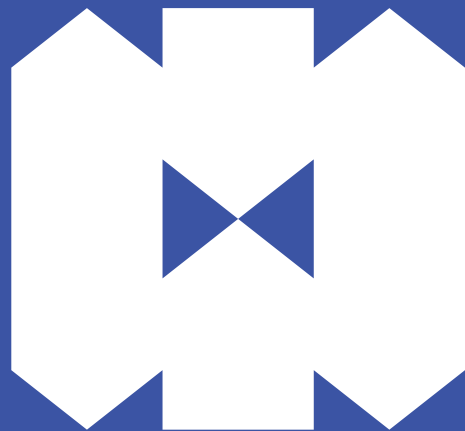


MACARTHUR NATIONAL LTD

Financial Report

For the year ended
30 June 2025





MACARTHUR NATIONAL LTD
ABN: 77 633 180 346

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Our Business

Section

01

About Macarthur National

Macarthur creates Social Infrastructure communities for families that seek to improve the lives of those who bring its spaces to life.

ZEST LIVING

RESIDENTIAL LAND LEASE COMMUNITIES
For over 55s

MOBERA LIVING SOLUTIONS

AFFORDABLE ACCOMODATION
For 20 - 60 years



EARLY CHILDHOOD EDUCATION AND CARE COMMUNITIES
For 0 - 6 years

DEVELOP THE COMMUNITY

➤

ESTABLISH THE COMMUNITY

➤

OPERATE THE COMMUNITY

As an owner, developer and operator of Social Infrastructure communities Macarthur is focused on two identified Social Infrastructure sectors being:

Communities for Grandparents
Residential Land Lease Communities

Communities for Parents
Affordable Accomodation

Communities for Children
Early Learning and Childcare

ZEST LIVING

MOBERA LIVING SOLUTIONS



Macarthur 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.

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.

Macarthur 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.



Toddler exploring and learning through block play

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



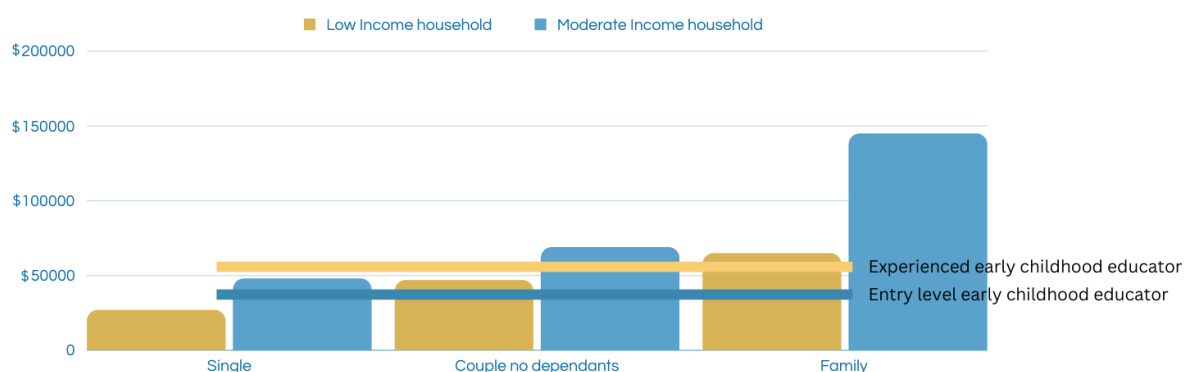
Montessori learning activity



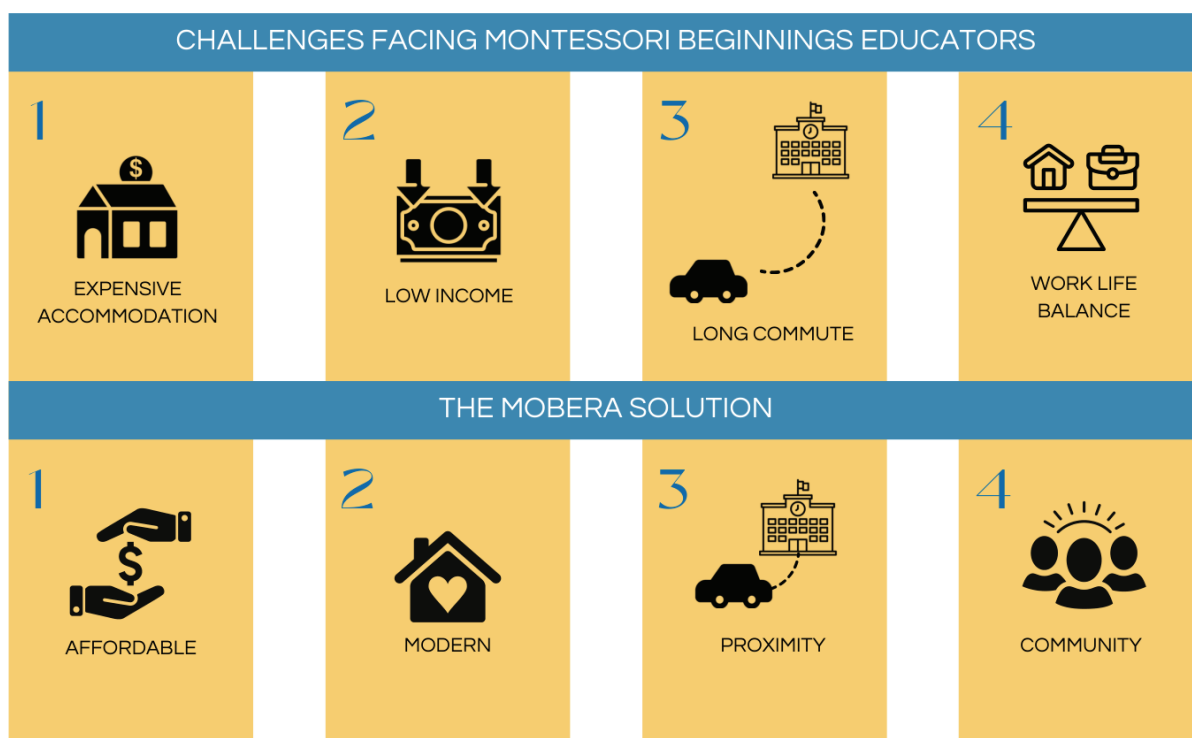
Outside view of the new Brunswick centre

MOBERA LIVING SOLUTIONS

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.



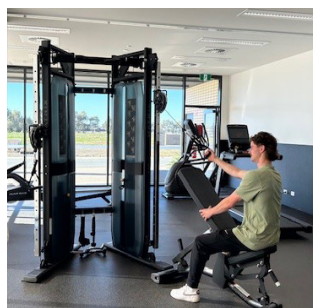
ZEST LIVING



Artists impression of Zest Living Yarrowonga

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 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.



Residents using the gym facilities available at Zest Living



Residents playing a friendly game of bowls on our competition grade lawn



Residents getting together to support local charitable causes



Picturesque lakeside view at Zest Living Yarrowonga

Chief Executive Officer's Review

Review of business operations

During the financial year, the consolidated entity continued to implement its' strategic plans to expand its real asset platform that develops, owns and operates community infrastructure for Australian families: from early learning and childcare to affordable accommodation for key workers and over 55s. The aim is to two fold, to deliver recurring income and long term capital growth for the benefit of shareholders by building places where families live, work and thrive, and deliver a social dividend - a measurable return of value to the families within its communities achieved by creating communities that directly enhance community wellbeing. The social dividend is not a charitable add-on, but a structural feature of the Company's operating model that strengthens long-term user retention, brand equity, and investor alignment by ensuring that financial success and community benefit grow together.

At the date of this report the Group's community infrastructure businesses had grown to comprise:

| Community infrastructure sector | Early learning and childcare | Affordable accommodation | Residential land lease communities |
|---------------------------------|------------------------------|--------------------------|------------------------------------|
| Brand | Montessori Beginnings | Mobera Living | Zest Living |
| Family member | Child | Parent | Grandparent |
| Operating | 11 | 0 | 0 |
| Under construction | 1 | 2 | 1 |
| Pipeline | 1 | 2 | 0 |
| Total | 13 | 4 | 1 |

In the past year, we continued the build out of Montessori Beginnings bringing the number of operating centres to 11 with the opening of Montessori Beginnings Brunswick and Montessori Beginnings Irymple. During the year we launched our newest community type, affordable accommodation for key workers. These key worker accommodation communities will operate under the brand "Mobera Living" which is derived from;

- "Mo": Montessori
- "be": Beginnings
- "ra": residential accommodation

Mobera Living's mission is to enrich the lives of key workers, such as Montessori Beginnings educators, through the provision of modern homes in close proximity to work places that place a strong emphasis on community whilst maintaining being affordable for key workers who are typically classified as low to moderate income earners. The establishment of Mobera Living accords with the Company mission to identify and operate purpose built communities for families in knowledge intensive cottage industries anchored in strategically positioned and protected real estate.



Learning for all ages through a hands-on approach

The Group revenue increased by 18% to \$27.6m in FY25 up from \$23.3m in the previous year which is mainly attributable to the robust childcare operation performance of the group and contributions from Zest Living. Statutory EBITDA was impacted by the revaluation of the carrying values of the Company's assets to be inline with the Independent Experts assessment of values undertaken during the year as part of the Company's acquisition of the South Kingsville property. Whilst the Company's assets were valued higher by the expert than the carrying value accounting convention requires that the impairment associated with the Company investment in Zest Living be recorded in the profit and loss statement whilst assets with an improvement in value are either captured in the balance sheet or not at all.

