KINVERA COMMUNITIES

ABN: 77 633 180 346

YEAR ENDED 30 JUNE 2026

Financial Report

2026



SECTOR

Social Infrastructure

BRANDS

Montessori Beginnings
Mobera Living
Zest Living

Building Communities for Every Generation

KINVERA COMMUNITIES LIMITED

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SECTION

01

Our Business

01

About Kinvera Communities

Kinvera creates Social Infrastructure communities for families that seek to improve the lives of those who bring its spaces to life. As an owner, developer and operator of Social Infrastructure communities, Kinvera is focused on three identified sectors aligned to the life cycle of Australian families.



COMMUNITIES FOR CHILDREN

Early Learning & Childcare

Kinvera remains committed to building on Montessori Beginnings' proven track record and expertise in the Early Learning and Childcare sector. We are dedicated to advancing our presence and impact within this industry.

MONTESSORI BEGINNINGS



COMMUNITIES FOR PARENTS

Affordable Accommodation

Mobera Living has been established to enrich the lives of working parents who struggle with accommodation affordability by providing accommodation solutions that are affordable, modern, in close proximity to the places of work in which they are needed and part of a community.

MOBERA LIVING



COMMUNITIES FOR GRANDPARENTS

Residential Land Lease Communities

Kinvera is actively pursuing the strategic development of our residential land lease community housing division which operates under the Zest Living brand. We are focused on managing this expansion internally and to systematically increasing the scale of Zest Living in this growing market.

ZEST LIVING

BRAND	SECTOR	OPERATING	UNDER CONSTRUCTION	PIPELINE	TOTAL
Montessori Beginnings	Early learning and childcare	11	1	1	**13**
Mobera Living	Key worker housing	0	2	1	**3**
Zest Living	Residential land lease communities	1	0	0	**1**

Montessori Beginnings



COMMUNITIES FOR CHILDREN

Early Learning & Childcare

Established in 2018, Montessori Beginnings provides long day care childcare services utilising the 'Montessori' philosophy in teaching young children. The Montessori method, which is widely used in Western Europe and the USA, provides distinct choice for parents, enabling Montessori Beginnings to distinguish itself within the early learning and childcare sector.

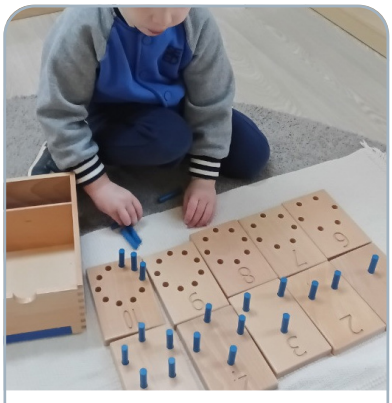
Applying the ethos of child-centered learning, which for the child is 'help me do it myself', Montessori Beginnings offers full or part-time learning and care services for children aged 6 weeks to 6 years. All children participate in a course of learning within age-specific groupings at Montessori Beginnings' purpose-built facilities.



Montessori Beginnings Malvern



Montessori Teacher Demonstration



Montessori Learning Activity

Mobera Living



COMMUNITIES FOR PARENTS

Affordable Key Worker Housing

Montessori Beginnings educators are classified as low to moderate income households, which places them among the ~40% of Australian households with an annual income less than $100,000 who struggle with accommodation affordability constraints.

Mobera Living has been established to enrich the lives of working parents who struggle with accommodation affordability by providing accommodation solutions that are affordable, modern, in close proximity to the places of work in which they are needed and part of a community.

CHALLENGES FACING MONTESSORI BEGINNINGS EDUCATORS

01	02	03	04
Expensive Accommodation	Low Income	Long Commute	Work Life Balance

THE MOBERA SOLUTION

01	02	03	04
Affordable	Modern	Proximity	Community

Zest Living



COMMUNITIES FOR GRANDPARENTS

Retirement Living for Over 55s

Established to service either semi-retired or retired people wishing to downsize or liberate equity and stored wealth in their current home to fund their lifestyle aspirations. Zest Living aims to provide a financially viable solution to residential living in retirement by separating home and land ownership, a model that is popular overseas but is in its infancy in Australia.

At Zest Living, residents purchase a house at a price typically less than the median home price and lease the underlying house lot from Zest Living for an annual fee on a long-term basis. This realises cash savings from excluding the land purchase component while also offering community living benefits such as broad companionship and access to exclusive communal recreational facilities within a gated community setting.



Gym facilities at Zest Living



Competition grade bowling lawn



Celebrating festivities together

01

Chief Executive Officer's Review

Review of Business Operations

Kinvera Communities was founded to address some of the practical needs facing Australian families at different stages of life. Through early learning and childcare, affordable accommodation for essential workers, and residential land lease communities for older Australians, we seek to build and operate places that support individuals, strengthen communities and create enduring value for shareholders.

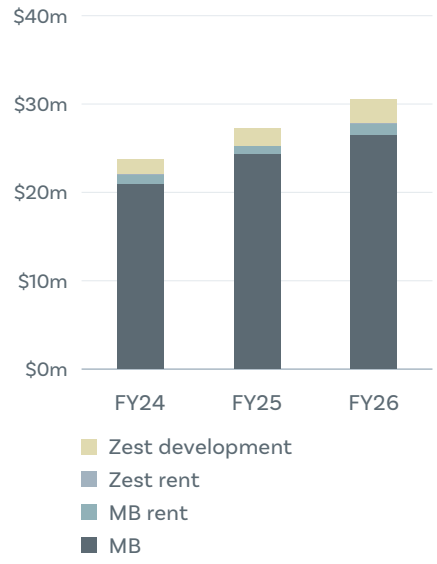
FY2026 was a year of continued progress in developing this platform, alongside important decisions to address our portfolio and capital allocation priorities. Our strategy is built around developing, owning and operating real assets that address enduring community needs and have the potential to generate recurring income and long-term capital growth. Our three brands — Montessori Beginnings, Mobera Living and Zest Living — reflect a common approach: combining real assets, essential community services and long-term ownership with a disciplined commercial model.

We believe that commercial performance and community benefit can reinforce one another. High-quality early learning supports children and working families; affordable accommodation can help essential workers live closer to their workplaces; and well-designed land lease communities can provide older Australians with greater housing choice and opportunities for connection.

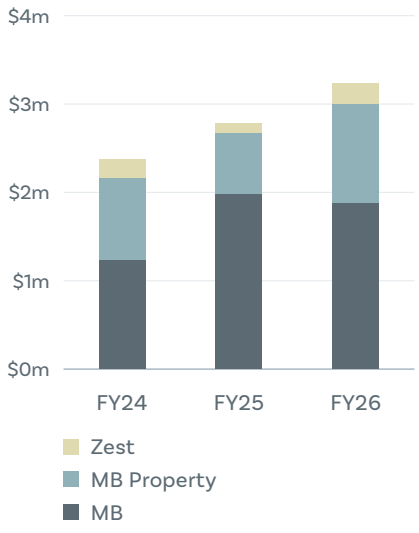
Financial and operational performance

The Group's operating businesses made progress during FY2026, with revenue, segment EBITDA and operating cash flow all increasing. Revenue from our established Montessori Beginnings childcare operations remained resilient, while Zest Living made a growing contribution as its Yarrawonga community continued to develop.

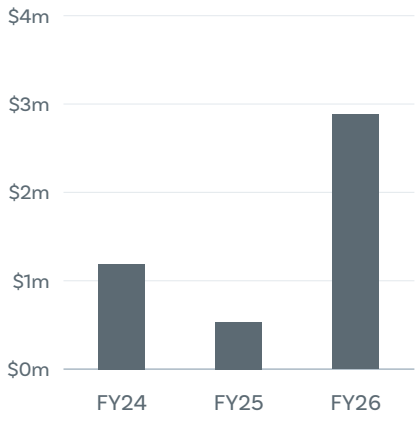
Revenue



Segment EBITDA



Operating cashflow



Montessori Beginnings generated revenue of $21.7 million from its eight mature centres, compared with $21.6 million in FY2025. The broader early learning investments segment generated $7.3 million in revenue, up from $4.4 million in the prior year. Our Living businesses generated $2.7 million in revenue, compared with $2.0 million in FY2025.

While these results demonstrate progress across the portfolio, reported statutory EBITDA was $0.3 million. This result was materially affected by the Group's comprehensive review of its portfolio, development pipeline and capital allocation priorities, which resulted in total impairment charges of $3.8 million.

These charges reflect decisions to discontinue development projects, rationalise parts of the portfolio and restructure the organisation in response to changing market conditions. Although these decisions affected reported earnings in FY2026, they were undertaken to improve capital discipline and align the Group's operating structure with its future opportunities.

Disciplined capital allocation

During the year, we undertook a detailed review of our early education, affordable accommodation and over-55s housing portfolios, with a particular focus on the challenging development environment in Victoria.

Escalating construction and development costs substantially reduced the forecast returns from the proposed Fyansford accommodation project and a planned Montessori Beginnings centre. Both projects were discontinued after failing to meet our investment criteria. We also identified one operating Montessori Beginnings centre for divestment following changes in local catchment dynamics and long-term demand projections.

In addition, we reviewed assets in which the Group held an economic interest, assessing whether greater ownership or divestment would better align with our strategy. We implemented corresponding changes to our ownership positions and reduced operating overheads to refine our development pipeline.

These actions reflect an important principle of our investment approach: growth must be supported by appropriate risk-adjusted returns. We remain committed to expanding our businesses, but we will not pursue development simply for the sake of increasing the size of our portfolio.

Montessori Beginnings — strengthening the established platform

Montessori Beginnings remains the Group's principal established operating platform. Its mature centres continued to demonstrate resilience in a challenging operating environment, maintaining revenue despite broader cost-of-living pressures and conditions affecting the early learning sector.

Over recent years, we have invested in our people, operating systems and business practices. These investments have strengthened operational capability and established a platform from which we can pursue further efficiencies and growth as market conditions permit.

Our immediate priority is to maximise the performance of existing centres, maintain service quality and realise the benefits of the platform we have built. We have one new centre under construction, with completion and opening anticipated in 2027. The Group continues to assess development and investment opportunities against its capital allocation criteria.

Mobera Living and Zest Living — developing our future growth platforms

Mobera Living represents our commitment to addressing the accommodation needs of essential workers, including educators and other employees who support local communities. During FY2026, construction commenced on our first regional accommodation project at Irymple while work continued on a second accommodation project in Swan Hill as we assessed funding and capital solutions.

We believe well-located, affordable accommodation can support employee attraction and retention while creating an opportunity for the Group to build a long-term property-backed income platform. Mobera Living remains at an early stage, and its contribution will depend on the disciplined execution and funding of individual projects.

Zest Living continued to develop its inaugural community at Yarrawonga. Further Lot reservations were secured and additional homes were delivered, supporting the gradual establishment of the community. However, the timing of resident move-ins remains influenced by broader residential property market conditions, particularly the need for prospective residents to sell their existing homes.

We view both Mobera Living and Zest Living as longer-term growth opportunities. Their future financial contribution will depend on development progress, funding, occupancy and resident demand.

Outlook and priorities

Looking ahead, our priorities are clear: optimise the performance of our established childcare operations, develop our emerging Living businesses in a disciplined manner, strengthen operating cash flow and only allocate capital to opportunities that meet our investment criteria.

