**136,311**
At 31 December 2024				
Cost	5,024	185,203	99,276	289,503
Accumulated depreciation and impairment	(1,412)	(81,537)	(70,243)	(153,192)
Net book amount	**3,612**	**103,666**	**29,033**	**136,311**

1. During the year, the Group disposed of property, plant and equipment of $5.5 million which had a cost of $17.3 million and accumulated depreciation and impairment of $11.8 million.

	Land and buildings $'000	Leasehold improvements $'000	Furniture, fittings and equipment $'000	Total $'000
Consolidated				
Year ended 31 December 2023				
Opening net book amount	2,548	93,378	40,324	136,250
Additions	1,335	30,474	5,521	37,330
Disposals	—	(1,628)	(555)	(2,183)
Impairment expense	—	(2,228)	(181)	(2,409)
Depreciation charge	(133)	(16,555)	(13,519)	(30,207)
Closing net book amount	**3,750**	**103,441**	**31,590**	**138,781**
At 31 December 2023				
Cost	5,024	172,750	94,146	271,920
Accumulated depreciation and impairment	(1,274)	(69,309)	(62,556)	(133,139)
Net book amount	**3,750**	**103,441**	**31,590**	**138,781**

a) Non-current assets pledged as security

Refer to note 20 for information on the non-current assets pledged as security by the Company and its controlled entities.

Notes to the financial statements

1. Financial Overview

Note 11: Non-Current Assets – Property, Plant and Equipment *Continued*

b) Impairment of property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment.

Property, plant and equipment (including leasehold improvements) are tested for impairment as part of the cash generating units (CGU) to which they relate, usually a child care centre.

The Group reviews annually whether the triggers indicating a risk of impairment exist. As a result of this review, the Group identified indicators of potential impairment for CGUs to which property, plant and equipment relate and tested the carrying values of these CGUs. In addition, management tested the carrying values of CGUs that had been impaired in prior periods for indicators that the impairment may be reversed.

A property, plant and equipment impairment expense of $0.7 million was recognised in 2024 (2023: $2.4 million).

Accounting policy

Property, plant and equipment are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is disposed. All other repairs and maintenance are charged to the consolidated income statement during the reporting year in which they are incurred.

Depreciation is calculated using the straight-line method (except in the case of assets allocated to a low-value pool) to allocate the cost, net of their residual values, over their estimated lives as follows:

- Buildings: 40 years
- Vehicles: 5 - 9 years
- Furniture, fittings and equipment: 2 - 15 years
- Leasehold Improvements: 5 - 15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the consolidated income statement.

Refer to note 13(d) for accounting policy on make good.

Note 12: Current and Non-Current Liabilities - Trade and Other Payables

	Consolidated	
	2024 $'000	2023 $'000
Trade payables[1]	9,509	6,787
Other payables and accruals[1]	73,957	65,420
Total current	**83,466**	**72,207**
Total non-current	**—**	**—**

1. Trade and other payables are non-interest bearing and are normally settled on 30-day terms.

Accounting policy

These amounts represent liabilities for goods and services provided to the Group prior to the end of the year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

Notes to the financial statements

1. Financial Overview

Note 13: Current and Non-Current Liabilities – Provisions

	Consolidated 2024 $'000	Consolidated 2023 $'000
Current provisions		
Employee benefits (note (b))	50,941	46,615
Make good (note (d))	5,513	4,500
Regulatory, legal and other provisions (note (c))	19,000	55,000
Total current provisions	**75,454**	**106,115**
Non-current provisions		
Employee benefits[1]	5,285	5,142
Make good (note (d))	11,829	11,270
Total non-current provisions	**17,114**	**16,412**

1. Relates to long service leave.

a) Movements in provisions

Movements in each class of current provision during the financial year are set out below:

Current	Employee benefits $'000	Make good $'000	Regulatory, legal and other $'000	Total $'000
Opening balance at 1 January 2024	46,615	4,500	55,000	106,115
Net additional provisions recognised	48,648	1,500	15,357	65,505
Amounts used during the year	(45,350)	(561)	(39,884)	(85,795)
Offset against insurance receipts	–	–	(11,473)	(11,473)
Disposals (note 16)	(666)	–	–	(666)
Reclassification between non-current to current	1,694	74	–	1,768
Closing balance at 31 December 2024	**50,941**	**5,513**	**19,000**	**75,454**

Movements in each class of non-current provision during the financial year are set out below:

Non-current	Employee benefits $'000	Make good $'000	Total $'000
Opening balance at 1 January 2024	5,142	11,270	16,412
Additional provisions recognised	1,964	854	2,818
Interest expense: unwind of discount	193	639	832
Amounts used during the year	–	(334)	(334)
Disposals (note 16)	(320)	(526)	(846)
Reclassification between non-current to current	(1,694)	(74)	(1,768)
Closing balance at 31 December 2024	**5,285**	**11,829**	**17,114**

Notes to the financial statements

1. Financial Overview

Note 13: Current and Non-Current Liabilities – Provisions *Continued*

b) Current provision amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all accrued annual leave and long service leave amounts to which employees are unconditionally entitled to. For long service leave, it covers all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount of the annual leave provision is presented as current since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect annual leave, that is recorded as a current employee benefits provision, that is not expected to be taken or paid within the next 12 months:

	Consolidated	
	2024 $'000	2023 $'000
Leave obligations not expected to be settled within the next 12 months	4,326	5,325

c) Regulatory, legal and other provisions

There are outstanding regulatory issues and legal actions between the Company and other parties relating to a number of historical issues.

Employee Payments Remediation Program

Regulatory, legal and other provisions includes the Employee Payments Remediation Program. During 2020, as part of implementing a new Human Resources Information System ("HRIS") and rostering system, the Group conducted a review of award and legislative requirements. This review identified inadvertent non-compliance with some requirements of the Children's Services Award and the Educational Services (Teachers) Award for a number of the Group's team members in Australia.

Payments have been made to current and former team members amounting to $42.2 million to date. Payments have also been made in regards to payroll tax and legal fees. There remained at reporting date approximately $1.5 million of wages, super and interest payable to former G8 employees who have been unable to be located. The Company continues to engage with the Fair Work Ombudsman on the Employee Payments Remediation Program and the final outcome remains uncertain.

Legal matters

Regulatory, legal and other provisions also includes legal claims. Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Class action

The Group announced on 25 March 2024 that it had reached a binding agreement to settle the class action commenced against it by Slater & Gordon, on behalf of shareholders, in the Supreme Court of Victoria ("Court") for $46.5 million. On 29 July 2024 an insurance contribution of $11.5 million was paid by the Group's insurers direct to a settlement fund trust account and the remaining settlement amount of $35.0 million (net after tax impact estimated to be $24.5 million) was paid by the Group in August 2024. Court approval was obtained on 28 August 2024. The settlement was without admission of liability, with G8's Board determining that a commercial settlement was in the best interests of G8 and its shareholders. As the settlement distribution scheme has been completed the proceedings have been dismissed.

d) Make good provision

Costs required to return certain leased premises to their original condition as set out in the lease agreements are recognised as a provision in the financial statements. The provision has been calculated as an estimate of future costs and discounted to present value.

Notes to the financial statements

1. Financial Overview

Note 13: Current and Non-Current Liabilities – Provisions *Continued*

Accounting policy

i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave, are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the current provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

ii) Other long-term employee benefit obligations

The liability for non-current long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and years 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.

iii) Share-based payments

Refer to note 31 for more information.

Note 14: Government Funding Receivables and Liabilities

	Consolidated 2024 $'000	Consolidated 2023 $'000
Government funding receivables	8,954	1,341
Government funding liabilities	(13,944)	(2,427)
Net Government funding liabilities	**(4,990)**	**(1,086)**

a) ECEC worker retention payment grant

On 8 August 2024 the Federal Government announced a proposal to fund from December 2024 a 15% award rate pay increase for Early Childhood Education and Care (ECEC) workers over a two-year period (10% on top of the current national award rate in the first year and an additional 5% above the current national award rate in the second year). The payment is conditional on providers limiting fee growth by no more than 4.4% between 8 August 2024 and 7 August 2025 and 4.2% between 8 August 2025 and 7 August 2026. The Group successfully applied for the ECEC worker retention payment grant and has implemented the wage increase for all eligible ECEC workers from 2 December 2024. The grant is currently applicable until 30 November 2026.

The ECEC worker retention payment grant is recognised as a credit to employment costs (refer note 5) to offset costs as they are incurred.

As at 31 December 2024 there was a receivable from the Federal Government of $8.3 million (2023: nil) relating to the ECEC worker retention payment grant.

As at 31 December 2024 there was a liability of $4.4 million (2023: nil) relating to Government deferred income associated with the ECEC worker retention payment grant.

b) Other Government funding

The Group receives other Government funding including training incentives and additional funding receipts such as State kindergarten funding. Such funding is recognised in revenue when there is reasonable assurance that the incentive will be received and when the relevant conditions have been met under AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance.*

Traineeship subsidies (includes Boosting Apprenticeship Commencement, Priority Wages, and Hiring Incentives for registrations) to support businesses to take on new apprentices and trainees are recognised as a credit to employment costs (refer note 5) to offset costs as they are incurred.

Revenue received in advance from the Federal or State Governments are recognised as deferred income and reflected within Government funding liabilities. As at 31 December 2024 there was $9.5 million of deferred income relating to other government funding (2023: $2.4 million). There were also Government funding receivables of $0.7 million as at 31 December 2024 relating to other government funding (2023: $1.3 million).

Notes to the financial statements

1. Financial Overview

Note 15: Critical Accounting Estimates and Judgements

Significant Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i) Estimated impairment of goodwill

The Group tests annually whether goodwill is impaired, in accordance with the accounting policy stated in note 17. The recoverable amounts of goodwill have been determined based on value-in-use calculations. These calculations require the use of assumptions. Refer to note 17 for details of these assumptions and the potential impact of changes to these assumptions.

ii) Estimated impairment of right of use assets

The Group reviews at each reporting date whether the triggers indicating a risk of impairment exist, in accordance with the accounting policy stated in note 21. The recoverable amounts of right of use assets have been determined based on the higher of value-in-use or fair value less costs of disposal calculations. These calculations require the use of assumptions. Refer to note 21 further information.

iii) Leases - Determining the lease term of contracts with renewal and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

iv) Leases - Estimating the incremental borrowing rate

If the Group cannot readily determine the interest rate implicit in the lease it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to purchase an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

v) Provisions

Employee Payments Remediation Program

During a prior reporting period, as part of implementing a new Human Resources Information System ("HRIS") and rostering system, the Group conducted a review of award and legislative requirements. This review identified inadvertent non-compliance with some requirements of the Children's Services Award and the Educational Services (Teachers) Award for a number of the Group's team members in Australia, refer note 13(c).

Critical accounting estimates and judgements have been made in the calculations as to the number of additional agreed hours of work, overtime hours, allowance payments, appropriate award rates and notice.

