

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Mayfield Childcare Ltd

ACN/ARSN 604 970 390

1. Details of substantial holder (1)

Name Genius Education Holdings Pty Ltd ACN 653 363 636
Genius Education Group Pty Ltd ACN 654 583 221

ACN/ARSN (if applicable)

The holder became a substantial holder on 10/12/2021

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid ordinary shares	21,704,347	21,704,347	34.23%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Genius Education Holdings Pty Ltd	Holder of securities: s 608(1)(a)	21,704,347 fully paid ordinary shares
Genius Education Group Pty Ltd	Voting power in Genius Education Holdings Pty Ltd exceeds 20%: s 608(3)(a)	21,704,347 fully paid ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Genius Education Holdings Pty Ltd	Genius Education Holdings Pty Ltd	Genius Education Holdings Pty Ltd	21,704,347 fully paid ordinary shares
Genius Education Group Pty Ltd			

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Genius Education Holdings Pty Ltd	10 December 2021	Part of the consideration for the sale of 100% of the shares in Genius Education Pty Ltd ACN 653 437 935 under the share sale agreement dated 31 October 2021 between Genius Education Holdings Pty Ltd and Mayfield Childcare Ltd (see Annexure A). The value attributed to this consideration was \$24,960,000 (i.e. \$1.15 per Mayfield share).		21,704,347 fully paid ordinary shares
Genius Education Group Pty Ltd				

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:


Name and ACN/ARSN (if applicable)	Nature of association

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Genius Education Holdings Pty Ltd	c/o Level 1, 60 Toorak Road, South Yarra, Victoria, 3141
Genius Education Group Pty Ltd	c/o Level 1, 60 Toorak Road, South Yarra, Victoria, 3141

Signature

print name	Darren Michael Misquitta	capacity	Sole director and sole company secretary of Genius Education Holdings Pty Ltd and Genius Education Group Pty Ltd
sign here		date	15/12/2021

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (e.g. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (e.g. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A – Share sale agreement

Mayfield Childcare Limited
ACN 604 970 390

This is Annexure A of 210 pages referred to in Form 603 (Notice of Initial Substantial Holder), signed by me and dated 15 December 2021.



.....
Darren Michael Misquitta
Sole director and sole company secretary of Genius Education
Holdings Pty Ltd and Genius Education Group Pty Ltd

Share sale agreement

Genius Education Holdings Pty Ltd
ABN 93 653 363 636

and

Mayfield Childcare Limited
ABN 53 604 970 390

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This agreement is made on

31 OCTOBER 2021
insert date

between: **Genius Education Holdings Pty Ltd** ABN 93 653 363 636 (**Seller**)

Address: 1 Balmain Street, Cremorne, Victoria, 3121

Email: darren@sprintcapitalpartners.com

Attention: Darren Michael Misquitta

and: **Mayfield Childcare Limited** ABN 53 604 970 390 (**Buyer**)

Address: Suite 2, 207 Waverley Road, Malvern East, Victoria, 3145

Email: dclarke@mayfieldchildcare.com.au

Attention: Dean Clarke

Recitals

- A. The Seller holds all of the issued shares in the Company.
- B. The Seller has agreed to sell to the Buyer and the Buyer has agreed to buy from the Seller all of the Seller's shares in the Company on the terms contained in this agreement.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this agreement, unless the context otherwise requires:

Announcement Date means the date the Buyer announces the transactions contemplated by this agreement to ASX (expected to be the date of execution of this agreement);

ASIC means Australian Securities and Investments Commission;

ASX means ASX Limited ABN 98 008 624 691 or the financial market operated by ASX Limited ABN 98 008 624 691, as the context requires;

ASX Listing Rules means the listing rules made by ASX that deal with admitting entities to, or removing entities from, ASX's official list or the activities or conduct of entities that are included on that list;

Authorisation means, with respect to a person, a certificate, licence, approval, permit, authority or exemption of, by or with a Government Agency held by the person or necessary to carry on the person's business as currently operated or to use or occupy any premises as currently used or occupied by the person;

Balance Date means 30 June 2021;

Base Cash Consideration has the meaning given in clause 2.4(a);

Base Consideration means the amount determined in accordance with clause 2.3(b);

Base Consideration Shares has the meaning given in clause 2.4(a);

