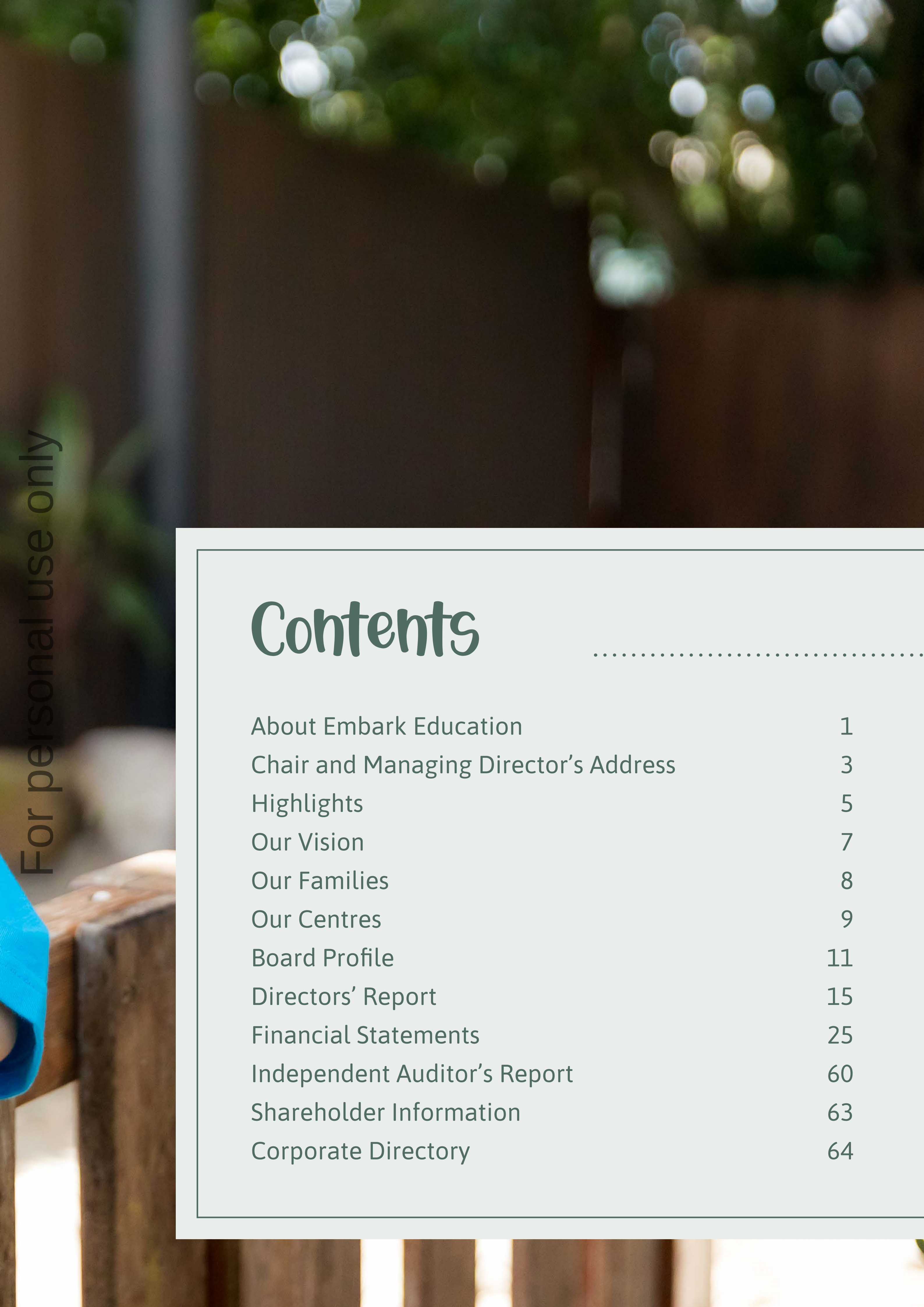
Embark
EDUCATION

Annual Report
31 December 2024

This Annual Report of Embark Early Education Limited is dated 24 February 2025 and is signed by the Board of Directors by:

Hamish Stevens
Chair of the Board

Chris Scott
Managing Director



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About Embark Education

Embark Education is one of Australia's leading providers of early childhood education and care. Our focus and commitment is on our families and team members, providing flexibility and autonomy for our centres to operate in the way that best suits them and their local community, whilst providing a dedicated and experienced support team.

Managing Performance and Building Growth Processes

Whilst occupancy was slightly softer in 2024 than 2023, Embark's focus on operational efficiency ensured our centres still performed exceptionally well and delivered solid results.

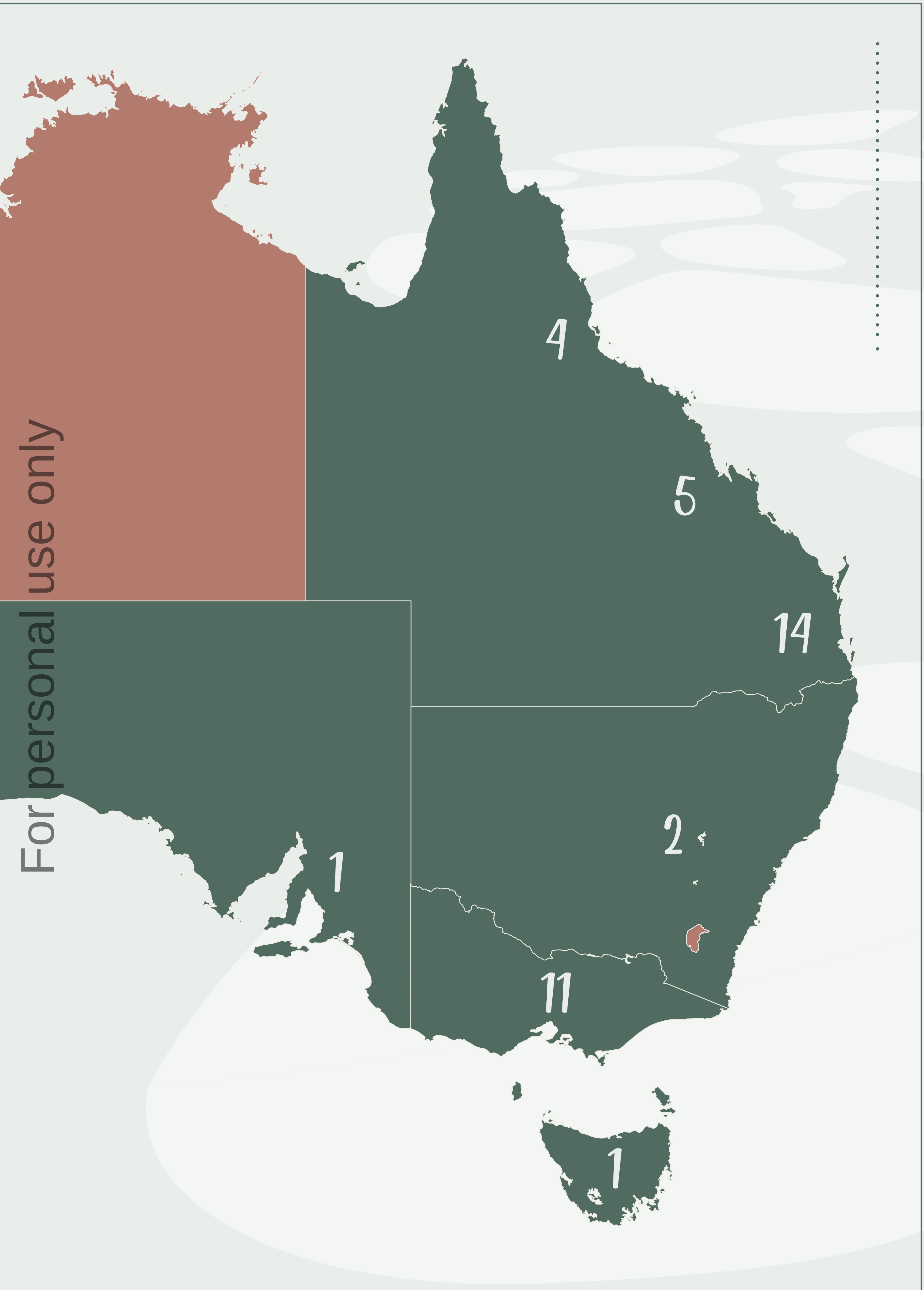
Our focus also shifted to building processes to ensure onboarding new acquisitions was performed in a way to maximise the experience for both families and teams and reduce any pain points.

Executing our Australian Growth Strategy in 2024

Our expansion strategy was full steam ahead in 2024, with 14 new centres purchased taking our portfolio from 24 centres to 38. This was achieved with minimal increases in Support Office costs, demonstrating our committment to operate centres at a local level with a lean but experienced support team providing assistance in key areas.

Snapshot as at 31 December 2024

38	Number of early childhood centres
3,179	Number of licensed child care places
1,200	Number of staff
80%	Average 2024 centre occupancy
6.0c	Fully franked full-year dividend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Chair and Managing Director's Address

Chris Scott
Managing Director

Hamish Stevens
Chair

Welcome to Embark's eleventh annual report covering the year ended 31 December 2024.

Embark continues to execute strongly on its growth strategy with 2024 revenue growing 29% to $81.6m and Centre EBITDA growing 27% to $21.6m.

Embark acquired 14 centres during the year for a total purchase cost of $40m, bringing our total number of centres to 38. These new centres were acquired between March and December with an average centre EBITDA multiple of 4.1, and while performing strongly overall, are still to contribute to a full year's earnings.

Average occupancy for the year was 80% compared with 82% in the previous year. The reduction in average occupancy is due partly to the shortage of early childhood teachers in some regions. Our occupancy remains well above the industry average.

Notably Embark's underlying profit in 2024 was higher than the last pre-Covid financial year 2019 when the company operated over 130 centres in New Zealand and Australia. This represents a substantial turn around following our strategic reset in 2022.

During the year Embark secured a $25m borrowing facility with National Australia Bank to fund the acquisition of additional centres, and $4.3m of this facility had been drawn to the end of December 2024. Evolve elected to fund one of its key centre acquisitions during the year through an equity placement issue. Evolve is in a particularly strong financial position with pre AASB16 operating cash flow of $9.3m during the year and cash reserves of $13.3m at December 2024.

While we are working to add to our portfolio of centres, we will of course continue to ensure all acquisitions are of high quality, and that the purchase price represents appropriate value to our shareholders.

Embark was pleased to pay four fully franked dividends during 2024 totalling 6c per share or $10m. Since Embark reset its strategic focus in 2022 it has returned over $21m to shareholders. The Company is continuing to target regular quarterly dividends going forward.

As Embark grows, we have ensured that our management structure remains fit for purpose. In this regard we established the position of Chief Operations Officer in early 2024 and were delighted to appoint Greg Scott to this position. Greg has considerable experience in overseeing early childhood operations in Australia and Singapore.

And it’s been a strong start to 2025 with revenue up 58% over the previous year in the first six weeks of the year.