A summary of the Group’s main operating segments is detailed below.

ELC Operations: Mature ELCs (5 ELCs)

Generated \$21.6 million revenue (2024 \$19.7 m) for the consolidated entity in the year ended 30 June 2025.

Our childcare operations have maintained strong performance and have further solidified the Montessori Beginnings brand in the market. During FY25 the groups portfolio grew in both revenue as more families sought out our centres and profitability as the benefits of higher utilisation were captured.

The investment in the continued build of our educational platform for both educator, to improve their skill and therefore the efficacy of the program, and child in the form of the curriculum continued. This investment will continue in support of the thesis that the industry has entered its next period of evolution that will lead to a bifurcation of the industry between what is truly early education and what is truly child minding with Montessori Beginnings being firmly positioned to be in the early education segment.



ELC Investments (including 4 ELCs & development / investment segments)

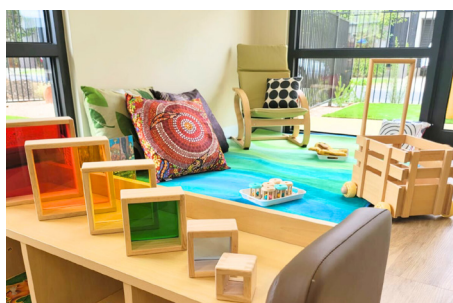
Generated \$3.4 million revenue (2024 \$1.3m) for the consolidated entity in the year ended 30 June 2025.

This segment comprises 3 components:

- a) ELC services: 3 operating ELC services being incubated that will be transferred to ELC Operations segment once mature. The trigger to transfer these services to ELC operations is at the time when the “sunk” investment made by the consolidated entity into each service has been fully repaid to the Group from operating earnings of the service. This segment also includes the ELC operational platform and centre support services.
- b) New early learning centres: At the date of this report Montessori Beginnings had 1 centre under construction and a pipeline of a further 1 centre in pre-development. Of the latter group, development permits for 1 centre has been obtained. Completion of construction and opening of these services in future years will see the total ELC services operated by the Group grow to 13.
- c) MNL Property Trust: Owner of ELC properties developed by the Group held for long term rental income generation. At 30 June 2025 Macarthur held an 80.07% unitholding in the trust.

Our bright & spacious new learning rooms:

Montessori Beginnings Brunswick welcomes you



Where exploration meets fresh air:

Montessori Beginnings outdoor learning adventure



*Welcome to the Montessori journey:
Our latest addition now open in Brunswick*



Safe exploration & joyful learning in our beautifully designed infant space



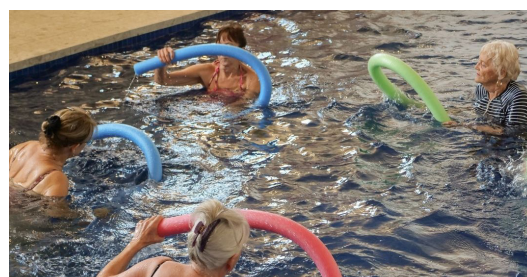
Living

Generated \$2.0 million revenue (2024 \$1.7 m) for the consolidated entity in the year ended 30 June 2025.

Mobera Living commenced pre-development activities at our first two communities which will be located in regional Victoria and will provide housing that is modern, fit for purpose and in direct proximity to Montessori Beginnings centres in regional Victoria. The South Kingsville site in the inner west of Melbourne was contracted with development permits now being sought.

At 30 June 2025 Zest Living was focused on its inaugural community in Yarrowonga. As at the date of this report Zest Living Yarrowonga had 8 residents living in the community with further homes being constructed for future residents to move into. Sales activity continues to progress with Zest Living continuing to build its market presence in the local Yarrowonga market however the rate of resident move in has and continues to be hampered by the broader market with future residents typically requiring to sell their current family home prior to being able to move to their new Zest Living home.

Zest Living Yarrowonga Community Centre and community engagement events hosted through the year



The timing of the development of the Zest Living Yarrowonga community and the future recognition of development profits and rental income will be subject to the rate at which residents move into the estate.

Likely developments and outlook

The group will maintain its emphasis on continual improvement of its services, bringing to maturity its development assets and ongoing expansion. Anticipated financial performance during the platform's growth phase is expected to be conservative as the business invests in building out its communities. As Macarthur builds out its social infrastructure businesses it intends to implement its stated objectives;

- a) Growth: Businesses owned by Macarthur will provide income streams from which Macarthur intends to utilise the earnings to re-invest into these businesses;
- b) Dividends: Properties owned by Macarthur will generate rental income which Macarthur intends to utilise to pay dividends to shareholders; and
- c) Seek an ASX listing of Macarthur.

Henry Townsing Jnr
Chief Executive Officer
16 October 2025



Z

Directors' Report

Section

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 'Macarthur') consisting of Macarthur National Ltd (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 2025.

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 focussed 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.

Mr Surinder Sidhu

Company Secretary

B.Bus (Acctg), Master of Applied Valuation & Investment, CPA

Mr Sidhu is a seasoned financier with over 20 years' experience in the Australian and UK markets. He was a London based asset manager overseeing a large portfolio of European assets where he was closely involved with operational and strategic management, debt funding and restructuring. His experience also spans across a broad range of industries having concluded leverage and acquisition finance transactions and restructuring mandates across many different jurisdictions.

Director's Interests

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

| Directors | Shareholdings as at Directors' report date | |
|-------------------|--|-------------------------|
| | Beneficial interest | Non-Beneficial interest |
| Mr Henry Townsing | - | 58,351,534 |
| 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 2025, and the number of meetings attended by each director were:

| Directors | Board Meetings | | Remuneration Committee | |
|-------------------|-----------------|----------|------------------------|----------|
| | Held by members | Attended | Held by members | Attended |
| Mr Henry Townsing | 10 | 9 | n/a | n/a |
| Dr Les Fitzgerald | 10 | 10 | n/a | n/a |
| Mr Dennis Wilkie | 10 | 10 | 1 | 1 |

Note that 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 2025 remuneration package for senior management and staff.

Dividends

No dividend was declared or paid during the financial year.

Principal activities

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

Review of operations

For the year to 30 June 2025, Macarthur recorded a loss of \$17.2m after tax (restated 2024 \$1.9m loss). Revenue grew from \$22.6m (restated 2024) to \$26.45m (2025). The ELC Operations business contributed positively to earnings \$5.39m EBITDA (restated 2024 \$4.83m), while the ELC Investments, Living and Corporate segments provides the business with the platform for future growth.

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

Welcomed the first children to Montessori Beginnings Irymple in July 2025, which has been well-received by the local community. Montessori Beginnings Irymple is now the 11th operating Montessori Beginnings centre.

Attained the development permit for Montessori Beginnings Berwick, which will be the 13th Montessori Beginnings centre. In line with the group's strategy to establish operating pods, Berwick will function as the sister centre to Montessori Beginnings Officer.

Buyout of the Montessori Beginnings Officer property from CVCV Childcare No.1 Partnership located in Officer was settled in October 2025.

No other matter or circumstance has arisen since 30 June 2025 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 have 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 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest 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
16 October 2025

Auditor's Independence Declaration



RSM Australia Partners

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F +61(0) 3 9286 8199

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Macarthur National Limited for the year ended 30 June 2025, 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: 16 October 2025
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

Liability limited by a scheme approved under Professional Standards Legislation





Financial Report 2025

Section

03

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ Restated |
|---|-------|---------------------|-----------------------------|
| Revenue | 6 | 26,449,257 | 22,604,041 |
| Share of profits of associates | 7 | 162,791 | 155,398 |
| Fair Value gain on financial instruments | | 110,263 | - |
| Other income | 8 | 850,107 | 531,227 |
| Expenses | | | |
| Employee benefit expenses | | (18,511,184) | (15,980,701) |
| Occupancy expenses | | (1,852,985) | (1,658,345) |
| Direct expenses | | (2,724,465) | (2,598,759) |
| Administrative expenses | | (1,292,118) | (1,055,675) |
| Depreciation and Amortisation | 9 | (2,937,594) | (2,440,850) |
| Impairment of Intangible Assets | 19 | (7,515,946) | - |
| Fair value loss on Property, Plant and Equipment | | (384,159) | - |
| Fair value loss on investment properties | | (6,021,037) | - |
| Finance costs | | (3,910,515) | (2,659,865) |
| Other expenses | 9 | (22,217) | (456,914) |
| Loss before income tax expense | | (17,599,802) | (3,560,443) |
| Income tax benefit (expense) | 10 | 449,237 | 1,645,769 |
| Loss after income tax expense for the year | | (17,150,565) | (1,914,674) |
| Other comprehensive income | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | |
| Exchange differences on translating foreign controlled entities | | (4,439) | 10,491 |
| Gain (loss) on the revaluation of properties at fair value through other comprehensive income, net of tax | 32 | 980,521 | (137,540) |
| Other comprehensive income (loss) for the year, net of tax | | 976,082 | (127,049) |
| Total comprehensive income (loss) for the year, net of tax | | (16,174,483) | (2,041,723) |
| Loss for the year is attributable to: | | | |
| Non-controlling interest | | (234,860) | 96,942 |
| Owners of Macarthur National Ltd | 33 | (16,915,705) | (2,011,616) |
| | | (17,150,565) | (1,914,674) |
| Total comprehensive income for the year is attributable to: | | | |
| Non-controlling interest | | (39,421) | 69,527 |
| Owners of Macarthur National Ltd | | (16,135,062) | (2,111,250) |
| | | (16,174,483) | (2,041,723) |