Business Day means a day which is not a Saturday, Sunday, bank holiday or public holiday:

- (a) for the purpose of sending or receiving a notice, in the city where the notice is received; and
- (b) for all other purposes, in the city of Melbourne, Australia;

Business Premises means the premises described in schedule 3;

Business Records means:

- (a) the Corporate Records; and
- (b) the agreements, deeds, documents, books, accounts, ledgers, customer and supplier lists, registers, journals, certificates, documents of title, employee records, correspondence, studies, reports, statutory records and other information solely relating to the Pool 1 Childcare Business which the Pool 1 Childcare Business Operator maintains or has in its possession or control, regardless of the material or medium used for the holding, storage or communication of the information;

Buyer Accounting Standards means:

- (a) the accounting standards made by the Australian Accounting Standards Board under section 334 of the Corporations Act and the requirements of the Corporations Act in relation to the preparation and content of financial reports to the extent they are applicable to a public company limited by shares registered under the Corporations Act that is a disclosing entity; and
- (b) if and to the extent that any matter is not covered by such a standard or requirement, other relevant accounting standards and generally accepted accounting principles applied from time to time in Australia in relation to entities similar to the Buyer, or operating in the industry in which the Buyer operates, unless inconsistent with any of the standards and requirements referred to in paragraph (a) above;

Buyer Accounts means the auditor reviewed financial statements for the Buyer for the 6 months ended on the Balance Date set out in schedule 9;

Buyer Fundamental Warranty means a warranty set out in clause 1, 2, 3 or 8 of schedule 8;

Buyer Group Entity means:

- (a) the Buyer;
- (b) a related body corporate of the Buyer; or
- (c) an entity controlled by any of the Buyer and its related bodies corporate;

Buyer Group Member means:

- (a) a Buyer Group Entity; or
- (b) an officer or employee of a Buyer Group Entity;

Buyer Share means an ordinary share in the Buyer;

Buyer Share VWAP means \$1.15;

Buyer Warranty means a warranty set out in schedule 8;

Capital Raising means the issue of fully paid Buyer Shares at an issue price of at least 90% of the Buyer Share VWAP (or such lower issue price approved by the Seller) following an offer or offers of Buyer Shares that is made to existing shareholders and/or other investors after the date of this agreement to raise approximately \$9,000,000 of share capital in the aggregate (or such other amount agreed between the Buyer and Seller);

Childcare Provider Approval means a provider approval issued under section 15 of the Education and Care Services National Law;

Childcare Service Approval means a service approval issued under section 48 of the Education and Care Services National Law, as transferred or otherwise amended;

Claim means a threat, complaint, demand, proceeding or other claim howsoever arising and whether written or oral, present or future, or actual or contingent;

Company means Genius Education Pty Ltd ABN 39 653 437 935;

Compensation Sale Shares has the meaning given in clause 9.14;

Completion means completion of the sale and purchase of the Sale Shares under clause 5;

Completion Date means:

- (a) 26 November 2021; or
- (b) 1 Business Day after the conditions set out in clause 3.1 have been met or waived;

whichever is the later, or such other date as the Seller and the Buyer may agree;

Consideration means the Base Consideration and the Earn Out Consideration;

Corporate Records means:

- (a) the minutes of meetings or resolutions of members of the Company;
- (b) the minutes of meetings or resolutions of directors of the Company;
- (c) the register of members of the Company; and
- (d) the register of officeholders of the Company;

regardless of the material or medium used for the holding, storage or communication of the information;

Corporations Act means the *Corporations Act 2001* (Cth);

Disclosure Letter means the letter from the Seller to the Buyer dated and delivered to the Buyer before execution of this agreement a copy of which is set out in schedule 4;

Due Diligence Document means a document listed in schedule 5 a copy of which was contained in the electronic on-line data room as at 11:11 am on 31 October 2021 accessed at <https://www.dropbox.com/home/External%20DD%20Docs> to which the Buyer has had access, the complete contents of which were copied in electronic form onto a USB provided by or on behalf of the Seller to the Buyer or to a director, employee, agent or adviser of the Buyer before execution of this agreement;

Duty means any stamp, transaction or registration duty, or similar charge, imposed by any Government Agency, and includes any interest, fine, penalty, charge or other amount imposed in respect of the above, but excludes any Tax;