Notes to the financial statements

2. Divestments, Goodwill & Impairment

Note 16: Divestments

During the year ended 31 December 2024, of a targeted 31 child care centres, the Group completed the sale of 17 centres and one lease assignment of a non-operational centre, to Abacus 49 Pty Ltd (formerly TAK Operations Pty Ltd). An additional centre was sold to a third party. The divestments are part of a program of network optimisation, as announced on 26 October 2023, to improve group performance. Details of the divestments are as follows:

	Consolidated
	2024 $'000
Payments for divestments[1]	(10,743)
Carrying amount of net liabilities sold	7,259
Net loss on sale before income tax[2]	(3,484)
Income tax benefit on loss	1,045
Net loss on sale after income tax	**(2,439)**

1. Included in 'Payments for divestments and surrender fees' in the consolidated statement of cash flows along with surrender fees on child care centre closures.
2. The net loss on sale before income tax is included in 'other expenses' in the consolidated income statement and reflected within 'Loss on sale of centres and disposal of assets/centres' in note 7.

The carrying amounts of assets and liabilities as at the dates of sale were:

	Consolidated
	2024 $'000
Right of use assets	17,223
Property, plant and equipment	4,556
Trade and other receivables	134
Other assets	79
Total assets	**21,992**
Lease liabilities	27,590
Provisions	1,512
Contract liabilities	149
Total liabilities	**29,251**
Net liabilities	**(7,259)**

In addition to the aforementioned divestments, there were 9 leases surrendered or expired during the year ended 31 December 2024.

None of the 2024 child care divestments met the definition of discontinued operation under AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Notes to the financial statements

2. Divestments, Goodwill & Impairment

Note 17: Non-Current Assets – Intangible assets

	Consolidated 2024		
	Goodwill $'000	Software $'000	Total $'000
Opening net book amount	1,046,189	3,153	1,049,342
Additions	–	617	617
Amortisation	–	(1,274)	(1,274)
Closing net book amount	**1,046,189**	**2,496**	**1,048,685**
Cost	1,196,686	5,111	1,201,797
Accumulated amortisation and impairment	(150,497)	(2,615)	(153,112)
Net book amount	**1,046,189**	**2,496**	**1,048,685**

	Consolidated 2023		
	Goodwill $'000	Software $'000	Total $'000
Opening net book amount	1,048,258	3,356	1,051,614
Additions	–	865	865
Impairment expense[1]	(2,069)	–	(2,069)
Disposals	–	(208)	(208)
Amortisation	–	(860)	(860)
Closing net book amount	**1,046,189**	**3,153**	**1,049,342**
Cost	1,196,686	4,495	1,201,181
Accumulated amortisation and impairment	(150,497)	(1,342)	(151,839)
Net book amount	**1,046,189**	**3,153**	**1,049,342**

1. Refer below (c).

Accounting policy

i) Software-as-a-Service (SaaS) arrangements

SaaS arrangements are arrangements in which the Group does not currently control the underlying software used in the arrangement.

Where costs incurred to configure or customise SaaS arrangements result in the creation of a resource which is identifiable, and where the company has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible software asset and amortised over the useful life of the software on a straight-line basis. The amortisation is reviewed at least at the end of each reporting period and any changes are treated as changes in accounting estimates.

a) Impairment tests

Goodwill and software are monitored and tested for impairment on an operating segment level. The recoverable amount of the assets is determined based on value-in-use calculations in the first instance. These calculations use cash flow projections based on budgets for 2025 and then extrapolated using estimated growth rates. The growth rate does not exceed the long-term average growth rate for the business. For the purposes of intangible assets impairment testing, the recoverable amount is compared to the carrying amount of the assets of the Group, which aside from goodwill, also includes the fixed and right of use assets of the child care centres and working capital. If a value-in-use calculation results in a suggested impairment, a fair value less costs of disposal calculation is also performed to assess which approach has the higher recoverable amount.

Notes to the financial statements

2. Divestments, Goodwill & Impairment

Note 17: Non-Current Assets – Intangible assets *Continued*

b) Key assumptions used for value-in-use calculation

The Group value-in-use calculation is based on cashflow projections which are a function of each of the following key assumptions: occupancy, child care fees and centre expenses.

The Group has made assumptions about broader economic conditions (e.g. the current cost of living, inflation and the unemployment rate). The Group has also made assumptions around centre wages and child care fees for the period beyond the Federal Government funded ECEC Worker Retention Payment grant – there is currently a two year grant period until 30 November 2026 (refer to note 14 for more information on the grant).

Child care fees are based on the current market conditions plus anticipated annual increases which are below the limits set by the Federal Government as part of the funded ECEC Worker Retention Payment grant.

Centre expenses include the following key items:

- Centre wages – based on industry award standards and forecast to increase by the historically established wage cost as a percentage of revenue which is driven by future growth in occupancy;
- Centre property expenses – based on current payments and increased by a forecast annual growth percentage; and
- Other child care expenses – driven by historical expenditure and future occupancy growth. The Group has considered the impact of inflation and cost of living pressures.

The anticipated occupancy reflects seasonal factors and underlying growth in occupancy achieved from the implementation of the Group's strategies. Economic occupancy levels represent the key to financial success for the Group given the largely fixed cost-base of child care centres.

The impairment model has the following key attributes:

- Pre-tax discount rate of 11% (2023: 11%);
- Full support office costs allocation; and
- Forecast period of 5 years plus a terminal growth calculation with a growth rate of 2% (2023: 2%).

The discount rate is based on the Group's WACC. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings of the Group and the lease portfolio of the Group.

c) Impairment charge

The Group completed an assessment of asset carrying values at year end and management have determined that no goodwill impairment was required relating to 2024.

In the prior year, a $2.1 million impairment expense of the Leor goodwill was required which has been recognised as an expense within net impairment reversal (refer note 7). There was no remaining Leor goodwill as at 31 December 2023.

Sensitivity

The Group has completed a sensitivity analysis on its Group impairment model.

The calculation of value in use is most sensitive to the following input assumptions:

- Discount rate
- Occupancy % (resulting in a net movement in revenue and costs)
- Terminal growth rate
- Annual fee increase %

Key changes to inputs that would result in no head room are:

- An increase of approximately 2.6% in the pre-tax discount rate; or
- A decrease of approximately 22% in forecast EBITDA driven by a decrease in average occupancy, partially offset by a reduction in wages expense, in the terminal year.

There would still be head room if the terminal growth rate was reduced to 0.0%.

Notes to the financial statements

3. Capital Structure & Financial Risk Management

Note 18: Financial Risk Management

The Group's activities expose it to a variety of financial risks: interest rate 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 other risks, and ageing analysis for credit risk under the expected credit loss model.

The risk management of the Group is conducted in a manner consistent with policies approved by the Board. The Board provides principles for overall risk management, as well as policies covering specific areas, such as, interest rate risk, credit risk and investment of excess liquidity.

The Group holds the following financial instruments:

	Financial assets at amortised cost	
	2024 $'000	2023 $'000
Financial assets		
Cash and cash equivalents (note 19)	47,679	40,253
Trade receivables and other debtors (note 9) and deposits (note 10)	20,779	20,089
Government funding receivables (note 14)	8,954	1,341
	77,412	**61,683**

	Financial liabilities at amortised cost	
	2024 $'000	2023 $'000
Financial liabilities		
Trade and other payables[1]	60,901	54,456
Borrowings (note 20)	114,612	100,311
	175,513	**154,767**

1. This figure excludes employee related payables whereas note 12 includes employee related payables.

Notes to the financial statements

3. Capital Structure & Financial Risk Management

Note 18: Financial Risk Management *Continued*

a) Interest rate risk

Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long term borrowings. Borrowings drawn at variable rates expose the Group to cash flow interest rate risk. G8 Education Limited's fixed and floating borrowing mix is monitored by management and reported to the Board on a regular basis (at least quarterly). The Group had no fixed rate non-current borrowings as at 31 December 2024 (2023: Nil).

Derivative products may be used to manage G8 Education Limited's interest rate risk profile but any hedging undertaken is subject to Board approval and will not exceed the level of floating rate exposure. The Group's borrowings at variable rates are denominated in Australian dollars only. The Group held no derivatives at 31 December 2024 (2023: Nil).

The Group's receivables are carried at amortised cost. They are therefore not subject to interest rate risk as defined in AASB 9 *Financial Instruments*, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

As at the reporting date, the Group had the following variable rate borrowings outstanding:

	31 December 2024		31 December 2023	
	Balance $'000	Total Loans[1] %	Balance $'000	Total Loans[1] %
Debt facilities	114,000	100%	99,000	100%
Net exposure to cash flow interest rate risk	**114,000**	**100%**	**99,000**	**100%**

1. Excludes 'Other unsecured borrowings' which relates to annual insurance premium funding.

An analysis by maturities is provided. Refer to note 18(c).

Sensitivity

At 31 December 2024, if interest rates had changed by -1.0%/+1.0% absolute from the year end rates with all other variables held constant, post-tax result for the year would have been $0.8 million higher or $0.8 million lower respectively (post-tax profit for the year for 2023: if interest rates had changed by -1.0%/+1.0% absolute from the year end rates with all other variables held constant $0.7 million higher or $0.7 million lower respectively).

The Group, as part of the club debt facility, has a sustainability linked loan agreement with the Group's lending partners which has a slight interest rate discount if the Group meets certain sustainability related targets.

b) Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to trade receivables. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. .

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

Trade debtor credit risk is managed by requiring child care fees to be paid in advance. Outstanding debtor balances are reviewed weekly and followed up in accordance with the Group's debt collection policy. Credit risk is also minimised by federal government funding in the form of Child Care Subsidy, the Federal Government is considered to be a high quality debtor.

Analysis of the ageing of the impaired trade receivables is performed. Refer to note 9.

Notes to the financial statements

3. Capital Structure & Financial Risk Management

Note 18: Financial Risk Management *Continued*

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

i) Financing arrangements

Details of financing arrangements are disclosed. Refer to note 20.

ii) Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining term at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities

	$'000						
	0 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	>5years	Total contractual cash flows	Carrying amount
Consolidated 2024							
Non derivative							
Debt facilities	3,879	3,448	6,841	122,085	—	136,253	114,000
Other unsecured borrowings	615	—	—	—	—	615	612
Trade and other payables[1]	60,901	—	—	—	—	60,901	60,901
Lease liabilities	55,569	55,012	109,103	297,721	362,664	880,069	669,382
Consolidated 2023							
Non derivative							
Debt facilities	3,378	3,402	106,015	—	—	112,795	99,000
Other unsecured borrowings	1,338	—	—	—	—	1,338	1,311
Trade and other payables[1]	54,456	—	—	—	—	54,456	54,456
Lease liabilities	58,492	57,274	111,796	299,009	329,077	855,648	677,824

1. This figure excludes employee related payables whereas note 12 includes employee related payables.

d) Fair value measurements

The fair value of financial assets and financial liabilities (excluding lease liabilities) must be estimated for recognition and measurement or for disclosure purposes.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and

c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

There were no liabilities measured and recognised at fair value on a recurring basis as at 31 December 2024 (2023: Nil).