We expect the benefits of our portfolio review and cost-base adjustments to support a more focused operating structure. However, the timing and extent of improvements in earnings and cash flow will depend principally on operating performance, occupancy and prevailing economic conditions across the National spectrum

Over the medium term, we aim to build a larger, more profitable and resilient community infrastructure business, supported by established operating earnings and a portfolio of real assets capable of generating recurring income. We will continue to assess opportunities to reinvest in the business and, when supported by financial performance and capital requirements, return capital to shareholders.

Our longer-term objective remains to pursue a successful ASX listing when market conditions permit and when doing so is in the best interests of shareholders.
I thank our employees, partners, residents, families and shareholders for their continued support. We enter FY2027 focused on execution, disciplined investment and building sustainable value across Kinvera's businesses.



Henry Townsing Jnr
Chief Executive Officer
19th October 2026

SECTION

02

Directors' Report

02

Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity' or 'Kinvera Communities') consisting of Kinvera Communities Limited (referred to hereafter as the 'Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the year ended 30 June 2026.

DIRECTORS

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Henry Townsing
Chairman
Dip Val (Royal Melbourne Institute of Technology)

Mr Townsing brings over 35 years' experience in investment management across real estate, private equity investment in early-stage companies and corporate finance. His real estate career has spanned residential, commercial and agricultural sectors.

His recent residential real estate experience has focused on the creation of new residential communities within established metropolitan areas where he has led large scale in-fill urbanisation and high-rise residential projects.

He is Chairman of Vita Life Sciences, a company listed on the ASX.

Dr Les Fitzgerald
Director
RN., RM., Dip Teach Nurs., BEd., MNursStud., PhD

Dr Fitzgerald has over 38 years of education experience in the higher education and health sectors. He has extensive experience in curriculum design, development and professional accreditation of undergraduate and postgraduate courses. Currently he leads the development and implementation of a Montessori based education curriculum for the ELC business and a training program for staff.

Dr Fitzgerald has been appointed as an independent Director, and the Board considers that he is free from any relationship that could materially interfere with the independent exercise of his judgement.

Mr Dennis Wilkie
Director
MBA

Mr Wilkie has extensive experience in local and international capital markets gained over a career exceeding 35 years. He possesses a broad range of expertise across many industries, including private equity, property, financing, and renewable energy.

He is a co-founder and current CEO of HydroFiji.

Mr Wilkie has been appointed as an independent Director and the Board considers that he is free from any relationship that could materially interfere with the independent exercise of his judgement.

Ms Heidi Chan
Company Secretary
B.Com (Acctg), CA

Ms Chan CA was appointed Company Secretary on 1 December 2025, succeeding Mr Surinder Sidhu, who held the position until 30 November 2025. She holds a Bachelor of Commerce and is a Chartered Accountant, with more than 20 years' experience in financial reporting, tax, audit and corporate governance. Ms Chan is also the Group's Financial Controller, responsible for its financial and management reporting, tax compliance, and audit. As Company Secretary, she oversees the Group's corporate governance, statutory compliance, and board and shareholder reporting.

DIRECTORS' INTERESTS

The following table sets out each Director's relevant interest in shares of the Company as at the date of this report.

	Shareholdings as at Directors' report date	
Directors	Beneficial Interest	Non-Beneficial interest
Mr Henry Townsing	-	49,986,476
Dr Les Fitzgerald	250,000	200,000
Mr Dennis Wilkie	25,160	-

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 30 June 2026, and the number of meetings attended by each director were:

	Board Meetings		Remuneration Committee	
	Held by members	Attended	Held by members	Attended
Mr Henry Townsing	9	9	n/a	n/a
Dr Les Fitzgerald	9	9	n/a	n/a
Mr Dennis Wilkie	9	9	1	1

'Held' represents the number of meetings held during the time the director held office or was a member of the relevant committee. The Remuneration Committee convened to discuss and approve the 2026 remuneration package for senior management and staff.

SHARES UNDER OPTION

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
25 October 2021	29 October 2026	$ 0.20	2,000,000

DIVIDENDS

No dividend was declared or paid during the financial year.

PRINCIPAL ACTIVITIES

Kinvera Communities is an owner, developer and operator of social infrastructure communities.

REVIEW OF OPERATIONS

For the year to 30 June 2026, Group revenue increased by 12% to $30.8 million in FY26, up from $27.5 million in the prior year, reflecting the strength of our childcare operations and the growing contribution from Zest Living. Statutory EBITDA of $0.3 million was significantly impacted by the outcomes of the comprehensive portfolio and capital allocation review undertaken during the year. As a result of this review, the Group recognised total charges of $3.8 million relating to discontinued development projects, portfolio rationalisation activities and organisational restructuring.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the financial year, the Group completed a review of its development pipeline, capital allocation priorities, and investment portfolio in response to prevailing market conditions and changes in project return profiles. Following this review, the Group elected to discontinue the proposed Fyansford accommodation project and one planned Montessori Beginnings centre as forecast returns no longer met the Group's investment requirements.

The Group also identified one operating Montessori Beginnings centre for divestment following a reassessment of its long-term strategic alignment and demand outlook. In addition, the Group undertook a review of certain investment interests and implemented initiatives to either increase ownership in selected assets or exit holdings where considered appropriate.

Following shareholder approval, the Group implemented the first Montessori Beginnings Employee Share Plans. The plans were established to strengthen the alignment of key Montessori Beginnings management personnel with the long-term performance and growth objectives of their respective centres. Participation is linked to the achievement of defined operational and strategic objectives, with the intention of incentivising management to drive sustainable growth, operational excellence, and performance in an evolving and increasingly competitive market environment.

As a consequence of the reduction in development activities and changes to the Group's asset portfolio, the Group implemented operating structure changes designed to improve efficiency and align its cost base with future operational requirements.

There was no other significant change in the state of affairs of the consolidated entity during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matter or circumstance has arisen since 30 June 2026 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.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Information on likely developments in the operations of the consolidated entity and the expected results of operations has not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

ENVIRONMENTAL REGULATIONS

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

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 consolidated entity, or to intervene in any proceedings to which the consolidated entity is a party for the purpose of taking responsibility on behalf of the consolidated entity for all or part of those proceedings.

INDEMNITY AND INSURANCE OF OFFICERS

The company 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 company paid a premium to insure the directors and executives of the company. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITOR

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

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

ROUNDING OF AMOUNTS

The consolidated entity is of a kind referred to in Corporations Instrument 2026/183, 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 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

RSM Australia 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



Henry Townsing
Chairman
19th October 2026

Auditor's Independence Declaration

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Kinvera Communities Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

B Y CHAN
Partner

Dated: 19 October 2026
Melbourne, Victoria

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

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SECTION

03

Full Year 2026 Financial Report

03

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2026

	Notes	30 June 2026 $	30 June 2025 $
Revenue	5	**29,250,208**	**26,449,257**
Share of profits of associates	6	56,426	162,791
Fair value gain on financial instruments		63,960	110,263
Other income	7	1,510,135	850,107
EXPENSES			
Employee benefit expenses		(19,728,203)	(18,511,184)
Occupancy expenses		(1,926,353)	(1,852,985)
Direct expenses		(3,353,904)	(2,724,465)
Administrative expenses		(1,682,061)	(1,292,118)
Depreciation and amortisation	8	(2,375,958)	(2,937,594)
Impairment of intangible assets	8	(1,508,308)	(7,515,946)
Fair value loss on property, plant and equipment		(366,962)	(384,159)
Fair value loss on investment properties		-	(6,021,037)
Write-off of property development costs	8	(1,947,253)	-
Finance costs	8	(3,482,480)	(3,910,515)
Other expenses	8	(31,958)	(22,217)
Loss before income tax expense		**(5,522,711)**	**(17,599,802)**
Income tax benefit	9	140,834	449,237
Loss after income tax expense for the year		**(5,381,877)**	**(17,150,565)**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Exchange differences on translating foreign controlled entities		(1,607)	(4,439)
Gain (loss) on the revaluation of properties at fair value through other comprehensive income, net of tax	32	179,898	980,521
Other comprehensive income for the year, net of tax		**178,291**	**976,082**
Total comprehensive loss for the year, net of tax		**(5,203,586)**	**(16,174,483)**
Loss for the year is attributable to:			
Non-controlling interest		(170,303)	(234,860)
Owners of Kinvera Communities Limited	33	(5,211,574)	(16,915,705)
		(5,381,877)	**(17,150,565)**
Total comprehensive income for the year is attributable to:			
Non-controlling interest		(134,279)	(39,421)
Owners of Kinvera Communities Limited		(5,069,307)	(16,135,062)
		(5,203,586)	**(16,174,483)**

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position

As at 30 June 2026

	Notes	30 June 2026 $	30 June 2025 $
ASSETS			
Current Assets			
Cash and cash equivalents	10	903,208	6,038
Trade and other receivables	11	1,433,811	1,027,649
Income tax receivable	12	-	2,771
Assets held for sale	13	1,941,074	-
Inventories	14	1,191,957	3,392,612
Total Current Assets		**5,470,050**	**4,429,070**
Non-current Assets			
Investment in Associate	15	-	2,748,751
Investment properties	16	12,578,829	11,963,813
Other Investments		97,086	92,263
Property, plant and equipment	17	29,065,036	21,362,574
Right-of-use assets	18	14,726,008	21,579,171
Intangibles	19	10,428,636	11,129,544
Other Assets	20	3,194,063	2,261,680
Total Non-current Assets		**70,089,658**	**71,137,796**
Total Assets		**75,559,708**	**75,566,866**
LIABILITIES			
Current Liabilities			
Trade and other payables	21	2,438,053	1,571,445
Employee benefit provision	22	2,356,411	2,694,573
Borrowings	23	20,809,219	5,542,248
Lease liabilities	24	1,404,810	1,583,498
Derivative financial instruments	25	89,661	153,621
Provision for income tax	12	181,306	-
Other liabilities	26	2,235,995	1,611,005
Total Current Liabilities		**29,515,455**	**13,156,390**
Non-current Liabilities			
Lease liabilities	27	15,249,022	22,237,417
Deferred tax liabilities	28	1,886,121	2,178,617
Borrowings	29	14,753,634	20,739,015
Other non-current liability	30	329,720	343,962
Total Non-current Liabilities		**32,218,497**	**45,499,011**
Total Liabilities		**61,733,952**	**58,655,401**
Net Assets		**13,825,756**	**16,911,465**
EQUITY			
Issued capital	31	36,507,962	35,445,047
Reserves	32	1,426,984	1,153,260
Accumulated losses	33	(27,468,978)	(22,266,388)
Equity attributable to the owners of Kinvera Communities Limited		10,465,968	14,331,919
Non-controlling interest	34	3,359,788	2,579,546
Total Equity		**13,825,756**	**16,911,465**

The Consolidated Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

	Issued Shares $	Reserve $	Accumulated Losses $	Non-Controlling $	Total $
At 1 July 2024	**35,445,047**	**551,376**	**(5,529,442)**	**2,618,967**	**33,085,948**
Loss after income tax expense for the year, net of tax	-	-	(16,915,705)	(234,860)	(17,150,565)
Other comprehensive income for the year, net of tax	-	780,643	-	195,439	976,082
Total comprehensive loss for the year	**-**	**780,643**	**(16,915,705)**	**(39,421)**	**(16,174,483)**
Transactions with owners, in their capacity as owners					
Transfers to / from reserves	-	(178,759)	178,759	-	-
Total transactions with owners	**-**	**(178,759)**	**178,759**	**-**	**-**
Balance at 30 June 2025	**35,445,047**	**1,153,260**	**(22,266,388)**	**2,579,546**	**16,911,465**