Thanks to all our wonderful teaching and support staff and a particular welcome to the 400 team members who joined the Embark family through our acquisitions during the year. You all do a terrific job in providing our children with a safe, stimulating and fun learning environment. Embark will always uphold its philosophy of empowering our centre teams to operate in their own best way and to meet the specific needs of their communities and families.

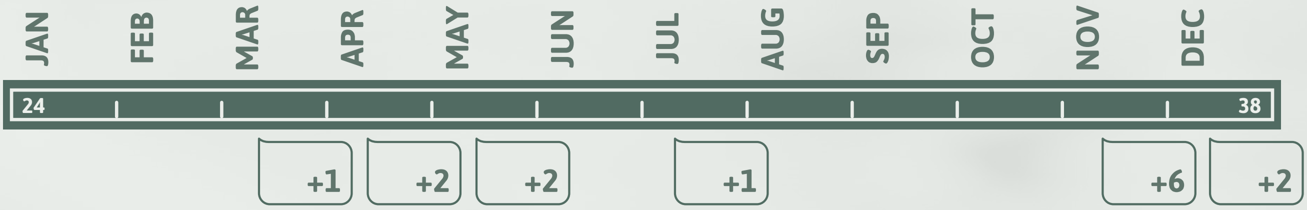
It has been a year of strong earnings growth for Embark and we are excited about our opportunities in 2025 to deliver further for shareholders. We look forward to seeing you at the annual meeting to be held in 2025.

Hamish Stevens
Chair

Chris Scott
Managing Director

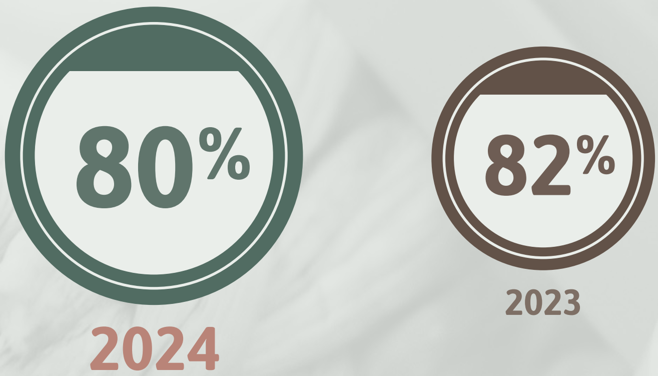
Highlights

Portfolio

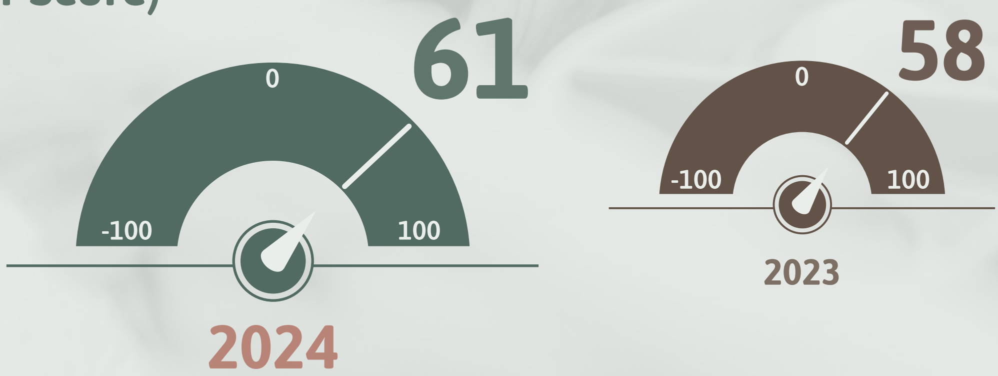


Families

Occupancy
(-2.5% YoY)



NPS
(Net Promoter Score)
(+5.0% YoY)



Team

Team Satisfaction Score

(+2.5% YoY)

Calculated based on positive responses to the question, "I would recommend my centre as a great place to work"

82%
2024

80%
2023

Financial

Revenue

(+29% YoY)

$81.6m
2024

$63.1m
2023

Underlying EBITDA*

(+26% YoY)

$21.6m
2024

$17.1m
2023

*Underlying EBITDA is a non-GAAP measure used by Embark to monitor its financial performance. This measure is calculated on a pre-IFRS16 basis and excludes acquisition and integration costs, impairment losses (or reversals of impairment losses) and restructuring costs.

Vision

Creating centres that parents want their children to be at and children want to stay at because our people love what they do and where they work.

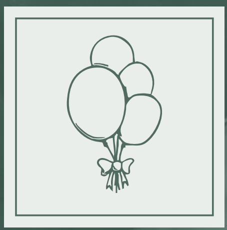
Values

Belonging

Nurturing

Learning

Respectful



Playful

Mission

Understand the needs and aspirations of our children and families and exceed their expectations.

Create an environment and team culture that supports every staff member to excel and feel valued for their achievements.

Take a leadership position in the ECE sector for delivering the highest quality early childhood education.

Provide a healthy, happy, safe and inclusive environment for all our children and staff.

Contribute to the development and success of the communities we serve.

Deliver value to all Embark stakeholders by growing a strong and sustainable organisation.

Our Families

“Our family has been a part of Brighthouse Early Learning for over 5 years now and what an amazing time it’s been. The leaders of the service are hands on, welcoming and very attentive to the children, educators and families.

We love the warm and welcoming feeling of Brighthouse Early Learning, I can drop my children off knowing that they are going to be cared and nurtured by the best, their socials skills and learning opportunities are going to be extended further than I could ever provide at home and when I pick up my children and hear all the stories of their best day.

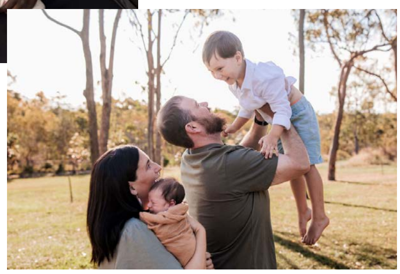
I trust that my children are at the right service.“

The Venditti Family
Brighthouse Early Learning, VIC

“I’m grateful to have met Shaa and Isabelle (aunty Bell) they are doing an amazing job. Every morning when I’m dropping my children off it doesn’t feel like I’m dropping them to a childcare centre, it feels like I’m just dropping them off to a relative’s house. Shaa and Bell are always at the front greeting us with a smile and a chat. I like how Shaa always tells me to enjoy my day on my way out.

I love how Emma, Mel and the rest of the educators are always making the morning drop off’s so easy always ready at the door to greet and give the children cuddles, makes the goodbye’s easy.”

The Mapor Family
Roseberry House Playford, SA



“We are so incredibly grateful for the exceptional care and attention our daughter received at Cubby Care. The love and dedication shown by her educators are truly heartwarming.

The team is always so accommodating whether it’s helping with casual bookings or offering a warm hello when we arrive, no matter who is at the front desk. Most importantly, our daughter feels safe and secure in her educators’ care, and it’s clear she adores them. We couldn’t ask for a better environment for her to thrive in. Thank you for everything you do!”

The Trende Family
Cubby Care Mt Louisa, QLD

“We’ve loved our time with Cubby Care. The first time trusting your baby with strangers is such a daunting moment and we were reassured, clearly communicated with and had our worries abated by the team.

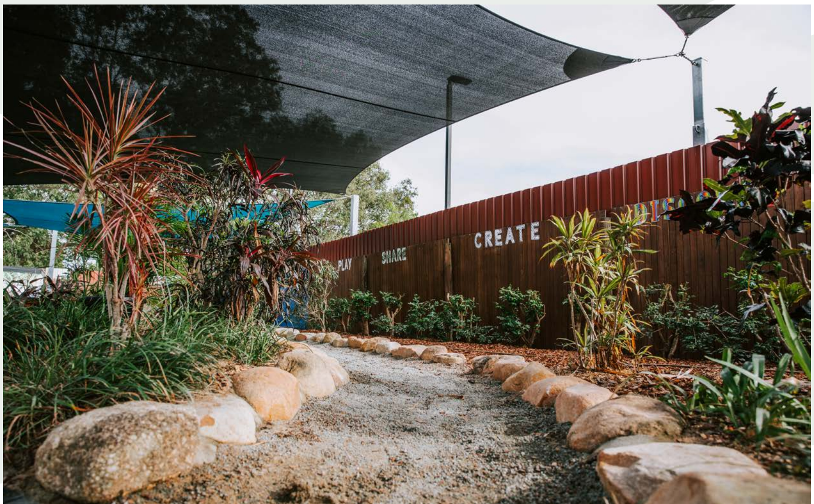
Each room transition and milestone was clearly thought out, we were always included in goal setting or decisions. Cubby Care makes an effort to feel like a family and I’ve always felt the kids are loved and valued.

Child Care can be a difficult decision but they helped make it an easy one”

The Brown Family
Cubby Care Mooroobool, QLD

Our Centres

ROSEBERRY HOUSE WATERFORD WEST



CUBBY CARE ALLAMBIE LANE

CUBBY CARE MOUNT LOUISA

BRIGHTHOUSE EARLY LEARNING KILMORE

KITIWAH PLACE EARLY LEARNING

"I absolutely love Roseberry House! From day one, we've felt so welcomed and comfortable, it truly feels like a second home.

The educators and managers are incredibly warm and caring, and you can tell they genuinely love what they do.

I'm so grateful that my daughter's first experience with early childhood education is at Roseberry House."

Armas Family - Roseberry House Glen Huntly

HAVEN EARLY LEARNING

Board Profile

Hamish Stevens

Independent Director and Chair of the Board

Hamish has held independent directorships on several boards since 2010 and is currently Chair of Pharmaco NZ and East Health Services, a director of Marsden Maritime Holdings, Northport, Radius Residential Care and Counties Energy. Prior to his governance career Hamish held senior finance positions with Heinz Watties, Tip Top Ice Cream and DB Breweries. Hamish is a qualified Chartered Accountant and is a Chartered Fellow of the Institute of Directors.

Chris Scott

Managing Director and Executive Director (Non-Independent)

Chris Scott has over 39 years experience in senior management positions. He has spent over 35 years in business in Singapore where he founded a number of successful businesses. Chris founded S8 Limited which listed on the ASX in 2001. S8 was an integrated travel Company that acquired 36 businesses over a 5 year period and was capitalised at $700 million. S8 Limited was the subject of a successful takeover bid in late 2006.

Chris was the Founder and, from 2010 to 2016, the Managing Director of ASX listed G8 Education which evolved into Australia's largest listed early education and child care provider.

During this period, the G8 Education Limited portfolio grew from 38 to over 500 pre-school education centres in Australia (plus 20 in Singapore). Chris was also instrumental in raising over $500 million in equity capital and more than $500 million in debt (including Singapore dollar bonds). G8 Education's market capitalisation grew from $4 million in 2010 to a peak of approximately $1.9 billion.

Kim Campbell

Independent Director, Chair of Remuneration and People Committee

Kim Campbell attended the University of Canterbury completing a Bachelor of Arts majoring in Geography. Kim was the CEO of the Employers & Manufacturers Association. Kim is currently a Director of Douglas Pharmaceuticals, Director of EMH Trade Ltd, Chair of Auckland Manufacturers Association and a Director of New Image International Limited.