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

For the year ended 30 June 2025

| | Notes | 30 June 2025 \$ | 30 June 2024 Restated \$ |
|---|-------|--------------------|-----------------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 11 | 6,038 | 2,113,609 |
| Trade and other receivables | 12 | 1,027,649 | 711,608 |
| Income tax receivable | 13 | 2,771 | 13,520 |
| Inventories | 14 | 3,392,612 | 4,368,211 |
| Total Current Assets | | 4,429,070 | 7,206,948 |
| Non-current Assets | | | |
| Investment in Associate | 15 | 2,748,751 | 2,705,960 |
| Investment in Properties | 16 | 11,963,813 | 17,981,384 |
| Other Investments | | 92,263 | 67,551 |
| Property, plant and equipment | 17 | 21,362,574 | 15,685,353 |
| Right-of-use assets | 18 | 21,579,171 | 23,936,592 |
| Intangibles | 19 | 11,129,544 | 18,645,490 |
| Other Assets | 20 | 2,261,680 | 2,159,645 |
| Total Non-current Assets | | 71,137,796 | 81,181,975 |
| Total Assets | | 75,566,866 | 88,388,923 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables | 21 | 1,571,445 | 2,350,475 |
| Employee benefit provision | 22 | 2,694,573 | 2,232,449 |
| Borrowing | 23 | 5,542,248 | 13,160,085 |
| Lease liabilities | 24 | 1,583,498 | 1,481,066 |
| Derivative financial instruments | 25 | 153,621 | - |
| Other liabilities | 26 | 1,611,005 | 2,397,477 |
| Total Current Liabilities | | 13,156,390 | 21,621,552 |
| Non-current Liabilities | | | |
| Lease liabilities | 27 | 22,237,417 | 23,959,789 |
| Deferred tax liabilities | 28 | 2,178,617 | 2,332,506 |
| Borrowing | 29 | 20,739,015 | 7,100,000 |
| Other non-current liability | 30 | 343,962 | 289,128 |
| Total Non-current Liabilities | | 45,499,011 | 33,681,423 |
| Total Liabilities | | 58,655,401 | 55,302,975 |
| Net Assets | | 16,911,465 | 33,085,948 |
| Equity | | | |
| Issued capital | 31 | 35,445,047 | 35,445,047 |
| Reserves | 32 | 1,153,260 | 551,376 |
| Retained earnings | 33 | (22,266,388) | (5,529,442) |
| Equity attributable to the owners of Macarthur National Ltd | | 14,331,919 | 30,466,981 |
| Non-controlling interest | 34 | 2,579,546 | 2,618,967 |
| Total Equity | | 16,911,465 | 33,085,948 |

The Consolidated Statement of Financial Position is to be read in conjunction with the notes to the financial statements. Refer to note 4 for the detailed information on restatement of comparatives.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

| | Issued Shares \$ | Reserve \$ | Accumulated losses (restated) \$ | Non-controlling interest \$ | Total (restated) \$ |
|--|-------------------|--------------------|----------------------------------|-----------------------------|---------------------|
| At 1 July 2023 | 35,445,047 | 1,758,159 | (4,624,975) | 2,875,742 | 35,453,973 |
| Loss after income tax expense for the year, net of tax | - | - | (2,011,616) | 96,942 | (1,914,674) |
| Other comprehensive income for the year, net of tax | - | (99,634) | - | (27,415) | (127,049) |
| Total comprehensive loss for the year | - | (99,634) | (2,011,616) | 69,527 | (2,041,723) |
| <i>Transactions with owners, in their capacity as owners</i> | | | | | |
| Transfers to / from reserves | - | (1,107,149) | 1,107,149 | - | - |
| Issue of Units during the period | - | - | - | (326,302) | (326,302) |
| Capitalised costs on issue of shares | - | - | - | - | - |
| Total transactions with owners | - | (1,107,149) | 1,107,149 | (326,302) | (326,302) |
| Balance at 30 June 2024 | 35,445,047 | 551,376 | (5,529,442) | 2,618,967 | 33,085,948 |
| 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) |
| <i>Transactions with owners, in their capacity as owners</i> | | | | | |
| Transfers to / from reserves | - | (178,759) | 178,759 | - | - |
| Issue of Units during the period | - | - | - | - | - |
| Capitalised costs on issue of shares | - | - | - | - | - |
| 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 |

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements. Refer to note 4 for detailed information on Restatement of comparatives.

Consolidated Statement of Cash Flows

For the year ended 30 June 2025

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|---|-------|--------------------|---------------------|
| Cash flows from operating activities | | | |
| Receipts in the course of operations inclusive of GST | | 26,634,594 | 24,005,173 |
| Payments in the course of operations inclusive of GST | | (24,469,073) | (21,105,634) |
| Interest received | | 117,896 | 7,092 |
| Other revenue | | 446,167 | 69,397 |
| Interest and other finance costs paid | | (2,196,044) | (1,739,673) |
| Income tax paid | | (335) | (43,237) |
| Net cash from operating activities | | 533,205 | 1,193,118 |
| Cash flows from investing activities | | | |
| Receipt from security deposit | | 282,696 | - |
| Payment for security deposit | | - | (96,908) |
| Deposit paid | | (950,835) | (375,668) |
| Loan from ELC investments | | 173,190 | - |
| Loan to ELC investments | | - | (176,000) |
| Payment for property, plant and equipment | | (4,963,923) | (2,021,829) |
| Proceeds on disposal of property, plant and equipment | | 111,000 | 13,785,000 |
| Proceeds from investment properties | | 460,399 | - |
| Payments for investment properties | | (574,085) | (1,155,289) |
| Payments for the acquisition of subsidiaries | | - | 1,413,203 |
| Payments for investment in associate | | (24,712) | (67,551) |
| Net cash from investing activities | | (5,486,270) | 11,304,958 |
| Cash flows from financing activities | | | |
| Payments on redemption of units from unit holder | | - | (1,761,000) |
| Dividends received | | 4,254 | - |
| Drawdown from loan to non-related party | | 4,557 | - |
| Drawdown of related party loan | | - | 15,472 |
| Repayment of related party loan | | (271,710) | - |
| Drawdown of interest-bearing loan | | 3,708,869 | 1,599,501 |
| Repayment of interest-bearing loan | | (1,019,939) | (8,950,916) |
| Repayment of lease liability | | (2,855,205) | (2,133,942) |
| Proceeds from issue of convertible notes | | 3,500,000 | - |
| Repayment of convertible notes | | (210,000) | - |
| Net cash from financing activities | | 2,860,826 | (11,230,885) |
| Net (decrease) / increase in cash and cash equivalents | | (2,092,239) | 1,267,191 |
| Cash and cash equivalents at start of the year | | 2,113,609 | 850,743 |
| Effects of exchange rate changes on cash and cash equivalents | | (15,332) | (4,325) |
| Cash and cash equivalents at end of the year | | 6,038 | 2,113,609 |

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



Notes to the Financial Statements

Section

04

For the year ended 30 June 2025

1. Corporate Information

These are the financial statements of Macarthur National Ltd (Company) and its subsidiaries controlled at the end of, or during, the year.

Macarthur National Ltd 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 are 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 recorded current assets of \$4,429,070 (2024: 7,206,948) and current liabilities of \$13,156,390 (restated 2024: \$21,621,552) which had resulted in net current liabilities of \$8,727,320 (restated 2024: \$14,414,604). Short-term cash flow constraint was experienced primarily due to a seven months delay in receiving the Early Childhood Education and Care (ECEC) workforce funding since its introduction to our workforce in November 2024. To manage this short term cash flow gap, we've utilized our overdraft facility. This provides us with flexible access to funds while we await the incoming funds. At 30 June 2025, \$139,826 was drawn from the \$1.25m limit overdraft.

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The consolidated entity has net tangible assets of \$5,781,921 (restated 2024: 14,440,458).

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 International Financial Reporting 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 Macarthur National Ltd ('company' or 'parent entity') as at 30 June 2025 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 interest 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 Macarthur National Ltd'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 is 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 Account for Government Grants and Disclosure of Government Assistance. Where incentives and receipts are from non-government grants, relevant conditions have been met under AASB15 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 risk 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 risk 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 an operating lease payments per AASB16 Leases and falls outside the scope of AASB15.

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

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

Macarthur National Ltd (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

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 unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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

Cash and Cash Equivalents

Cash and cash equivalents 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 includes 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.

Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises of 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 a 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 equal 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 asset's 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 de-recognised 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.

Intangible assets - Goodwill

Intangible assets for the consolidated entity is represented by goodwill. Goodwill arises where the fair value of the consideration paid for business acquisitions exceed 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.

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 (include 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 leaves 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.

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.

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 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

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 other various factors, including expectations of future events, 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.

Revenue from contracts with customers involving sale of development activities

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

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.

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.

4. Restatement of comparatives

Correction of error

During the financial year three of the Montessori Beginnings operations received notices from the Department of Education to recover \$102,807 due to duplicated kindergarten funding for the period November and December 2023. As this occurred in prior year, this has now been reflected in the accounts by restating the Retained Earnings and Other Payables on the Statement of Financial Position at the end of the earliest comparative period (FY 2024).

| Extract | 2024 Reported \$ | Adjustment \$ | 2024 Restated \$ |
|----------------------------|------------------|---------------|------------------|
| Current Liabilities | | | |
| Trade and other payables | 2,247,668 | 102,807 | 2,350,475 |
| Equity | | | |
| Retained earnings | (5,426,635) | (102,807) | (5,529,443) |
| Revenue | 22,706,848 | (102,807) | 22,604,041 |

5. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into three key operating segments being: 'Early Learning Centres', 'Early Learning Investment' and 'Land Lease Communities'.