	Issued Shares $	Reserve $	Accumulated Losses $	Non-Controlling $	Total $
At 1 July 2025	**35,445,047**	**1,153,260**	**(22,266,388)**	**2,579,546**	**16,911,465**
Loss after income tax expense for the year, net of tax	-	-	(5,211,574)	(170,303)	(5,381,877)
Other comprehensive income for the year, net of tax	-	142,267	-	36,024	178,291
Total comprehensive loss for the year	**-**	**142,267**	**(5,211,574)**	**(134,279)**	**(5,203,586)**
Transactions with owners, in their capacity as owners					
Issue of units to non-controlling interests	-	-	-	953,634	953,634
Issue of shares during the period	800,000	-	-	-	800,000
Issue of options	-	394,372	-	-	394,372
Issue of shares on vesting of share options	262,915	(262,915)	-	-	-
Dividend paid to non-controlling interests	-	-	-	(39,113)	(39,113)
Other movements	-	-	8,984	-	8,984
Total transactions with owners	**1,062,915**	**131,457**	**8,984**	**914,521**	**2,117,877**
Balance at 30 June 2026	**36,507,962**	**1,426,984**	**(27,468,978)**	**3,359,788**	**13,825,756**

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2026

	Notes	30 June 2026 $	30 June 2025 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts in the course of operations inclusive of GST		30,896,089	26,634,594
Payments in the course of operations inclusive of GST		(26,756,387)	(24,469,073)
Interest received		51,958	117,896
Other revenue		1,012,820	446,167
Interest and other finance costs paid		(2,297,043)	(2,196,044)
Income tax paid		(29,007)	(335)
Net cash from operating activities		**2,878,430**	**533,205**
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipt from security deposit		133,516	282,696
Deposit paid		(891,206)	(950,835)
Loan from ELC investments		170,968	173,190
Loans to subsidiary shareholders		(893,169)	-
Payment for property, plant and equipment		(7,671,376)	(4,963,923)
Proceeds on disposal of property, plant and equipment		-	111,000
Proceeds from investment properties		-	460,399
Payments for investment properties		(478,838)	(574,085)
Payments for other investments		(7,737)	(24,712)
Repayment of loan receivable		220,304	-
Net cash used in investing activities		**(9,417,538)**	**(5,486,270)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of units to non-controlling interests		953,634	-
Dividends received		-	4,254
Drawdown from loan to non-related party		11,689	4,557
Repayment of related party loan		-	(271,710)
Drawdown of interest-bearing loan		8,333,681	3,708,869
Repayment of interest-bearing loan		(2,186,043)	(1,019,939)
Repayment of lease liability		(2,364,519)	(2,855,205)
Proceeds from issue of convertible notes		3,000,000	3,500,000
Repayment of convertible notes		(340,000)	(210,000)
Net cash from financing activities		**7,408,442**	**2,860,826**
Net increase / (decrease) in cash and cash equivalents		**869,334**	**(2,092,239)**
Cash and cash equivalents at start of the year		**6,038**	**2,113,609**
Effects of exchange rate changes on cash and cash equivalents		27,836	(15,332)
Cash and cash equivalents at end of the year		**903,208**	**6,038**

The Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

SECTION

04

Notes to the Financial Statements

04

Notes to the Financial Statements

For the year ended 30 June 2026

1. Corporate Information

These are the financial statements of Kinvera Communities Limited (Company) and its subsidiaries controlled at the end of, or during, the year.

Kinvera Communities Limited is a for-profit unlisted public company, limited by shares, incorporated and domiciled in Australia.

A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue on the date of signing the attached Directors' Declaration.

2. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity 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.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss after income tax of $5.4m for the year ended 30 June 2026 and, as at that date, had net current liabilities of $24.0m. The net current liability position arises mainly because borrowings of $20.8m are classified as current liabilities.

These factors indicate a material uncertainty which may cast significant doubt as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

- As discussed in Note 4, segment EBITDA grew for each operating segment, and the consolidated entity generated positive operating cashflow of $2.9m for the year ended 30 June 2026.

- The consolidated entity has bank overdraft facilities in place, of which $0.1m was drawn at 30 June 2026. Since year end, the overdraft limits have been increased and a new line of credit obtained in September 2026, bringing the total overdraft and credit facilities available to the consolidated entity to $2.4m.

- The consolidated entity has net tangible assets of $3.4m at 30 June 2026.

- The following funding instruments classified as current have subsequent to 30 June 2026 either been or are in the process of being renewed or extended:

    - In August 2026 the MNL Property Trust entered into a Third Revised Facility Agreement with Bank of Melbourne. Under that agreement the Harpley development loan of $2.2m, which matures on 24 February 2027 (classified as a current liability), converts on completion of the development to an investment facility repayable 36 months from first drawdown, and a further $1,320,000 of investment funding has been made available.

    - The property and development finance facility of $9.9m with National Australia Bank (classified as a current liability) is in advanced discussions to be extended until February 2029. The National Australia Bank have indicated this facility extension has been credit approved and documentation is being drafted at the date of this report.

    - Terms in relation to convertible notes of $6,506,199 (classified as a current liability) are expected to be negotiated prior to the maturity in June 2027.

Having regard to the cash flow forecast, the renewal, extension or ongoing negotiation of the current borrowing facilities, the net cash inflows from operating activities and the available overdraft and credit facilities, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

Basis of preparation

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

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

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 consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 39.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Kinvera Communities Limited ('company' or 'parent entity') as at 30 June 2026 and the results of all subsidiaries for the year then ended. The company and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.
The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received, and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Kinvera Communities 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 profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

The consolidated entity recognises revenue as follows:

1. *Revenue from Early Learning Centres Operations*

i) Revenue from families and Australian Government (Childcare Subsidy)

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

Payments received in advance from parents, guardians and the government are recognised as deferred income and classified as a current liability (i.e. contract liability for performance obligations yet to be satisfied).

ii) Funding related to centres' operations

Incentives and additional funding receipts are recognised as revenue when there is reasonable assurance that the incentive/receipt will be received and when the relevant conditions have been met, as defined under AASB 120 Accounting for Government Grants and Disclosure of Government Assistance. Where incentives and receipts are from non-government grants, relevant conditions have been met under AASB 15 Revenue from Contracts with Customers. Subsidies to support business are recognised as direct expenses.

2. *Revenue from Early Learning Centres Developments*

i) Revenue from sale of development projects

Revenue from settlement of development projects, including land, infrastructure, and any work in progress investment, is recognised at a point in time with each purchase agreement treated as a single performance obligation to transfer control of the whole project. Revenue is recognised for the amount specified in the purchase agreement upon receipt of final settlement. The owner has legal title, physical control of the asset, exposure to the majority of the risks and rewards of ownership and the Group does not hold any obligation to repurchase on exit. Deposits received in advance from purchasers are recognised as a contract liability until the ownership is transferred to the purchaser.

ii) 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 they are intended to compensate.

3. *Revenue from Living Operations*

i) Home settlement revenue

Revenue from home settlement is recognised at a point in time with each home purchase agreement treated as a single performance obligation to transfer control of the home to the homeowner. Revenue is recognised for the amount specified in the home purchase agreement upon receipt of final settlement. The owner has legal and physical control and majority of the risks and rewards of ownership of the home and the Group does not hold any obligation to repurchase on exit. Deposits received in advance from purchasers are recognised as a contract liability and held in the sales agent's trust account until the ownership is transferred to the purchaser. The construction cost of the homes is capitalised to the inventory during development then classified as direct expenses sold upon settlement.

ii) Rental revenue for community operations

Rental revenue is derived under the Site lease agreement granting the homeowners a right to use the land for their property for 90 years. The rent is calculated on a weekly basis per tenant as per the site agreement. Rental revenue is recognised as it is earned. Rental revenue meets the definition of operating lease payments under AASB 16 Leases and falls outside the scope of AASB 15.

4. *Other Revenue*

i) Management fees

Revenue from a contract to provide management services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

ii) Interest

Interest revenue is recognised as interest accrued using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

iii) Other revenue

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

Income tax

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 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 is 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.

Kinvera Communities Limited (the 'head entity') and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. MB Melbourne West Pty Ltd, MB North Victoria Pty Ltd and their subsidiaries are not wholly owned and are not members of this tax-consolidated group.

Current and non-current classification

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

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

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

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

Cash and Cash Equivalents

Cash and cash equivalents include 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 include bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

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 consolidated entity 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, including loans to key management personnel and to non-controlling interest holders, are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Distributions received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Investments and Other Financial Assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset, unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either:

(i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the assets' lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Investment properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the consolidated entity. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on the date of change of use.

Investment properties also include properties under construction for future use as investment properties. These are carried at fair value, or at cost where fair value cannot be reliably determined and the construction is incomplete.

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property (excluding land) over their expected useful lives as follows:

Buildings	25 years

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

Leasehold improvements	3-20 years
Plant and equipment	3-10 years
Computer equipment	2-4 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 derecognised upon disposal or when there is no future economic benefit to the consolidated entity. 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.

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 consolidated entity 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.

The consolidated entity 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.

Impairment of non-financial assets

Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Other 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.

Intangible assets – Goodwill

Intangible assets for the consolidated entity are represented by goodwill. Goodwill arises where the fair value of the consideration paid for business acquisitions exceeds the fair value of the identifiable assets, liabilities and contingent liabilities acquired with the difference being treated as goodwill. Goodwill is not amortised and measured at cost less any impairment loss. Goodwill impairment is tested annually or if there is a change in operating circumstance and as instructed by the Directors. Any impairment losses on goodwill are written to profit and loss and not reversed in subsequent periods.

The consolidated entity does not record any other intangible assets.

Trade and Other Payables

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

Loans and Borrowings

All loans and borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Convertible notes and derivative financial instruments

The convertible notes issued by the consolidated entity contain an embedded conversion feature that does not meet the definition of equity. The embedded derivative is separated from the host debt and is measured at fair value on initial recognition and at each reporting date, with changes in fair value recognised in profit or loss. The host debt is measured at amortised cost using the effective interest method.

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 consolidated entity'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.

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.

Finance costs

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

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.

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.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date using an option pricing model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The cost is recognised as an expense, with a corresponding increase in equity, over the vesting period, based on the best estimate of the number of awards that are likely to vest. On exercise, the amount recognised in the share-based payments reserve for the options exercised is transferred to issued capital.

Fair Value Measurement

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

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

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.

Issued Capital

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

Dividends

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

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

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

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

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

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

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

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

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.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2026/183, 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 dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2026. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, is set out below.

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces AASB 101 Presentation of Financial Statements, with many of the original disclosure requirements retained, and there will be no impact on the recognition and measurement of items in the financial statements. The standard will affect presentation and disclosure, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations, and two mandatory sub-totals: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for management-defined performance measures, such as earnings before interest, taxes, depreciation and amortisation ('EBITDA'), and enhanced guidance on the aggregation and disaggregation of information. The consolidated entity will adopt this standard from 1 July 2027 and expects a significant change to the layout of the statement of profit or loss and other comprehensive income.