Michelle Thomsen

Independent Director

Michelle Thomsen was appointed as an Independent Director with effect from 6 June 2023.

Michelle has significant experience as a legal counsel and practitioner.

An Australian citizen, Michelle is currently General Counsel Pacific, Marsh McLennan (NYE: MMC) and was the Group Executive, General Counsel of QIC between August 2018 and July 2023. In addition, Michelle was the Interim Chief Risk Officer of QIC from August 2020 to February 2021. Created in 1991 by the Queensland Government to serve its long-term investment responsibilities, QIC has grown into a leading long-term specialist manager in alternative investments. Immediately prior to her role at QIC, Michelle was the Group Executive, Group General Counsel and Company Secretary of Bank of Queensland. Before that, Michelle was Executive General Manager, Associate General Counsel – Group Services at Suncorp Group and the Head of Legal, Australia/ New Zealand at Transpacific Industries Group Ltd. Michelle also has extensive experience as a legal practitioner in Australia and the United Kingdom.

Michelle graduated from Griffith University with Bachelor of Laws/ Bachelor of Commerce and is admitted as a solicitor in England, Wales, Queensland and New South Wales. She holds a current practising certificate in England and Wales and Queensland. Michelle was an Audit and Risk Committee member of Queensland Rugby League and was a Non Executive Director of Engeny Water Management Pty Ltd and Chair of the HR and Remuneration Committee. Michelle was a Non-Executive Director of Queensland Rugby Union from July 2016 to July 2018.

Renita Garard

Independent Director

Renita has significant experience in financial governance, risk management and stakeholder engagement across various industry sectors. Renita is currently the Managing Director of Aspire 2 Thrive Pty Ltd and a Director of Queensland Rugby Football League Limited, The Energy Collective Limited, Queensland Academy of Sport and 4 Aussie Heroes Foundation Limited. Renita is also the Chair of the Audit Committee of Townsville City Council.

Renita is a Fellow of the Institute of Chartered Accountants of Australia and New Zealand (FCA) and received the Order of Australia medal in 1996. In addition to her accomplishments in business and governance, Renita is a successful athlete, captaining the Australian women's hockey team to the Olympic gold medal in 2000.

Renita is a member of Embark Education's Audit and Risk Committee.

Consolidated Financial Statements

EMBARK EARLY EDUCATION LIMITED

Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Embark Early Education Limited (referred to hereafter as the 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2024.

Directors

The following persons were directors of Embark Early Education Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Hamish Stevens (Chair)
- Christopher Scott (Managing Director)
- Kim Campbell (Chair of Remuneration and People Committee)
- Renita Garard (Chair of Audit and Risk Committee)
- Michelle Thomsen

Principal activities

The principal business of Embark Early Education Limited was the operation of early education centres owned by Embark Early Education subsidiaries. There was no significant change for the continuing operations of the Embark business during the year ended 31 December 2024.

Dividends

Dividends paid during the year ended were as follows:

	2024 $'000	2023 $'000
Dividend paid for year ending 31 December 2022 of 2 cents per ordinary share		3,195
Interim dividend for the half year ended 30 June 2023 of 2 cents per ordinary share		3,192
Interim dividend for the year ended 31 December 2023 of 1.5 cents per ordinary share	2,392	
Final dividend for the year ended 31 December 2023 of 1.5 cents per ordinary share	2,396	
Interim quarterly dividend for the year ended 31 December 2024 of 1.5 cents per ordinary share	2,393	
Interim quarterly dividend for the year ended 31 December 2024 of 1.5 cents per ordinary share	2,754	
	9,935	**6,387**

Operational and financial review

Embark Early Education Limited currently owns and operates 38 childcare centres with 3,476 licensed places and employs 1200 people who care for approximately 2,800 children daily. The Group operates 23 centres in Queensland, 11 in Victoria, 2 in New South Wales, 1 in Tasmania and 1 South Australia.

The Group's Support Office is based in Helensvale on the Gold Coast in Queensland. The Board comprises of a diverse group of five directors.

The financial year (FY) for the Group ends on 31 December annually. In the childcare sector, profitability is a combination of occupancy levels, the daily fee charge, and the quantity of labour to provide the service offered. FY2024 was a strong year for the Group financially, with the statutory accounts (post AASB16) for FY2024 showing that total comprehensive income was $9.8m. Four fully franked dividends of 1.5 cents each were paid in March, June, September and December 2024.

In the Australian childcare sector, occupancy and earnings are skewed with approximately 35% to 40% generated in the first half of the year and the balance in the second half of the year. This is because older children leave to attend primary school in late January/early February. The Group's occupancy starts in the low 70% range at the beginning of the year and peaks in the mid 80% range late in the year. For FY2024, average occupancy throughout the year was 80% with peak occupancy at 85.47% in September 2024.

Matters subsequent to the end of the financial year

No matters or circumstance have arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Directors' Report

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law for the 2024FY.

Information on directors

Name	Hamish Stevens
Title	Independent Director and Chair of the Board
Experience and expertise	Hamish has held independent directorships on several boards since 2010 and is currently Chair of Pharmaco NZ and East Health Services, and a director of Radius Residential Care and Counties Energy. Prior to his governance career Hamish held senior finance positions with Heinz Watties, Tip Top Ice Cream and DB Breweries. Hamish is a qualified Chartered Accountant and is a Chartered Fellow of the Institute of Directors.
Other current directorships	Radius Residential Care Limited
Former directorships	Marsden Maritime Holdings Limited
Special responsibilities	Chair of the Board
Interests in shares	None
Interests in options	None
Contractual rights to shares	None
Name	Chris Scott
Title	Managing Director and Executive Director (Non-Independent)
Experience and expertise	Chris Scott has over 40 years experience in senior management positions. He has spent over 35 years in business in Singapore where he founded several successful businesses. Chris founded S8 Limited which listed on the ASX in 2001. S8 was an integrated travel Company that acquired 36 businesses over a 5 year period and was capitalised at $700 million. S8 Limited was the subject of a successful takeover bid in late 2006. Chris was also the Founder and, from 2010 to 2016, the Managing Director of ASX listed G8 Education which evolved into Australia's largest listed early education and child care provider. During this period, the G8 Education Limited portfolio grew from 38 to over 500 pre-school education centres in Australia (plus 20 in Singapore). Chris was also instrumental in raising over $500 million in equity capital and more than $500 million in debt (including Singapore dollar bonds). G8 Education's market capitalisation grew from $4 million in 2010 to a peak of approximately $1.9 billion.
Other current directorships	None
Former directorships	None
Special responsibilities	Managing Director
Interests in shares	26,227,514 ordinary shares
Interests in options	None
Contractual rights to shares	None
Name	Kim Campbell
Title	Independent Director, Chair of Remuneration and People Committee
Experience and expertise	Kim Campbell attended the University of Canterbury completing a Bachelor of Arts majoring in Geography. Kim was the CEO of the Employers & Manufacturers Association. Kim is currently a Director of Douglas Pharmaceuticals, Director of EMH Trade Ltd, Chair of Auckland Manufacturers Association and a Director of New Image International Limited.
Other current directorships	None
Former directorships	None
Special responsibilities	Chair of the Remuneration and People Committee
Interests in shares	3,750 ordinary shares
Interests in options	None
Contractual rights to shares	None

Name	Renita Garard
Title	Independent Director, Chair of the Audit and Risk Committee
Experience and expertise	Renita has significant experience in financial governance, risk management and stakeholder engagement across various industry sectors. Renita is currently the Managing Director of Aspire 2 Thrive Pty Ltd and Director of Queensland Rugby Football League Limited, The Energy Collective Limited, Queensland Academy of Sport and 4 Aussie Heroes Foundation Limited. Renita is also the Chair of the Audit Committee of Townsville City Council. Renita is a Fellow of the Institute of Chartered Accountants of Australia and New Zealand (FCA) and received the Order of Australia medal in 1996. In addition to her accomplishments in business and governance, Renita is a successful athlete, captaining the Australian women's hockey team to the Olympic gold medal in 2000.
Other current directorships	None
Former directorships	None
Special responsibilities	Chair of the Audit and Risk Committee
Interests in shares	None
Interests in options	None
Contractual rights to shares	None
Name	Michelle Thomsen
Title	Independent Director
Experience and expertise	Michelle has significant experience as a legal counsel and practitioner. Michelle is currently General Counsel Pacific, March McLennan (NYE:MMC) and was the Group Executive, General Counsel of QIC between August 2018 and July 2023. In addition, Michelle was the Interim Chief Risk Officer of QIC from August 2020 to February 2021. Created in 1991 by the Queensland Government to serve its long-term investment responsibilities, QIC has grown into a leading long-term specialist manager in alternative investments. Immediately prior to her role, Michelle was the Group Executive, Group General Counsel and Company Secretary of Bank of Queensland. Before that, Michelle was Executive General Manager, Associate General Counsel – Group Services at Suncorp Group and the Head of Legal, Australia/New Zealand at Transpacific Industries Group Ltd. Michelle also has extensive experience as a legal practitioner in Australia and the United Kingdom. Michelle graduated from Griffith University with Bachelor of Laws/Bachelor of Commerce and is admitted as a solicitor in England, Wales, Queensland and New South Wales. She holds a current practising certificate in England and Wales and Queensland. Michelle was an Audit and Risk Committee member of Queensland Rugby League and a former Non-Executive Director of Engeny Water Management Pty Ltd and Chair of the HR and Remuneration Committee to mid 2024. Michelle was a Non-Executive Director of Queensland Rugby Union from July 2016 to July 2018.
Other current directorships	None
Former directorships	None
Special responsibilities	None
Interests in shares	None
Interests in options	None
Contractual rights to shares	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Christopher Scott has held the role of Company Secretary since July 2023.

Directors’ Report

Meetings of directors

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

	Full Board		Remuneration and People Committee		Audit and Risk Committee	
	Attended	**Held**	**Attended**	**Held**	**Attended**	**Held**
Hamish Stevens	7	7	-	-	-	-
Kim Campbell	6	7	1	1	2	2
Renita Garard	5	7	1	1	1	2
Michelle Thomsen	6	7	1	1	2	2
Christopher Scott	7	7	-	-	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration Report - Audited

The Directors present the Embark Early Education Limited remuneration report, which has been audited, for the year ended 31 December 2024, outlining key aspects of the consolidated entity's remuneration policy and framework and remuneration awarded this year. This Remuneration Report outlines the Key Management Personnel ("KMP") remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 (Cth) and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The Board is committed to an executive remuneration framework that is focused on achieving a high-performance culture and linking executive pay to the achievement of the Company strategy and business objectives which, ultimately, create sustainable long-term value for shareholders. No

As part of ensuring that management is motivated to create and deliver sustainable shareholder wealth, the Board utilises a Remuneration and People Committee which operates under the delegated authority of the Board. The committee did not engage external remuneration consultants.