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 Macarthur has an ownership interest.

Land Lease Communities are represented by the Zest business which are establishing and developing RLLCs.

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 investments | <p>All other business operations relating to ELCs including:</p> <ul style="list-style-type: none"> • 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 | <p>Key worker affordable accommodation development / operation (Mobera Living): Establishment, development and operation of residential accommodation for low to moderate income key workers.</p> <p>Land Lease Community development / operation (Zest Living): Establishment, development and operation of land lease communities.</p> | 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 represent 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 were relating to rental charges and share 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 | Early Learning Centre Operations \$ | Early Learning Investments \$ | Living \$ | 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) |
| <i>Unallocated revenue:</i> | | | | | |
| Interest revenue | | | | | - |
| Total revenue | | | | | 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 | Early Learning Centre Operations \$ | Early Learning Investments \$ | Living \$ | Corporate \$ | 30 June 2024 \$ Restated |
|---------------------------------------|--|----------------------------------|------------------|--------------------|-----------------------------|
| Revenue | | | | | |
| Sales to external customers | 19,617,667 | 1,319,955 | 1,666,419 | - | 22,604,041 |
| Intersegment sales | - | 871,549 | - | - | 871,549 |
| Total sales revenue | 19,617,667 | 2,191,504 | 1,666,419 | - | 23,475,590 |
| Other revenue | 62,490 | 586,291 | 872 | 36,973 | 686,625 |
| Total segment revenue | 19,680,157 | 2,777,795 | 1,667,291 | 36,973 | 24,162,215 |
| Intersegment eliminations | | | | | (871,549) |
| <i>Unallocated revenue:</i> | | | | | |
| Interest revenue | | | | | - |
| Total revenue | | | | | 23,290,666 |
| EBITDA | 4,827,108 | 26,068 | (613,181) | (2,699,723) | 1,540,272 |
| Depreciation and amortisation | | | | | (2,440,850) |
| Finance costs | | | | | (2,659,865) |
| Loss before income tax expense | | | | | (3,560,443) |
| Income tax benefit | | | | | 1,645,769 |
| Loss after income tax expense | | | | | (1,914,674) |

| Consolidated | Early Learning Centre Operations \$ | Early Learning Investments \$ | Living \$ | 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) |
| <i>Unallocated assets:</i> | | | | | |
| 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) |
| <i>Unallocated liabilities:</i> | | | | | |
| Deferred tax liability | | | | | 2,178,617 |
| Total liabilities | | | | | 58,655,401 |

| Consolidated | Early Learning Centre Operations \$ | Early Learning Investments \$ | Living \$ | Corporate \$ | 30 June 2024 \$ Restated |
|---------------------------------|--|----------------------------------|------------|--------------|-----------------------------|
| Assets | | | | | |
| Segment assets | 18,232,125 | 31,390,755 | 21,981,418 | 24,958,380 | 96,562,678 |
| Intersegment eliminations | | | | | (8,187,275) |
| <i>Unallocated assets:</i> | | | | | |
| Income tax receivable | | | | | 13,520 |
| Total assets | | | | | 88,388,923 |
| Liabilities | | | | | |
| Segment liabilities | 21,677,427 | 19,510,003 | 19,241,721 | 728,593 | 61,157,744 |
| Intersegment eliminations | | | | | (8,187,275) |
| <i>Unallocated liabilities:</i> | | | | | |
| Deferred tax liability | | | | | 2,332,506 |
| Total liabilities | | | | | 55,302,975 |

6. Revenue

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ Restated |
|--|-------|-------------------|-----------------------------|
| <i>Revenue from early education services</i> | | | |
| Rendering of services | i | 24,359,747 | 20,903,527 |
| Rental income | | 44,075 | 34,095 |
| | | 24,403,822 | 20,937,622 |
| <i>Revenue from Zest Living</i> | | | |
| Development activities | | 1,958,090 | 1,633,952 |
| Rental income | | 87,345 | 32,467 |
| | | 2,045,435 | 1,666,419 |
| Revenue | | 26,449,257 | 22,604,041 |

Revenue breakdown by type is provided above. These are recognised over time as the services are rendered.

- i. 2024 restated Rendering of service early education segment due to overpaid kindergarten funding in November and December 2023.

7. Share of profits of associates

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|------------------------------|-------|-----------------|-----------------|
| Share of profit - associates | | 162,791 | 155,398 |
| | | 162,791 | 155,398 |

8. Other income

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|--------------------------------|-------|-----------------|-----------------|
| Interest income | | 74,728 | 81,610 |
| Net gain on disposal of assets | | 332,934 | 337,016 |
| Grant Support | | 392,000 | - |
| Other revenue | | 50,445 | 112,601 |
| | | 850,107 | 531,227 |

9. Expenses

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|---|-------|------------------|------------------|
| <i>Profit before income tax includes the follow specific expenses</i> | | | |
| <i>Depreciation</i> | | | |
| Building | | 323,600 | 667,223 |
| Leasehold improvements | | - | 5,518 |
| Plant and equipment | | 66,222 | 118,549 |
| Total depreciation of Property, Plant & Equipment | | 389,822 | 791,290 |
| Investment properties | | 428,190 | - |
| Right-of-use assets | i | 2,119,582 | 1,649,560 |
| Total depreciation and amortisation | | 2,937,594 | 2,440,850 |
| <i>Other Expenses</i> | | | |
| Plant and equipment written off | | 18,262 | 455,216 |
| <i>Other expenses</i> | | 3,955 | 1,698 |
| Total other expenses | | 22,217 | 456,914 |
| <i>Finance costs</i> | | | |
| Interest and finance charges paid / payable on borrowings | | 2,750,190 | 1,771,772 |
| Interest and finance charges paid / payable on lease liabilities | i | 1,160,325 | 888,093 |
| Finance costs expensed | | 3,910,515 | 2,659,865 |

- 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.

10. Income tax expense

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ (Restated) |
|--|-------|---------------------|-------------------------------|
| <i>Income tax benefit</i> | | | |
| Current tax | | (2,869,653) | (911,564) |
| Deferred tax - origination and reversal of temporary differences | | 366,052 | 29,730 |
| Adjustment to acquisition related intangible assets | | 1,878,986 | - |
| Adjustment recognised for prior periods | | 175,378 | (763,935) |
| Aggregated income tax expense / (tax benefit) | | (449,237) | (1,645,769) |
| <i>Deferred tax included in income tax expense comprises</i> | | | |
| Increased in deferred tax assets | | | |
| Increase / (decrease) in deferred tax liabilities | | 366,052 | 29,730 |
| Deferred tax - origination and reversal of temporary differences | | 366,052 | 29,730 |
| <i>Numerical reconciliation of tax income expense and tax at the statutory rate</i> | | | |
| Losses before income tax expense | | (17,599,802) | (3,560,443) |
| Tax as the statutory tax rate of 25% | | (4,399,950) | (890,111) |
| <i>Tax effect amounts which are not deductible / (taxable) in calculating taxable income</i> | | | |
| Entertainment expenses | | 11,795 | - |
| Rental expenses | | 200,047 | 187,121 |
| Profit on sale of subsidiary | | 75,638 | (8,919) |
| Exempt income - Business continuity grant | | - | 52,310 |
| Fair value gain on financial instruments | | (27,566) | - |
| Fair value loss on property, plant and equipment | | 96,040 | 128,515 |
| Fair value loss on investment properties | | 1,505,259 | - |
| Accrued liabilities and other expenses | | 193,449 | (222,236) |
| Deferred tax assets previously not recognized | | - | (914,803) |
| Sundry items | | 17,065 | 22,354 |
| | | 2,071,727 | (755,658) |
| Impairment to intangible assets | | 1,878,986 | - |
| Income tax expense / (benefit) | | (449,237) | (1,645,769) |

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|--|-------|------------------|-----------------|
| <i>Amounts charged / (credited) directly to equity</i> | | | |
| Deferred tax liabilities | 28 | (267,254) | - |
| | | (267,254) | - |

11. Cash and cash equivalents

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|--------------|-------|-----------------|------------------|
| Cash on hand | | 518 | 411 |
| Cash at bank | | 5,520 | 2,113,198 |
| | | 6,038 | 2,113,609 |

12. Trade and other receivables

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|---------------------|-------|------------------|-----------------|
| Accounts receivable | | 134,171 | 152,267 |
| Prepayment | | 373,225 | 430,679 |
| Loan receivable | | 327,742 | 115,897 |
| Other receivables | | 192,511 | 12,765 |
| | | 1,027,649 | 711,608 |

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

13. Income tax receivable

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|-----------------------|-------|-----------------|-----------------|
| Income tax receivable | | 2,771 | 13,520 |
| | | 2,771 | 13,520 |

14. Inventories

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|------------------|-------|------------------|------------------|
| Work in progress | i | 3,392,612 | 4,368,211 |
| | | 3,392,612 | 4,368,211 |

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

15. Investment in Associates (Non-current)

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|----------------------------------|-------|------------------|------------------|
| CVCV Childcare No. 1 Partnership | i | 2,748,751 | 2,705,960 |
| | | 2,748,751 | 2,705,960 |

i. MNL Property Trust held a 30% partnership interest in the CVCV Childcare No 1 Partnership, with the changes between periods due to statutory payments.