Notes to the financial statements

3. Capital Structure & Financial Risk Management

Note 19: Current Assets - Cash and Cash Equivalents

	Consolidated 2024 $'000	Consolidated 2023 $'000
Cash at bank and in hand	47,679	40,253
Total cash and cash equivalents	**47,679**	**40,253**

Accounting policy

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 20: Current and Non-Current Liabilities – Borrowings

	Consolidated 2024 $'000	Consolidated 2023 $'000
Current borrowings		
Other unsecured borrowings[1]	612	1,311
Total current borrowings	**612**	**1,311**
Non-current borrowings		
Debt facilities	114,000	99,000
Total non-current borrowings	**114,000**	**99,000**
Total borrowings	**114,612**	**100,311**

1. Current 'Other unsecured borrowings' relates to annual insurance premium funding.

a) Debt facilities

The Group repaid its syndicated debt facility in December 2024 and entered into a new club debt facility, reducing total facility limits (including the Group's bank guarantee facility) from $306.0 million to $240.0 million.

The club debt facility has $200.0 million in revolving facilities ($100.0 million with an expiry in December 2027 and $100.0 million with an expiry in December 2029) as at 31 December 2024. The Group had $114.0 million drawn from the $200.0 million revolving facilities as at 31 December 2024 (31 December 2023: $99.0 million). The facility incurs interest at a rate of BBSY plus a margin based on the Group's leverage ratio. Borrowing costs, relating to the refinancing in December 2024, of $0.9 million were capitalised to prepaid borrowing costs (refer note 10) and will be expensed on a straight line basis over the lives of the revolving facilities.

The club debt facility also has a $40.0 million bank guarantee facility of which $31.8 million was in use as at 31 December 2024 (31 December 2023: $33.5 million). There was also a short term standby letter of credit in place of $23.6 million as at 31 December 2024 as the Group transitions the bank guarantees to the new club debt facility.

The Group has complied with the financial covenants relating to the club debt facility during the reporting period.

Notes to the financial statements

3. Capital Structure & Financial Risk Management

Note 20: Current and Non-Current Liabilities – Borrowings *Continued*

b) Fair value

Carrying value is approximate to the fair value for all borrowings.

c) Assets pledged as security

The carrying amounts of assets pledged as security for the Debt facilities are:

		Consolidated	
	Notes	2024 $'000	2023 $'000
Current			
Floating charge			
Cash and cash equivalents	19	47,679	40,253
Trade and other receivables	9	20,726	22,413
Government funding receivables	14	8,954	1,341
Other current assets	10	13,498	14,401
Total current assets pledged as security		**90,857**	**78,408**
Non-current			
First mortgage			
Land and buildings	11	3,612	3,750
Leased property[1]		217,763	225,726
Floating charge			
Other non-current assets	10	3,945	5,920
Furniture, fittings and equipment	11	132,699	135,031
Total non-current assets pledged as security		**358,019**	**370,427**
Total assets pledged as security		**448,876**	**448,835**

1. The Group has certain centres which are secured by a mortgage over lease and right of entry deed. The mortgage over lease and right of entry deed is signed by the landlord and gives the Group's lenders, amongst other things, a step in right to use the asset in the event of the Group's default.

Notes to the financial statements

3. Capital Structure & Financial Risk Management

Note 20: Current and Non-Current Liabilities – Borrowings *Continued*

d) Financing arrangements

As at 31 December 2024 the following lines of credit were in place:

	Consolidated 2024 $'000	Consolidated 2023 $'000
Credit standby arrangements[1]		
Total facilities	4,500	3,000
Used at balance date	(674)	(58)
Unused at balance date	**3,826**	**2,942**
Debt facilities		
Total facilities	200,000	270,000
Used at balance date	(114,000)	(99,000)
Unused at balance date	**86,000**	**171,000**
Other unsecured borrowing facilities[2]		
Total facilities	612	1,311
Used at balance date	(612)	(1,311)
Unused at balance date	**–**	**–**
Bank guarantee facilities[3]		
Total facilities	63,562	36,000
Used at balance date	(55,318)	(33,450)
Unused at balance date	**8,244**	**2,550**

1. Corporate and virtual credit card facilities.
2. Annual insurance premium funding – As at 31 December 2024 $0.6 million remains outstanding (31 December 2023: $1.3 million). During 2024 there was a draw down of $6.0 million (2023: $5.9 million) relating to annual insurance premium funding which is being repaid in instalments (between July 2024 and January 2025).
3. Short term standby letter of credit – As at 31 December 2024 included in bank guarantee facilities there was a short term standby letter of credit in place totaling $23.6 million as the Group transitions the bank guarantees to the new club debt facility.

The Group maintains a secured facility for the provision of bank guarantees to landlords of premises leased by the Group and Debt facilities.

Accounting policy

Measurement

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated income statement over the year of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facilities, are capitalised as a prepayment and expensed on a straight lined basis over the life of the facility.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid is recognised in the consolidated income statement as other income or finance costs.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the balance date.

Covenants that the Group is required to comply with, on or before the end of the balance date, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the balance date do not affect the classification.

Notes to the financial statements

3. Capital Structure & Financial Risk Management

Note 21: Right of Use Assets and Lease Liabilities

a) Right of use assets

Set out below are the carrying amounts of right of use assets and movements during the year:

	Leased property $'000	Leased vehicle $'000	Total $'000
At 31 December 2023			
Cost	915,736	1,803	917,539
Accumulated depreciation and impairment	(388,038)	(1,536)	(389,574)
Net book amount	**527,698**	**267**	**527,965**
Additions	15,350	740	16,090
Remeasurement of make-good provision	744	—	744
Disposals[1]	(20,413)	(78)	(20,491)
Depreciation charge	(71,822)	(367)	(72,189)
Modification to lease terms	61,954	89	62,043
Variable lease payments reassessment	18,341	(23)	18,318
Net impairment expense	(3,306)	—	(3,306)
Closing net book amount as at 31 December 2024	**528,546**	**628**	**529,174**
Cost	947,034	1,401	948,435
Accumulated depreciation and impairment	(418,488)	(773)	(419,261)
As at 31 December 2024	**528,546**	**628**	**529,174**

1. During the year, the Group disposed of right of use assets of $20.5 million which had a cost of $66.3 million and accumulated depreciation and impairment of $45.8 million.

	Leased property $'000	Leased vehicle $'000	Total $'000
At 31 December 2022			
Cost	758,533	3,286	761,819
Accumulated depreciation and impairment	(357,020)	(2,965)	(359,985)
Net book amount	**401,513**	**321**	**401,834**
Additions	18,649	27	18,676
Remeasurement of make-good provision	1,800	—	1,800
Disposals	(4,073)	(86)	(4,159)
Depreciation charge	(71,447)	(472)	(71,919)
Modification to lease terms	142,557	296	142,853
Variable lease payments reassessment	20,576	181	20,757
Net impairment reversal	18,123	—	18,123
Closing net book amount as at 31 December 2023	**527,698**	**267**	**527,965**
Cost	915,736	1,803	917,539
Accumulated depreciation and impairment	(388,038)	(1,536)	(389,574)
As at 31 December 2023	**527,698**	**267**	**527,965**

Notes to the financial statements

3. Capital Structure & Financial Risk Management

Note 21: Right of Use Assets and Lease Liabilities *Continued*

b) Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Consolidated	
	2024 $'000	2023 $'000
Current lease liabilities	71,886	81,278
Non-current lease liabilities	597,496	596,546
Total lease liabilities	**669,382**	**677,824**

	Consolidated	
	2024 $'000	2023 $'000
Opening balance	**677,824**	**584,700**
Additions	14,415	17,733
Disposals	(33,611)	(14,389)
Interest expense: accretion of interest	44,473	41,892
Payments	(114,332)	(115,602)
Modification to lease terms	62,043	143,526
Variable lease payments reassessment	18,570	19,964
Closing balance	**669,382**	**677,824**

The maturity analysis of lease liabilities are disclosed. Refer to note 18(c).

c) Amounts recognised in profit and loss relating to leases

The following are the amounts recognised in profit and loss relating to leases:

	Consolidated	
	2024 $'000	2023 $'000
Depreciation expense of right-of-use assets	72,189	71,919
Interest expense on lease liabilities	44,473	41,892
Expense relating to short-term leases (included in properties, utilities and maintenance costs)	233	288
Expense relating to leases of low-value assets (included in direct costs)	1,936	1,879
Variable lease payments (included in properties, utilities and maintenance costs and other expenses)	144	149
Other property outgoing expenses (included in properties, utilities and maintenance costs)	13,378	11,330
Net impairment expense / (reversal) on right of use assets	3,306	(18,123)
(Gain) / Loss on surrender / termination of leases	(2,637)	3,573
Gain on lease modifications	(70)	—
Loss on sale of centres	3,484	233
Total amounts recognised in profit and loss	**136,436**	**113,140**

The Group had cash outflows for the principal portion of lease payments totalling $69.9 million (2023: $77.0 million) and interest payments totalling $44.5 million (2023: $38.6 million). Payments relating to short-term leases, low-value assets and net variable lease payments totalled approximately $2.3 million (2023: $2.3 million) (included in payments to suppliers and employees).

Notes to the financial statements

3. Capital Structure & Financial Risk Management

Note 21: Right of Use Assets and Lease Liabilities *Continued*

d) Impairment of right of use assets

Right of use assets are tested for impairment as part of the CGU to which they relate, usually a child care centre. Net impairment expense for right of use assets totalled $3.3 million during the year ended 31 December 2024 (2023: $18.1 million net impairment reversal).

Right of use assets impairment losses

The Group reviews at each reporting date whether the triggers indicating a risk of impairment exist. During the period the Group reviewed the CGUs to which the right of use assets relate and tested the carrying values for impairment based upon forecast cashflows, to measure recoverable value-in-use. The value-in-use calculations are based on cashflow projections which are a function of each of the following key assumptions: occupancy, wages and other centre expenses. If a value-in-use calculation for a particular CGU results in a suggested impairment, a fair value less costs of disposal calculation is also performed to assess which approach has the higher recoverable amount. Right of use assets impairment losses of $5.2 million were recognised in 2024 (2023: $6.1 million impairment loss).

Reversal of right of use assets impairment losses

In addition, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount (higher of value-in-use or fair value less costs of disposal).

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. During the year ended 31 December 2024, the Group had the following change in assumption for a CGU: known sale price of a divested centre.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

The assessment resulted in the reversal of right of use assets impairment losses in 2024 totalling $1.9 million (2023: $24.2 million impairment reversal).

Accounting policy

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. The recognised right of use assets are depreciated on a straight-line basis over the shorter of useful life and the lease term.