The Committee ensures that rewards for executives are strongly aligned with the Company's performance. The Company is committed to ensuring clarity and transparency about its remuneration policy and practice. The objectives of the Committee are to:

- establish a clear framework for oversight and management of the Company's remuneration structures, policies, procedures and practices;
- consider and recommend new appointments to the Board and oversee management succession planning;
- fairly and responsibly reward directors and senior management and other employees of the Company having regard to the performance of the Company, the performance of these officers and employees and the general pay environment; and
- implement policies, procedures and practices for the Company and Board to ensure compliance with all laws, rules and regulations which are applicable to the Company and the directors, including the Corporations Act 2001 and the ASX Listing Rules.

The number of committee meetings and attendance records of committee members is specified above (page 18).

The performance of all directors and senior management is reviewed periodically in accordance with the terms of the Remuneration and People Committee Charter.

Directors' remuneration

Fees and payments to directors reflect the demands and responsibilities of their role. Directors' fees and payments are reviewed annually by the Remuneration and People Committee. The Remuneration and People Committee may, from time to time, receive advice from independent remuneration consultants to ensure directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not receive share options or other incentives.

The director's fee pool is currently $465,000 per annum (plus GST, if any), with the amount of fees paid during the period disclosed in the remuneration tables below. The Directors are also entitled to be paid for reasonable travel, accommodation and other expenses incurred by them in connection with their attendance at Board or Shareholder meetings, or otherwise in connection with the Group's business.

KMP remuneration

The Company's total remuneration policy for KMP provides the opportunity for them to be paid, where performance merits, at the market median for equivalent market-matched roles. In determining an executive's total remuneration, external benchmarking is undertaken where necessary to ensure comparability and competitiveness, along with consideration of an individual's performance, skills, expertise, and experience.

Remuneration Report - Audited

Total executive remuneration may incorporate fixed and variable components. Executive remuneration may contain any or all of the following:

- fixed remuneration;
- performance-based remuneration;
- equity-based remuneration; and
- termination payments.

There are no performance share rights or long-term incentive scheme in place for the current senior management team.

Voting and comments made at the company's 2024 Annual General Meeting ('AGM')

Emark Early Education Ltd received more than 99% of “yes” votes on its remuneration report for the 2023 financial year. The company did not receive any specific feedback at the AGB or throughout the year on its remuneration practices.

Details of remuneration

Amounts of remuneration

The key management personnel of the consolidated entity consisted of the following:

- Hamish Stevens - Non-Executive Chairman
- Kim Campbell - Non-Executive Director, Chair of Remuneration and People Committee
- Renita Garard - Non-Executive Director, Chair of Audit and Risk Committee
- Michelle Thomsen - Non-Executive
- Chris Scott - Managing Director and Executive Director
- Josie Shawcross – Chief Financial Officer
- Greg Scott – Chief Operating Officer

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables:

	Short-Term Benefits			Post-employment benefits	Long-term benefits	Share-based payments		
	Cash salary and fees	Cash bonus	Non-monetary	Superannuation	Long service leave	Equity-settled shares	Equity-settled options	Total
2024	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Non-executive Directors:								
Hamish Stevens	127,000	-	-	-	-	-	-	127,000
Kim Campbell	83,045	-	-	-	-	-	-	83,045
Renita Garard	84,504	-	-	-	-	-	-	84,504
Michelle Thomsen	75,000	-	-	-	-	-	-	75,000
Executive Directors:								
Christopher Scott	75,000	-	-	-	-	-	-	75,000
Other Key Management Personnel:								
Josie Shawcross	187,652	1,500	-	21,302	-	-	-	210,454
Gregory Scott*	129,519	7,507	-	15,471	-	-	-	152,497
	761,720	**9,007**	**-**	**36,773**	**-**	**-**	**-**	**807,500**

* Represents remuneration from 19 February 2024 to 31 December 2024

Remuneration Report - Audited

	Short-Term Benefits			Post-employment benefits	Long-term benefits	Share-based payments		
	Cash salary and fees	Cash bonus	Non-monetary	Superannuation	Long service leave	Equity-settled shares	Equity-settled options	Total
2023	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Non-executive Directors:								
Hamish Stevens	115,238	-	-	-	-	-	-	115,238
Kim Campbell	85,587	-	-	-	-	-	-	85,587
Renita Garard	80,365	-	-	-	-	-	-	80,365
Michelle Thomsen*	42,394	-	-	-	-	-	-	42,394
Adrian Fonseca**	36,728	-	-	-	-	-	-	36,728
Executive Directors:								
Christopher Scott	74,993	-	-	-	-	-	-	74,993
Other Key Management Personnel:								
Josie Shawcross^	40,457	-	-	3,275	-	-	-	43,732
Edmund Mah^^	104,598	68,938	-	7,162	-	-	-	180,698
	580,360	**68,938**	**-**	**10,437**	**-**	**-**	**-**	**659,735**

* represents remuneration from 6 June 2023 to 31 December 2023
** Represents remuneration from 1 January 2023 to 6 June 2023
^ Represents remuneration from 16 October 2023 to 31 December 2023
^^ Represents remuneration from 1 January 2023 to 10 July 2023

Remuneration Report - Audited

The Group has no short, medium or long term incentive plans. Bonuses paid were discretionary payments which did not have specific performance obligations attached to them.

The proportion of the cash bonus paid/payable or forfeited is as follows:

	Cash bonus paid/payable		Cash bonus forfeited	
	2024	2023	2024	2023
Other Key Management Personnel:				
Josie Shawcross	100%	-	-	-
Gregory Scott	100%	-	-	-
Edmund Mah	-	100%	-	-

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Additions	Disposals/other	Balance at the end of the year
Ordinary shares				
Hamish Stevens	-	-	-	-
Kim Campbell	3,750	-	-	3,750
Renita Garard	-	-	-	-
Michelle Thomsen	-	-	-	-
Christopher Scott	26,227,514	-	-	26,227,514
Josie Shawcross	10,000	-	- 10,000	-
Gregory Scott	-	-	-	-

No other options were given to directors or KMP during the year.

Changes since the end of the reporting period

There have been no changes since the end of the reporting period.

This concludes the remuneration report.

Directors' Report

Indemnity and insurance of officers

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

During the financial year, the Group paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

Non-audit services

There were no non-audit services provided by the auditor.

There are no officers of the Group who are former partners of Grant Thornton.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors:

Hamish Stevens

Chair

Embark Early Education Limited

24 February 2025

Grant Thornton

Grant Thornton Audit Pty Ltd
King George Central
Level 18
145 Ann Street
Brisbane QLD 4000
GPO Box 1008
Brisbane QLD 4001

T +61 7 3222 0200

Auditor's Independence Declaration

To the Directors of Embark Early Education Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Embark Early Education Limited for the year ended 31 December 2024, I declare that, 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; and

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

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Cameron Smith

CDJ Smith
Partner – Audit & Assurance

Brisbane, 24 February 2025

Consolidated Statement of Profit or Loss and Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 $'000	2023 Restated* $'000
Revenue	5	81,611	63,123
Total revenue		**81,611**	**63,123**
Expenses			
Employee benefits expenses	6a	(45,754)	(34,976)
Building occupancy expenses		(1,112)	(774)
Direct expenses of providing services		(6,676)	(5,283)
Depreciation		(3,759)	(3,266)
Acquisition expenses		(1,059)	(58)
Other expenses		(3,460)	(2,422)
Total expenses		**(61,820)**	**(46,779)**
Profit before net finance expense and income tax		19,791	16,344
Finance income	6b	718	868
Finance costs	6b	(7,898)	(6,201)
Net finance expense		**(7,180)**	**(5,333)**
Profit before income tax		**12,611**	**11,011**
Income tax benefit/ (expense)	7a	(3,575)	(2,736)
Profit after income tax attributable to the shareholders of the Company		**9,036**	**8,275**
Other comprehensive income			
Exchange differences on translation of foreign operations		810	6
Total comprehensive income attributed to the shareholders of the Company		**9,846**	**8,281**
Earnings per share		**Cents**	**Cents**
Basic earnings per share	27	0.05	0.05
Diluted earnings per share	27	0.05	0.05

* see note 4 for details regarding the restatement as a result of an error.

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2024

	Note	31 December 2024 $'000	31 December 2023 Restated* $'000	1 January 2023 Restated* $'000
Cash and cash equivalents	8	13,348	26,839	16,201
Funding receivable		-	-	614
Current tax asset		-	-	196
Trade and other receivables	9	4,813	2,690	2,862
Total current assets		**18,161**	**29,529**	**19,873**
Property, plant and equipment	10	2,259	1,582	1,590
Deferred tax asset	7c	6,190	4,949	3,365
Right-of-use assets	11	95,721	61,332	62,683
Intangible assets	12	101,065	60,898	60,934
Term deposit		-	2,460	8,573
Total non-current assets		**205,235**	**131,221**	**137,145**
Trade and other payables	14	2,365	2,704	3,661
Current income tax liabilities		1,430	2,403	13
Contract liabilities		507	543	7
Employee entitlements	15	5,290	3,143	4,868
Other current liabilities		2,457	-	-
Borrowings current	16	4,260	-	-
Lease liabilities - current	17	9,799	6,278	6,133
Total current liabilities		**26,108**	**15,071**	**14,682**
Employee entitlements - Non-current	15	488	299	-
Lease liabilities - non current	17	101,226	66,945	65,795
Total non-current liabilities		**101,714**	**67,244**	**65,795**
Net Assets		**95,574**	**78,435**	**76,541**
Issued share capital	18	259,656	242,428	242,428
Accumulated Losses		(171,206)	(169,546)	(163,159)
Current year earnings		9,036	8,275	-
Translation reserve		(1,912)	(2,722)	(2,728)
Total equity		**95,574**	**78,435**	**76,541**

* see note 4 for details regarding the restatement as a result of an error.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2024

		Issued Share Capital	Foreign Currency Translation Reserve	Accumulated Losses	Total
AUD	Note	$'000	$'000	$'000	$'000
Balance at 1 January 2023		**242,428**	**(406)**	**(165,481)**	**76,541**
Correction of error (net of tax)		-	(2,322)	2,322	-
Restated total equity at the beginning of the financial year		**242,428**	**(2,728)**	**(163,159)**	**76,541**
Profit/(loss) after income tax		-	-	8,275	**8,275**
Other comprehensive income (restated*)		-	6	-	**6**
Total comprehensive income (loss)		**-**	**6**	**8,275**	**8,281**
Dividends declared	19			(6,387)	**(6,387)**
As at 31 December 2023 (restated*)		**242,428**	**(2,722)**	**(161,271)**	**78,435**
AUD	Note	$'000	$'000	$'000	$'000
Balance at 1 January 2024		**242,428**	**(2,722)**	**(161,271)**	**78,435**
Profit/(loss) after income tax		-	-	9,036	**9,036**
Other comprehensive income		-	810	-	**810**
Total comprehensive income (loss)		**-**	**810**	**9,036**	**9,846**
Issue of ordinary shares for cash, net of transaction costs	18	17,228	-	-	**17,228**
Dividends declared	19			(9,935)	**(9,935)**
As at 31 December 2024		**259,656**	**(1,912)**	**(162,170)**	**95,574**

* see note 4 for details regarding the restatement as a result of an error.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers		80,252	63,074
Payments to suppliers and employees		(57,034)	(44,488)
Transaction costs associated with the acquisition of childcare centres		(1,059)	-
Interest received		718	868
Income tax paid		(5,954)	(1,735)
Net cash provided by operating activities	26	**16,923**	**17,719**
Cash flows from investing activities			
Purchase of property, plant and equipment		(916)	(454)
Acquisition of subsidiary, net of cash acquired	24	(35,928)	(58)
Transfer (to) / from term deposit		2,460	6,088
Net cash (used in) investing activities		**(34,384)**	**5,576**
Cash flows from financing activities			
Drawdown from borrowings		4,260	-
Issue of shares	18	18,189	-
Share issue transaction costs	18	(961)	-
Dividend paid	19	(9,935)	(6,387)
Repayment of leases (principal and interest)		(7,579)	(6,269)
Net cash (used in) financing activities		**3,974**	**(12,656)**
Net change in cash and cash equivalents held		(13,487)	10,639
Increase/(decrease) effect of FX		(4)	(1)
Cash and cash equivalents at beginning of financial year	8	26,839	16,201
Cash and cash equivalents at end of financial year		**13,348**	**26,839**

1. General information

Embark Early Education Limited (the "Company") or ("Embark") is a company incorporated and domiciled in Australia. The address of the Company's registered office is Suite 102, 120-122 Siganto Drive, Helensvale Queensland, 4212, Australia. The consolidated financial statements of the Company as at and for the year ended 31 December 2024 comprise the Company and its subsidiaries, together referred to as "the Group". The principal activities of the Company and its subsidiaries (the "Group") are to invest in the provision and management of high-quality early childhood education centres.