Earn Out Consideration means the amount determined in accordance with clause 2.3(c);

Earn Out EBITDA means the earnings before interest, tax, depreciation and amortisation of the Company for the Earn Out Year as determined in accordance with the EBITDA Schedule and the Pool 1 Childcare Business Accounting GAAP **provided that** all fees, expenses, rebates, credits and other amounts or benefits charged, paid, allowed or provided under the Transitional Services Agreement for the Earn Out Year are counted in the determination;

Earn Out Share Price means the Buyer Share VWAP, subject to clause 2.7;

Earn Out Scrip Consideration has the meaning given in clause 2.4(b);

Earn Out Statement means the statement to be prepared and finalised in accordance with clause 2.5;

Earn Out Year means the period of 12 months starting on 1 January 2022;

EBITDA Schedule means Schedule 11;

EBITDA Target means \$8,000,000;

Education and Care Services National Law means:

- (a) Education and Care Services National Law (Victoria) as that term is defined under the *Education and Care Services National Law Act 2010* (Vic);
- (b) Education and Care Services National Law (Queensland) as that term is defined under the *Education and Care Services National Law (Queensland) Act 2011* (Qld);
- (c) Education and Care Services National Law (South Australia) as that term is defined under the *Education and Early Childhood Services (Registration and Standards) Act 2011* (SA);
- (d) Children (Education and Care Services) National Law (NSW) as that term is defined in the *Children (Education and Care Services National Law Application) Act 2010* (NSW);
- (e) Education and Care Services National Law (Western Australia) as that term is defined in the *Education and Care Services National Law (WA) Act 2012* (WA);

as the context requires;

Encumbrance means a mortgage, charge, pledge, lien, conditional sale agreement, hire or hire purchase agreement, option, restriction as to transfer, use or possession, easement, subordination to a right of another person, adverse or competing interest of another person or other security interest or encumbrance in respect of property created or arising to secure performance of an obligation except for a lien or reservation of title arising in the ordinary course of business;

EOC Cut Off Date has the meaning given in clause 2.4(c)(2);

EOC Shareholder Approval has the meaning given in clause 2.4(c)(2);

Escrow Deed means a deed in the form or to the effect, or substantially in the form or to the effect, of the escrow deed set out in schedule 10;

Fairly Disclosed means disclosure in sufficient detail and context to enable a reasonable person to identify the nature and scope of the relevant fact, matter, event or circumstance;

Finance Document means an agreement, mortgage, charge or deed described as a finance document in schedule 7;

Finance Lease means a lease or agreement described as a finance lease in schedule 7;

Financed Equipment means assets leased, licensed or hired under a Finance Lease;

Genius Learning means Genius Learning Pty Ltd ABN 66 603 513 604;

Government Agency means a government, government agency, administrative, fiscal, judicial or non-governmental regulatory body, department, commission, authority, tribunal or agency in any jurisdiction whether federal, state, local or territorial;

GST means goods and services tax or similar value added tax levied or imposed in Australia under the GST Law or otherwise on a supply;

GST Act means *A New Tax System (Goods and Services Tax) Act 1999* (Cth);

GST Law has the same meaning as in the GST Act;

Incubator Agreement means an agreement in the form or to the effect, or substantially in the form or to the effect, of the incubator agreement set out in schedule 6;

Intellectual Property Licence means a licence or agreement described as an intellectual property licence in schedule 7;

IP Licence Agreement has the same meaning as in the Pool 1 Childcare Business Sale Agreement;

Leave Entitlements means the entitlements of the employees of the Company at Completion to long service leave and annual leave and personal/carer's/sick leave under all relevant agreements, statutes or awards to the extent that these entitlements relate to their employment in the Pool 1 Childcare Business and are determined on the basis of the amount recorded in the books and records of the Pool 1 Childcare Business at Completion;

Loss means, with respect to a person, the loss suffered or expense or liability incurred by the person or the damages or costs to which the person is entitled or an amount payable to the person under an indemnity or otherwise;

Material Contract means a Finance Document, Finance Lease, Intellectual Property Licence, Property Lease or other deed, agreement, arrangement, offer, tender or quotation described as a material contract in schedule 7;

Plant and Equipment means all plant, equipment, motor vehicles, machinery, furniture, fittings and computer equipment owned by the Company;