3. Critical accounting judgements, estimates and assumptions

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

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

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

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an option pricing model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 32 for further information.

Revenue from contracts with customers involving sale of development activities

When recognising revenue from the sale of development projects and homes, the key performance obligation of the consolidated entity is considered to be settlement, as this is deemed to be the time that the purchaser obtains control of the property and therefore the benefits of unimpeded access.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. For trade receivables it is based on the lifetime expected credit loss, grouped based on days overdue. For loans to key management personnel and to non-controlling interest holders, which are secured over, and in some cases recoverable only from, the shares issued to the borrowers, the assessment takes into account the value of those shares and the borrowers' capacity to repay. Refer to notes 11 and 20 for further information.

Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs. Refer to note 36 for further information.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 19 for further information.

Impairment of non-financial assets other than goodwill

The consolidated entity assesses impairment of non-financial assets other than goodwill at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. Refer to note 13 for the write-down of the Berwick property on its classification as held for sale.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

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

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Current and non-current classification of borrowings

Judgement is required in determining whether, at the reporting date, the consolidated entity has a right to defer settlement of a borrowing for at least 12 months, including whether a construction facility had converted to an investment facility under the terms of the facility agreement. Refinancing or extensions agreed after the reporting date do not change the classification at the reporting date. Refer to notes 23 and 29 for further information.

Convertible notes

The convertible notes issued by the consolidated entity contain a conversion feature. Judgement is required in determining whether the conversion feature meets the definition of equity. The consolidated entity has determined that it does not, and accordingly the conversion feature is accounted for as an embedded derivative financial liability, separated from the host debt and measured at fair value through profit or loss, with the host debt measured at amortised cost using the effective interest method. Estimation is required in determining the fair value of the embedded derivative at initial recognition and at each reporting date, and in allocating the proceeds on issue between the host debt and the embedded derivative. Refer to notes 23, 25 and 36 for further information.

4. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into three key operating segments being: 'Early Learning Centers', 'Early Learning Investment' and 'Living - accommodation'.

ELCs are characterised by established services who have generated accumulated earnings which exceeds the investment to establish those services. Early Learning Investment's incubates services, provides ELC support services and develops, owns and manages Early Learning Centre properties in which Kinvera Communities has an ownership interest.

Living - accommodation is represented by the Zest and Mobera Living businesses which are establishing and developing RLLCs and worker accommodation build to rent communities.

The operating segments described represent the manner in which the Board of Directors (who are identified as the Chief Operating Decision Makers (CODM)) together with the management team manage the consolidated entity. The management accounts are reviewed on a monthly basis and its preparation per segmentation below are consistent with those adopted in the financial statements. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, impairment, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Types of products and services

The principal products and services of each of these operating segments are as follows:

Segment	Type of Product & Service	Income Source
Early Learning Centres - Operations	Provision of long day early learning services to children between 6 weeks and 6 years old of established ELCs.	Fee income (parent & government contributed)
Early Learning Centres - Investments	All other business operations relating to ELCs including: • ELC services in which the consolidated entity has a net investment outstanding • ELC support services • ELC property investments held and used for operating its Early Learning Centres • Development activity relating to ELCs	Development profit, rental income and fee income
Living Accommodation	Key worker affordable accommodation development / operation (Mobera Living): Establishment, development and operation of residential accommodation for low to moderate income key workers. Land Lease Community development / operation (Zest Living): Establishment, development and operation of land lease communities.	Property sales and lease rental income
Corporate	The Corporate segment represents the income from investments, shared expense and other non-operational items of the consolidated entity not within the core segments above.	Intersegment or intercompany transactions only

The Corporate segment represents the income from investments, shared expenses and other non-operational items of the consolidated entity not within the core segments above.

Intersegment transactions

Intersegment transactions relate to rental charges and shared service charges on handling the administrative affairs between the entities in the consolidated group. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Consolidated	ELC Operations $	ELC Investments $	Living Accommodation $	Corporate $	30 June 2026 $
REVENUE					
Sales to external customers	20,945,033	5,565,009	2,740,166	-	29,250,208
Intersegment sales	-	1,282,428	-	-	1,282,428
Total sales revenue	**20,945,033**	**6,847,437**	**2,740,166**	**-**	**30,532,636**
Other revenue	784,168	436,063	1,746	344,584	1,566,561
Total segment revenue	**21,729,201**	**7,283,500**	**2,741,912**	**344,584**	**32,099,197**
Intersegment eliminations					(1,282,428)
Unallocated revenue:					
Interest revenue					-
TOTAL REVENUE					**30,816,769**
EBITDA	**5,976,864**	**1,659,444**	**20,769**	**(3,562,787)**	**4,094,290**
Write-off of property development costs					(1,947,253)
Fair value gain on financial instruments					63,960
Impairment of Intangible Assets					(1,508,308)
Fair value loss on Property, Plant and Equipment					(366,962)
Depreciation and amortisation					(2,375,958)
Finance costs					(3,482,480)
Loss before income tax expense					**(5,522,711)**
Income tax benefit					140,834
LOSS AFTER INCOME TAX EXPENSE					**(5,381,877)**

Consolidated	ELC Operations $	ELC Investments $	Living Accommodation $	Corporate $	30 June 2026 $
ASSETS					
Segment assets	10,108,283	50,412,251	14,632,935	17,523,164	92,676,633
Intersegment eliminations					(17,116,925)
Unallocated assets:					
Income tax receivable					-
TOTAL ASSETS					**75,559,708**
LIABILITIES					
Segment liabilities	12,700,274	35,001,948	21,378,345	7,884,189	76,964,756
Intersegment eliminations					(17,116,925)
Unallocated liabilities:					
Deferred tax liability					1,886,121
TOTAL LIABILITIES					**61,733,952**

Consolidated	ELC Operations $	ELC Investments $	Living Accommodation $	Corporate $	30 June 2025 $
REVENUE					
Sales to external customers	21,563,821	2,840,001	2,045,435	-	26,449,257
Intersegment sales	-	634,555	-	-	634,555
Total sales revenue	**21,563,821**	**3,474,556**	**2,045,435**	**-**	**27,083,812**
Other revenue	-	967,636	(25,328)	70,590	1,012,898
Total segment revenue	**21,563,821**	**4,442,192**	**2,020,107**	**70,590**	**28,096,710**
Intersegment eliminations					(634,555)
Unallocated revenue:					
Interest revenue					-
TOTAL REVENUE & OTHER INCOME					**27,462,155**
EBITDA	**5,391,788**	**769,519**	**9,494**	**(3,111,615)**	**3,059,186**
Fair value gain on financial instruments					110,263
Impairment of Intangible Assets					(7,515,946)
Fair value loss on Property, Plant and Equipment					(384,159)
Fair value loss on investment properties					(6,021,037)
Depreciation and amortisation					(2,937,594)
Finance costs					(3,910,515)
Loss before income tax expense					**(17,599,802)**
Income tax benefit					449,237
LOSS AFTER INCOME TAX EXPENSE					**(17,150,565)**

Consolidated	ELC Operations $	ELC Investments $	Living Accommodation $	Corporate $	30 June 2025 $
ASSETS					
Segment assets	20,325,284	41,986,819	7,504,755	19,652,864	89,469,722
Intersegment eliminations					(13,905,627)
Unallocated assets:					
Income tax receivable					2,771
TOTAL ASSETS					**75,566,866**
LIABILITIES					
Segment liabilities	24,210,585	25,737,250	19,970,824	463,752	70,382,411
Intersegment eliminations					(13,905,627)
Unallocated liabilities:					
Deferred tax liability					2,178,617
TOTAL LIABILITIES					**58,655,401**

5. Revenue

	Notes	30 June 2026 $	30 June 2025 $
Revenue from early education services			
Rendering of services		26,459,421	24,359,747
Rental income		50,621	44,075
		26,510,042	**24,403,822**
Revenue from Zest Living			
Development activities		2,625,000	1,958,090
Rental income		115,166	87,345
		2,740,166	2,045,435
REVENUE		**29,250,208**	**26,449,257**

Disaggregation of revenue
The disaggregation of revenue from contracts with customers by timing of revenue recognition is as follows:

	Notes	30 June 2026 $	30 June 2025 $
Timing of revenue recognition			
Services transferred over time – rendering of services		26,459,421	24,359,747
Goods transferred at a point in time – development activities		2,625,000	1,958,090
Revenue from contracts with customers		**29,084,421**	**26,317,837**
Rental income		165,787	131,420
REVENUE		**29,250,208**	**26,449,257**

Geographical regions
All revenue of the consolidated entity is derived from customers in Australia.

6. Share of profits of associates

	Notes	30 June 2026 $	30 June 2025 $
Share of profit - associates		56,426	162,791
		56,426	**162,791**

7. Other income

	Notes	30 June 2026 $	30 June 2025 $
Interest income		108,945	74,728
Net gain on disposal of assets		-	332,934
Gain on derecognition of lease		775,628	-
Reversal of previously impaired loan		317,452	-
Government grant support		300,000	392,000
Other revenue		8,110	50,445
		1,510,135	**850,107**

8. Expenses

	Notes	30 June 2026 $	30 June 2025 $
Loss before income tax includes the following specific expenses:			
Depreciation			
Buildings		429,495	323,600
Plant and equipment		122,732	66,222
TOTAL DEPRECIATION OF PROPERTY, PLANT & EQUIPMENT		**552,227**	**389,822**
Investment properties		-	428,190
Right-of-use assets	i	1,823,731	2,119,582
TOTAL DEPRECIATION AND AMORTISATION		**2,375,958**	**2,937,594**
Impairment of Intangible Assets			
Impairment of goodwill	19	700,908	7,515,946
Additional costs on acquisition of Zest Living	ii	807,400	-
TOTAL IMPAIRMENT OF INTANGIBLE ASSETS		**1,508,308**	**7,515,946**
Write-off of property development costs			
Development project	iii	1,947,253	-
TOTAL WRITE-OFF OF PROPERTY DEVELOPMENT COSTS		**1,947,253**	**-**
Other Expenses			
Plant and equipment written off		19,897	18,262
Other expenses		12,061	3,955
TOTAL OTHER EXPENSES		**31,958**	**22,217**
Finance costs			
Interest and finance charges paid / payable on borrowings		2,548,056	2,750,190
Interest and finance charges paid / payable on lease liabilities	i	934,424	1,160,325
FINANCE COSTS EXPENSED		**3,482,480**	**3,910,515**

i. Buildings right-of use-assets and Finance charges are required to be reported in accordance with 'Right of Use' and 'Lease Liability' policies as outlined in Note 2.

ii. Additional costs of $807,400 were recognised during the year in relation to the acquisition of Zest Living. As the goodwill of Zest Living was impaired in full in 2025, these costs have been expensed in the current year and have not been added to goodwill (refer to note 19).

iii. The write-off of property development costs includes $1,790,691 deposit and pre-settlement costs relating to land at Fyansford, Victoria. MNL Operations Pty Ltd entered into a contract to acquire the land for $5,500,000. The contract expired in June 2026 without settlement, and the costs are not recoverable.