The financial statements were approved by the Board of Directors on 24 February 2025.

2. Basis of preparation

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 23.

a) Statement of Compliance

The financial report is a general-purpose financial report, which:

- has been prepared in accordance with the requirements of the Corporations Act 2001(Cth), Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and International Financial Reporting Standards (AASB) as issued by the International Accounting Standards Board as applicable to a for-profit entity.
- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or before 1 January 2024.

b) New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

c) Going concern

These statements have been prepared on a going concern basis.

The Group's current liabilities exceed current assets at reporting date by $7.94 million. As at reporting date the current liabilities includes $9.79 million of lease liabilities which are expected to be settled through operating cash flows earned in the next reporting year.

Profit and cashflow for the group remained positive for the period. Forecasts indicate that the Group will have sufficient cash to settle liabilities as they fall due.

Having regard to the above, the Board has concluded that it is appropriate that these financial statements are prepared on a going concern basis.

d) Basis of measurement and presentation currency

The Consolidated financial statements have been prepared on the historical cost basis, with the exception of certain items for which specific accounting policies are identified, as noted below.

The Consolidated financial statements are presented in Australian dollars, which is the Group's functional currency and Group's presentation currency. The Group changed the presentation currency during the year ended 31 December 2023.

2. Basis of preparation (continued)

The Company is of a kind referred to in legislative instrument 2016/191 and in accordance with that legislative instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

e) Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

f) Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

3. Material accounting policies

a) Basis of consolidation

Business Combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group measures goodwill at the acquisition date as the difference between:

- The fair value of the consideration transferred; less
- The net recognised amount of the identifiable assets acquired, the liabilities assumed, measured at fair value, and any non-controlling interest in the acquiree.

When the excess is negative, a bargain purchase gain is recognised immediately in the profit or loss.

Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in the profit or loss.

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

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases.

3. Material accounting policies (continued)

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

b) Segment Information

An operating segment is a component of an entity that engages in business activities from which it may earn and incur expenses. The operating results of a segment are regularly reviewed by the entity's Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance, for which discrete financial information is available. The Chief Operating Decision Maker, who is responsible allocating resources and assessing performance of the Group, has been identified as the Managing Director ("Group MD").

The Group considers the business as one Group of centres and therefore have identified one operating segment of which the principal activity is the operation of childcare centres. The Group currently operates in one geographical segment in Australia.

c) Foreign currency translation

The financial statements are presented in Australian dollars, which is Embark Early Education Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses are presented in the statement of comprehensive income, on a net basis, within other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

d) Revenue recognition

Revenues are recognised when the Group satisfies its performance obligations by providing early childhood education services to customers.

Childcare Revenue

The Group provides early childhood education services for children's various learning and care needs. Revenue from childcare fees are recognised as and when a child attends, or was scheduled to attend, a childcare facility. The performance obligations are satisfied over time as the child simultaneously receives and consumes the benefits.

Australian Government funding

Childcare revenues from Australian Government funding relates to fees paid under the Child Care Subsidy and are recognised over time when there is reasonable assurance that the funding will be received. Australian Government funding is received in arrears.

Other revenue

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

3. Material accounting policies (continued)

e) Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

f) Taxation

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

Deferred tax

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

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

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

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

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

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

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

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

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

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

3. Material accounting policies (continued)

g) Cash and cash equivalents

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. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

h) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

i) Property, plant and equipment

Items of property, plant and equipment are stated at cost, less accumulated depreciation, and impairment losses. Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the profit or loss.

Depreciation is charged based on the cost of an asset less its residual value. Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Useful lives as at balance date were:

Plant and equipment	3 to 10 years
Leasehold improvements	4 to 10 years
Motor vehicles	5 years

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is de-recognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

j) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

3. Material accounting policies (continued)

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

k) Intangible assets

Goodwill

Goodwill initially represents amounts arising on acquisition of a business and is the difference between the cost of acquisition and the fair value of the net identifiable assets acquired.

Goodwill is subsequently measured at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units, or groups of cash-generating units, and is not amortised, but is reviewed at each balance date to determine whether there is any objective evidence of impairment.

Other intangible assets

Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

l) Impairment of non-financial assets

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

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are grouped so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal management purposes. Goodwill acquired in a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

m) Trade and other payables

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

n) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

3. Material accounting policies (continued)

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short term leases of properties (i.e. those leases that have a lease term of 12 months or less from the date of inception).

The Group applies the low-value assets recognition exemption to leases of office equipment that are considered of low value ($10,000 or less). 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.

o) Finance costs

Finance costs attributable to qualifying assets (if any) are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

p) Provisions

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

q) Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at 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 periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

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

r) Fair value measurement

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

3. Material accounting policies (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

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

s) Issued capital

Ordinary shares are classified as equity.

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

t) Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

u) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Embark Early Education Ltd, 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 financial year.

Diluted earnings per share

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

4. Critical accounting judgements, estimates and assumptions

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following method. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Intangible assets

The fair values of intangible assets acquired in a business combination are based on the discounted cash flows expected to be derived from the use and eventual sale of the business.

4. Critical accounting judgements, estimates and assumptions (continued)

Identification of Cash Generating Units

In order to complete an impairment assessment, the Group must identify individual cash generating units ("CGUs") that best represent the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Identifying CGUs requires judgement and must be at the lowest level to minimize the possibility that impairments of one asset or group will be masked by a high-performing asset.

Correction of prior period error

For the year ended 31 December 2022, the Group's annual report contained an error in which a foreign currency translation was incorrectly classified as accumulated losses rather than translation reserve and in 31 December 2023 in which a foreign currency translation was incorrectly classified as Trade and other payables rather than translation reserve . The errors were identified during the year ended 31 December 2024, and the Group has re-stated the Consolidated Statement of Financial Position and Consolidated Statement of Changes in Equity for the year ended 31 December 2022 and year ended 31 December 2023:

	2023	Increase/ (Decrease)	2023 Restated
	$'000	$'000	$'000
Other comprehensive income			
Exchange differences on translation of foreign operations	(114)	120	6
Total comprehensive income attributed to the shareholders of the Company	**8,161**	**120**	**8,281**

	31 December 2023	Increase/ (Decrease)	31 December 2023 Restated	31 December 2022	Increase/ (Decrease)	1 January 2023 Restated
	$'000	$'000	$'000	$'000	$'000	$'000
Trade and other payables	2,824	(120)	2,704	3,661	-	3,661
Total current liabilities	**15,191**	**(120)**	**15,071**	**14,682**	**-**	**14,682**
Net Assets	**78,315**	**120**	**78,435**	**76,541**	**-**	**76,541**
Accumulated losses	(171,868)	2,322	(169,546)	(165,481)	2,322	(163,159)
Translation reserve	(520)	(2,202)	(2,722)	(406)	(2,322)	(2,728)
Total equity	**78,315**	**120**	**78,435**	**76,541**	**-**	**76,541**

5. Revenue

	2024	2023
	$'000	$'000
Revenue from continuing operations recognised over time:		
Childcare fees	22,969	19,084
Government funding	58,439	43,896
Other revenue	203	143
Total Revenue	**81,611**	**63,123**

Revenues are recognised when the Group satisfies its performance obligations by providing early childhood education services to customers.

6. Disclosure of Items in the Consolidated Statement of Profit or Loss and Comprehensive Income

a) Employee benefits expense

	2024	2023
	$'000	$'000
Wages and salaries	39,748	30,224
Superannuation fund contributions	4,222	3,118
Kiwisaver contributions	-	1
Payments to agency contractors	970	864
Government wage subsidy	(2,378)	(1,497)
Other employee benefits expense	3,192	2,266
Total employee benefits expense	**45,754**	**34,976**

b) Net finance costs

	2024	2023
	$'000	$'000
Interest received		
Bank deposits	718	868
Total finance income	**718**	**868**
Interest expense		
Interest on acquisition facility borrowings	(131)	(1)
Interest expense - AASB 16 leases	(7,718)	(6,200)
Other items	(49)	-
Total finance costs	**(7,898)**	**(6,201)**
Net finance costs	**(7,180)**	**(5,333)**

7. Taxation

a) Income tax expense

The major components of income tax expense for the year are:

	2024	2023
	$'000	$'000
Current income tax:		
Current income tax expense	5,247	4,483
Prior year adjustments	(245)	(580)
	5,002	3,903
Deferred tax:		
Relating to origination and reversal of temporary differences	(1,427)	(1,167)
Prior year adjustments	-	-
	(1,427)	(1,167)
Foreign exchange movement	-	-
Total income tax expense	**3,575**	**2,736**

7. Taxation (continued)

b) Reconciliation of tax expense

Tax expense is reconciled to accounting profit as follows:

	2024	2023
	$'000	$'000
Profit before income tax from continuing operations	**12,611**	**11,011**
At the statutory income tax rate of 30%	3,783	3,303
Non-assessable income and non-deductible expenses for tax purposes:	(288)	-
Non-deductible expenses/(non-assessable income)	325	13
Prior year adjustment	(245)	(580)
Total income tax expense	**3,575**	**2,736**

c) Deferred tax

Deferred tax relates to the following:

	2024		2023	
	Consolidated Statement of Comprehensive Income	Consolidated Statement of Financial Position	Consolidated Statement of Comprehensive Income	Consolidated Statement of Financial Position
	$'000	$'000	$'000	$'000
Right-of-use assets	10,317	(28,716)	(381)	(18,400)
Lease liabilities	(11,340)	33,308	(471)	21,967
Employee entitlement provisions	(387)	1,337	(90)	950
Other temporary differences	(17)	261	(225)	14
Tax losses carried forward	-	-	-	418
Deferred tax benefit	**(1,427)**	**-**	**(1,167)**	**-**
Net deferred tax assets	**-**	**6,190**	**-**	**4,949**

Deferred tax assets are expected to be utilised by the reversal of taxable temporary differences as well as the generation of taxable profits.