Pool 1 Childcare Business means the business of providing child education and care services and operating childcare centres and related activities the subject of the Pool 1 Childcare Business Sale Agreement that is carried on by Genius Learning at the Business Premises up to Pool 1 Childcare Business Sale Completion or that business as carried on by the Company after Pool 1 Childcare Business Sale Completion;

Pool 1 Childcare Business Accounting GAAP means Australian generally accepted accounting principles, excluding Accounting Standards AASB 16 *Leases* and AASB 117 *Leases*;

Pool 1 Childcare Business Accounts means the financial statements for the Pool 1 Childcare Business Operator in the conduct of the Pool 1 Childcare Business for the 12 months ended on the Balance Date set out in schedule 2;

Pool 1 Childcare Business Operator means:

- (a) up to Pool 1 Childcare Business Sale Completion, Genius Learning; and
- (b) after Pool 1 Childcare Business Sale Completion, the Company;

Pool 1 Childcare Business Sale Agreement means the business sale agreement between Genius Learning, the Seller and the Company dated on or about the date of this agreement;

Pool 1 Childcare Business Sale Completion means completion of the sale and purchase of business assets under clause 5 of the Pool 1 Childcare Business Sale Agreement;

Property Lease means a lease or agreement described as a property lease in schedule 7;

Restraint Area means a 3 kilometre radius of any childcare centre operated by the Pool 1 Childcare Business Operator before Completion or a Buyer Group Entity after Completion, at the Business Premises;

Restraint Period means the period commencing on the date of Completion and ending on:

- (a) the third anniversary of the date of Completion;
- (b) the second anniversary of the date of Completion; and
- (c) the first anniversary of the date of Completion;

Sale Proceeds Account means the following bank account:

Bank:	
Account name:	
BSB:	
Account no:	

Sale Share means an ordinary share in the Company;

Seller Fundamental Warranty means a warranty set out in clause 1, 2 or 3 of schedule 1;

Seller Group Member means:

- (a) the Seller;
- (b) a related body corporate of the Seller;
- (c) an entity controlled by any of the Seller and its related bodies corporate; or
- (d) an officer or employee of an entity referred to in paragraph (a), (b) or (c) above;

Seller Warranty means a warranty set out in schedule 1;

Share Compensation Amount has the meaning given in clause 9.14;

SPA Claim has the meaning given in clause 9.14;

Super Fund means a superannuation fund to which the Company makes superannuation contributions for employees of the Company;

Tax means any tax, levy, charge, impost, deduction, goods and services tax or withholding, which is assessed, levied, imposed or collected by any Government Agency and includes any interest, fine, penalty, charge, fee or other amount imposed by statute on, or in respect of, any of the above, but excludes any Duty;

Tax Act means the *Income Tax Assessment Act 1936* (Cth) or *Income Tax Assessment Act 1997* (Cth), whichever is relevant;

Tax Claim means a Claim by the Buyer arising from any breach of Seller Warranty 21 or under the Tax Indemnity;

Tax Costs has the meaning given under clause 10.1(a);

Tax Indemnity means the indemnity given by the Seller under clause 10;

Tax Law means any law in relation to any Tax, including the Tax Act and the GST Act;

Tax Liability means a liability for Tax;

Transitional Services Agreement has the same meaning as in the Pool 1 Childcare Business Sale Agreement;

Warranty means a Buyer Warranty or Seller Warranty.

1.2 Interpretation

In this agreement headings and bold typing are included for convenience only and do not affect interpretation and, unless the context otherwise requires:

- (a) a reference to a word includes the singular and the plural of the word and vice versa;
- (b) a reference to a gender includes any gender;
- (c) if a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
- (d) a term which refers to a person includes a person in any capacity, a body corporate, an unincorporated body (for example a society or association), a trust, a partnership, a sovereign state, a government or a government department or agency;
- (e) a reference to a document includes a reference to that document as amended, novated, supplemented, varied or replaced;
- (f) a reference to a recital, clause, paragraph, schedule, annexure or other part is a reference to an item of that type in this agreement;
- (g) a reference to a party is a reference to a party to this agreement and includes a reference to that party's successors and permitted assigns;
- (h) a reference to a statute or regulation or a provision of a statute or regulation is a reference to that statute, regulation or provision as amended or a statute, regulation or provision replacing it, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws made or issued under that statute;
- (i) a reference to a document is a reference to a document of any kind including but not limited to an agreement in writing, a certificate, a notice, or an instrument;
- (j) no provision of this agreement will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this agreement or that provision;
- (k) a reference to a time is a reference to that time in the city of Melbourne, Australia;
- (l) a monetary reference is a reference to Australian currency;
- (m) a reference to an entity, other than a party to this agreement, which ceases to exist or whose powers or functions are transferred to another entity, is a reference to the entity which replaces it or which substantially succeeds to its powers or functions;
- (n) the term 'including', 'e.g.', 'such as', 'particularly' or any similar expression is not used as, nor is intended to be interpreted as, a term of limitation;
- (o) a reference to a breach of Warranty means a Warranty being untrue, inaccurate or misleading in breach of clause 8.1 or 11.1;

- (p) the terms 'volume weighted average market price' and 'trading day' the same meaning as in the ASX Listing Rules except that a trading day does not include a day on which Buyer Shares are not able to be traded on market e.g. due to a trading halt, suspension from quotation or de-listing;
- (q) a word or term defined in the Corporations Act has the same meaning in this agreement; and
- (r) a word or term defined in *A New Tax System (Goods and Services Tax) Act 1999* (Cth) has the same meaning in this agreement where used in connection with the GST imposed under that Act.

1.3 Awareness

In this agreement, a reference to the awareness or knowledge of a party is a reference to the actual knowledge at the date of this agreement of, in the case of the Buyer, Dean Wayland Clarke and Glenn Raines or, in the case of the Seller, Darren Michael Misquitta and Pat Allan.

1.4 Manner of payment

Payment of an amount of money to the Seller under this agreement (or any part of the amount) must be made by electronic funds transfer to the Sale Proceeds Account, or by such other reasonable method to such person as the Seller may notify the Buyer in writing at least 2 Business Days before the payment is due.

2. Sale and purchase of Sale Shares

2.1 Sale and purchase

Subject to clause 3, the Seller agrees to sell to the Buyer, and the Buyer agrees to buy from the Seller, all of the issued Sale Shares on the Completion Date for the Consideration and otherwise on the terms set out in this agreement.

2.2 Associated rights

The Sale Shares agreed to be sold under clause 2.1 will be sold (subject to Completion occurring):

- (a) on the Completion Date;
- (b) free from all Encumbrances; and
- (c) with all rights attached to the Sale Shares at the Completion Date and all rights accruing after that date.

2.3 Consideration

- (a) The Consideration for all of the Sale Shares is comprised of the Base Consideration and the Earn Out Consideration.
- (b) The Base Consideration is an amount equal to \$31,200,000 less the total amount of the Leave Entitlements, plus or minus the aggregate of the adjustments referred to in

clause 2.3(d), as determined by the Seller in good faith and notified to the Buyer on or before the Completion Date.

- (c) The Earn Out Consideration is:
- (1) if the Earn Out EBITDA as set out in the final Earn Out Statement is less than the EBITDA Target, \$0; and
 - (2) in any other case, an amount equal to the Earn Out EBITDA as set out in the final Earn Out Statement multiplied by 1.
- (d) The Base Consideration must be adjusted if necessary on the Completion Date in respect of all rates, rent and other property related outgoings, charges and other expenditure paid or payable by the Pool 1 Childcare Business Operator under a Property Lease in connection with the conduct of the Pool 1 Childcare Business as at the close of business on the Business Day immediately preceding the Completion Date as determined by the Seller in good faith to the intent and with the effect that the Seller bears the cost of all such expenditure referable to the period up to and including the Business Day immediately preceding the Completion Date and the Buyer bears the cost of all such expenditure referable to any period on and from the Completion Date.