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 2025 \$ | 30 June 2024 \$ |
|--|-------|-------------------|-------------------|
| <i>Rental Properties</i> | | | |
| Rental Properties | i | 900,000 | 1,225,000 |
| Zest Living | ii | 6,007,388 | 12,356,384 |
| <i>Investment properties in construction</i> | | | |
| Zest Living | ii | 4,400,000 | 4,400,000 |
| Mobera Living | iii | 656,425 | - |
| | | 11,963,813 | 17,981,384 |

- i. Revaluation of rental property was conducted in April 2025 and it is disclosed at fair value (refer to note 36). The loss on revaluation is re included in the Statement of Financial Performance as Fair value loss on investment properties.
- ii. Zest Living is developing a 155 homes residential land lease community in Yarrowonga. 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 2025 (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 2025 \$ | 30 June 2024 \$ |
|----------------------------------|---------|-------------------|-------------------|
| Land and building - at valuation | i | 16,490,727 | 11,100,000 |
| Less Accumulated Depreciation | | - | (858,440) |
| | | 16,490,727 | 10,241,560 |
| Construction in progress | ii, iii | 4,331,158 | 5,119,842 |
| Plant and Equipment - at cost | | 559,081 | 221,269 |
| Less Accumulated Depreciation | | (66,977) | (10,086) |
| | | 492,104 | 211,183 |
| Other Fixed Assets - at cost | | 60,731 | 112,768 |
| Less Accumulated Depreciation | | (12,146) | - |
| | | 48,585 | 112,768 |
| | | 21,362,574 | 15,685,353 |

- i. An independent valuations of the ELC properties were undertaken in April 2025. The valuation (fair value) has been applied in preparing the financial statements at 30 June 2025 (refer to note 36). Management has reviewed the valuation and as there were no material movements between April and June 2025, the applied value is considered as appropriate for inclusion in the financial report. As the properties are tenanted by businesses in the same consolidated group the revaluation gain (if any) is included in revaluation surplus reserve (refer to note 32). Revaluation losses that had no previous gains recognised in the revaluation surplus reserve have been included in the statement of profit & loss as a fair value loss on property, plant and equipment.
- ii. Construction in progress mainly include developments of early learning centers located in Harpley and Berwick.
- iii. Development for Centre located in Irymple included in Construction in progress in previous year is transferred to Land and building as construction was completed before the end of financial year. The centre started operations after 30 June 2025.

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

| | Land and building \$ | Construction in progress \$ | Leasehold involvements \$ | Plant and Equipment \$ | Other Fixed Assets \$ | Total \$ |
|---|-------------------------|--------------------------------|------------------------------|---------------------------|--------------------------|-------------------|
| Consolidated Balance 1 July 2024 | 10,241,560 | 5,119,842 | - | 211,183 | 112,767 | 15,685,353 |
| Transfer from prior period | 5,424,794 | (5,424,794) | - | - | - | - |
| Classified as held for sale | - | - | - | - | - | - |
| Additions | - | 4,636,110 | - | 327,813 | - | 4,963,923 |
| Acquisition | - | - | - | - | - | - |
| Disposals / Write off | - | - | - | (2,816) | (52,036) | (54,852) |
| Revaluation increments/ (impairment) | 1,147,972 | - | - | - | - | 1,147,972 |
| Effects of exchange rate change | - | - | - | - | - | - |
| Amortisation / Depreciation | (323,600) | - | - | (54,076) | (12,146) | (389,822) |
| Balance 30 June 2025 | 16,490,727 | 4,331,158 | - | 482,104 | 48,585 | 21,362,574 |

| | Land and building \$ | Construction in progress \$ | Leasehold involvements \$ | Plant and Equipment \$ | Other Fixed Assets \$ | Total \$ |
|--|-------------------------|--------------------------------|------------------------------|---------------------------|--------------------------|-------------------|
| Consolidated Balance 1 July 2023 | 21,830,633 | 3,176,558 | 37,324 | 525,590 | 6,979 | 25,577,084 |
| Transfer from prior period | (1,225,000) | - | - | - | - | (1,225,000) |
| Classified as held for sale (<i>note 13</i>) | - | - | - | - | - | - |
| Additions | - | 1,943,284 | - | 220,256 | 112,768 | 2,276,306 |
| Acquisition | - | - | - | - | - | - |
| Disposals / Write off | (9,559,309) | - | (31,806) | (417,976) | (5,117) | (10,014,206) |
| Revaluation increments/ (impairment) | (137,540) | - | - | - | - | (137,540) |
| Effects of exchange rate change | - | - | - | - | - | - |
| Amortisation / Depreciation | (667,223) | - | (5,518) | (116,687) | (1,862) | (791,290) |
| Balance 30 June 2024 | 10,241,560 | 5,119,842 | - | 211,183 | 112,767 | 15,685,353 |

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

18. Right-of-use-assets

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|-----------------------------------|-------|-------------------|-------------------|
| Land and buildings - right-of-use | | 27,958,960 | 28,811,550 |
| Less: Accumulated depreciation | | (6,379,789) | (4,874,958) |
| | | 21,579,171 | 23,936,592 |

The right of use assets reduced during the year by \$2,357,421.

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

19. Intangibles

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|----------|-------|-------------------|-------------------|
| Goodwill | | 11,129,544 | 18,645,490 |
| | | 11,129,544 | 18,645,490 |

Reconciliations

| | Notes | Goodwill | Total \$ |
|--|-------|-------------------|-------------------|
| Balance at 1 July 2023 | | 18,645,490 | 18,645,490 |
| Amortisation expense | | - | - |
| Balance at 30 June 2024 | | 18,645,490 | 18,645,490 |
| Additions through business combination | | - | - |
| Impairment of asset | | (7,515,946) | (7,515,946) |
| Amortisation expense | | - | - |
| Balance at 30 June 2025 | | 11,129,544 | 11,129,544 |

Impairment testing

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

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|----------------------------------|-------|-------------------|-------------------|
| Early Learning Centre Operations | | 1,716,659 | 1,716,659 |
| Early Learning Investments | | 9,412,885 | 9,426,102 |
| Zest Living | | - | 7,502,729 |
| | | 11,129,544 | 18,645,490 |

The consolidated entity's goodwill recorded has been tested for impairment and impairment losses are recorded for Zest Living and CVCV Childcare No. 1 Pty Ltd.

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
- fair value less cost of disposal (FVLCD) is an estimate of the amount that a market participant would pay for an asset or CGU, less the cost of disposal. The FVLCD for the RLLC asset (Zest Living) has been determined using an independent market valuation and assessments by a member of the Australian Property Institute having recent experience in the location and category of land and buildings being valued. The valuer has projected expected cashflow from the development to determine the 'as is' value. The FVLCD is based on Level 3 inputs which are largely market corroborated. The directors do not believe that there has been a material movement in fair value since the valuation date.

The impairment model for ELC has the following key attributes:

- Pre-tax discount rate of 18.61% (2024: 15.0%);
- Projected revenue growth rate of 3% (2024: 2.1%) per annum;
- Forecast period of 5 years plus a terminal growth calculation with a terminal growth rate of 3% (2024: 3.5%)

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 14% before goodwill would need to be impaired, with all other assumptions remaining constant.
- The discount rate would be required to increase by 38% before goodwill would need to be impaired, with all other assumptions remaining constant. There would still be head room if the terminal growth rate was reduced to 0.0%.

With RLLC, management considered Stage 1 of the project is completed and Stage 2 and 3 of the project continues to be in its development stage. Based on the valuation report from external valuer for the property and the group, and market condition Management decided to impair the intangible assets of Zest Living in full.

20. Other assets (non-current)

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|-------------------------|-------|------------------|------------------|
| Rental security deposit | | 141,779 | 487,495 |
| Upfront costs | i | 2,116,991 | 1,268,342 |
| Loan receivable | | - | 385,510 |
| Other assets | | 2,910 | 18,298 |
| | | 2,261,680 | 2,159,645 |

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

21. Trade and other payables

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ (Restated) |
|--------------------|-------|------------------|-------------------------------|
| Accounts payable | | 520,752 | 1,141,931 |
| Accrued expenses | | 718,434 | 550,197 |
| Accrued audit fees | | 47,139 | 34,000 |
| Other payables | | 285,120 | 624,347 |
| | | 1,571,445 | 2,350,475 |

Refer to note 35 for further information on financial instruments.

22. Employee benefit provision

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|-----------------------------|-------|------------------|------------------|
| Salaries and wages payable | | 857,074 | 819,187 |
| Superannuation payable | | 511,770 | 418,164 |
| Employee leave entitlements | | 1,096,700 | 891,668 |
| Ancillary employment costs | | 229,029 | 103,430 |
| | | 2,694,573 | 2,232,449 |

23. Borrowing (Current)

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|----------------------|-------|------------------|-------------------|
| Loan from financiers | i | 2,170,000 | 13,160,085 |
| Convertible notes | ii | 3,372,248 | - |
| | | 5,542,248 | 13,160,085 |

- i. Property funding on market terms and conditions. The decrease in Current Borrowings is due to the reclassification of debt to long-term after renewal of the facilities was finalised. Please refer to note 29.
- ii. Convertible notes were issued in July 2024 at coupon rate of 8% per annum repayable quarterly. The note was issued with conversion price of \$0.32 per note and expecting to mature in June 2027.

Refer to note 35 for further information on financial instruments.