8. Cash and cash equivalents

	2024	2023
	$'000	$'000
Cash at banks and on hand	12,305	26,839
Restricted cash	1,043	-
Total cash and cash equivalents	**13,348**	**26,839**

Restricted cash represents amounts held as security for bank guarantees.

9. Trade and other receivables

	2024	2023
	$'000	$'000
Trade receivables	3,696	1,913
Prepayments and sundry receivables	1,219	840
Allowance for expected credit losses	(102)	(63)
Total trade and other receivables	**4,813**	**2,690**

Allowance for expected credit losses

The consolidated entity has recognised a loss of $102,000 in profit or loss in respect of the expected credit losses for the year ended 31 December 2024.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2024	2023	2024	2023	2024	2023
Consolidated	%	%	$'000	$'000	$'000	$'000
0 to 3 months overdue	0%	0%	400	346	-	-
Over 3 months overdue	25%	25%	393	251	98	63

The Group has increased its monitoring of debt as there is an increased probability of customers delaying payment or being unable to pay, due to the current economic environment.

The movements in expected credit losses are as follows:

	2024	2023
	$'000	$'000
Opening balance	63	-
Additional provisions recognised	98	63
Receivables written off during the year as uncollectable	(163)	(187)
Unused amounts reversed	163	187
Closing balance	**161**	**63**

10. Property, Plant and Equipment

31 December 2024	Plant and Equipment	Office Furniture and Fittings	Leasehold Improvements	Motor Vehicles	Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost						
Opening balance	1,292	-	1,851	-	-	3,143
Additions/transfers	372	-	425	119	-	916
Acquisition of businesses	280	-	-	-	-	280
Disposals	-	-	-	-	-	-
Closing balance	**1,944**	**-**	**2,276**	**119**	**-**	**4,339**
Depreciation and impairment						
Opening balance	(843)	-	(717)	-	-	(1,560)
Depreciation charge for period	(276)	-	(235)	(9)	-	(520)
Disposals	-	-	-	-	-	-
Closing balance	**(1,119)**	**-**	**(952)**	**(9)**	**-**	**(2,080)**
Net book value	**825**	**-**	**1,324**	**110**	**-**	**2,259**

31 December 2023	Plant and Equipment	Office Furniture and Fittings	Leasehold Improvements	Motor Vehicles	Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost						
Opening balance	723	825	1,225	7	3	2,783
Additions/transfers	601	-	958	-	-	1,559
Disposals	(32)	(825)	(332)	(7)	(3)	(1,199)
Closing balance	**1,292**	**-**	**1,851**	**-**	**-**	**3,143**
Depreciation and impairment						
Opening balance	(514)	(125)	(552)	(1)	-	(1,192)
Depreciation charge for period	(348)	-	(185)	-	-	(533)
Disposals	19	125	19	1	-	164
Closing balance	**(843)**	**-**	**(718)**	**-**	**-**	**(1,561)**
Net book value	**449**	**-**	**1,133**	**-**	**-**	**1,582**

11. Right-of-use Assets

31 December 2024	Leased properties	Total
	$'000	$'000
Opening net book value	**61,332**	**61,332**
Additions	**37,629**	37,629
Disposals	**-**	-
Depreciation	**(3,240)**	(3,240)
Closing net book value	**95,721**	**95,721**
Cost	109,730	109,730
Accumulated depreciation	(12,065)	(12,065)
Accumulated impairment	(1,943)	(1,943)
As at 31 December 2024	**95,721**	**95,721**

31 December 2023	Leased properties	Total
	$'000	$'000
Opening net book value	**62,683**	**62,683**
Additions	1,455	1,455
Disposals	-	-
Depreciation	(2,806)	(2,806)
Closing net book value	**61,332**	**61,332**
Cost	72,101	72,101
Accumulated depreciation	(8,826)	(8,826)
Accumulated impairment	(1,943)	(1,943)
As at 31 December 2023	**61,332**	**61,332**

Impairment testing of right-of-use assets

As detailed in Note 13, non-financial assets including right-of-use assets are reviewed annually for indicators of impairment. Where there is an indicator of impairment, the carrying value of the asset is compared to its recoverable amount. Refer to Note 13 – Impairment.

12. Intangible Assets

31 December 2024	Note	Brands $'000	Goodwill $'000	Total $'000
Cost				
Opening Balance		-	60,898	60,898
Acquisition of businesses	25	-	40,167	40,167
Closing Balance		**-**	**101,065**	**101,065**
Amortisation and impairment				
Opening balance		-	-	-
Closing Balance		**-**	**-**	**-**
Net book value		**-**	**101,065**	**101,065**

31 December 2023	Note	Brands $'000	Goodwill $'000	Total $'000
Cost				
Opening Balance		36	60,898	60,934
Disposals		(36)	-	(36)
Closing Balance		**-**	**60,898**	**60,898**
Amortisation and impairment				-
Opening balance		-	-	-
Closing Balance		**-**	**-**	**-**
Net book value		**-**	**60,898**	**60,898**

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13. Impairment

Impairment assessment of goodwill

The goodwill balance of $101.1m (2023: $60.9m), has been tested for impairment as at 31 December 2024. Impairment of goodwill cannot be reversed in subsequent years.

The recoverable amounts of the CGUs to which goodwill has been allocated, was determined using a value-in-use discounted cash flow methodology using Board approved cash flow forecasts covering a five-year period.

No impairment has been recognized in the year ended 31 December 2024.

	31 December 2024 $'000	31 December 2023 $'000
Goodwill	101,065	60,898

Key assumptions used in value-in-use calculations

The key "base" assumptions used in the calculation of value-in-use are:

- Revenue growth through the forecast period
- Wages growth through the forecast period
- Discount rates
- Growth rates used to extrapolate cash flows beyond the forecast period

13. Impairment (continued)

The table below sets out the key assumptions:

	2024	2023
Revenue growth attributable to price (% per annum on average)	3.00%	3.00%
Revenue growth attributable to increase in occupancy (% per annum on average)	0.00%	0.00%
Total revenue growth (% per annum on average)	3.00%	3.00%
Wages growth (% per annum on average)	3.00%	3.00%
Pre-tax discount rates (%)	16.30%	15.35%
Long-term growth rate (%)	1.50%	1.50%

Revenue: Revenue growth at an average of 3% per year from price increases assumed in the forecast. No growth in occupancy has been assumed.

Wages: Wages are assumed to increase at an average of 3% per year. It is assumed that any increase in wages above 3% per year will be at least covered by additional price increases.

Sensitivity to changes in key assumptions

The most sensitive assumption in the calculation of value-in-use is revenue growth, followed by wage costs. Revenue growth will be achieved through pricing, as occupancy is not assumed to grow, given the centres currently have good occupancy levels. The following summarizes the amounts by which the key assumptions would need to change, with all other assumptions remaining constant, for the recoverable amount to equal the carrying amount:

	Headroom/ (Impairment)
Base assumption ($'000)	57,323
Revenue growth	-6.61%
Wages growth	12.20%
Pre-tax discount rate	4.60%
Long term growth rate	-9.15%

The following summarizes the impairment of headroom that would have resulted had the noted changes in the “base” assumptions been made, with all other assumptions remaining constant:

	Headroom/ (Impairment)
Base assumption ($'000)	57,323
Revenue growth +5.0% above base	100,702
Revenue growth -5.0% above base	13,944
Wages growth +5.0% above base	33,825
Wages growth -5.0% below base	80,821

14. Trade and other payables

	2024	2023 Restated
	$'000	$'000
Goods and services tax payable	39	32
Other payables	1,159	709
State Government funding	1,151	1,259
Trade payables	16	704
Total trade and other payables	**2,365**	**2,704**

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amount of trade and other payables are considered approximate to their fair value, due to their short-term nature.

15. Employee Entitlements

	2024	2023
	$'000	$'000
Accrued wages and salaries	1,756	1,116
Other employee entitlements	-	55
Employee leave provisions - current	3,534	1,972
Total employee entitlements - current	**5,290**	**3,143**
Employee leave provisions - non-current	488	299
Total employee entitlements - non-current	**488**	**299**

16. Borrowings

	2024	2023
	$'000	$'000
Corporate markets loan drawn down	4,350	-
Borrowing costs	(90)	-
Total Current borrowings	**4,260**	**-**

Bank Loans

The loans are secured on the assets and undertakings of the Group.

	2024	2023
	$'000	$'000
Total secured corporate markets loan facility	25,000	-
Less amounts used	(4,350)	-
Unused loan facility	**20,650**	**-**

16. Borrowings (continued)

On 1 November 2024 the Group secured a bank loan facility, with a review date of 31 October 2025. The repayments are interest only, paid on a quarterly basis. The $20.65 million unused loan facility is only available for future acquisitions with specific criteria to be met prior to any drawdown.

The Group has complied with the financial covenants of its bank loan during the year. The financial covenants are:

(a) The fixed charges cover ratio must not be less than 1.5:1
(b) The operating leverage ratio must not exceed 2.5:1
(c) The occupancy ratio is to be equal to or greater than 75%.

The bank loan of $4.35m (2023: nil) is secured by the first priority general security agreement over all present and after-acquired property of Evolve Early Education Pty Ltd and Embark Early Education Limited, and the guarantee and indemnity for $33.46 million and other liabilities of Embark Early Education Limited.

Bank Guarantee facility

The guarantees are secured on the assets and undertakings of the Group.

	2024	2023
	$'000	$'000
Total bank guarantee facility	9,443	-
Less amounts used	(4,419)	-
Unused bank guarantee facility	**5,024**	**-**

The bank guarantee facility is secured by the first priority general security agreement over all present and after-acquired property of Evolve Early Education Pty Ltd and Embark Early Education Limited, and the guarantee and indemnity for $33.46 million and other liabilities of Embark Early Education Limited.

17. Lease Liabilities

	2024	2023
	$'000	$'000
Current lease liabilities	9,799	6,278
Non-current lease liabilities	101,226	66,945
Total lease liabilities	**111,025**	**73,223**

The Group leases childcare centres, and lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. As at 31 December 2024, the Group's leases had an average remaining lease term of 23.73 years (2023: 23.97 years) and a weighted average incremental borrowing rate of 9.27% (2023: 8.97%).

17. Lease Liabilities (continued)

Amounts recognised in the Statement of Comprehensive Income

The statement of comprehensive income shows the following amounts relating to leases:

	2024	2023
	$'000	$'000
Depreciation charge of right-of-use assets		
Properties	3,240	2,805
Interest expense (included in finance cost)	7,579	6,201

The total cash outflow for leases during the year was $7.6 million (2023: $6.2 million). Refer to note 20 for further information on the financial instruments.