2.4 Payment

The Consideration is payable as follows:

- (a) The Buyer must pay to the Seller on the Completion Date the Base Consideration, \$24,960,000 of which must be satisfied by the Buyer issuing to the Seller on the Completion Date the number of Buyer Shares (credited as fully paid) equal to 80% of the Base Consideration divided by the Buyer Share VWAP on the Announcement Date (rounded to the nearest whole Buyer Share) (**Base Consideration Shares**) and the balance of the Base Consideration (i.e. the Base Consideration less \$24,960,000) which must be paid in money (**Base Cash Consideration**).
- (b) Subject to this clause 2.4 and clause 2.7, the Buyer must pay to the Seller the Earn Out Consideration (if any) within 5 Business Days from the date the Earn Out Statement is finalised. The forms and amounts of payment of the Earn Out Consideration are as follows:

- (1) the lesser of:

- (A) the amount derived from the following formula:

$$((0.1 \times (BST + BCS + CRS)) \times BVWAP)$$

where:

BST is the number of Buyer Shares on issue at the date of this agreement;

BCS is Base Consideration Shares;

CRS is the number of Buyer Shares issued under the Capital Raising;
and

BVWAP is the Earn Out Share Price; and

(B) 80% of the Earn Out Consideration,

(Earn Out Scrip Consideration) must be satisfied by the Buyer issuing to the Seller by the due date of payment the number of Buyer Shares (credited as fully paid) equal to the Earn Out Scrip Consideration divided by the Earn Out Share Price (rounded down to the nearest whole Buyer Share); and

(2) the Earn Out Consideration less the Earn Out Scrip Consideration must be paid in money.

(c) If the issue of all of the Buyer Shares under clause 2.4(b) would require the approval of the holders of Buyer Shares for the purpose of item 7 of the table in section 611 of the Corporations Act (**Restrictions**), then the Buyer must:

- (1) issue to the Seller the maximum number of Buyer Shares able to be issued without there being a contravention of any of the Restrictions within 5 Business Days from the date the Earn Out Statement is finalised; and
- (2) promptly, and in any event by the date that is 3 months after the date the Earn Out Statement is finalised (**EOC Cut Off Date**), seek and use best endeavours to obtain the relevant approvals of the holders of Buyer Shares to issue the remaining number of Buyer Shares (**EOC Shareholder Approval**).

(d) If:

- (1) before the EOC Cut Off Date either EOC Shareholder Approval is obtained or the remaining number of Buyer Shares under clause 2.4(b) may otherwise be issued to the Seller without there being a contravention of any of the Restrictions, those Buyer Shares must be issued to the Seller within 5 Business Days from the date the EOC Shareholder Approval is obtained or the date the Restrictions otherwise cease to prohibit the issue, whichever occurs first; and
- (2) in any other case, the remaining Earn Out Consideration payable under clause 2.4(b) must be paid by the Buyer to the Seller in money within 5 Business Days from the EOC Cut Off Date.

(e) Where any Buyer Shares are required to be issued to the Seller on a date, the Buyer must on that date:

- (1) issue to the Seller the Buyer Shares free from all Encumbrances ranking equally with all other issued Buyer Shares on and from the date of issue;
- (2) enter the Seller in the register of members of the Buyer as the holder of those Buyer Shares;
- (3) deliver to the Seller a holding statement confirming its holdings of those Buyer Shares; and
- (4) apply for their quotation on ASX, and as soon as practicable after applying for quotation, procure their quotation.

- (f) On issue of any Buyer Shares to the Seller, the Seller agrees to become a member of the Buyer and to be bound by its constitution in respect of those Buyer Shares.
- (g) Despite anything else contained in this agreement, if after the Seller executes this agreement:
 - (1) trading in Buyer Shares on ASX is suspended from quotation for more than a total of 5 days and the suspension is due to a material adverse change in the assets, liabilities, financial position, performance, profits, losses, business, operations or prospects of the Buyer;
 - (2) the Buyer is removed from the official list of ASX or announces its intention to request removal or ASX announces its intention to remove the Buyer from the official list;
 - (3) a takeover bid is made under chapter 6 of the Corporations Act for all of the issued Buyer Shares not owned by the bidder, the bidder's voting power in the Buyer increases to at least 50% and, if the bid is subject to defeating conditions, all defeating conditions are satisfied or the bid is declared free from all unsatisfied defeating conditions;
 - (4) a scheme of arrangement between the Buyer and its shareholders under part 5.1 of the Corporations Act for the merger of the Buyer with another entity or the acquisition of all of the issued Buyer Shares or the whole or a substantial part of the business or property of the Buyer by another entity is approved by the shareholders of the Buyer under section 411(4)(a)(ii) of the Corporations Act;
 - (5) the Buyer disposes, or agrees to dispose, of the whole or a substantial part of its business and assets;
 - (6) the voting power of a person in the Buyer (other than the Seller or any associate of the Seller) increases from 50% or below to more than 50%; or
 - (7) the issue of any Buyer Shares to the Seller would result in a contravention of the ASX Listing Rules, the Corporations Act or any other law, other than in connection with the Restrictions;