9. Income tax expense

	Notes	30 June 2026 $	30 June 2025 $
Income tax benefit			
Current tax		(164,316)	(2,213,546)
Deferred tax - origination and reversal of temporary differences		(53,540)	366,052
Deferred tax - tax losses brought to account / (utilised)		(410,403)	(656,107)
Impairment of intangible assets and investments		377,077	1,878,986
Adjustment recognised for prior periods		110,348	175,378
Aggregated income tax expense / (tax benefit)		**(140,834)**	**(449,237)**
Deferred tax included in income tax expense comprises:			
Increase in deferred tax assets		(463,943)	(656,107)
Increase / (decrease) in deferred tax liabilities		-	366,052
Deferred tax included in income tax expense / (benefit)		(463,943)	**(290,055)**
Numerical reconciliation of income tax expense and tax at the statutory rate			
Loss before income tax expense		(5,522,711)	(17,599,802)
Tax at the statutory tax rate of 25%		(1,380,678)	(4,399,950)
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:			
Rental expenses		47,720	200,047
Convertible notes - non-deductible interest and fair value movement		117,498	(27,566)
Share-based payments		98,593	-
Project costs written off - Fyansford		447,673	-
Fair value loss on property, plant and equipment		91,741	96,040
Fair value loss on investment properties		-	1,505,259
Pod tax consolidated groups - tax at their own result		97,860	-
Accrued liabilities and other temporary differences		(189,015)	193,449
Adjustment recognised for prior periods		110,348	-
Sundry items		40,349	104,498
Impairment of intangible assets and investments		**377,077**	**1,878,986**
Income tax expense / (benefit)		**(140,834)**	**(449,237)**

The 2025 comparative has been reclassified to present tax losses brought to account of $656,107 separately from current tax, consistent with the 2026 presentation. The total income tax benefit for 2025 is unchanged.

	Notes	30 June 2026 $	30 June 2025 $
Amounts charged / (credited) directly to equity			
Deferred tax liabilities	28	(61,108)	(267,254)
		(61,108)	**(267,254)**

10. Cash and cash equivalents

	Notes	30 June 2026 $	30 June 2025 $
Cash on hand		100	518
Cash at bank		903,108	5,520
		903,208	**6,038**

11. Trade and other receivables

	Notes	30 June 2026 $	30 June 2025 $
Accounts receivable		393,737	134,171
Prepayments		411,309	373,225
Loan receivable		284,501	327,742
Government grant receivable		252,819	120,849
Other receivables		91,445	71,662
		1,433,811	**1,027,649**

The consolidated entity has not provided for any allowances for expected credit losses for the financial year.

12. Income tax receivable and provision for income tax

	Notes	30 June 2026 $	30 June 2025 $
Income tax receivable		-	2,771
Provision for income tax		(181,306)	-
		(181,306)	**2,771**

13. Assets held for sale

	Notes	30 June 2026 $	30 June 2025 $
Land and buildings held for sale - Berwick	i	1,941,074	-
		1,941,074	**-**
Movement in assets held for sale			
Carrying amount reclassified from construction in progress	ii	2,308,036	-
Impairment to fair value		(366,962)	-
Balance at 30 June 2026		**1,941,074**	**-**

i. The Berwick site held by MNL Property Trust was classified as held for sale at 30 June 2026 following the decision to dispose of the property. In accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations, the asset has been measured at the lower of its carrying amount and fair value less costs to sell, and is no longer depreciated.

ii. The carrying amount of $2,308,036 was reclassified from construction in progress. Measurement at fair value less costs to sell gave rise to an impairment of $366,962, which has been recognised in profit or loss within fair value loss on property, plant and equipment.

14. Inventories

	Notes	30 June 2026 $	30 June 2025 $
Work in progress	i	1,191,957	3,392,612
		1,191,957	**3,392,612**

i. Inventories include homes developed by Zest and Mobera Living for sale to residents.

15. Investment in Associates (Non-current)

	Notes	30 June 2026 $	30 June 2025 $
CVCV Childcare No. 1 Partnership	i	-	2,748,751
		-	**2,748,751**

i. MNL Property Trust held a 30% interest in the CVCV Childcare No. 1 Partnership. The interest was sold in October 2025, when the Trust acquired the Partnership's property at Officer, and the Partnership was subsequently dissolved during the current financial year. No interest was held at 30 June 2026. Refer to note 36 for further information on fair value measurement. Refer to note 41 for further information on interests in associates.

16. Investment properties

	Notes	30 June 2026 $	30 June 2025 $
Rental Properties			
MNL Property Trust	i	900,000	900,000
Zest Living	ii	6,007,388	6,007,388
Investment properties under construction			
Zest Living	ii	4,400,000	4,400,000
Mobera Living	iii	728,679	656,425
MNL Property Trust	iii	542,762	-
		12,578,829	**11,963,813**

i. The rental property was last independently valued in April 2025 and is disclosed at fair value (refer to note 36). No fair value gain or loss on investment properties has been recognised in 2026 (2025: loss of $6,021,037). The movements in investment properties in construction are costs incurred during the year and the transfer of the Irymple 2 site ($542,762) from property, plant and equipment.

ii. Zest Living is developing a 155 homes residential land lease community in Yarrawonga. An independent valuation of the Zest property was undertaken in April 2025. The valuation (fair value) has been applied in preparing the financial statements at 30 June 2026 (refer to note 36).

iii. Development costs on the housing support accommodation development is transferred into Investment properties that was previously recorded in Property, plant and equipment, construction in progress.

17. Property, plant and equipment

	Notes	30 June 2026 $	30 June 2025 $
Land and building - at valuation	i	24,489,480	16,490,727
Less Accumulated Depreciation		(331,494)	-
		24,157,986	**16,490,727**
Construction in progress	ii	4,367,839	4,331,158
Plant and Equipment - at cost		661,383	559,081
Less Accumulated Depreciation		(170,757)	(66,977)
		490,626	**492,104**
Other Fixed Assets - at cost		60,731	60,731
Less Accumulated Depreciation		(12,146)	(12,146)
		48,585	**48,585**
		29,065,036	**21,362,574**

i. Land and buildings are carried at fair value. Independent valuations of 2 early learning centre properties were undertaken in April 2025 and have been applied at 30 June 2026. Management has reviewed these valuations and, as there has been no material movement in the current reporting period, considers them appropriate for inclusion in the financial report. The 3rd property was independently revalued in February 2026, giving rise to a revaluation increment of $241,007. The 4th property, acquired in October 2025, is carried at cost, including stamp duty and acquisition costs, less depreciation until its first revaluation. As the properties are tenanted by businesses in the same consolidated group, revaluation gains are included in the revaluation surplus reserve (refer to note 32), and revaluation losses with no previous gain in the reserve are recognised in profit or loss as a fair value loss on property, plant and equipment.

ii. Construction in progress relates to the early learning centre development at Harpley. The Berwick site, previously included in construction in progress, was reclassified as held for sale at 30 June 2026 (refer to note 13).

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

Consolidated	Land and building	Construction in progress	Plant & Equipment	Other Fixed Assets	Total
	$	$	$	$	$
Consolidated Balance 1 July 2025	**16,490,727**	**4,331,158**	**492,104**	**48,585**	**21,362,574**
Reclassified as held for sale	-	(2,308,036)	-	-	(2,308,036)
Additions	7,855,747	2,344,717	139,709	-	10,340,173
Disposals / Write off	-	-	(19,897)	-	(19,897)
Revaluation increments/(impairment)	241,007	-	-	-	241,007
Effects of exchange rate change	-	-	1,442	-	1,442
Amortisation / Depreciation	(429,495)	-	(122,732)	-	(552,227)
Balance 30 June 2026	**24,157,986**	**4,367,839**	**490,626**	**48,585**	**29,065,036**

Consolidated	Land and building	Construction in progress	Plant & Equipment	Other Fixed Assets	Total
	$	$	$	$	$
Consolidated Balance 1 July 2024	**10,241,561**	**5,119,842**	**211,183**	**112,767**	**15,685,353**
Transfer from prior period	5,424,794	(5,424,794)	-	-	-
Reclassified as held for sale	-	-	-	-	-
Additions	-	4,636,110	337,813	-	4,973,923
Acquisition	-	-	-	-	-
Disposals / Write off	-	-	(2,816)	(52,036)	(54,852)
Revaluation increments/(impairment)	1,147,972	-	-	-	1,147,972
Amortisation / Depreciation	(323,600)	-	(54,076)	(12,146)	(389,822)
Balance 30 June 2025	**16,490,727**	**4,331,158**	**492,104**	**48,585**	**21,362,574**

Refer to note 36 for further information on fair value measurement.

18. Right-of-use assets

	Notes	30 June 2026 $	30 June 2025 $
Land and buildings - right-of-use		21,229,438	27,958,960
Less: Accumulated depreciation		(6,503,430)	(6,379,789)
		14,726,008	**21,579,171**

Right-of-use assets decreased by $6,853,163 during the year, mainly because the lease of the Montessori Beginnings Officer premises was derecognised when MNL Property Trust acquired the property in October 2025. The property is now owned within the consolidated entity.

The consolidated entity typically enters into a lease arrangement of between five and fifteen years for its ELCs with options to extend the leases and other standard escalation clauses.

19. Intangibles

	Notes	30 June 2026 $	30 June 2025 $
Goodwill		10,428,636	11,129,544
		10,428,636	**11,129,544**

Reconciliations

	Notes	Goodwill	Total $
Balance at 1 July 2024		**18,645,490**	**18,645,490**
Impairment of asset		(7,515,946)	(7,515,946)
Balance at 30 June 2025		**11,129,544**	**11,129,544**
Impairment of asset		(700,908)	(700,908)
Balance at 30 June 2026		**10,428,636**	**10,428,636**

Impairment testing
Goodwill acquired through business combinations has been allocated to the following cash-generating units (CGU):

	Notes	30 June 2026 $	30 June 2025 $
Early Learning Centre Operations		1,716,659	1,716,659
Early Learning Investments		8,711,977	9,412,885
		10,428,636	**11,129,544**

The consolidated entity's goodwill has been tested for impairment at 30 June 2026, and an impairment loss of $700,908 (2025: $7,515,946) has been recognised in profit or loss within impairment of intangible assets. Of this, $700,908 is the goodwill on the acquisition of one Montessori Beginnings service, within the Early Learning Investments CGU, which has been identified for divestment following changes in local catchment dynamics and long-term demand projections; its recoverable amount has therefore been assessed as nil.

In 2025, management considered that Stage 1 of the Zest Living (RLLC) project was complete and that Stages 2 and 3 remained in development. Based on the external valuation of the property and market conditions, the intangible assets of Zest Living were impaired in full in that year.

Impairment testing compares the carrying value to the recoverable amount. If the recoverable amount is greater than the carrying value, the goodwill is deemed to be not impaired and the carrying value is not changed. However, if the carrying value exceeds the recoverable amount, goodwill is deemed to be impaired and an impairment loss is charged to the income statement so as to reduce the carrying amount in the balance sheet to its recoverable amount.