18. Issued Capital

Authorised shares

	2024		2023	
	Number	$'000	Number	$'000
Ordinary shares authorised, issued and fully paid				
Opening balance	159,549,484	242,428	159,549,484	242,428
Issue of ordinary shares, net of transaction costs	23,932,422	17,228	-	-
Closing balance	**183,481,906**	**259,656**	**159,549,484**	**242,428**

19. Dividends

Dividends paid

	2024		2023	
	Cents per share	$'000	Cents per share	$'000
Dividend paid for year ending 31 December 2022 of 2 cents per ordinary share			2.00	3,195
Interim dividend for the half year ended 30 June 2023 of 2 cents per ordinary share			2.00	3,192
Interim dividend for the year ended 31 December 2023 paid on 26 March 2024	1.50	2,392		
Final dividend for the year ended 31 December 2023 paid 3 June 2024	1.50	2,396		
Interim quarterly dividend for the year ended 31 December 2024 paid 23 September 2024	1.50	2,393		
Interim quarterly dividend for the year ended 31 December 2024 paid 9 December 2024	1.50	2,754		
Total dividend paid		**9,935**		**6,387**

Franking Credits

	2024	2023
	$'000	$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	8,723	7,759

19. Dividends (continued)

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

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

20. Financial Assets and Liabilities

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall level of financial risk is not significant and risk management is carried out by senior finance executives and the Board of Directors.

Market risk

Price risk

The Group is not currently exposed to any significant price risk.

Interest rate risk

The Group is exposed to interest rate risk associated with the variable interest rate on the bank loan and interest on cash deposits.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provision for impairment of those assets, as disclosed in the Consolidated Statement of Financial Position and Notes to the Consolidated Financial Statements. The Group has no significant credit risk exposure. The Standard & Poors credit ratings of the banks where the Group holds cash are all AA.

Liquidity risk

Liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements

The Group's financing arrangements comprise the following facilities:

Lease guarantee facility – provided by NAB for $8.4 million (2023: $2.4 million) for guarantees required for certain leasehold properties.
NAB Corporate markets loan facility – provided by NAB for $25 million, $4.35 million drawn down as at 31 December 2024.

Remaining contractual maturities

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

20. Financial Assets and Liabilities (continued)

2024	**Weighted average interest rate**	**1 year or less**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Remaining contractual liabilities**
	%	$'000	$'000	$'000	$'000	$'000
Non-derivatives						
Non-interest bearing						
Trade and other payables		2,365	-	-	-	2,365
Contract liabilities		507	-	-	-	507
Interest-bearing - fixed rate						
Lease liabilities	9.23%	10,166	10,376	32,284	247,118	299,944
Borrowings - Undrawn	1.50%	258	-	-	-	258
Interest-bearing - variable rate						
Borrowings - Drawn	6.97%	4,603	-	-	-	4,603
Total non-derivatives		**17,899**	**10,376**	**32,284**	**247,118**	**307,677**

2023 Restated	**Weighted average interest rate**	**1 year or less**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Remaining contractual liabilities**
	%	$'000	$'000	$'000	$'000	$'000
Non-derivatives						
Non-interest bearing						
Trade and other payables		2,704	-	-	-	2,704
Contract liabilities		543	-	-	-	543
Interest-bearing - fixed rate						
Lease liabilities	8.97%	6,285	6,443	20,145	161,970	194,843
Total non-derivatives		**9,532**	**6,443**	**20,145**	**161,970**	**198,090**

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

Fair value of financial instruments

The carrying value of financial assets and financial liabilities presented represent a reasonable approximation of fair value.

21. Auditors Remuneration

During the year, the following fees were paid or payable for services provided by the Group's auditor, Grant Thornton Australia:

	2024	**2023**
	$	$
Assurance services:		
Audit and review of the consolidated financial statements	190,504	226,093
Total assurance	**190,504**	**226,093**

22. Related Party Transactions

Parent entity

The parent entity of the Group is Embark Early Education Limited.

Subsidiaries

Interests in subsidiaries are set out in note 23.

Key Management Personnel

Directors

The following persons were Directors of Embark Early Education Limited during the year:

- Hamish Stevens (Chair)
- Christopher Scott (Managing Director)
- Kim Campbell
- Renita Garard
- Michelle Thomsen

Other Key Management Personnel

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

- Josie Shawcross – Chief Financial Officer
- Gregory Scott – Chief Operations Officer (from 19 February 2024)

Key Management Personnel Compensation

	2024	2023
	$'000	$'000
Short-term benefits*	762	580
Cash bonus	9	-
Termination benefits	-	69
Post-employment benefits	37	10
	808	**659**

*includes Director's Fees

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

23. Parent entity information

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

	2024	2023
	$'000	$'000
Statement of profit or loss and other comprehensive income:		
Profit after income tax	(165,408)	(185,392)
Other comprehensive income	-	-
Total comprehensive income for the year	**(165,408)**	**(185,392)**
Statement of financial position:		
Current assets	852	638
Non-current assets	98,351	74,341
Total assets	**99,203**	**74,979**
Current liabilities	3,142	212
Non-current liabilities	-	5,010
Total liabilities	**3,142**	**5,222**
Share capital	275,570	258,342
Accumulated losses	(179,509)	(188,584)
Total equity	**96,061**	**69,758**

Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2024.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2024.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 3, except for the following:

- Investments in subsidiaries are accounted for at fair value in the parent entity.

Deed of Cross Guarantee

Embark Early Education Ltd, Evolve Early Education Pty Ltd, Embark Education group Ltd, Embark NZ Management Group Ltd, Embark NZ Holding Limited, and Childcare Holdings Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

23. Parent entity information (continued)

a) Consolidated statement of comprehensive income

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

		2024	**2023 Restated***
	Note	$'000	$'000
Revenue	5	81,611	63,123
Total revenue		**81,611**	**63,123**
Expenses			
Employee benefits expenses	6a	(45,754)	(34,976)
Building occupancy expenses		(1,112)	(774)
Direct expenses of providing services		(6,676)	(5,283)
Depreciation		(3,759)	(3,266)
Acquisition expenses		(1,059)	(58)
Other expenses		(3,460)	(2,422)
Total expenses		**(61,820)**	**(46,779)**
Profit before net finance expense and income tax		19,791	16,344
Finance income	6b	718	868
Finance costs	6b	(7,898)	(6,201)
Net finance expense		**(7,180)**	**(5,333)**
Profit before income tax		**12,611**	**11,011**
Income tax benefit/ (expense)	7a	(3,575)	(2,736)
Profit after income tax attributable to the shareholders of the Company		**9,036**	**8,275**
Other comprehensive income			
Exchange differences on translation of foreign operations		808	6
Total comprehensive income attributed to the shareholders of the Company		**9,844**	**8,281**
Earnings per share		**Cents**	**Cents**
Basic earnings per share	28	0.05	0.05
Diluted earnings per share	28	0.05	0.05

* see note 4 for details regarding the restatement as a result of an error.

23. Parent entity information (continued)

b) Consolidated statement of financial position

Set out below is a consolidated statement of financial position as at 31 December 2024 of the closed group.

	Note	31 December 2024 $'000	31 December 2023 Restated $'000	1 January 2023 Restated $'000
Cash and cash equivalents	8	13,348	26,839	16,201
Funding receivable		-	-	614
Current tax asset		-	-	196
Trade and other receivables	9	4,813	2,690	2,862
Total current assets		**18,161**	**29,529**	**19,873**
Property, plant and equipment	10	2,259	1,582	1,590
Deferred tax asset	7c	6,190	4,949	3,365
Right-of-use assets	11	95,721	61,332	62,683
Intangible assets	12	101,065	60,898	60,934
Term deposit		-	2,460	8,573
Total non-current assets		**205,235**	**131,221**	**137,145**
Trade and other payables	14	2,365	2,704	3,661
Current income tax liabilities		1,430	2,403	13
Contract Liabilities		507	543	7
Employee entitlements	15	5,290	3,143	4,868
Other current liabilities		2,457	-	-
Borrowings current	16	4,260	-	-
Lease liabilities - current	17	9,799	6,278	6,133
Total current liabilities		**26,108**	**15,071**	**14,682**
Employee entitlements - Non-current	15	488	299	-
Lease liabilities - non current	17	101,226	66,945	65,795
Total non-current liabilities		**101,714**	**67,244**	**65,795**
Net Assets		**95,574**	**78,435**	**76,541**
Issued share capital	18	259,656	242,428	242,427
Accumulated losses		(171,204)	(169,545)	(163,158)
Current Year Earnings		9,036	8,275	-
Translation reserve		(1,914)	(2,723)	(2,728)
Total equity		**95,574**	**78,435**	**76,541**

24. Business Combinations

a) Business Combinations

During the year ended 31 December 2024, the Group acquired 14 (2023: nil) early childhood centres for a total consideration of $40.2 million. Total net assets acquired were $0.04 million (2023: nil). The total cash acquired was $1.38 million (2023: nil). The primary reason for all 14 of the business combinations was to increase the size of the group and realise synergies from combining operations, utilizing the benefits of the group's corporate centre.

24. Business Combinations (continued)

	Note	VIC 1 Centre 8/03/24	QLD 2 Centres 19/04/24	QLD 2 Centres 3/05/24	VIC 1 Centre 20/09/24	QLD 6 Centres 1/11/24	QLD 2 Centres 13/12/24	YEAR ENDED 31 DECEMBER 2024
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Assets								
Cash and cash equivalents		-	-	-	-	1,382	-	1,382
Other current assets		-	-	-	-	801	-	801
Property, plant and equipment		20	40	40	20	120	40	280
Right-of-use assets		3,123	5,614	3,491	5,537	14,843	3,667	36,275
		3,143	**5,654**	**3,531**	**5,557**	**17,146**	**3,707**	**38,738**
Liabilities								
Employee entitlements		106	149	106	125	774	141	1,401
Other current liabilities		-	21	29	13	953	3	1,019
Lease liabilities		3,123	5,614	3,491	5,537	14,843	3,667	36,275
		3,229	**5,784**	**3,626**	**5,675**	**16,570**	**3,811**	**38,695**
Total identifiable net assets (liabilities) at fair value		**(86)**	**(130)**	**(95)**	**(118)**	**576**	**(104)**	43
Goodwill arising on acquisition	12	3,150	4,693	4,946	5,967	17,117	4,294	40,167
Purchase consideration transferred		**3,064**	**4,563**	**4,851**	**5,849**	**17,693**	**4,190**	**40,210**
Acquisition costs expensed to profit or loss*		14	350	289	20	55	233	961
Purchase consideration								
Cash paid		3,064	4,563	4,851	5,849	14,793	4,190	37,310
Contingent consideration		-	-	-	-	2,457	-	2,457
Retentions		-	-	-	-	443	-	443
Total consideration		**3,064**	**4,563**	**4,851**	**5,849**	**17,693**	**4,190**	**40,210**
Contribution to the group								
Revenue contributed since acquisition		3,120	3,331	2,867	1,280	2,404	130	13,132
Profit/(loss) contributed since acquisition		555	797	888	(10)	419	35	2,684
Revenue contributed if acquisition had occurred at beginning of period		3,838	4,768	4,342	5,308	15,567	2,972	36,795
Profit/(loss) contributed if acquisition had occurred at beginning of period		682	1,141	1,345	52	2,714	586	6,520

*Acquisition costs expensed to profit or loss in the above table only include settled acquisitions. The acquisition costs listed in The Consolidated Statement of Comprehensive Income also include costs relating to abandoned acquisitions and potential acquisitions.