24. Lease liabilities (current)

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|-------------------|-------|------------------|------------------|
| Lease liabilities | | 1,583,498 | 1,481,066 |
| | | 1,583,498 | 1,481,066 |

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 2025 \$ | 30 June 2024 \$ |
|--|-------|-----------------|-----------------|
| Convertible notes - derivative financial liability | i | 153,621 | - |
| | | 153,621 | - |

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

26. Other liabilities (current)

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|---------------------|-------|------------------|------------------|
| Unearned revenue | | 336,005 | 534,750 |
| Related party loan | | 425,000 | 567,660 |
| External party loan | | 850,000 | 991,667 |
| Other liabilities | | - | 303,400 |
| | | 1,611,005 | 2,397,477 |

Refer to note 35 for further information on financial instrument.

27. Lease liabilities (non-current)

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|-------------------|-------|-------------------|-------------------|
| Lease liabilities | | 22,237,417 | 23,959,789 |
| | | 22,237,417 | 23,959,789 |

The lease liability outlined above is in accordance with accounting standard AASB 16 which represents the non-current lease obligations of the Company. 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 2025 \$ | 30 June 2024 \$ |
|--|-------|--------------------|--------------------|
| <i>Net deferred tax liability comprises temporary differences attributable to:</i> | | | |
| <i>Amounts recognised in profit or loss:</i> | | | |
| Losses carry forward | | (1,483,299) | (1,430,830) |
| Fair value gain on investment in associates | | - | - |
| Fair value loss on property, plant and equipment without previous reserve | | 96,040 | 128,515 |
| Accrued liabilities and other expenses | | (365,930) | (29,730) |
| | | (1,753,189) | (1,332,046) |
| <i>Amounts recognised in equity:</i> | | | |
| Revaluation of property, plant and equipment through other comprehensive income | | 267,254 | - |
| Transaction cost on share issue | | - | - |
| | | (1,485,935) | (1,332,046) |
| Acquisition related intangible assets | | 3,664,552 | 3,664,552 |
| Net deferred tax liabilities | | 2,178,617 | 2,332,506 |
| <i>Movements:</i> | | | |
| Opening balance | | 2,332,506 | 4,129,143 |
| Charged / (credited) to profit or loss | | (421,143) | (1,796,637) |
| Charged to equity | 10 | 267,254 | - |
| Closing balance | | 2,178,617 | 2,332,506 |

29. Borrowing (non-current)

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|---------------------|-------|-------------------|------------------|
| Loan from financier | i | 20,739,015 | 7,100,000 |
| | | 20,739,015 | 7,100,000 |

- i. Property funding on market terms and conditions. The increase is due to the classification of debt from short-term to long term as the process of renewal of the facilities were completed. Please refer to note 23.

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 2025 \$ | 30 June 2024 \$ |
|-------------------------------------|-------|-------------------|-------------------|
| Financier Loans current | 23 | 5,542,248 | 13,160,085 |
| Financier Loans non-current (above) | | 20,739,015 | 7,100,000 |
| | | 26,281,263 | 20,260,085 |

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 2025 \$ | 30 June 2024 \$ |
|-------------------------------------|-------|-----------------|-----------------|
| <i>Financial arrangements</i> | | | |
| Financier loans | | 26,775,000 | 20,837,500 |
| Convertible Notes | | 3,372,248 | - |
| <i>Used at the reporting date</i> | | | |
| Financier loans | | 22,909,015 | 20,260,085 |
| Convertible Notes | | 3,372,248 | - |
| <i>Unused at the reporting date</i> | | | |
| Financier loans | | 3,865,985 | 577,415 |
| Convertible Notes | | - | - |

30. Other liabilities (non-current)

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|----------------------------|-------|-----------------|-----------------|
| Employee leave entitlement | | 343,962 | 289,128 |
| | | 343,962 | 289,128 |

31. Issued Capital

| | 30 June 2025 No of shares | 30 June 2025 \$ | 30 June 2024 No of shares | 30 June 2024 \$ |
|------------------------------|------------------------------|--------------------|------------------------------|--------------------|
| Ordinary shares - fully paid | 180,011,354 | 35,445,047 | 180,011,354 | 35,445,047 |

Movements in ordinary share capital

| | Date | Shares | Issue price | Total \$ |
|--------------------------------------|--------------|-------------|-------------|------------|
| Balance | 30 June 2024 | 180,011,354 | | 35,445,047 |
| Balance from movement of shares | 30 June 2025 | 180,011,354 | | 35,445,047 |
| Capitalised costs on issue of shares | | - | | - |
| Balance | 30 June 2025 | 180,011,354 | | 35,445,047 |

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 is 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 2021 Annual Report.

32. Equity reserves

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|-----------------------------|-------|------------------|-----------------|
| Revaluation surplus reserve | | 1,152,002 | 545,679 |
| Foreign currency reserve | | 1,258 | 5,697 |
| | | 1,153,260 | 551,376 |

Revaluation surplus reserve

The reserve is used to recognize 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 recorded as a loss in the Profit & 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.

Movements in reserves

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

| | Note | Total \$ | Reserves through NCI \$ | Reserves \$ |
|--------------------------------|------|------------------|-------------------------|------------------|
| Consolidated | | | | |
| Balance at 1 July 2023 | | 1,809,448 | 51,289 | 1,758,159 |
| Transfers to / from reserves | i | (1,107,149) | - | (1,107,149) |
| Revaluation - gross | | (137,540) | (27,370) | (110,170) |
| Deferred tax | | - | - | - |
| Foreign currency translation | | 10,491 | (45) | 10,536 |
| | | (127,049) | (27,415) | (99,634) |
| Balance at 30 June 2024 | | 575,250 | 23,874 | 551,376 |
| Transfers to / from reserves | ii | (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 |

- i. The revaluation gain on Greenvale and Swan Hill properties arising from the sale of these assets have been transferred to retained earnings.
- ii. The Group transferred the balance from Asset Revaluation Reserve to Retained Earnings during the current financial year. This transfer relates to the revaluation increments previously recognised in equity that are now released following the transfer of the underlying group-used property to investment property in prior period.

The transfer was not effected in the prior year due to an oversight. The adjustment has been made in the current period and does not impact prior year profit or loss. Comparative figures have not been restated.

33. Retained profits

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ Restated |
|--|-------|-----------------|-----------------------------|
| Retained losses at the beginning of the financial year | | (5,529,442) | (4,624,975) |
| Adjustment to opening accumulated loss | | - | - |
| Losses after income tax expense for the year | | (16,915,705) | (2,011,616) |
| Losses after income tax expense for the year transfer to NCI | | - | - |
| Transfers to / from reserves | | 178,759 | 1,107,149 |
| Retained losses at the end of the financial year | | (22,266,388) | (5,529,442) |

34. Non-controlling interest

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|---|-------|-----------------|-----------------|
| Issued capital | | 2,352,648 | 2,352,648 |
| Reserve | | 219,311 | 23,872 |
| Retained loss | | 7,587 | 242,447 |
| Non-controlling interest at the end of the financial year | | 2,579,546 | 2,618,967 |

The non-controlling interest has a 19.93% (2024: 19.93%) equity holding in MNL Property Trust.

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 responsibilities for the identification and monitoring of the financial risk rests with the Chief Financial Officer 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 some foreign currency risk as it undertakes transactions in foreign denominated currency by virtue of the Group's offshore corporate support team based in Malaysia including its investment in an entity in Malaysia and the legacy receivable to which the Group has exited via the sale of its equity interest in 2024.

| Consolidated | Asset | |
|--------------|-----------------|-----------------|
| | 30 June 2025 \$ | 30 June 2024 \$ |
| MYR | 365,555 | 185,913 |
| | 365,555 | 185,913 |

The consolidated entity had net asset denominated in foreign currencies \$100,918 (2024 \$59,450). Given the nominal sums of the exposures and the risk is immaterial, the Group has opted not to undertake 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, totaling \$26,281,263 (2024: \$20,260,085), are interest only loans which consist of external financier loans which have been substantially in place at the start of the financial year. Monthly cash outlays of approximately \$149,865 (2024: \$144,973) per month are required to service the interest payments. An official increase/decrease in interest rates of 100 (2024: 100) basis points would have an adverse effect on profit before tax of \$262,813 (2024: \$202,601) 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 child care fees to be paid in advance. Outstanding debtor balances are reviewed weekly and followed up in accordance with the Group's debt collection policy. Credit risk is also minimised by federal government funding in the form of Child Care Subsidy, 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 arrangement

The consolidated entity has no unused borrowing facilities at the reporting date.

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 - 2025 | | | | | | |
| Non-derivatives | | | | | | |
| <i>Non-interest bearing</i> | | | | | | |
| Trade payables | | 1,571,446 | - | - | - | 1,571,446 |
| Other payables | | 3,923,078 | - | 343,962 | - | 4,267,040 |
| <i>Interest bearing</i> | | | | | | |
| Properties debt facilities | 9.7% | 2,170,000 | 12,100,146 | 8,638,869 | - | 22,909,015 |
| Lease liability | 4.9% | 1,583,498 | 1,723,207 | 9,593,433 | 10,920,777 | 23,820,915 |
| Convertible notes | 8.0% | 3,372,248 | - | - | - | 3,372,248 |
| Total non-derivatives | | 12,620,270 | 13,823,353 | 18,576,264 | 10,920,777 | 55,940,664 |
| Derivatives | | | | | | |
| Convertible notes - derivative financial liability | | 153,621 | | | | 153,621 |
| Total derivatives | | 153,621 | | | | 153,621 |

| | Weighted average % | 1 year or less \$ | Between 1 and 2 years \$ | Between 2 and 5 years \$ | Over 5 years \$ | Remaining contractual maturities \$ |
|------------------------------|--------------------|-------------------|--------------------------|--------------------------|-------------------|-------------------------------------|
| Consolidated - 2024 | | | | | | |
| Non-derivatives | | | | | | |
| <i>Non-interest bearing</i> | | | | | | |
| Trade payables | | 808,312 | 241,944 | - | 38,988 | 1,089,244 |
| Other payables | | 6,756,350 | - | 289,128 | - | 7,045,478 |
| <i>Interest bearing</i> | | | | | | |
| Properties debt facilities | 5.9% | 13,160,085 | 1,000,000 | 6,100,000 | - | 20,260,085 |
| Lease liability | 3.5% | 1,481,066 | 1,641,838 | 3,558,281 | 18,759,670 | 25,440,855 |
| Total non-derivatives | | 22,205,813 | 2,883,782 | 9,947,409 | 18,798,658 | 53,835,662 |

Zest Living development debt facilities were not fully drawn as at reporting date.