The recoverable amount of the consolidated entity's goodwill has been determined by its value-in-use (VIU) which is the present value of the estimated future cash flow of each asset or CGU. The VIU calculations are based on future cash flow forecast where key assumptions are made on the future trading business environment for each ELC CGU based on current performance and management estimates; and

The impairment model for ELC has the following key attributes:

- Pre-tax discount rate of 18.78% (2025: 18.61%);
- Projected revenue growth rate of 3% (2025: 3%) per annum; and
- Forecast period of 5 years plus a terminal growth calculation with a terminal growth rate of 2.5% (2025: 3%).

Sensitivity
The directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease.

The sensitivities in relation to the ELCs are as follows:

- Revenue would need to decrease by more than 20% before goodwill would need to be impaired, with all other assumptions remaining constant.
- The discount rate would be required to increase from 18.78% to 39.84% (an increase of 21.06%) before the recoverable amount of the cash-generating unit would equal its carrying amount, with all other assumptions remaining constant. There would still be headroom if the terminal growth rate was reduced to 0.0%.

20. Other assets (non-current)

	Notes	30 June 2026 $	30 June 2025 $
Rental security deposit		244	141,779
Upfront costs	i	1,396,055	2,116,991
Loan to key management personnel		800,000	-
Loans to non-controlling interest holders		997,764	-
Other assets		-	2,910
		3,194,063	**2,261,680**

i. Upfront costs include the monies paid for properties contracted to be acquired.

21. Trade and other payables

	Notes	30 June 2026 $	30 June 2025 $
Accounts payable		813,728	520,752
Accrued expenses		1,515,458	718,434
Accrued audit fees		60,280	47,139
Other payables		48,587	285,120
		2,438,053	**1,571,445**

Refer to note 35 for further information on financial instruments.

22. Employee benefit provision

	Notes	30 June 2026 $	30 June 2025 $
Salaries and wages payable		514,819	857,074
Superannuation payable		571,673	511,770
Employee leave entitlements		1,168,857	1,096,700
Ancillary employment costs		101,062	229,029
		2,356,411	**2,694,573**

23. Borrowings (current)

	Notes	30 June 2026 $	30 June 2025 $
Loan from financiers	i	14,303,020	2,170,000
Convertible notes	ii	6,506,199	3,372,248
		20,809,219	**5,542,248**

i. Property and development funding on market terms and conditions. The increase in current borrowings reflects facilities that fall due within twelve months of the reporting date. Since year end each facility has been renewed or extended or is in negotiation for extension (refer to note 2).

ii. Additional convertible notes were issued in December 2025 at a coupon rate of 8% per annum, payable quarterly. The notes were issued with a conversion price of $0.32 per share and are expected to mature in June 2027.

Refer to note 35 for further information on financial instruments.

24. Lease liabilities (current)

	Notes	30 June 2026 $	30 June 2025 $
Lease liabilities		1,404,810	1,583,498
		1,404,810	**1,583,498**

The lease liability outlined above is in accordance with accounting standard AASB 16 which represents the lease obligation over the next 12 months. As at the report date, there are no lease obligations outstanding to landlords.

Refer to note 35 for further information on financial instruments.

25. Derivative financial instruments

	Notes	30 June 2026 $	30 June 2025 $
Convertible notes - derivative financial liability		89,661	153,621
		89,661	**153,621**

Refer to note 36 for further information on fair value measurement.

26. Other liabilities (current)

	Notes	30 June 2026 $	30 June 2025 $
Unearned revenue		960,995	336,005
Related party loan		425,000	425,000
External party loan		850,000	850,000
		2,235,995	**1,611,005**

Refer to note 35 for further information on financial instruments.

27. Lease liabilities (non-current)

	Notes	30 June 2026 $	30 June 2025 $
Lease liabilities		15,249,022	22,237,417
		15,249,022	**22,237,417**

The lease liability outlined above is in accordance with accounting standard AASB 16 which represents the non-current lease obligations of the consolidated entity. As at the report date, there are no lease obligations outstanding to landlords.

Refer to note 35 for further information on financial instruments.

28. Deferred tax liability (non-current)

	Notes	30 June 2026 $	30 June 2025 $
Net deferred tax liability comprises temporary differences attributable to:			
Amounts recognised in profit or loss:			
Tax losses carried forward		(1,782,507)	(1,483,299)
Fair value gain on investment in associates		-	-
Fair value loss on property, plant and equipment without previous reserve		96,040	96,040
Accrued liabilities and other expenses		(419,470)	(365,930)
		(2,105,937)	(1,753,189)
Amounts recognised in equity:			
Revaluation of property, plant and equipment through other comprehensive income		327,506	267,254
Transaction cost on share issue		-	-
		(1,778,431)	(1,485,935)
Acquisition related intangible assets		3,664,552	3,664,552
Net deferred tax liabilities		**1,886,121**	**2,178,617**
Movements:			
Opening balance		2,178,617	2,332,506
Charged / (credited) to profit or loss		(353,604)	(421,143)
Charged to equity		61,108	267,254
Closing balance		**1,886,121**	**2,178,617**

29. Borrowings (non-current)

	Notes	30 June 2026 $	30 June 2025 $
Loan from financiers	i	14,753,634	20,739,015
		14,753,634	**20,739,015**

i. Property funding on market terms and conditions. The decrease reflects facilities that fall due within twelve months of the reporting date, which are presented as current borrowings (refer to note 23).

Non-current loans from financiers of $13,800,000 are subject to loan to value and interest cover covenants, tested on each valuation or drawdown and annually at 30 June respectively.

Refer to note 35 for further information on financial instruments.

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	Notes	30 June 2026 $	30 June 2025 $
Financier loans - current	23	14,303,020	2,170,000
Financier loans - non-current (above)		14,753,634	20,739,015
		29,056,654	**22,909,015**

Assets pledged as security
The financier loans are secured by first mortgages over the consolidated entity's land and buildings.

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Notes	30 June 2026 $	30 June 2025 $
Total facilities			
Financier loans		30,137,738	26,775,000
Convertible Notes		6,506,199	3,372,248
Used at the reporting date			
Financier loans		29,056,654	22,909,015
Convertible Notes		6,506,199	3,372,248
Unused at the reporting date			
Financier loans		1,081,084	3,865,985
Convertible Notes		-	-

30. Other liabilities (non-current)

	Notes	30 June 2026 $	30 June 2025 $
Employee leave entitlement		329,720	343,962
		329,720	**343,962**

31. Issued capital

	30 June 2026 No of shares	30 June 2026 $	30 June 2025 No of shares	30 June 2025 $
Ordinary shares - fully paid	184,011,354	36,507,962	180,011,354	35,445,047

Movements in ordinary share capital

	Date	Shares	Issue price $	Total $
Balance	**30 June 2025**	**180,011,354**		**35,445,047**
Exercise of share options - Chief Executive Officer	26 May 2026	4,000,000	0.20	800,000
Transfer from share-based payments reserve on exercise of options		-		262,915
Balance	**30 June 2026**	**184,011,354**		**36,507,962**

On 26 May 2026, 4,000,000 ordinary shares were issued to the Chief Executive Officer on the exercise of share options at an exercise price of $0.20 per share ($800,000). The exercise price was funded by an employee share plan loan of $800,000 from the Company to an entity associated with the Chief Executive Officer (refer to note 38). On exercise, $262,915 of the share-based payment expense recognised for the options was transferred from the share-based payments reserve to issued capital (refer to note 32).

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

On a show of hands every member present at a meeting in person or by proxy shall have 1 vote and upon a poll each share shall have 1 vote.

Capital risk management
The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

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

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity is subject to certain financial undertakings including financial covenants and these are given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2025 Annual Report.

32. Equity reserves

	Notes	30 June 2026 $	30 June 2025 $
Revaluation surplus reserve		1,295,876	1,152,002
Foreign currency reserve		(349)	1,258
Share-based payment reserve		131,457	-
		1,426,984	**1,153,260**

Revaluation surplus reserve
The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties. The reserve reflects unrealised increases in the value of assets based on external valuations. Accordingly, where there is a decrease in valuation, the associated decrease is recognised as a loss in the profit or loss.

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payment reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration. When options are exercised, the related amount is transferred to issued capital.

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

	Notes	Total $	Reserves through NCI $	Reserves $
Consolidated				
Balance at 1 July 2024		**575,250**	**23,874**	**551,376**
Transfers to / from reserves		(178,759)	-	(178,759)
Revaluation - gross		980,521	195,439	785,082
Deferred tax		-	-	-
Foreign currency translation		(4,439)	-	(4,439)
		797,323	195,439	601,884
Balance at 30 June 2025		**1,372,573**	**219,313**	**1,153,260**
Share-based payments	i	131,457	-	131,457
Revaluation - gross	ii	241,006	48,032	192,974
Deferred tax		(61,108)	(12,008)	(49,100)
Foreign currency translation		(1,607)	-	(1,607)
		309,748	36,024	273,724
Balance at 30 June 2026		**1,682,321**	**255,337**	**1,426,984**

i. Share-based payments relate to 6,000,000 performance options granted to the Chief Executive Officer on 29 October 2021 exercising at $0.20 per share within five years of grant and vesting in three tranches of 2,000,000 on non-market conditions. The fair value of the options, $394,372 ($0.0657 per option), was determined using an option pricing model with a share price of $0.20, expected volatility of 35% and a risk-free rate of 1.57%. The expense was not recognised in prior years; as the amount is not material, the full fair value has been recognised in the current year and comparatives have not been restated. On 26 May 2026, 4,000,000 vested options were exercised and $262,915 was transferred to issued capital (refer to note 31). The balance of $131,457 relates to the 2,000,000 options that remain subject to vesting conditions at 30 June 2026.

ii. A property held by MNL Property Trust was revalued by an independent valuer on development completion in February 2026. The valuation resulted in a revaluation increment of $241,006 before deferred tax of $60,252, which has been recognised in other comprehensive income and credited to the revaluation surplus reserve. Of the gross increment, $48,032 ($36,024 net of deferred tax) is attributable to non-controlling interests in MNL Property Trust. The Group's other land and buildings were last independently valued in April 2025 and no further revaluation was recognised in 2026. The property acquired in October 2025 is carried at cost until its first revaluation.

33. Accumulated losses

	Notes	30 June 2026 $	30 June 2025 $
Accumulated losses at the beginning of the financial year		(22,266,388)	(5,529,442)
Loss after income tax expense for the year		(5,211,574)	(16,915,705)
Other movements		8,984	178,759
Accumulated losses at the end of the financial year		**(27,468,978)**	**(22,266,388)**

34. Non-controlling interest

	Notes	30 June 2026 $	30 June 2025 $
Issued capital		3,306,282	2,352,648
Reserve		255,335	219,311
Accumulated losses		(201,829)	7,587
Non-controlling interest at the end of the financial year		**3,359,788**	**2,579,546**

Non-controlling interests comprise the 19.93% (2025: 19.93%) interest in MNL Property Trust held by external unitholders and, from October 2025, an interest of approximately 10% (2025: nil) in each of MB Melbourne West Pty Ltd and MB North Victoria Pty Ltd and their controlled entities as per shareholder approval obtained at a meeting of shareholders in June 2025.

35. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: currency risk, interest rate risk, credit risk and liquidity risk.

These risks arise from the normal course of business and the Group manages exposure to them in accordance with the Group's risk management strategy, which is to support the delivery of the Group's financial target while protecting its future financial security.