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 and variable lease payments that depend on an index or a rate. 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 a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if 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 assumptions made on lease options, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition practical expedient to its short-term leases of property (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Group applies the low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Notes to the financial statements

3. Capital Structure & Financial Risk Management

Note 22: Contributed Equity

a) Share capital

	Consolidated		Consolidated	
	2024 No. of Shares	2023 No. of Shares	2024 $'000	2023 $'000
Ordinary shares fully paid	795,947,151	809,506,134	879,410	897,761

b) Movements in ordinary share capital

Details	Number of Shares '000	$'000
31 December 2022 balance	**813,837**	**1,174,419**
Share buy-back, including transaction costs net of tax[1]	(4,331)	(5,152)
Share capital reduction[2]	–	(271,500)
Purchase of treasury shares (note (c))	(1,818)	(2,070)
Issue of treasury shares to employees (note (c))	1,818	2,064
31 December 2023 balance	**809,506**	**897,761**
Share buy-back, including transaction costs net of tax[3]	(13,559)	(18,351)
31 December 2024 balance	**795,947**	**879,410**

1. The Group completed a share buy-back program (that was originally announced in February 2022) in January 2023. Over the period of this share buy-back program between April 2022 and January 2023 there were a total of 37.9 million shares repurchased for $40.0 million (including transaction costs).
2. A non-cash share capital reduction totalling $271.5 million was resolved and announced by the Board on 21 February 2023 in accordance with section 258F of the *Corporations Act 2001*. The reduction was wholly contained within equity and simplified the balance sheet presentation relating to retained earnings and capital contributions to reflect the net equity of the Group more closely.
3. On 22 August 2024 the Board announced an on-market share buy-back program of up to 5% of issued capital as part of the Group's capital management strategy. In the year ended 31 December 2024, the Group repurchased 13.6 million shares for a total consideration of $18.4 million (including transaction costs).

c) Treasury shares

Treasury shares are shares in G8 Education Limited that G8 Education Limited has acquired on-market by the G8 Education Employee Share Scheme Trust prior to issuing shares under the G8 Education Executive Incentive Plan and for the CEO and Managing Director Sign-On Equity Grants (see note 31 for further information). There are no shares held by the G8 Education Employee Share Scheme Trust as at 31 December 2024 (31 December 2023: Nil).

d) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Notes to the financial statements

3. Capital Structure & Financial Risk Management

Note 22: Contributed Equity *Continued*

e) Dividend reinvestment plan

The Company has established a dividend reinvestment plan under which, when the plan is not suspended, holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares. Shares are issued under the plan. The Company advises the market at the time of announcing the dividend if there will be a discount applied to the market price. The Company also advises the market of any changes to dividend reinvestment plan. The dividend reinvestment plan has been temporarily suspended.

f) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, buy-back shares off market or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt (excluding lease liabilities) divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt.

The gearing ratios at 31 December were as follows:

		Consolidated	
	Notes	2024 $'000	2023 $'000
Borrowings	20	114,612	100,311
Less: cash and cash equivalents	19	(47,679)	(40,253)
Net debt		66,933	60,058
Total equity		916,313	905,503
Total capital		**983,246**	**965,561**
Gearing ratio		**7%**	**6%**

Accounting policy

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Costs directly attributable to the buy-back of shares are shown in equity as a deduction, net of tax, along with the payments for the shares.

Notes to the financial statements

3. Capital Structure & Financial Risk Management

Note 23: Dividends

a) Ordinary shares

On 27 February 2024 the Board declared a 3.0 cent fully franked dividend in relation to the 2023 financial year which was paid on 4 April 2024.

On 22 August 2024 the Board declared a 2.0 cent fully franked dividend in relation to the half-year ended 30 June 2024 which was paid on 30 September 2024.

On 25 February 2025 the Board declared a 3.5 cent fully franked dividend in relation to the 2024 financial year to be paid on 3 April 2025. Refer to note 29.

Dividends paid during the reporting period were as follows:

Dividends	CPS	Total dividend $'000
Financial year 2024		
2023 final franked dividend (paid in cash on 4 April 2024)	3.0	24,285
2024 interim franked dividend (paid in cash on 30 September 2024)	2.0	16,190
Franked dividends paid during the year ended 31 December 2024		**40,475**

Dividends paid during the prior year were as follows:

Dividends	CPS	Total dividend $'000
Financial year 2023		
2022 final franked dividend (paid in cash on 6 April 2023)	2.0	16,190
2023 interim franked dividend (paid in cash on 6 October 2023)	1.5	12,143
Franked dividends paid during the year ended 31 December 2023		**28,333**

b) Franking credits

	Consolidated		Parent Entity	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Franking credits available for subsequent financial years based on a tax rate of 30% (2023: 30%)	50,092	41,508	50,092	41,508

The above amounts represent the balance of the franking account as at the end of the reporting period, adjusted for:

a) Franking credits that will arise from the payment of the amount of the provision for income tax;

b) Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and

c) Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

The consolidated amounts include franking credits that would be available to the parent entity if the distributable profits of subsidiaries were paid as dividends.

Accounting policy

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at reporting date.

Notes to the financial statements

3. Capital Structure & Financial Risk Management

Note 24: Reconciliation of Cash Flows

Reconciliation of profit after tax to net cash flows from operating activities

	Consolidated 2024 $'000	Consolidated 2023 $'000
Profit for the year	67,688	56,056
Depreciation and amortisation	104,575	102,986
Net impairment expense / (reversal)	4,041	(13,645)
Non-cash (gain) / loss on surrender / termination of leases	(2,637)	3,573
Non-cash net loss on sale of centres / assets	4,380	2,938
Borrowing costs expense and non-cash interest	2,130	3,846
Non-cash employee benefits expense - share based payments	1,948	1,639
(Increase)/decrease in deferred tax asset	4,072	819
(Increase)/decrease in trade and other debtors	(1,631)	(1,125)
(Increase)/decrease in government funding receivables	(7,613)	926
(Increase)/decrease in other current assets	652	(357)
(Increase)/decrease in current tax assets	—	11,294
(Increase)/decrease in non-current assets	1,975	276
Increase/(decrease) in trade and other creditors	7,151	113
Increase/(decrease) in contract liabilities	(1,907)	166
Increase/(decrease) in government funding liabilities	11,517	(574)
Increase/(decrease) in provisions	(25,728)	18,248
Increase/(decrease) in insurance borrowings	(699)	1,311
Increase/(decrease) in current tax liability	(2,859)	13,022
Net cash inflows from operating activities	**167,055**	**201,512**

Changes in liabilities arising from financing activities

	Opening balance 1 Jan 2024 $'000	Cash flows $'000	Movement to current liability $'000	Considered interest in operating cash flows $'000	New leases $'000	Other $'000	Closing balance 31 Dec 2024 $'000
Current lease liabilities	81,278	(114,332)	71,562	44,473	324	(11,419)	71,886
Non-current lease liabilities	596,546	—	(71,562)	—	14,091	58,421[1]	597,496
Current and non-current interest bearing loans and borrowings	100,311	14,301	—	—	—	—	114,612

1. More than 90 centre leases had their lease terms extended during the year ended 31 December 2024.

	Opening balance 1 Jan 2023 $'000	Cash flows $'000	Movement to current liability $'000	Considered interest in operating cash flows $'000	New leases $'000	Other $'000	Closing balance 31 Dec 2023 $'000
Current lease liabilities	81,168	(115,602)	81,278	41,892	558	(8,016)	81,278
Non-current lease liabilities	503,532	—	(81,278)	—	17,175	157,117[2]	596,546
Current and non-current interest bearing loans and borrowings	128,855	(29,780)	—	—	—	1,236	100,311

2. More than 130 centre leases had their lease terms extended during the year ended 31 December 2023.

Notes to the financial statements

4. Group Structure

Note 25: Interests in other entities

a) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy set out. Refer to note 34(b).

Name of Entity	Country of incorporation	Class of Shares/Units	2024 %	2023 %
Subsidiaries of Company				
Grasshoppers Early Learning Centres Pty Ltd	Australia	Ordinary	100	100
Togalog Pty Ltd[1]	Australia	Ordinary	100	100
RBWOL Holding Pty Ltd[1]	Australia	Ordinary	100	100
Ramsay Bourne Holdings Pty Ltd[1]	Australia	Ordinary	100	100
Bourne Learning Pty Ltd[1]	Australia	Ordinary	100	100
Ramsay Bourne Acquisitions (No.1) Pty Ltd[1]	Australia	Ordinary	100	100
Ramsay Bourne Acquisitions (No.2) Pty Ltd[1]	Australia	Ordinary	100	100
RBL No. 1 Pty Ltd[1]	Australia	Ordinary	100	100
Ramsay Bourne Licences Pty Ltd[1]	Australia	Ordinary	100	100
Sydney Cove Children's Centre Pty Ltd[1]	Australia	Ordinary	100	100
Sydney Cove Children's Centre B Pty Ltd[1]	Australia	Ordinary	100	100
Sydney Cove Children's Centre C Pty Ltd[1]	Australia	Ordinary	100	100
Sydney Cove Property Holdings Pty Ltd[1]	Australia	Ordinary	100	100
World Of Learning Pty Ltd[1]	Australia	Ordinary	100	100
Yellow Door Group Pty Ltd[1]	Australia	Ordinary	100	100
World Of Learning Acquisitions Pty Ltd[1]	Australia	Ordinary	100	100
Yellow Door Education Pty Ltd	Australia	Ordinary	100	100
G8 KP Pty Ltd[1]	Australia	Ordinary	100	100
Sterling Early Education Finance Pty Ltd[1]	Australia	Ordinary	100	100
Sterling Early Education Holdings Pty Ltd[1]	Australia	Ordinary	100	100
Woodland Education Operations Pty Ltd[1]	Australia	Ordinary	100	100
Kindy Kids Operations Pty Ltd[1]	Australia	Ordinary	100	100
CG Operations Pty Ltd[1]	Australia	Ordinary	100	100
Kool Kids Operations Pty Ltd[1]	Australia	Ordinary	100	100
North Shore Childcare Pty Ltd[1]	Australia	Ordinary	100	100
Ooorama Operations Pty Ltd[1]	Australia	Ordinary	100	100
Jacaranda Operations Pty Ltd[1]	Australia	Ordinary	100	100
Huggy Bear Operations Pty Ltd[1]	Australia	Ordinary	100	100
Jellybeans Operations Pty Ltd[1]	Australia	Ordinary	100	100
Jellybeans Attadale Pty Ltd[1]	Australia	Ordinary	100	100
Jane's Place Operations Pty Ltd[1]	Australia	Ordinary	100	100
Jolimont Private Education Pty Ltd[1]	Australia	Ordinary	100	100
WTTS Operations Pty Ltd[1]	Australia	Ordinary	100	100
BUI Investments Pty Ltd[1]	Australia	Ordinary	100	100
Derafi Pty Ltd[1]	Australia	Ordinary	100	100
Alfoom Investments Pty Ltd[1]	Australia	Ordinary	100	100
Shemlex Pty Ltd[1]	Australia	Ordinary	100	100
Kindy Kids Village Pty Ltd[1]	Australia	Ordinary	100	100
Kindy Kids Long DayCare and Preschool Pty Ltd[1]	Australia	Ordinary	100	100
Three Little Pigs Pty Ltd[1]	Australia	Ordinary	100	100
A.C.N. 078 042 378 Pty Ltd[1]	Australia	Ordinary	100	100