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 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 | - | 153,631 | - | 153,631 |
| Total liabilities | | 153,631 | | 153,631 |

| Consolidated - 30 June 2024 | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
|--------------------------------|---------------|------------------|-------------------|-------------------|
| Assets | | | | |
| Investment in associate | - | - | 2,705,960 | 2,705,960 |
| Land and buildings | - | - | 10,241,561 | 10,241,561 |
| Investment properties | - | 1,225,000 | - | 1,225,000 |
| Total assets | - | 1,225,000 | 12,947,521 | 14,172,521 |

During the year ended 30 June 2025, the Group recognised a derivative financial liability, Convertible Notes, measured at fair value through profit and loss. This represents a change from the prior year, in which no liabilities were held at fair value. 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. The land and buildings were last revalued at the year-end based on independent assessments by a member 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 revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

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.

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 2024 | 2,705,960 | 10,241,561 | - | 12,947,521 |
| Additions | - | - | - | - |
| Transfer to / from assets | - | 5,424,797 | - | 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 |

| Consolidated | Investment in associate \$ | Land and buildings \$ | Assets held for sale \$ | Total \$ |
|--|----------------------------|-----------------------|-------------------------|-------------------|
| Balance at 1 July 2023 | 2,670,562 | 21,537,748 | 2,728,167 | 26,936,477 |
| Additions | - | - | - | - |
| Transfer to / from assets | - | - | - | - |
| Gains recognised in other comprehensive income | - | - | - | - |
| Net losses recognised through profit or loss | 35,398 | (11,296,187) | (2,728,167) | (13,988,956) |
| Balance at 30 June 2024 | 2,705,960 | 10,241,561 | - | 12,947,521 |

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

| Description | Unobservable inputs | Range (weighted average) | Sensitivity |
|-------------------------|---------------------|--|--|
| Investment in associate | Rental yield | 5.75% - 6.00% (5.89%) (Represented by a multiplier of 16.7 - 17.4 (17.0)) | A change of +/-0.25% of the capitalization yield would increase / decrease fair value by \$599,000 |
| Land and buildings | Rental yield | 5.00% - 6.5% (6.20%) (Represented by a multiplier of 15.4 - 20.0 (16.2)) | A change of +/-0.25% of the capitalization yield would increase / decrease fair value by \$766,000 |

37. Capital commitments and contingencies

The entity had no contingent assets or liabilities after 2024 and 30 June 2025.

| | 30 June 2025 | 30 June 2024 |
|---|-------------------|-------------------|
| Capital commitments | | |
| Committed at the reporting date but not recognised as liabilities | | |
| Investment property | 24,600,000 | 5,500,000 |
| Property, plant and equipment | - | 3,487,402 |
| Inventory | 5,077,162 | 5,573,038 |
| | 29,677,162 | 14,560,440 |

38. Related party transactions

Parent entity

Macarthur National 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 2025 \$ | 30 June 2024 \$ |
|--|-------|-----------------|-----------------|
| Payment for goods and services | | 405,599 | 271,599 |
| Payment for services from Elster Development Pty Ltd | i | 209,081 | 289,228 |
| | | 614,680 | 560,826 |

- 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 Macarthur. Elster is not deemed a related party under Part 2E.2 s228(3) of the corporations' act but for the purposes of full and frank disclosure Elster was paid \$209,081 (YE2024: \$289,228) 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 2025 \$ | 30 June 2024 \$ |
|--|-------|-----------------|-----------------|
| Trade payable to directors' related entities | | - | 85,890 |
| | | - | 85,890 |

Loans to / from related parties

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|---------------------------------------|-------|-----------------|-----------------|
| Loan to Mitre Focus | | 50,048 | 103,281 |
| | | 50,048 | 103,281 |
| Loan from directors' related entities | i | 425,000 | 567,660 |
| | | 425,000 | 567,660 |

- i. All loans from directors' related entities are interest free.

Terms and conditions

All transactions were made on commercial terms on an arms' length basis.

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 2025 \$ | 30 June 2024 \$ |
|--|-------|-----------------|------------------|
| Profit / (loss) after income tax expense | | 187,207 | (452,280) |
| Other comprehensive income / (loss) | | - | - |
| Total comprehensive income / (loss) | | 187,207 | (452,280) |

Statement of financial position

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|--------------------------|-------|-------------------|-------------------|
| Current assets | | 29,808,369 | 107,499 |
| Non-current assets | | 10,147,683 | 36,112,279 |
| Total assets | | 39,956,052 | 36,219,778 |
| Current liabilities | | 3,702,535 | 153,467 |
| Non-current liabilities | | - | - |
| Total liabilities | | 3,702,535 | 153,467 |
| Net assets | | 36,253,517 | 36,066,311 |
| Equity | | | |
| Issued capital | | 35,445,047 | 35,445,047 |
| Retained profits | | 808,470 | 621,264 |
| Total equity | | 36,253,517 | 36,066,311 |

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2024 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 2025 and 30 June 2024.

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 | 2025 % | 2024 % |
|-------------------------------|---|-----------|-----------|
| MNL Operations Pty Ltd | Australia | 100% | 100% |
| Mobe Developments Pty Ltd | Australia | 100% | 100% |
| Montessori Beginnings Pty Ltd | Australia | 100% | 100% |
| Clifstone Pty Ltd | Australia | 100% | 100% |
| Mobera Living Trust | Australia | 100% | 100% |

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 | MNL | | Eildon Nominee Services Pty Ltd and Health & Education Fund Pty Ltd | |
|--------------------|--|-------------------------|----------------------------------|----------------------------------|---|----------------------------------|
| | | | Ownership Interest 2025 \$ | Ownership Interest 2024 \$ | Ownership Interest 2025 \$ | Ownership Interest 2024 \$ |
| MNL Property Trust | Australia | Property Investment | 80.07% | 80.07% | 19.93% | 19.93% |

The non-controlling interests hold no voting rights of Macarthur National Ltd.

Summarised financial information

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

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|--|-------|--------------------|-------------------|
| <i>Summarised statement of financial position</i> | | | |
| Current assets | | 80,332 | 2,570,768 |
| Non-current assets | | 22,829,003 | 15,591,662 |
| Total assets | | 22,909,335 | 18,162,430 |
| Current liabilities | | 3,623,547 | 977,290 |
| Non-current liabilities | | 8,638,869 | 6,576,417 |
| Total liabilities | | 12,262,416 | 7,553,707 |
| Net assets | | 10,646,919 | 10,608,723 |
| <i>Summarised statement of profit or loss and other comprehensive income</i> | | | |
| Revenue | | 952,421 | 1,660,077 |
| Expenses | | (2,130,715) | (1,086,456) |
| Profit before income tax expense | | (1,178,294) | 573,621 |
| Income tax expense | | - | - |
| Profit after income tax expense | | (1,178,294) | 573,621 |
| Other comprehensive income / (loss) | | 980,521 | (385,545) |
| Total comprehensive income / (loss) | | (197,773) | 188,077 |
| <i>Statement of cash flows</i> | | | |
| Net cash from operating activities | | (17,982) | 59,974 |
| Net cash used in investing activities | | (5,529,855) | 8,603,391 |
| Net cash used in financing activities | | 2,896,369 | (6,298,500) |
| Net increase / (decrease) in cash and cash equivalents | | (2,651,468) | 2,364,865 |
| <i>Other financial information</i> | | | |
| Loss attributable to non-controlling interests | | (234,860) | 96,942 |
| Accumulated non-controlling interests at the end of reporting period | | 7,587 | 242,447 |

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

41. Interest in associates

| Name | Principal place of business / Country of incorporation | Ownership Interest 2025 % | Ownership Interest 2024 % |
|----------------------------------|---|------------------------------|------------------------------|
| CVCV Childcare No. 1 Partnership | Australia | 30% | 30% |

The investment in CVCV Childcare No. 1 Partnership is held by MNL Property Trust (MNLPT). MNLPT is a subsidiary of MNL with 80.07% (2024: 80.07%) controlling interests.

Summarised financial information of MNLPT is in note 40.