As part of the risk management strategy, the Group monitors target gearing levels and credit rating metrics under a range of stress test scenarios incorporating operational and macroeconomic factors. Primary responsibility for the identification and monitoring of the financial risk rests with the Group Financial Controller under authority delegated by the Chief Executive Officer.

Market risk

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

The consolidated entity is exposed to foreign currency risk through its corporate support operations in Malaysia, conducted by MM Operations Sdn Bhd, whose financial assets are denominated in Malaysian ringgit (MYR). The legacy MYR receivable held at 30 June 2025 was extinguished during the year.

	30 June 2026 MYR	30 June 2025 MYR
Financial assets	65,109	365,555
	65,109	**365,555**

The consolidated entity had net assets denominated in foreign currencies of $92,702 (2025: $100,918). Given the exposure is not material, the Group has not undertaken any hedging activities.

Price risk

The consolidated entity is not exposed to any significant price risk.

Interest rate risk

The consolidated entity is exposed to interest rate risk on its outstanding borrowings from the possibility that changes in interest rates will affect future cash flows. Interest rate risk is managed as part of the consolidated entity's risk management strategy whereby the consolidated entity's gearing ratio is closely monitored along with its credit rating metrics. The Group's debt is issued at a variable interest rate.

The consolidated entity's financier loans and convertible notes outstanding, totalling $35,562,853 (2025: $26,281,263), are interest-only loans which consist of external financier loans and convertible notes. Monthly cash outlays of approximately $218,683 (2025: $149,865) are required to service the interest payments. An increase or decrease in interest rates of 100 (2025: 100) basis points would have an adverse or favourable effect on profit before tax of $355,629 (2025: $262,813) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts' forecasts.

Credit risk

Credit risk refers to counterparty default risk and this risk arises from trade debtors. This risk is managed by requiring childcare fees to be paid in advance. Outstanding debtor balances are reviewed weekly and followed up in accordance with the Group's debt collection policy. Credit risk is also minimised by federal government funding in the form of Childcare Subsidy, where the Federal Government is considered to be a high-quality debtor.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity 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 consolidated entity 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

Unused borrowing facilities at the reporting date were $1,081,084 (2025: $3,865,985) (refer to note 29).

Remaining contractual maturities

The following tables detail the consolidated entity'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.

The consolidated entity has entered into a derivative arrangement through the issuance of convertible notes. These instruments contain embedded derivative features, which have been assessed in accordance with AASB 9 Financial Instruments.

	Weighted average %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Consolidated - 2026						
Non-derivatives						
Non-interest bearing						
Trade payables		2,438,053	-	-	-	2,438,053
Other payables		1,275,000	-	-	-	1,275,000
Interest bearing						
Properties debt facilities	7.24%	14,303,020	-	14,753,634	-	29,056,654
Lease liability	5.32%	1,404,810	1,389,255	4,475,817	9,383,950	16,653,832
Convertible notes	8.00%	6,506,199	-	-	-	6,506,199
Total non-derivatives		**25,927,082**	**1,389,255**	**19,229,451**	**9,383,950**	**55,929,738**
Derivatives						
Convertible notes - derivative financial liability		89,661	-	-	-	89,661
Total derivatives		**89,661**	**-**	**-**	**-**	**89,661**

	Weighted average %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Consolidated - 2025						
Non-derivatives						
Non-interest bearing						
Trade payables		1,571,445	-	-	-	1,571,445
Other payables		1,228,505	-	-	-	1,228,505
Interest bearing						
Properties debt facilities	9.70%	2,170,000	12,100,146	8,638,869	-	22,909,015
Lease liability	4.90%	1,583,498	1,723,207	9,593,433	10,920,777	23,820,915
Convertible notes	8.00%	3,372,248	-	-	-	3,372,248
Total non-derivatives		**9,925,696**	**13,823,353**	**18,232,302**	**10,920,777**	**52,902,128**
Derivatives						
Convertible notes - derivative financial liability		153,621	-	-	-	153,621
Total derivatives		**153,621**	**-**	**-**	**-**	**153,621**

The undrawn facilities at the reporting date comprise $581,084 on the Harpley development loan and $500,000 on the Irymple preferred partner loan.

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

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Hedge accounting

The consolidated entity has no hedging activities at the reporting date.

36. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a 3-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

Consolidated - 30 June 2026	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Investment in associate	-	-	-	-
Land and buildings	-	-	16,529,984	16,529,984
Investment properties	-	11,307,388	-	11,307,388
Assets held for sale (non-recurring) - Berwick	-	-	1,941,074	1,941,074
Total assets	**-**	**11,307,388**	**18,471,058**	**29,778,446**
Liabilities				
Derivative financial instruments	-	89,661	-	89,661
Total liabilities	**-**	89,661	**-**	89,661

Consolidated - 30 June 2025	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Investment in associate	-	-	2,748,751	2,748,751
Land and buildings	-	-	16,490,727	16,490,727
Investment properties	-	11,307,388	-	11,307,388
Total assets	**-**	**11,307,388**	**19,239,478**	**30,546,866**
Liabilities				
Derivative financial instruments	-	153,621	-	153,621
Total liabilities	**-**	**153,621**	**-**	**153,621**

During the year ended 30 June 2026, the Group recognised a derivative financial liability, Convertible Notes, measured at fair value through profit or loss. Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3

The basis of the valuation of land and buildings is fair value. Land and buildings were last independently valued in April 2025 and February 2026 by members of the Australian Property Institute having recent experience in the location and category of land and buildings being valued. The directors do not believe that there has been a material movement in fair value since the valuation dates. A property acquired during the year is carried at cost until its first revaluation (refer to note 17).

Derivative financial instruments have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity-specific estimates.

The Berwick site, classified as held for sale, is measured at fair value less costs to sell on a non-recurring basis (refer to note 13). Its fair value has been determined by reference to a non-binding expression of interest of $2,000,000 received after the reporting date and the selling agent's estimate of $1,820,000 to $2,000,000, less estimated costs to sell of $58,926. As these inputs are not observable market prices, the measurement is categorised within level 3 of the fair value hierarchy.

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current financial year are set out below:

Consolidated	Investment in associate $	Land and buildings $	Assets held for sale $	Total $
Balance at 1 July 2025	2,748,751	16,490,727	-	19,239,478
Additions	-	166,267	-	166,267
Carrying amount derecognised on dissolution	(2,748,751)	-	-	(2,748,751)
Transfer from construction in progress	-	-	2,308,036	2,308,036
Gains recognised in other comprehensive income	-	241,007	-	241,007
Net losses recognised through profit or loss	-	(368,017)	(366,962)	(734,979)
Balance at 30 June 2026	**-**	**16,529,984**	**1,941,074**	**18,471,058**

Consolidated	Investment in associate $	Land and buildings $	Assets held for sale $	Total $
Balance at 1 July 2024	2,705,960	10,241,561	-	12,947,521
Additions	-	-	-	-
Transfer to / from assets	-	5,424,794	-	5,424,797
Gains recognised in other comprehensive income	-	980,521	-	980,521
Net losses recognised through profit or loss	42,791	(156,149)	-	(113,358)
Balance at 30 June 2025	**2,748,751**	**16,490,727**	**-**	**19,239,478**

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

Description	Unobservable inputs	Range (weighted average)	Sensitivity
Land and buildings	Rental yield	6.00% - 6.50% (6.27%) (Represented by a multiplier of 15.4 – 16.7 (16.0))	A change of +/-0.25% of the capitalisation yield would increase / decrease fair value by $766,000

37. Capital commitments and contingencies

The consolidated entity had no contingent assets or contingent liabilities at 30 June 2026 (2025: nil).

	30 June 2026 $	30 June 2025 $
Capital commitments		
Committed at the reporting date but not recognised as liabilities		
Investment property	22,488,361	24,600,000
Property, plant and equipment	-	-
Inventory	5,053,750	5,077,162
	27,542,111	**29,677,162**

Capital commitments are stated net of the amount of goods and services tax recoverable from the Australian Taxation Office.

Of the $19,100,000 committed in respect of the land at 41-59 Stephenson Street, South Kingsville, between $6,796,000 and $10,796,000 will be satisfied by the issue of between 28,316,667 and 44,983,333 fully paid ordinary shares in the company at $0.24 per share, with the balance payable in cash. Settlement is due on 15 February 2027.

38. Related party transactions

Parent entity
Kinvera Communities Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 40.

Associates
Interests in associates are set out in note 41.

Key management personnel
Disclosures relating to key management personnel are set out in note 42.

Transactions with related parties
The following transactions occurred with related parties:

	Notes	30 June 2026 $	30 June 2025 $
Payment for goods and services		411,492	405,599
Payment for services from Elster Development Pty Ltd	i	238,389	209,081
		649,881	**614,680**

i. The consolidated entity has entered into a consultancy agreement with Elster Development Pty Ltd (Elster) where Elster will provide various services including property and project management services to the Group. Ian Leslie Townsing, sole director of Elster, is the brother of Henry Townsing Sr, who is the director of Kinvera Communities. Elster is not deemed a related party under Part 2E.2 s228(3) of the Corporations Act 2001; however, for the purposes of full and frank disclosure, Elster was paid $238,389 (2025: $209,081) during the year for services rendered.

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Notes	30 June 2026 $	30 June 2025 $
Trade payable to directors' related entities		23,975	-
		23,975	**-**

Loans to / from related parties

	Notes	30 June 2026 $	30 June 2025 $
Loan to Mitre Focus		-	50,048
Loan to shareholders	i	800,000	-
		800,000	**50,048**
Loan from directors' related entities	ii	425,000	425,000
		425,000	**425,000**

i. The loan to shareholders is an employee share plan loan to an entity associated with the Chief Executive Officer, advanced to fund the exercise of 4,000,000 performance options (refer to note 31). The loan is secured over the shares issued and is repayable within five years of the first advance.

ii. The loan from directors' related entities is owed to an entity related to a director and is interest free.

Terms and conditions
Except for the interest-free loans disclosed above, all transactions with related parties were made on normal commercial terms and conditions and at market rates.

39. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Notes	30 June 2026 $	30 June 2025 $
Profit / (loss) after income tax expense		706,913	187,207
Other comprehensive income / (loss)		-	-
Total comprehensive income / (loss)		**706,913**	**187,207**

Statement of financial position

	Notes	30 June 2026 $	30 June 2025 $
Current assets		34,328,141	29,808,369
Non-current assets		12,521,190	10,147,683
Total assets		**46,849,331**	**39,956,052**
Current liabilities		7,421,077	3,702,535
Non-current liabilities		-	-
Total liabilities		**7,421,077**	**3,702,535**
Net assets		**39,428,254**	**36,253,517**
Equity			
Issued capital		36,507,962	35,445,047
Reserves		(408,723)	-
Retained profits		3,329,015	808,470
Total equity		**39,428,254**	**36,253,517**

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2026 and 30 June 2025.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2026 and 30 June 2025.