Notes to the financial statements

4. Group Structure

Note 25: Interests in other entities *Continued*

Name of Entity	Country of incorporation	Class of Shares/Units	2024 %	2023 %
ES5 Pty Ltd[1]	Australia	Ordinary	100	100
Kindy Patch Unit Trust	Australia	Ordinary	100	100
Sydney Cove Children's Centre Unit Trust	Australia	Ordinary	100	100
Sydney Cove Children's Centre Unit Trust B	Australia	Ordinary	100	100
Shemlex Investment Unit Trust	Australia	Ordinary	100	100
Shemlex Investments Freehold Unit Trust No 1	Australia	Ordinary	100	100
Morley Perth Unit Trust	Australia	Ordinary	100	100
Kindy Kids Village Trust	Australia	Ordinary	100	100
Kindy Kids Long Day Care and Preschool Trust	Australia	Ordinary	100	100
Adelaide Montessori Pty Ltd[1]	Australia	Ordinary	100	100
GW Concord Pty Ltd[1]	Australia	Ordinary	100	100
GW Chatswood Pty Ltd[1]	Australia	Ordinary	100	100
GW Macquarie Park Pty Ltd[1]	Australia	Ordinary	100	100
GW Brookvale Pty Ltd[1]	Australia	Ordinary	100	100
GW Bronte Pty Ltd[1]	Australia	Ordinary	100	100
GW Katoomba Pty Ltd[1]	Australia	Ordinary	100	100
GW Gladesville Pty Ltd[1]	Australia	Ordinary	100	100
GW Frenchs Forest Pty Ltd[1]	Australia	Ordinary	100	100
GW Prep Holdings Pty Ltd[1]	Australia	Ordinary	100	100
Lane Cove CCC Unit Trust	Australia	Ordinary	100	100
Lane Cove CCC Pty Ltd[1]	Australia	Ordinary	100	100
Waterloo CCC Unit Trust	Australia	Ordinary	100	100
Waterloo CCC Pty Ltd[1]	Australia	Ordinary	100	100
GW Chatswood Unit Trust	Australia	Ordinary	100	100
Homebush CCC Pty Ltd	Australia	Ordinary	100	100
Homebush CCC Unit Trust	Australia	Ordinary	100	100
Dendy Street Childcare Pty Ltd	Australia	Ordinary	100	100
Childcare Saver Pty Ltd	Australia	Ordinary	100	100
Murmuration Holdings Pty Ltd	Australia	Ordinary	100	100
Leor Pty Ltd	Australia	Ordinary	100	100
ECEC Property Pty Ltd	Australia	Ordinary	100	100
ECEC Property Holdings Pty Ltd	Australia	Ordinary	100	100
ECEC Property Real Estate Investment Trust 1	Australia	Ordinary	100	100

1. These subsidiaries have been granted relief from the necessity to prepare financial reports in accordance with ASIC Legislative Instrument 2016/785 issued by the Australian Securities and Investment Commission, or by virtue of their status as small proprietary companies. Refer to note 27.

The proportion of ownership interest is equal to the proportion of voting power held.

Notes to the financial statements

4. Group Structure

Note 25: Interests in other entities *Continued*

b) Interests in associates

In November 2021, The Group acquired a 20% interest in Kiddo Group Holdings Pty Ltd (Kiddo) through a share subscription agreement for a total consideration of $1.0 million. During the year ended 31 December 2024, the Group acquired an additional 2% interest for a total consideration of $0.1 million.

Kiddo represents a mobile platform connecting and matching parents with carers to provide in-home care for their children. Kiddo is a private entity that is not listed on any public exchange.

The Group recognised a $2,641 share of profit of an associate in relation to the year ended 31 December 2024 (2023: $0.1 million share of loss). This amount has been included in 'other expenses' in the consolidated income statement.

The Group has an 'Investment in an associate' as at 31 December 2024 of $0.9 million (2023: $0.8 million).

Accounting policy

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The Group's interests in associates is accounted for using the equity method in the consolidated financial statements.

Note 26: Parent Entity Disclosures

As at, and throughout the financial year ended 31 December 2024, the parent entity of the Group was G8 Education Limited.

	2024 $'000	2023 $'000
Result of parent entity		
Profit for the year after tax	70,065	63,950
Other comprehensive income	—	—
Total comprehensive income for the year	**70,065**	**63,950**
Financial position of parent entity at year end		
Current assets	83,760	72,187
Non-current assets	1,716,732	1,691,177
Total assets	**1,800,492**	**1,763,364**
Current liabilities	253,533	268,040
Non-current liabilities	601,012	562,564
Total liabilities	**854,545**	**830,604**
Total equity of parent entity comprising of:		
Contributed equity	879,410	897,761
Reserves	140,027	108,489
Accumulated losses	(73,490)	(73,490)
Total equity	**945,947**	**932,760**

Parent entity contingencies

There are no parent entity contingent liabilities as at 31 December 2024.

Parent entity guarantees in respect of the debts of its subsidiaries.

The parent entity has entered into a Deed of Cross Guarantee with the effect that the Company guarantees debts in respect of a number of its subsidiaries.

Further details of the Deed of Cross Guarantee and the subsidiaries subject to the deed are disclosed. Refer to note 27.

Notes to the financial statements

4. Group Structure

Note 26: Parent Entity Disclosures *Continued*

Accounting policy

The financial information for the parent entity, G8 Education Limited, has been prepared on the same basis as the consolidated financial statements, except as set out below.

i) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of G8 Education Limited.

ii) Tax consolidation legislation

Refer to note 6.

Note 27: Deed of Cross Guarantee

All subsidiaries identified, refer to note 25 as having been granted relief from the requirement to prepare a Financial Report and Directors' Report Under ASIC Legislative Instrument 2016/785 (As Amended) issued by the Australian Securities and Investments Commission are considered to be in the closed group.

Below is a consolidated statement of comprehensive income for the years ended 31 December 2024 and 31 December 2023 of the closed group:

a) Consolidated statement of comprehensive income

	2024 $'000	2023 $'000
Continuing operations		
Revenue	1,015,268	983,438
Other income	6,509	3,563
Total revenue	**1,021,777**	**987,001**
Expenses		
Employment costs	(621,198)	(603,005)
Properties, utilities and maintenance costs	(53,116)	(50,470)
Direct costs	(34,154)	(36,278)
Software development expenses	(956)	(7,004)
Depreciation and amortisation	(104,575)	(102,986)
Net impairment (expense) / reversal	(4,041)	13,645
Other expenses	(49,579)	(66,083)
Finance costs	(56,470)	(53,704)
Total expenses	**(924,089)**	**(905,885)**
Profit before income tax	**97,688**	**81,116**
Income tax expense	(30,000)	(25,060)
Profit for the year	**67,688**	**56,056**
Total comprehensive income for the year	**67,688**	**56,056**

Notes to the financial statements

4. Group Structure

Note 27: Deed of Cross Guarantee *Continued*

b) Consolidated balance sheet

Set out below is a consolidated balance sheet as at 31 December 2024 of the closed group.

	2024 $'000	2023 $'000
Current assets		
Cash and cash equivalents	47,679	40,253
Trade and other receivables	20,726	22,413
Government funding receivables	8,954	1,341
Other current assets	13,498	14,401
Total current assets	**90,857**	**78,408**
Non-current assets		
Property, plant and equipment	136,311	138,781
Right of use assets	529,174	527,965
Deferred tax assets	97,494	101,566
Intangible assets	1,048,685	1,049,342
Investment in an associate	915	812
Other non-current assets	3,945	5,920
Total non-current assets	**1,816,524**	**1,824,386**
Total assets	**1,907,381**	**1,902,794**
Current liabilities		
Trade and other payables	83,466	72,207
Contract liabilities	6,933	8,973
Government funding liabilities	13,944	2,427
Current tax liability	10,163	13,022
Borrowings	612	1,311
Lease liabilities	71,886	81,278
Provisions	75,454	106,115
Total current liabilities	**262,458**	**285,333**
Non-current liabilities		
Borrowings	114,000	99,000
Lease liabilities	597,496	596,546
Provisions	17,114	16,412
Total non-current liabilities	**728,610**	**711,958**
Total liabilities	**991,068**	**997,291**
Net assets	**916,313**	**905,503**
Equity		
Contributed equity	879,410	897,761
Reserves	140,027	108,489
Retained earnings	(103,124)	(100,747)
Total equity	**916,313**	**905,503**

Notes to the financial statements

5. Unrecognised Items

Note 28: Commitments

Capital commitments

There is no capital expenditure unconditionally contracted for at the reporting date but not recognised as a liability.

Note 29: Events Occurring After the Balance Sheet Date

The following matters have taken place subsequent to year end:

- Effective 17 January 2025, Sharyn Williams resigned as Chief Financial Officer.
- Effective 20 January 2025, Steven Becker was appointed Chief Financial Officer.
- Subsequent to 31 December 2024 the Group completed the sale of two child care centres.
- Between 13 January 2025 and 24 February 2025, the Group repurchased 6,230,321 shares on-market relating to the share buy-back program for a total consideration of $8.4 million.
- On 25 February 2025 the Board declared a 3.5 cent fully franked dividend in relation to the 2024 financial year to be paid on 3 April 2025.

Notes to the financial statements

6. Other

Note 30: Key Management Personnel Disclosures

a) Directors

The following persons were directors of G8 Education Limited during the financial year:

i) Chair –Independent Non-Executive Director

- D Singh

ii) CEO and Managing Director

- P Okhovat

iii) Independent Non-Executive Directors

- J Cogin
- D Foster (until 7 May 2024)
- S Heath (from 3 June 2024)
- T Thornton
- P Trimble
- M Zabel

b) Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year:

Name	Position
S Dann	Chief Operating Officer
S Williams	Chief Financial Officer

c) Key Management Personnel compensation

	Consolidated	
	2024 $'000	2023 $'000
Short term employee benefits[1]	3,604	3,533
Post employment benefits	192	171
Long-term benefits - cash	289	377
Share based payments	1,801	1,463
	5,886	**5,544**

1. Includes Non-Executive Directors' fees.

The relevant information on detailed remuneration disclosures can be found in the Remuneration Report on pages 33 to 53.

d) Equity instrument disclosures relating to Key Management Personnel

Refer to note 31 for details of rights issued to Key Management Personnel.

Notes to the financial statements

6. Other

Note 31: Share–Based Payments

Expenses arising from share-based transactions

Expenses arising from share-based payment transactions recognised during the year as part of employee benefit expenses were as follows:

	Consolidated	
	2024 $'000	2023 $'000
Share-based payment expense	1,948	1,639

G8 Education Executive Incentive Plan (GEIP)

Long Term Incentive Plan (LTIP)

Shareholders approved the GEIP at the Annual General Meeting (AGM) in April 2023. The Company has established the GEIP to assist in retaining and motivating executives of G8 Education Limited (Participants). It is intended that the Performance Rights issued under the GEIP will enable the Company to retain and attract skilled and experienced executives and provide them with the motivation to enhance the success of the Company.

Under the GEIP, performance rights may be offered to Participants selected by the Board. Unless otherwise determined by the Board, no payment is required for the grant of performance rights under the GEIP. Subject to any adjustment in the event of a bonus issue, each right is a right to be issued a Share for nil Exercise Price upon the satisfaction of Vesting Conditions specified in the Offer. Upon the exercise of a right by a Participant, each Share allocated will rank equally with other Shares of the Company.

The employee share scheme is also administered by the G8 Education Employee Share Scheme Trust (Trust). This Trust is consolidated in accordance with note 34(b). Shares allocated by the Trust to the employees are either acquired on-market or new shares are issued by the Company.