Summarised financial information

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|--|-------|------------------|------------------|
| <i>Summarised statement of financial position</i> | | | |
| Current assets | | 11,923 | 37,828 |
| Non-current assets | | 4,034,086 | 3,959,103 |
| Total assets | | 4,046,009 | 3,996,931 |
| Current liabilities | | 1,453,732 | 19,860 |
| Non-current liabilities | | - | 1,445,672 |
| Total liabilities | | 1,453,732 | 1,465,532 |
| Net assets | | 2,592,277 | 2,531,399 |
| <i>Summarised statement of profit or loss and other comprehensive income</i> | | | |
| Revenue | | 317,525 | 234,375 |
| Expenses | | (121,650) | (117,459) |
| Profit before income tax expense | | 195,875 | 116,916 |
| Income tax expense | | - | - |
| Profit after income tax expense | | 195,875 | 116,916 |
| Other comprehensive income / (loss) | | - | - |
| Total comprehensive income / (loss) | | 195,875 | 116,916 |
| <i>Reconciliation of the consolidated entity's carrying amount</i> | | | |
| Opening carrying amount | | 2,516,314 | 2,549,398 |
| Cost of purchased | | - | - |
| Share of profit after income tax | | 195,875 | 116,916 |
| Distribution received | | (120,000) | (150,000) |
| Closing carrying amount | | 2,592,189 | 2,516,314 |

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 2025 \$ | 30 June 2024 \$ |
|------------------------------|-------|-----------------|-----------------|
| Short-term employee benefits | | 845,680 | 806,739 |
| Long-term employee benefits | | 13,678 | 4,694 |
| | | 859,358 | 811,433 |

43. Remuneration of auditors

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

| | Notes | 30 June 2025 \$ | 30 June 2024 \$ |
|---|-------|-----------------|-----------------|
| <i>Audit services - RSM Australia</i> | | | |
| Audit or review of the financial statements | | 75,500 | 77,680 |
| <i>Other services - RSM Australia</i> | | | |
| Independent expert report | | 32,500 | - |
| | | 108,000 | 77,680 |

44. Significant events after balance date

Welcomed the first children to Montessori Beginnings Irymple in July 2025, which has been well-received by the local community. Montessori Beginnings Irymple is now the 11th operating Montessori Beginnings centre.

Attained the development permit for Montessori Beginnings Berwick, which will be the 13th Montessori Beginnings centre. In line with the group's strategy to establish operating pods, Berwick will function as the sister centre to Montessori Beginnings Officer.

Buyout of the Montessori Beginnings Officer property from CVCV Childcare No.1 Partnership located in Officer was settled in October 2025.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the consolidated entity's, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Consolidated Entity Disclosure Statements

| Entity Name | Entity Type | Country of Incorporation | Ownership Interest % | Tax Residency |
|--|-------------|--------------------------|----------------------|---------------|
| MNL Operations Pty Ltd | Company | Australia | 100% | Australia* |
| Clifstone Pty Ltd | Company | Australia | 100% | Australia* |
| Bay City Early Learning Geelong Pty Ltd | Company | Australia | 100% | Australia* |
| Montessori Beginnings Pty Ltd | Company | Australia | 100% | Australia* |
| Montessori Beginnings Melbourne West | Company | Australia | 100% | Australia* |
| Montessori Beginnings North Victoria | Company | Australia | 100% | Australia* |
| Montessori Beginnings Irymple | Company | Australia | 100% | Australia* |
| Springkids Pty Ltd T/as MB Malvern | Company | Australia | 100% | Australia* |
| Montessori Beginnings Brunswick Pty Ltd | Company | Australia | 100% | Australia* |
| Montessori Beginnings Maribyrnong 2 Pty Ltd | Company | Australia | 100% | Australia* |
| Mobe Growth Pty Ltd | Company | Australia | 100% | Australia* |
| Montessori Beginnings Laverton Pty Ltd | Company | Australia | 100% | Australia* |
| Montessori Beginnings Officer Pty Ltd | Company | Australia | 100% | Australia* |
| Montessori Beginnings Mildura Pty Ltd | Company | Australia | 100% | Australia* |
| Montessori Beginnings Hoppers Crossing Pty Ltd | Company | Australia | 100% | Australia* |
| Montessori Beginnings Thomastown Pty Ltd | Company | Australia | 100% | Australia* |
| Montessori Beginnings Maribyrnong 1 Pty Ltd | Company | Australia | 100% | Australia* |
| Montessori Beginnings Greenvale Pty Ltd | Company | Australia | 100% | Australia* |
| Montessori Beginnings Swan Hill Pty Ltd | Company | Australia | 100% | Australia* |
| Montessori Beginnings Croydon North Pty Ltd | Company | Australia | 100% | Australia* |
| Mobe Developments Pty Ltd | Company | Australia | 100% | Australia* |
| Zest Living Australia Pty Ltd | Company | Australia | 100% | Australia* |
| Zest Living Developments Pty Ltd | Company | Australia | 100% | Australia* |
| Mobera Living Trust | Trust | Australia | 100% | Australia* |
| MNL Property Trust | Trust | Australia | 80.07% | Australia |
| MM Operations Sdn Bhd | Company | Malaysia | 100% | Malaysia |

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



Directors' Declaration

Section

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 1 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 2024 and of its performance for the financial year ended on that date; and
- There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- 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
Director
16 October 2025



Independent Auditor's Report

Section

06

Independent Auditor's Report



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INDEPENDENT AUDITOR'S REPORT To the Members of Macarthur National Limited

Opinion

We have audited the financial report of Macarthur National Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, 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 2025 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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

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 2025, 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.

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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Other Information (Continued)

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/ar4.pdf. This description forms part of our auditor's report.

RSM AUSTRALIA PARTNERS

B Y CHAN
Partner

Dated: 16 October 2025
Melbourne, Victoria



Corporate Directory

Section
07

Board of Directors

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Chairman
Non-Executive Director

Dr Les Fitzgerald
Non-Executive Director

Dennis Wilkie
Non-Executive Director

Surinder Sidhu
Company Secretary

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Share Registry

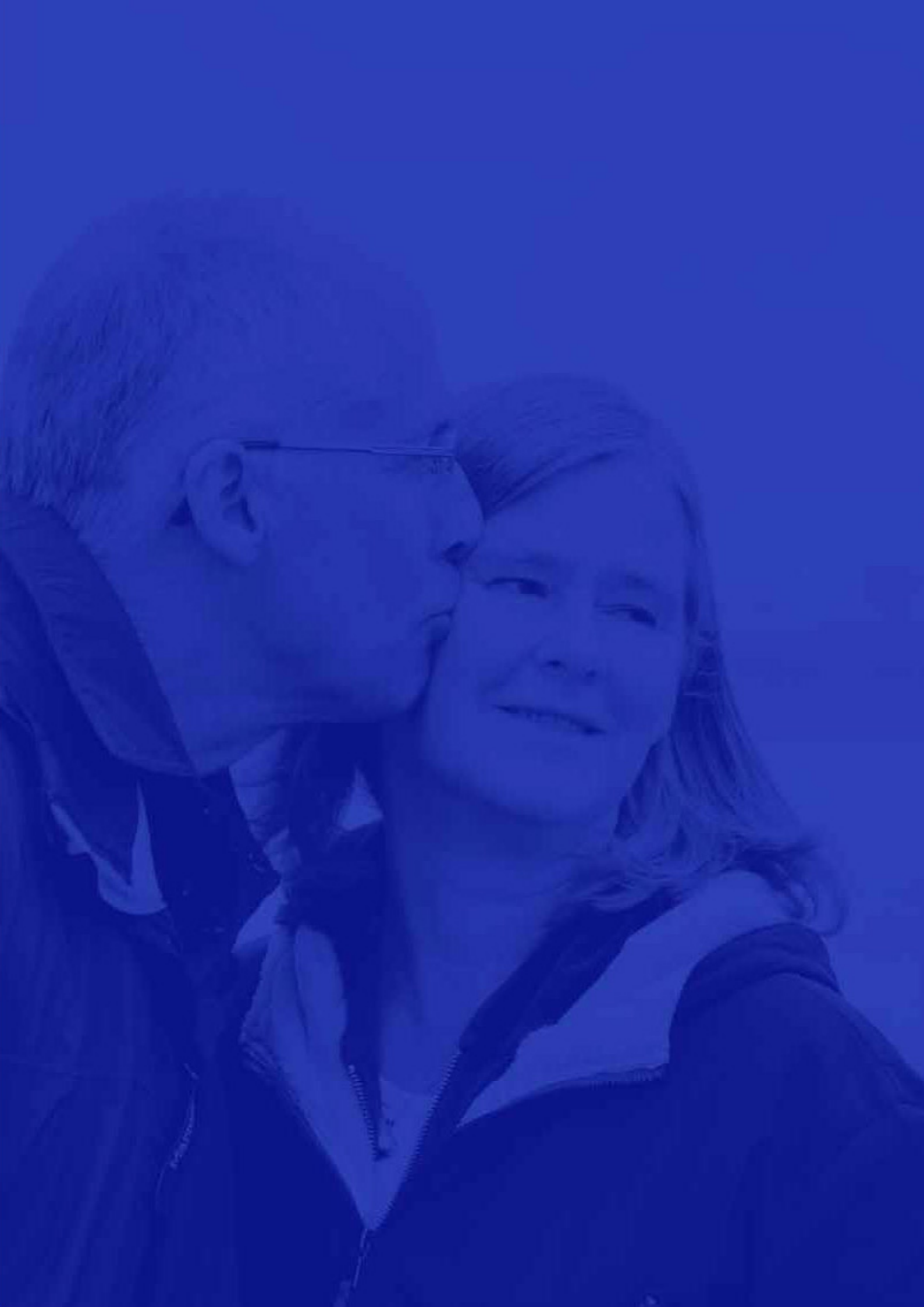
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Change of Address

Shareholders who have registered at Registry Direct should log into their Shareholder account at <https://www.registrydirect.com.au/login/> to change their account.

Correspondence mailing

Shareholders who prefer to receive correspondence electronically and have registered at Registry Direct should login in to their Shareholder account at <https://www.registrydirect.com.au/login/> to change their preferences and if necessary their email address.



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