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

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

40. Interests in subsidiaries

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

	Principal place of business / Country of incorporation	2026 %	2025 %
MNL Operations Pty Ltd	Australia	100.00%	100.00%
Mobe Developments Pty Ltd	Australia	100.00%	100.00%
Montessori Beginnings Pty Ltd	Australia	100.00%	100.00%
Clifstone Pty Ltd	Australia	100.00%	100.00%
Mobera Living Trust	Australia	100.00%	100.00%

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary with non-controlling interests in accordance with the accounting policy described in note 2:

			Kinvera Group		Non-controlling interests	
	Principal place of business / Country of incorporation	Principal activities	Ownership Interest 2026 %	Ownership Interest 2025 %	Ownership Interest 2026 %	Ownership Interest 2025 %
MNL Property Trust	Australia	Property Investment	80.07%	80.07%	19.93%	19.93%

The non-controlling interests hold no voting rights in Kinvera Communities Limited.

Summarised financial information of the subsidiary with non-controlling interests that is material to the consolidated entity is set out below:

Summarised financial information

	Notes	30 June 2026 $	30 June 2025 $
Summarised statement of financial position			
Current assets		2,260,088	80,332
Non-current assets		**29,968,886**	**22,829,003**
Total assets		**32,228,974**	**22,909,335**
Current liabilities		6,942,288	3,623,547
Non-current liabilities		13,860,252	8,638,869
Total liabilities		**20,802,540**	**12,262,416**
Net assets		**11,426,434**	**10,646,919**
Summarised statement of profit or loss and other comprehensive income			
Revenue		1,389,474	952,421
Expenses		(2,144,603)	(2,130,715)
Loss before income tax expense		**(755,129)**	**(1,178,294)**
Income tax expense		-	-
Loss after income tax expense		(755,129)	(1,178,294)
Other comprehensive income / (loss)		180,754	980,521
Total comprehensive income / (loss)		**(574,375)**	**(197,773)**
Statement of cash flows			
Net cash from operating activities		233,991	(17,982)
Net cash used in investing activities		(7,523,104)	(5,529,855)
Net cash from financing activities		7,380,047	2,896,369
Net increase / (decrease) in cash and cash equivalents		**90,934**	**(2,651,468)**
Other financial information			
Loss attributable to non-controlling interests		(150,497)	(234,860)
Accumulated non-controlling interests at the end of the reporting period		**2,465,073**	**2,579,546**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary with non-controlling interests in accordance with the accounting policy described in note 2:

	Principal place of business / Country of incorporation	Principal activities	Kinvera Group		Non-controlling interests	
			Ownership Interest 2026 %	Ownership Interest 2025 %	Ownership Interest 2026 %	Ownership Interest 2025 %
MB Melbourne West Pty Ltd	Australia	Investment holding	90.00%	100.00%	10.00%	0.00%

Summarised financial information for the period 1 October 2025 to 30 June 2026 is set out below. No comparative period is presented as the non-controlling interest arose during the current year.

	Notes	30 June 2026 $
Summarised statement of financial position		
Current assets		749,812
Non-current assets		**11,225,244**
Total assets		**11,975,056**
Current liabilities		1,755,770
Non-current liabilities		9,505,625
Total liabilities		**11,261,395**
Net assets		**713,661**
Summarised statement of profit or loss and other comprehensive income		
Revenue		6,167,815
Expenses		(5,649,399)
Profit before income tax expense		**518,416**
Income tax expense		(176,639)
Profit after income tax expense		341,777
Other comprehensive income / (loss)		-
Total comprehensive income / (loss)		**341,777**
Statement of cash flows		
Net cash from operating activities		1,495,716
Net cash used in investing activities		(351,307)
Net cash used in financing activities		(669,267)
Net increase / (decrease) in cash and cash equivalents		**475,142**
Other financial information		
Profit attributable to non-controlling interests		34,178
Accumulated non-controlling interests at the end of the reporting period		**500,199**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary with non-controlling interests in accordance with the accounting policy described in note 2:

	Principal place of business / Country of incorporation	Principal activities	Kinvera Group		Non-controlling interests	
			Ownership Interest 2026 %	Ownership Interest 2025 %	Ownership Interest 2026 %	Ownership Interest 2025 %
MB North Victoria Pty Ltd	Australia	Investment holding	90.00%	100.00%	10.00%	0.00%

Summarised financial information for the period 1 October 2025 to 30 June 2026 is set out below. No comparative period is presented as the non-controlling interest arose during the current year.

	Notes	30 June 2026 $
Summarised statement of financial position		
Current assets		125,560
Non-current assets		**9,912,103**
Total assets		**10,037,663**
Current liabilities		1,085,976
Non-current liabilities		8,273,824
Total liabilities		**9,359,800**
Net assets		**677,863**
Summarised statement of profit or loss and other comprehensive income		
Revenue		4,545,928
Expenses		(5,124,184)
Loss before income tax expense		**(578,256)**
Income tax benefit		38,421
Loss after income tax expense		(539,835)
Other comprehensive income / (loss)		-
Total comprehensive income / (loss)		**(539,835)**
Statement of cash flows		
Net cash from operating activities		333,398
Net cash used in investing activities		(478,140)
Net cash from financing activities		21,462
Net increase / (decrease) in cash and cash equivalents		**(123,280)**
Other financial information		
Loss attributable to non-controlling interests		(53,984)
Accumulated non-controlling interests at the end of the reporting period		**394,516**

41. Interests in associates

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity is set out below:

	Principal place of business / Country of incorporation	2026 %	2025 %
CVCV Childcare No. 1 Partnership	Australia	0.00%	30.00%

The consolidated entity's 30% interest in CVCV Childcare No. 1 Partnership was held through MNL Property Trust (MNLPT), a subsidiary in which the consolidated entity holds an 80.07% (2025: 80.07%) interest. The partnership was dissolved on 8 October 2025. On dissolution, MNLPT received the Officer property ($2,205,000) and cash and receivables ($357,189) in exchange for its partnership interest, and the carrying amount of $2,562,189 was derecognised. No gain or loss arose on dissolution.

The summarised financial information below is presented at the consolidated entity's 30% share. The 2026 profit or loss covers the period from 1 July 2025 to 8 October 2025; the share of profit recognised in the reconciliation of the carrying amount of $26,426 includes final settlement adjustments of $1,486 recorded after that date. Summarised financial information of MNLPT is set out in note 40.

Summarised financial information

	Notes	30 June 2026 $	30 June 2025 $
Summarised statement of financial position			
Current assets		-	11,923
Non-current assets		-	**4,034,086**
Total assets		-	**4,046,009**
Current liabilities		-	1,453,732
Non-current liabilities		-	-
Total liabilities		-	**1,453,732**
Net assets		-	**2,592,277**
Summarised statement of profit or loss and other comprehensive income			
Revenue		74,870	317,525
Expenses		(49,930)	(121,650)
Profit before income tax expense		**24,940**	**195,875**
Income tax expense		-	-
Profit after income tax expense		24,940	195,875
Other comprehensive income / (loss)		-	-
Total comprehensive income / (loss)		**24,940**	**195,875**
Reconciliation of the consolidated entity's carrying amount			
Opening carrying amount		2,592,189	2,516,314
Share of profit after income tax		26,426	195,875
Distributions received		(56,426)	(120,000)
Carrying amount derecognised on dissolution		(2,562,189)	-
Closing carrying amount		-	**2,592,189**

42. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Notes	30 June 2026 $	30 June 2025 $
Short-term employee benefits		590,239	845,680
Long-term employee benefits		-	13,678
Share-based payments		394,372	-
		984,611	**859,358**

43. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia, the auditor of the company, its network firms and unrelated firms:

	Notes	30 June 2026 $	30 June 2025 $
Audit services - RSM Australia			
Audit or review of the financial statements		89,161	75,500
Other services - RSM Australia			
Independent expert report		-	32,500
		89,161	**108,000**

44. Significant events after balance date

No matter or circumstance has arisen since 30 June 2026 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

	Entity Type	Country of incorporation	Ownership Interest	Tax Residency
MNL Operations Pty Ltd	Company	Australia	100.00%	Australia*
CVCV Childcare No.1 Pty Ltd	Company	Australia	100.00%	Australia*
Clifstone Pty Ltd	Company	Australia	100.00%	Australia*
Bay City Early Learning Geelong Pty Ltd	Company	Australia	100.00%	Australia*
Montessori Beginnings Pty Ltd	Company	Australia	100.00%	Australia*
Montessori Beginnings Melbourne West Pty Ltd	Company	Australia	90.00%	Australia
Montessori Beginnings North Victoria Pty Ltd	Company	Australia	90.00%	Australia
Montessori Beginnings Irymple Pty Ltd	Company	Australia	100.00%	Australia
Springkids Pty Ltd	Company	Australia	100.00%	Australia*
Montessori Beginnings Brunswick Pty Ltd	Company	Australia	90.00%	Australia
Montessori Beginnings Maribyrnong 2 Pty Ltd	Company	Australia	90.00%	Australia
Mobe Growth Pty Ltd	Company	Australia	100.00%	Australia*
Montessori Beginnings Laverton Pty Ltd	Company	Australia	100.00%	Australia*
Montessori Beginnings Officer Pty Ltd	Company	Australia	100.00%	Australia*
Montessori Beginnings Mildura Pty Ltd	Company	Australia	90.00%	Australia
Montessori Beginnings Hoppers Crossing Pty Ltd	Company	Australia	90.00%	Australia
Montessori Beginnings Thomastown Pty Ltd	Company	Australia	100.00%	Australia*
Montessori Beginnings Maribyrnong 1 Pty Ltd	Company	Australia	100.00%	Australia*
Montessori Beginnings Greenvale Pty Ltd	Company	Australia	100.00%	Australia*
Montessori Beginnings Swan Hill Pty Ltd	Company	Australia	100.00%	Australia
Montessori Beginnings Croydon North Pty Ltd	Company	Australia	100.00%	Australia*
Mobe Developments Pty Ltd	Company	Australia	100.00%	Australia*
Zest Living Australia Pty Ltd	Company	Australia	100.00%	Australia*
Zest Living Developments Pty Ltd	Company	Australia	100.00%	Australia*
Mobera Living Trust	Trust	Australia	100.00%	Australia*
MNL Property Trust	Trust	Australia	80.07%	Australia
MM Operations Sdn Bhd	Company	Malaysia	100.00%	Malaysia

* *Kinvera Communities Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.*

SECTION

05

Directors' Declaration

05

Directors' Declaration

In the Directors' opinion:

- The attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- The attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- The attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- The information disclosed in the attached consolidated entity disclosure statement is true and correct.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the directors



Henry Townsing
Chairman
19th October 2026

SECTION

06

Independent Auditor's Report

06

Independent Auditor's Report

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT
To the Members of Kinvera Communities Limited

Opinion

We have audited the financial report of Kinvera Communities Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

i. giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

ii. 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 Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of $5,381,877 during the year ended 30 June 2026 and, as of that date, the Group had net current liabilities of $24,045,405. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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RSM Australia Partners ABN 36 965 185 036

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Other Information

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 30 June 2026, but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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 (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and
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 (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
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 ability of the Group 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: http://www.auasb.gov.au/auditors_responsibilities/ar3_2024.pdf. This description forms part of our auditor's report.

RSM AUSTRALIA PARTNERS

B Y CHAN
Partner

Dated: 19 October 2026
Melbourne, Victoria

SECTION

07

Corporate Directory

Corporate Directory

Board of Directors

Mr Henry Townsing
Chairman
Non-Executive Director

Dr Les Fitzgerald
Non-Executive Director

Mr Dennis Wilkie
Non-Executive Director

Ms Heidi Chan
Company Secretary

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