Performance Rights issued in 2024 (the 2024 Grant) vest on achievement of the following performance (with two equally weighted performance hurdles for the Performance Rights) and service conditions by the vesting date:

Performance Conditions (50% of performance hurdle) – Earnings per Share (EPS) Compound Annual Growth Rate (CAGR)[1]	The percentage of Performance Rights that vest for each % EPS CAGR (over the three financial years ended 31 December 2026) is based on the vesting schedule below:	
	EPS CAGR	Percentage of Performance Rights that vest
	Less than 10%	0%
	10% to 15%	25% - 50% (pro-rata)
	> 15%	50%
Performance Conditions (50% of performance hurdle) – Absolute Total Shareholder Return (TSR) Compound Annual Growth Rate (CAGR)[1, 2]	The percentage of Performance Rights that vest for each % Absolute TSR CAGR (over the three financial years ended 31 December 2026) is based on the vesting schedule below:	
	Absolute TSR	Percentage of Performance Rights that vest
	Less than 12%	0%
	12% to 15%	25% - 50% (pro-rata)
	> 15%	50%
Service Condition	Holders of Performance Rights must be continuously employed by the Company from the Grant Date to the Vesting Date, subject to Board discretion for termination without cause and pro-rata vesting in the event of redundancy.	
Retesting	Awards are not retested	
Dividend Policy	Holders of Performance Rights are not entitled to receive dividends prior to vesting	

1. Subject to adjustment for significant items as determined by the Board in its discretion.
2. TSR is calculated as:

$$\frac{\textit{(share price at end of the period – share price at the beginning of period) + dividends during the period}}{\textit{share price at beginning of period}} \times 100$$

Notes to the financial statements

6. Other

Note 31: Share–Based Payments *Continued*

Performance Rights issued in 2023 (the 2023 Grant) vest on achievement of the following performance (with two equally weighted performance hurdles for the Performance Rights) and service conditions by the vesting date:

Performance Conditions (50% of performance hurdle) – Earnings per Share (EPS) Compound Annual Growth Rate (CAGR) [1]	The percentage of Performance Rights that vest for each % EPS CAGR (over the three financial years ended 31 December 2025) is based on the vesting schedule below: **EPS CAGR** — Percentage of Performance Rights that vest **Less than 10%** — 0% **10% to 15%** — 25% - 50% (pro-rata) **> 15%** — 50%
Performance Conditions (50% of performance hurdle) – Absolute Total Shareholder Return (TSR) Compound Annual Growth Rate (CAGR) [1,2]	The percentage of Performance Rights that vest for each % Absolute TSR CAGR (over the three financial years ended 31 December 2025) is based on the vesting schedule below: **Absolute TSR** — Percentage of Performance Rights that vest **Less than 12%** — 0% **12% to 15%** — 25% - 50% (pro-rata) **> 15%** — 50%
Service Condition	Holders of Performance Rights must be continuously employed by the Company from the Grant Date to the Vesting Date, subject to Board discretion for termination without cause and pro-rata vesting in the event of redundancy.
Retesting	Awards are not retested
Dividend Policy	Holders of Performance Rights are not entitled to receive dividends prior to vesting

1. Subject to adjustment for significant items as determined by the Board in its discretion.
2. TSR is calculated as:

$$\frac{\textit{(share price at end of the period – share price at the beginning of period) + dividends during the period}}{\textit{share price at beginning of period}} \times 100$$

Notes to the financial statements

6. Other

Note 31: Share–Based Payments *Continued*

The Special Equity Award issued to Mr P Okhovat in February 2023 vest on achievement of the following performance (with two equally weighted performance hurdles for the Performance Rights) and service conditions by the vesting date:

Performance Conditions (50% of performance hurdle) – Earnings per Share (EPS) Compound Annual Growth Rate (CAGR) [1]	The percentage of Performance Rights that vest for each % EPS CAGR (over the two financial years ended 31 December 2024) is based on the vesting schedule below:

EPS CAGR	Percentage of Performance Rights that vest
Less than 10%	0%
10% to 15%	25% - 50% (pro-rata)
> 15%	50%

Performance Conditions (50% of performance hurdle) – Absolute Total Shareholder Return (TSR) Compound Annual Growth Rate (CAGR) [1, 2]	The percentage of Performance Rights that vest for each % Absolute TSR CAGR (over the two financial years ended 31 December 2024) is based on the vesting schedule below:

Absolute TSR	Percentage of Performance Rights that vest
Less than 12%	0%
12% to 15%	25% - 50% (pro-rata)
> 15%	50%

Service Condition	Holders of Performance Rights must be continuously employed by the Company from the Grant Date to the Vesting Date, subject to Board discretion for termination without cause and pro-rata vesting in the event of redundancy.
Retesting	Awards are not retested
Dividend Policy	Holders of Performance Rights are not entitled to receive dividends prior to vesting

1. Subject to adjustment for significant items as determined by the Board in its discretion.
2. TSR is calculated as:

$$\frac{\textit{(share price at end of the period – share price at the beginning of period) + dividends during the period}}{\textit{share price at beginning of period}} \times 100$$

Performance Rights issued in 2022 (the 2022 Grant) vest on achievement of the following performance and service conditions by the vesting date:

Performance Conditions – Earnings per Share (EPS) Compound Annual Growth Rate (CAGR) [1]	The percentage of Performance Rights that vest for each % EPS CAGR (over the three financial years ended 31 December 2024) is based on the vesting schedule below:

EPS CAGR	Percentage of Performance Rights that vest
Less than 10%	0%
10% to 15%	50% - 100% (pro-rata)
> 15%	100%

Service Condition	Holders of Performance Rights must be continuously employed by the Company from the Grant Date to the Vesting Date, subject to Board discretion for termination without cause and pro-rata vesting in the event of redundancy.
Retesting	Awards are not retested
Dividend Policy	Holders of Performance Rights are not entitled to receive dividends prior to vesting

1. Subject to adjustment for significant items as determined by the Board in its discretion.

Notes to the financial statements

6. Other

Note 31: Share–Based Payments *Continued*

Performance Rights issued under the plan may not be transferred unless approved by the Board. The table below summarises rights granted under the LTIP (including a Special Equity Award issued to Mr P Okhovat in February 2023):

Grant date	Balance at the Start of the year (Number)	Granted during the year (Number)	Exercised during the year (Number)	Forfeited or lapsed during the year (Number)	Balance at the end of the year (Number)	Unvested at the end of the year (Number)
28 June 2021	773,627	–	–	(773,627)	–	–
2 September 2021	78,713	–	–	(78,713)	–	–
19 May 2022	634,815	–	–	(203,707)	431,108	431,108
20 February 2023	1,267,740	–	–	–	1,267,740	1,267,740
13 June 2023	1,406,830	–	–	(265,033)	1,141,797	1,141,797
13 November 2023	92,905	–	–	–	92,905	92,905
7 May 2024	–	755,347	–	–	755,347	755,347
29 May 2024	–	681,384	–	–	681,384	681,384
Total	**4,254,630**	**1,436,731**	**–**	**(1,321,080)**	**4,370,281**	**4,370,281**

Performance conditions of the 2021 Grant were not met and these rights lapsed during 2024.

Certain other performance rights lapsed due to cessation of employment.

Performance conditions of the 2022 Grant were met and 100% of the balance of performance rights as at 31 December 2024 will be exercisable during 2025.

In regards to the Special Equity Award issued to Mr P Okhovat in February 2023, 75% of the balance of performance rights as at 31 December 2024 will be exercisable during 2025 and the remaining 25% of the rights will lapse during 2025.

Valuation of instruments issued

Value of the financial benefit

In terms of Performance Rights issued, the table below lists the inputs used in the model for the LTIP:

Grant	Grant date	Share price on grant date	Share price volatility[1]	Risk free rate	Time to maturity	Annual dividend yield	Model used
2022 Grant	19 May 2022	$1.13	46%	2.80%	2.79 years	4.38%	Black Scholes
2023 Grant[2]	20 February 2023	$1.29	28%	3.55%	2.03 years	2.78%	Monte Carlo[3]
2023 Grant	13 June 2023	$1.03	31%	3.87%	2.72 years	4.27%	Monte Carlo[3]
2023 Grant	13 November 2023	$1.01	28%	4.33%	2.30 years	3.62%	Monte Carlo[3]
2024 Grant	7 May 2024	$1.24	29%	3.93%	2.80 years	3.34%	Monte Carlo[3]
2024 Grant	29 May 2024	$1.19	29%	4.08%	2.80 years	3.47%	Monte Carlo[3]

1. The expected volatility of the Company was determined after considering, the historic share price volatility of the Company and the tendency of volatility to revert to its mean.
2. Special Equity Award issued to Mr P Okhovat in February 2023.
3. A Monte Carlo simulation approach is used to value the awards subject to the Absolute TSR performance condition. The fair value of the awards subject to CAGR of EPS performance condition is calculated using a risk-neutral assumption.

Notes to the financial statements

6. Other

Note 31: Share–Based Payments *Continued*

The fair value of the 2024 Grants were calculated to be:

	Grant date	Performance conditions	Value of Right at grant date ($)
2024 Grant	7 May 2024	CAGR of Absolute TSR CAGR of EPS	$0.50 $1.13
2024 Grant	29 May 2024	CAGR of Absolute TSR CAGR of EPS	$0.44 $1.08

Accounting policy

Share-based compensation benefits are provided to certain employees via the GEIP.

The fair value of Performance Rights that are granted under the GEIP are recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the rights.

The fair value at grant date takes into account the exercise price, the term of the right, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the right, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the right.

Non-market vesting conditions

The fair value of performance rights with non-market performance conditions (Earnings Per Share) excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of rights that are expected to vest. At each balance sheet date, the Group revises its estimate of the number of Performance Rights that are expected to vest. The employee benefit expense recognised each period takes into account the most recent estimate.

Market vesting conditions

The fair value of performance rights with market-based performance conditions (Total Shareholder Return) is calculated at the date of grant using the Monte-Carlo simulation model. The probability of achieving market-based performance conditions is incorporated into the determination of the fair value per award. The expense is recognised in full if the awards do not vest due to a market condition not being met.

Upon exercise of the Performance Rights, the balance of the share-based payments reserve relating to those rights is reclassified to contributed equity.

CEO and Managing Director Sign-On Equity Grants

Mr P Okhovat's remuneration package includes two equity grants (one in 2023 and one in 2024) of G8 Education Limited shares equivalent to forfeited long-term incentives, to be purchased and issued at the applicable time of vesting and following notification of the relevant vesting outcomes from Mr P Okhovat's prior employer (Woolworths Group Limited).

The number of G8 Education Limited shares is calculated as the amount that would have been received (if applicable) at the time of vesting at Woolworths Group Limited and will be paid in equivalent value ($) in G8 Education Limited shares based on a 5-day volume weighted average price (VWAP) following notification of Woolworths Group Limited's vesting outcomes.

The 2023 Sign-On Equity Grant shares (637,207 G8 Education Limited shares) were purchased on-market by the Trust on behalf of G8 Education Limited around November 2023 and issued to Mr P Okhovat. The 2023 Sign-On Equity Grant was dependent on Woolworths Group Limited achieving a certain percentage of Relative Total Shareholder Return (TSR) (Relative TSR is the ranking of a company's absolute TSR in comparison to a group of companies) and certain other non-market performance conditions (sales per trading square metre and return on funds employed) over the three year period to 1 July 2023. These vesting conditions were considered to be non-vesting conditions from G8 Education Limited's perspective.