24. Business Combinations (continued)

The goodwill acquired of $40.17 million predominantly comprises the future earnings potential of bringing together a group of early childhood centres under one centrally managed group.

Assessment of the businesses acquired did not identify any separate intangible assets other than goodwill.

As at 31 December 2024, the centres acquired at various points in the year have contributed revenue of $13.13 million and a net profit after tax of $2.68 million to the Group's results before allowing for acquisition expenses of $0.96 million.

b) Significant Judgement

As part of the accounting for business combinations, the Group reviews each acquisition on a case-by-case basis to determine the nature and value of any intangible assets acquired. Different factors are considered including market presence of the acquired entity, the existence of any specialised or developed assets (e.g. software and training materials), the nature and longevity of the acquired customer-base. Following this assessment, the Group determines if the value of the intangible assets acquired can or should be allocated between fixed life or indefinite life intangible assets and goodwill.

c) Contingent Consideration

In the event that certain pre-determined occupancy levels are achieved by one of the six acquired AppleBerries centres, additional consideration of $2,457,100 will be payable in cash. The centre must achieve at least 80% occupancy for 2 full consecutive calendar months during the earn-out period. The earn-out period ends 31 October 2026. The occupancy forecast for 2025 indicates that it is expected this occupancy target will be achieved and the earn-out amount will be paid by 31 December 2025, as such the contingent consideration has been fully recognized in the calculation of goodwill.

25. Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence, and to sustain future development of the business. Capital consists of share capital, accumulated net earnings/deficits of the Group, as well as available cash and cash equivalents and borrowings. The Board of Directors monitors the return on capital as well as the level of cash and dividends to ordinary shareholders.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of any financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Dividend Policy

The current dividend policy of the Group is to pay dividends between 50% and 75% of pre-AASB 16 net profit after tax (excluding non-operational items) in respect of the preceding period subject to the discretion of the Board.

Financial Covenants

The Group's capital management policy, amongst other things, aims to ensure that it meets its financial covenants attached to any interest bearing loans and borrowings that support capital structure requirements.

26. Reconciliation of Profit/(Loss) After Tax to Net Operating Cash Flows

	2024	2023
	$'000	$'000
Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	9,036	8,275
Non-cash flows in profit:		
· depreciation and amortisation	3,759	3,265
· Expected credit loss	-	63
· Bad debt expense	-	187
· Disposal of property, plant and equipment	-	6
Adjustments for items classified as investing or financing activities:		
· lease financing costs	7,751	6,168
Changes in assets and liabilities:		
· decrease / (increase) in trade and other receivables	(1,106)	409
· increase / (decrease) in trade and other payables	(1,083)	(180)
· increase / (decrease) in income taxes	(1,133)	2,349
· increase / (decrease) in deferred taxes	(1,240)	(1,347)
· increase / (decrease) in employee entitlements	939	(1,476)
Net cash provided by operating activities	**16,923**	**17,719**

27. Earnings per Share (EPS)

Basic and diluted EPS amounts are calculated by dividing the profit or loss for the year for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. The following reflects the income and share data used in the basic and diluted EPS computations:

	2024	2023
Profit/(loss) after income tax from continuing operations ($'000s)	9,036	8,275
Profit/(loss) after income tax attributable to the shareholders of the Company ($'000s)	9,036	8,275
Weighted average number of ordinary shares for basic and diluted EPS	183,481,906	159,549,484
Basic (and diluted) EPS from continuing operations (cents per share)	0.05	0.05
Basic and diluted EPS attributable to the shareholders of the Company (cents per share)	0.05	0.05

28. Commitments and Contingencies

Capital commitments

There were no estimated capital commitments for centre upgrades not yet completed at 31 December 2024 and not provided for (2023: none).

Guarantees

The Group has a bank guarantee facility of $9.4 million of which a total of $4.41 million (2023: $2.4 million) has been utilised.

Contingencies

There are no material contingent liabilities not already disclosed as at 31 December 2024.

29. Events After the Reporting Period

No matters or circumstance have arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity’s operations, the results of those operations, or the consolidated entity’s state of affairs in future financial years.

Consolidated Entity Disclosure Statement

FOR THE YEAR ENDED 31 DECEMBER 2024

Name of entity	Type of entity	Trustee, partner, or participant in joint venture	% of share capital held	Country of Incorporation	Australian resident or foreign resident (for tax purpose)	Foreign tax jurisdiction(s) of foreign residents
Embark Early Education Ltd	Company	n/a	100.00%	Australia	Australian*	n/a
Evolve Early Education Pty Ltd	Company	n/a	100.00%	Australia	Australian*	n/a
Embark Education Group Ltd	Company	n/a	100.00%	New Zealand	Australian*	n/a
Embark NZ Management Group Ltd	Company	n/a	100.00%	New Zealand	Australian*	n/a
Childcare Holdings Pty Ltd	Company	n/a	100.00%	Australia	Australian*	n/a

* Embark Early Education Ltd (the "head entity) and its wholley-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

Director's Declaration

In the Director's opinion:

a) The financial statements and notes set out above are in accordance with the *Corporations Act 2001*, including:
   i. Complying with the 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) The Remuneration Report as set out in the Director's Report complies with Section 300A of the *Corporations Act 2001*;

c) The persons performing the roles of Managing Director and Chief Financial Officer have declared that:
   i. The financial records of the Company for the year have been properly maintained in accordance with Section 286 of the *Corporations Act 2001*;
   ii. The financial statements and notes for the year comply with the Australian Accounting Standards (including Australian Accounting Interpretations);
   iii. The Directors have received a declaration from the Managing Director and Chief Financial Officer that the consolidated entity disclosure statement is true and correct for the year ended 31 December 2024 as required by section 295A of the *Corporations Act* 2001(Cth);
   iv. The financial statements and notes for the year give a true and fair view; and
   v. The consolidated entity disclosure statement is true and correct.

d) The consolidated entity disclosure statement on page 58 is true and correct;

e) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Hamish Stevens

Chair

24 February 2025

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Independent Auditor's Report

To the shareholders of Embark Early Education Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Embark Early Education Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated 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 Group's financial position as at 31 December 2024 and of its 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 judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition (Note 5)	
Revenue is recognised by the Group when the underlying childcare service have been provided. Revenue from childcare services, for the Group for the financial year was $81.611 million. Childcare services are generally invoiced in advance, alongside subsequent processing of a corresponding Child Care Subsidy ("CCS") by Services Australia. The Group focuses on revenue as a key performance measure, and as it is also a key parameter by which the performance of the Group is measured we have therefore considered revenue a key audit matter.	Our procedures included, amongst others: • Obtaining an understanding of management's processes and policies related to revenue recognition. • Assessing revenue recognition policies for appropriateness and compliance with AASB 15 *Revenue from Contracts with Customers*. • Performing a proof in total over revenue recognised by reconciling amounts recorded in the general ledger to receipts in each early childhood centre's bank account. • Selecting a sample of individual attendance and inspecting supporting documents such as signed enrolment form, parent statement and payment, including CCS statement and payment. • Evaluating the adequacy of related disclosures in the financial report.
Business combinations (Note 24)	
During the year, the Group acquired 14 early childhood centres for a total consideration of $37.31 million. Business combinations involve a level of judgement in evaluating the Group's purchase price allocation, including the assessment of identifiable assets and liabilities arising on acquisition in accordance with AASB 3 *Business Combinations*. Further, AASB 3 requires extensive disclosures in relation to the acquisitions, which are both quantitatively and qualitatively material to the financial report. As a result, this area has been determined to be a key audit matter.	Our procedures included, amongst others: • Reviewing management's acquisition accounting treatment for consistency with the requirements of AASB 3. • Obtaining management's calculations for the acquisitions, ensuring mathematical accuracy and agreeing inputs to the signed sales agreements. • Considering the appropriateness of the fair values adopted by Management for the assets and liabilities acquired. • Considering the appropriateness of the amounts recognised as purchase consideration, including contingent consideration. • Evaluating management's allocation of the purchase price to identifiable intangible assets and goodwill. • Evaluating the adequacy of related disclosures in the financial report.

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 Group's annual report for the year ended 31 December 2024 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 we do not express any form of assurance conclusion thereon.

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:

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

b) 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:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) 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 related 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.

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

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in the Directors' report for the year ended 31 December 2024.

In our opinion, the Remuneration Report of Embark Early 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.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Cameron Smith

CDJ Smith
Partner – Audit & Assurance

Brisbane, 24 February 2025

Shareholder Information

The shareholder information set out below was applicable as at 5 February 2024.

Distribution of equitable securities

Range	Number of holders	%	Securities
100,001 and Over	133	5.61%	157,258,696
10,001 to 100,000	654	27.59%	21,715,098
5,001 to 10,000	324	13.67%	2,476,368
1,001 to 5,000	691	29.16%	1,778,100
1 to 1,000	568	23.97%	253,644
Total	**2,370**	**100.00%**	**183,481,906**

Equity security holders

Substantial holders in the company are set out below:

	Ordinary Shares	
Name	Number held	% of total shares issued
CITICORP NOMINEES PTY LIMITED	32,693,892	17.82%
J 47 PTY LTD	21,727,514	11.84%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	18,859,286	10.28%
BNP PARIBAS NOMINEES PTY LTD	7,269,205	3.96%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,629,262	3.07%
BNP PARIBAS NOMS (NZ) LTD	5,105,000	2.78%
A & J ONLINE INVESTMENTS PTY LTD	3,620,248	1.97%
NGE CAPITAL LIMITED	3,300,000	1.80%
BNP PARIBAS NOMS (NZ) LTD	2,958,425	1.61%
GRK SUPER PTY LTD	2,601,367	1.42%
MRS JUWARSEH SCOTT	2,451,906	1.34%
MRS KIMBERLEY YIN	2,330,000	1.27%
MR DUNCAN FRASER FORREST & MRS JUDY MARIE FORREST	2,284,186	1.24%
VASONA PTY LTD	2,156,250	1.18%
PORTMAN TRADING PTY LTD	2,058,500	1.12%
MOORGATE INVESTMENTS PTY LTD	1,923,209	1.05%
UBS NOMINEES PTY LTD	1,841,070	1.00%
263 FINANCE PTY LTD	1,740,132	0.95%
ONE FIFTEEN CAPITAL PTY LTD	1,480,263	0.81%
MR AARON MARK MORRIS	1,400,132	0.76%

Voting rights

The voting rights attached to ordinary shares are set out below:

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 shall have one vote.

There are no other classes of equity securities.

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Chris Scott (Managing Director)
Kim Campbell
Renita Garard
Michelle Thomsen

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Josie Shawcross (Chief Financial Officer)
Greg Scott (Chief Operating Officer)

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Embark
EDUCATION