The 2024 Sign-On Equity Grant was dependent on Woolworths Group Limited achieving a certain percentage of Relative Total Shareholder Return (TSR) (Relative TSR is the ranking of a company's absolute TSR in comparison to a group of companies) and certain other non-market performance conditions (reputation, using the RepTrak measure, and return on funds employed) over the three year period to 1 July 2024. These vesting conditions are considered to be non-vesting conditions from G8 Education Limited's perspective. Woolworths Group Limited did not achieve the required percentage of Relative TSR and did not meet the other conditions and therefore there were no 2024 Sign-On Equity Grant shares issued to Mr P Okhovat.

Notes to the financial statements

6. Other

Note 31: Share–Based Payments *Continued*

Valuation of instruments issued

Value of the financial benefit

In terms of equity grants issued, the table below lists the inputs used in the model for the CEO and Managing Director Sign-On Equity Grants:

	Grant date	Share price on grant date[1]	Share price volatility[1]	Risk free rate[1]	Time to maturity	Annual dividend yield[1]	Model used
2023 Issue	3 January 2023	$33.09	20%	3.23%	0.49 years	2.78%	Monte Carlo[2]
2024 Issue	3 January 2023	$33.09	20%	3.33%	1.49 years	2.98%	Monte Carlo[2]

1. Input relate to Mr P Okhovat's prior employer (Woolworths Group Limited).
2. A Monte Carlo simulation approach is used to value the awards subject to the Relative TSR performance condition. The fair value of the awards subject to a non-market condition is calculated using a risk-neutral assumption. The fair value takes into account the non-vesting conditions associated with the grants.

The fair value of the awards were calculated to be:

	Grant date	Performance conditions	Number of Woolworths Group Limited Shares	Value of share at grant date ($)
2023 Issue	3 January 2023	Relative TSR Non-market	15,277 30,555	$4.98 $24.49
2024 Issue	3 January 2023	Relative TSR Non-market	15,406 23,108	$10.84 $23.75

Accounting policy

The fair value of CEO and Managing Director Sign-On Equity Grants that are granted are recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employee become unconditionally entitled to the shares (in this case up to 31 December 2024).

The fair value at grant date takes into account the non-vesting conditions associated with the grants, exercise price, the term of the equity grant, the vesting and performance criteria, 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 for the term of the equity grant.

Notes to the financial statements

6. Other

Note 32: Remuneration of Auditors

During the year, the following fees were paid or payable for services provided by the auditor of the Group:

	Consolidated	
Fees to Ernst & Young (Australia)	**2024 $'000**	**2023 $'000**
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	650	528
Fees for other services		
• Transactional and other services	–	20
Total Auditor's remuneration	**650**	**548**

Note 33: Related Party Transactions

a) Parent entity

The parent entity within the Group is G8 Education Limited.

b) Subsidiaries

Interests in subsidiaries are set out in note 25.

c) Key Management Personnel

There were no transactions except otherwise disclosed with related parties during the financial year. There was nil outstanding at the reporting date in relation to other transactions with related parties.

Notes to the financial statements

6. Other

Note 34: Other Material Accounting Policies

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the consolidated entity consisting of G8 Education Limited and its subsidiaries.

a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards (AASB), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The Company is a listed for profit public Company, incorporated in Australia and operating in Australia. The Company's principal activities are operating child care centres.

The financial statements were authorised for issue on 25 February 2025. The Company has the power to amend and reissue the financial report.

Compliance with IFRS

Compliance with AASB ensures that the financial report of G8 Education Limited and the Group complies with International Financial Reporting Standards (IFRS).

Historical cost convention

These financial statements have been prepared under the historical cost convention as modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Comparatives

In certain instances in the notes to the financial statements, the comparative information has been reclassified to allow for ease of comparison to the current year.

b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of G8 Education Limited ("Company" or "parent entity") as at 31 December 2024 and the results of all subsidiaries for the year then ended.

G8 Education Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

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.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes to the financial statements

6. Other

Note 34: Other Material Accounting Policies *Continued*

c) Goods and Services Tax (GST)

Revenues, expenses and assets and liabilities are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of 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 taxation authority is included with other receivables or payables in the balance sheet.

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 taxation authority, are presented as operating cash flows.

d) Rounding amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' reports) Instrument 2016/191, relating to the "rounding off" of amounts in the financial reports. Amounts in the financial statements have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, the nearest tenth of a million dollars.

e) Going concern

Refer to note 1.

f) Reserves

i) Share-based payments

The share-based payments reserve is used to recognise the expensing of the grant date fair value of rights issued to employees but not exercised. Upon exercise of the Performance Rights, the balance of the share-based payments reserve relating to those rights is reclassified to contributed equity.

ii) Profits

The profits reserve comprises the transfer of net profit for the current and previous years and characterises profits available for distribution as dividends in future years. Dividends amounting to $40.5 million (2023: $28.3 million) were distributed from the profits reserve during the year.

The amount transferred to profits reserve comprises the transfer from net profit for the current year for profit making entities within the Group and characterises profits available for distribution as dividends in the future years.

Notes to the financial statements

6. Other

Note 34: Other Material Accounting Policies *Continued*

g) Accounting standards and interpretations applied from 1 January 2024

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2024:

Amendments to AASB 101 *Presentation of Financial Statements* - Classification of Liabilities as Current or Non-current. As a result of the adoption of the amendments to AASB 101, the Group changed its accounting policy for the classification of borrowings to include a reference to covenants:

- Covenants that the Group is required to comply with, on or before the end of the balance date, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification.

This new policy did not result in a change in the classification of the Group's borrowings. The Group did not make retrospective adjustments as a result of adopting the amendments to AASB 101.

h) New standards and interpretations not yet adopted

Certain amendments to accounting standards have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group.

AASB 18 *Presentation and Disclosure in Financial Statements* (effective for annual periods beginning on or after 1 January 2027).

AASB 18 will replace AASB 101 *Presentation of Financial Statements*, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though AASB 18 will not impact the recognition or measurement of items in the financial statements, there will be impacts on presentation and disclosure.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of AASB 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the income statement into the new categories may impact how operating profit is calculated and reported.
- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the balance sheet, the group will disaggregate goodwill and other intangible assets and present them separately in the balance sheet.
- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
  - management-defined performance measures;
  - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
  - for the first annual period of application of AASB 18, a reconciliation for each line item in the income statement between the restated amounts presented by applying AASB 18 and the amounts previously presented applying AASB 101.
- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with AASB 18.

No other amendments are expected to have a material impact on the entity's operations or financial statements.

Consolidated Entity Disclosure Statement as at 31 December 2024

Name of Entity	Type of Entity	% of Share Capital	Place of Incorporation	Australian resident or foreign resident
G8 Education Limited	Body Corporate	100	Australia	Australian
Grasshoppers Early Learning Centres Pty Ltd	Body Corporate	100	Australia	Australian
Togalog Pty Ltd	Body Corporate	100	Australia	Australian
RBWOL Holding Pty Ltd	Body Corporate	100	Australia	Australian
Ramsay Bourne Holdings Pty Ltd	Body Corporate	100	Australia	Australian
Bourne Learning Pty Ltd	Body Corporate	100	Australia	Australian
Ramsay Bourne Acquisitions (No.1) Pty Ltd	Body Corporate	100	Australia	Australian
Ramsay Bourne Acquisitions (No.2) Pty Ltd	Body Corporate	100	Australia	Australian
RBL No. 1 Pty Ltd	Body Corporate	100	Australia	Australian
Ramsay Bourne Licences Pty Ltd	Body Corporate	100	Australia	Australian
Sydney Cove Children's Centre Pty Ltd	Body Corporate	100	Australia	Australian
Sydney Cove Children's Centre B Pty Ltd	Body Corporate	100	Australia	Australian
Sydney Cove Children's Centre C Pty Ltd	Body Corporate	100	Australia	Australian
Sydney Cove Property Holdings Pty Ltd	Body Corporate	100	Australia	Australian
World Of Learning Pty Ltd	Body Corporate	100	Australia	Australian
Yellow Door Group Pty Ltd	Body Corporate	100	Australia	Australian
World Of Learning Acquisitions Pty Ltd	Body Corporate	100	Australia	Australian
Yellow Door Education Pty Ltd	Body Corporate	100	Australia	Australian
G8 KP Pty Ltd	Body Corporate	100	Australia	Australian
Sterling Early Education Finance Pty Ltd	Body Corporate	100	Australia	Australian
Sterling Early Education Holdings Pty Ltd	Body Corporate	100	Australia	Australian
Woodland Education Operations Pty Ltd	Body Corporate	100	Australia	Australian
Kindy Kids Operations Pty Ltd	Body Corporate	100	Australia	Australian
CG Operations Pty Ltd	Body Corporate	100	Australia	Australian
Kool Kids Operations Pty Ltd	Body Corporate	100	Australia	Australian
North Shore Childcare Pty Ltd	Body Corporate	100	Australia	Australian
Ooorama Operations Pty Ltd	Body Corporate	100	Australia	Australian
Jacaranda Operations Pty Ltd	Body Corporate	100	Australia	Australian
Huggy Bear Operations Pty Ltd	Body Corporate	100	Australia	Australian
Jellybeans Operations Pty Ltd	Body Corporate	100	Australia	Australian
Jellybeans Attadale Pty Ltd	Body Corporate	100	Australia	Australian
Jane's Place Operations Pty Ltd	Body Corporate	100	Australia	Australian
Jolimont Private Education Pty Ltd	Body Corporate	100	Australia	Australian
WTTS Operations Pty Ltd	Body Corporate	100	Australia	Australian
BUI Investments Pty Ltd	Body Corporate	100	Australia	Australian
Derafi Pty Ltd	Body Corporate	100	Australia	Australian
Alfoom Investments Pty Ltd	Body Corporate	100	Australia	Australian
Shemlex Pty Ltd	Body Corporate	100	Australia	Australian
Kindy Kids Village Pty Ltd	Body Corporate	100	Australia	Australian
Kindy Kids Long DayCare and Preschool Pty Ltd	Body Corporate	100	Australia	Australian
Three Little Pigs Pty Ltd	Body Corporate	100	Australia	Australian
A.C.N. 078 042 378 Pty Ltd	Body Corporate	100	Australia	Australian
ES5 Pty Ltd	Body Corporate	100	Australia	Australian

Consolidated Entity Disclosure Statement as at 31 December 2024 *Continued*

Name of Entity	Type of Entity	% of Share Capital	Place of Incorporation	Australian resident or foreign resident
Kindy Patch Unit Trust	Trust	100	Australia	Australian
Sydney Cove Children's Centre Unit Trust	Trust	100	Australia	Australian
Sydney Cove Children's Centre Unit Trust B	Trust	100	Australia	Australian
Shemlex Investment Unit Trust	Trust	100	Australia	Australian
Shemlex Investments Freehold Unit Trust No 1	Trust	100	Australia	Australian
Morley Perth Unit Trust	Trust	100	Australia	Australian
Kindy Kids Village Trust	Trust	100	Australia	Australian
Kindy Kids Long Day Care and Preschool Trust	Trust	100	Australia	Australian
Adelaide Montessori Pty Ltd	Body Corporate	100	Australia	Australian
GW Concord Pty Ltd	Body Corporate	100	Australia	Australian
GW Chatswood Pty Ltd	Body Corporate	100	Australia	Australian
GW Macquarie Park Pty Ltd	Body Corporate	100	Australia	Australian
GW Brookvale Pty Ltd	Body Corporate	100	Australia	Australian
GW Bronte Pty Ltd	Body Corporate	100	Australia	Australian
GW Katoomba Pty Ltd	Body Corporate	100	Australia	Australian
GW Gladesville Pty Ltd	Body Corporate	100	Australia	Australian
GW Frenchs Forest Pty Ltd	Body Corporate	100	Australia	Australian
GW Prep Holdings Pty Ltd	Body Corporate	100	Australia	Australian
Lane Cove CCC Unit Trust	Trust	100	Australia	Australian
Lane Cove CCC Pty Ltd	Body Corporate	100	Australia	Australian
Waterloo CCC Unit Trust	Trust	100	Australia	Australian
Waterloo CCC Pty Ltd	Body Corporate	100	Australia	Australian
GW Chatswood Unit Trust	Trust	100	Australia	Australian
Homebush CCC Pty Ltd	Body Corporate	100	Australia	Australian
Homebush CCC Unit Trust	Trust	100	Australia	Australian
Dendy Street Childcare Pty Ltd	Body Corporate	100	Australia	Australian
Childcare Saver Pty Ltd	Body Corporate	100	Australia	Australian
Murmuration Holdings Pty Ltd	Body Corporate	100	Australia	Australian
Leor Pty Ltd	Body Corporate	100	Australia	Australian
ECEC Property Pty Ltd	Body Corporate	100	Australia	Australian
ECEC Property Holdings Pty Ltd	Body Corporate	100	Australia	Australian
ECEC Property Real Estate Investment Trust 1	Trust	100	Australia	Australian
G8 Education Employee Share Scheme Trust	Trust	100	Australia	Australian

Basis for preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

Determination of tax residency

Section 295 (3A)(vi) of the *Corporation Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. In determining tax residency, the consolidated entity has applied the following interpretation for Australian tax residency: The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5. Australian tax law does not contain corresponding residency tests for the trusts disclosed above, and these entities are taxed on a flow-through basis. A trust is disclosed as an Australian resident on the basis that it is a member of an Australian tax consolidated group.

Directors' Declaration

In the Directors' opinion:

a) the financial statements and notes set out on pages 57 to 109 are in accordance with the *Corporations Act 2001* (Cth), including:

   i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   ii) 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;

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

c) the consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act 2001* is true and correct; and

d) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed Group identified in note 25 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 27.

Note 34(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Managing Director and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

Pejman Okhovat
Director
25 February 2025

Independent Auditor's Report

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Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
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Independent auditor's report to the members of G8 Education Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of G8 Education Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 31 December 2024, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 auditor independence requirements of 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 also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Independent Auditor's Report

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Impairment and impairment reversal of non-current assets and impairment of goodwill

Why significant	How our audit addressed the key audit matter
The Group test annually whether goodwill is impaired and review at each reporting date whether indicators of impairment or impairment reversal exist for its other non-current assets. Where indicators exist, impairment testing is performed. Impairment testing involves measuring the recoverable amount of a non-current asset or group of assets and comparing the recoverable amount to the assets carrying amount. The determination of the recoverable amounts of non-current assets including property, plant and equipment, right of use assets and goodwill require significant judgement and estimation by the Group. Impairment and impairment reversal assessments are complex and involve judgements and estimation relating to occupancy, future childcare rate increases and revenues, anticipated costs (including the impacts of wage inflation and labour availability), growth rates, forecast capital expenditure, centres to be exited, and the discount rate applied. As such, impairment testing of goodwill and other non-current assets was considered to be a key audit matter. The Group's disclosures are included in notes 7, 11, 15, 17, and 21 to the financial statements, which includes the key assumptions applied by the Group.	Our audit procedures included an evaluation of the following judgements and assumptions used in the Group's impairment and impairment reversal assessments: ▪ Evaluated the Group's identification of cash generating units ("CGU") for non-current assets and CGUs for goodwill, including quantification of the carrying amount of the CGUs. ▪ Agreed the cash flow forecasts to Board-approved budgets. ▪ Assessed future cash flow assumptions through comparison with current trading performance, externally derived data (where applicable) and inquiry of management in respect of its basis for rate increases, key growth and trading assumptions. ▪ Assessed discount rate and long-term growth rate assumptions with involvement from EY valuation specialists. ▪ Assessed and performed independent sensitivity analysis on management's review of underperforming assets and held inquiries with management outside of the finance team. ▪ Tested the mathematical accuracy of the impairment models, including recalculating the recoverable amount. ▪ Considered the market capitalisation of the Group relative to the recorded net asset amount at 31 December 2024. ▪ Performed independent sensitivity analysis of key impairment model assumptions including occupancy, growth rates, and discount rates. ▪ Considered the adequacy of disclosure in notes to the financial statements regarding the impairment testing approach, key assumptions and sensitivity analysis.

Independent Auditor's Report

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Revenue Recognition

Why significant	How our audit addressed the key audit matter
Revenue from child care centres is recognised by the Group when the underlying childcare service has been provided. Revenue from childcare services, for the Group for the financial year was $991.03 million. Customers are generally invoiced in advance, alongside processing of Child Care Subsidy by the Department of Education, Training, and Skills. Accordingly, there is a risk that revenue is recognised in the incorrect period. The Group focuses on revenue as a key performance measure for executives and it is also a key parameter by which the performance of the Group is measured. As a result, we consider revenue to be a key audit matter. Refer to note 3 to the financial statements for disclosure relating to revenue.	Our audit evaluated revenue recognised in accordance with AASB 15 *Revenue from Contracts with Customers*. To do this, we: ▪ Assessed the Group's identification of the performance obligations and timing of revenue recognition based on satisfying those performance obligations. ▪ Assessed the Group's design effectiveness of key controls over the recognition of revenue. ▪ Correlated 100% of revenue to accounts receivable and cash, testing outliers. ▪ Tested a sample of daily revenue to source documentation. ▪ Assessed whether revenue is recognised in the appropriate financial period by assessing the completeness of the deferred revenue balance through testing a sample of parent fees in advance bookings. ▪ Assessed manual unearned revenue journals, in particular those near year end. ▪ Assessed the adequacy of the Group's disclosures in relation to revenue and related accounting policies.

Independent Auditor's Report

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Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2024 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express 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 and, in doing so, 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors 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 objectives are 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 this financial report.

Independent Auditor's Report

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report

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Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 33 to 53 of the directors' report for the year ended 31 December 2024.

In our opinion, the Remuneration Report of G8 Education Limited for the year ended 31 December 2024, complies with section 300A of the *Corporations Act 2001*.

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 responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

McKenzie

Kellie D McKenzie
Partner
Brisbane
25 February 2025

Shareholder Information

The total issued capital of the Company as at 31 December 2024 is 796,213,197[1].

The Shareholder information set out below was applicable as at 17 February 2025.

a) Distribution of equity securities

Analysis of number of equity security holders by size of holding is listed below.

	Class of equity security		
	Shares	Holders	% Issued Capital
100,001 and Over	698,211,397	125	88.14
10,001 to 100,000	61,894,998	2,372	7.81
5,001 - 10,000	15,728,152	2,048	1.99
1,001 - 5,000	14,190,784	5,220	1.79
1 - 1,000	2,135,544	4,487	0.27
Total	**792,160,875**	**14,252**	**100.00**

There were 1827 holders of less than a marketable parcel of ordinary shares.

b) Quoted equity security holders

Twenty largest quoted equity security holders.

Name	Quoted ordinary shares held	Percentage of issued shares
Citicorp Nominees Pty Limited	248,881,670	31.42%
HSBC Custody Nominees (Australia) Limited	238,509,127	30.11%
J P Morgan Nominees Australia Pty Limited	128,621,904	16.24%
BNP Paribas Nominees Pty Ltd	21,928,050	2.77%
BNP Paribas Noms Pty Ltd	7,481,213	0.94%
National Nominees Limited	6,981,857	0.88%
UBS Nominees Pty Ltd	5,186,151	0.65%
Warbont Nominees Pty Ltd	2,959,856	0.37%
RAP Investments Pty Limited	2,600,000	0.33%
HSBC Custody Nominees (Australia) Limited	2,562,826	0.32%
BNP Paribas Nominees Pty Ltd	2,240,357	0.28%
Est Mr Riccardo Pisaturo	1,400,000	0.18%
HSBC Custody Nominees (Australia) Limited	1,294,302	0.16%
HSBC Custody Nominees (Australia) Limited	1,109,406	0.14%
Netwealth Investments Limited	926,615	0.12%
Mr Xiaochen Bi	879,564	0.11%
IOOF Investment Services Limited	850,827	0.11%
BNP Paribas Nominees Pty Ltd	807,305	0.10%
Our Great Globe Pty Ltd	801,877	0.10%
BNP Paribas Noms Pty Ltd	777,947	0.10%
	676,800,854	**85.44%**

1. Number of shares on issue as at 31 December 2024 prior to cancellation of shares bought back by G8 Education on 20 December 2024.

Shareholder Information

c) Substantial holders

Substantial holders as at 17 February 2025 in the Company are set out below:

Ordinary Shares	Number held	Percentage
Allan Gray	124,249,049	15.35%
Tanarra Entities	99,612,242	11.76%
Wilson Asset Management Group	51,255,677	6.33%
Dimensional Entities	50,975,912	6.01%
Host-Plus Pty Limited	70,397,021	8.70%
Australian Retirement Trust	72,664,650	8.98%
Vanguard Group	41,258,074	5.10%

d) Voting rights

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 at a meeting in person or by proxy shall have one vote and upon a poll each share will have one vote.

ii) Options

There are no voting rights attached to the options.

iii) Unquoted securities

There are no unquoted securities on issue.

Corporate Directory

Directors

D Singh, Chair

P Okhovat, CEO and Managing Director

Prof J Cogin, Non-Executive Director

D Foster, Non-Executive Director (until 7 May 2024)

T Thornton, Non-Executive Director

P Trimble, Non-Executive Director

M Zabel, Non-Executive Director

S Heath, Non-Executive Director (from 3 June 2024)

Company Secretary

T Wood (until 5 September 2024)

J King (from 6 September 2024)

Principal registered business office in Australia

G8 Education Limited is a Company limited by shares, incorporated and domiciled in Australia.

G8 Education's registered office and principal place of business is:

159 Varsity Parade, Varsity Lakes

Telephone: 07 5581 5300

Facsimile: 07 5581 5311

www.g8education.edu.au

Share registry

MUFG Corporate Markets, a division of MUFG Pension & Market Services

10 Eagle Street
Brisbane QLD 4000

Auditor

Ernst & Young

111 Eagle Street
Brisbane QLD 4000

Lawyers

Allens Linklaters

Level 26, 480 Queen Street
Brisbane QLD 4000

Securities exchange listing

G8 Education Limited shares are listed on the Australian Securities Exchange under the ticker code GEM.

G8 Education ltd