the Seller may elect by written notice to the Buyer to be paid in money any Consideration otherwise to be satisfied by the issue of Buyer Shares, in which case the Buyer must pay to the Seller by the due date of payment the amount elected to be paid in money instead of issuing Buyer Shares to satisfy payment of the amount.

- (h) If any Earn Out Consideration is not paid within 5 months from the end of the Earn Out Year, the Buyer must pay to the Seller on demand interest on the amount to be paid charged at the rate of 8% per annum from the end of the Earn Out Year to the date the amount is paid and accruing from day to day.

2.5 Earn Out Statement

- (a) The Seller must prepare and provide to the Buyer within 30 Business Days from the end of the Earn Out Year, an Earn Out Statement setting out the Earn Out EBITDA determined in accordance with the Pool 1 Childcare Business Accounting GAAP and in the form set out in the EBITDA Schedule, showing in reasonable detail the income,

expenses and other components counted in or excluded from, and the calculation of, the Earn Out EBITDA together with a copy of the work papers used to prepare the Earn Out Statement.

- (b) The Buyer may have a period of 20 Business Days from receipt of the Earn Out Statement to review it in order to ensure that the Earn Out Statement has been prepared in accordance with this agreement. The Seller must:
 - (1) make available for examination by the Buyer and its representatives during normal business hours throughout the 20 Business Day period all documents created or used by the Seller or its advisers to prepare the Earn Out Statement or otherwise relating to the Earn Out Statement; and
 - (2) provide a copy of any such document to the Buyer promptly after the Seller receives a request for the copy.
- (c) The Seller and the Buyer must use their reasonable endeavours to agree on the Earn Out Statement and any adjustments proposed by either of them within that 20 Business Day period.
- (d) If the Seller and the Buyer cannot agree on the Earn Out Statement within 20 Business Days after it is provided to the Buyer, either party may at any time within a further 10 Business Days notify the other party that it wishes some or all of the items in dispute to be referred to an expert for determination in accordance with clause 13.
- (e) Those items of the Earn Out Statement which are not referred to an expert for determination will be deemed to have been agreed between the Seller and the Buyer.
- (f) Any adjustment to the Earn Out Statement agreed between the Seller and the Buyer and any item of the Earn Out Statement in dispute determined by the expert must, where applicable, be incorporated into the final Earn Out Statement as soon as reasonably practicable.
- (g) The Buyer must ensure that the Seller and its representatives are given access to, and provided with copies of, all books and records relating to the Earn Out EBITDA promptly after being requested to do so.

2.6 Conduct of Pool 1 Childcare Business until end of Earn Out Year

Following Completion, the Buyer must ensure that until the end of the Earn Out Year:

- (a) the Company carries on the Pool 1 Childcare Business in the ordinary and usual course, consistent with past practice, maintains marketing, promotional and sales activities at least at normal levels, charges amounts for its goods and services that are no less than amounts that are consistent with the ordinary and usual conduct of its business, diligently and in a timely way invoices customers for the provision of its goods and services and collects its receivables, prudently and efficiently manages its expenses, does not materially increase the salaries, wages or other remuneration or entitlements of its employees and contractors and does not enter into any abnormal or unusual transaction which relates to or adversely affects the Company or agree to do so;
- (b) the Company uses its best endeavours to maximise the profit of the Company for the Earn Out Year **provided that** the Company is not restricted from undertaking an act

with respect to a bona fide proposal in circumstances where the board of directors of the Company has determined in good faith and acting reasonably that:

- (1) the proposal, if recommended by the directors of the Company, would be likely to be completed substantially as proposed and if so completed would result in a transaction materially more favourable to the Company than maximising the profit of the Company for the Earn Out Year, after receiving written advice from the Company's financial adviser in relation to the matter; and
- (2) failing to undertake the proposal would be likely to cause the directors of the Company to breach their fiduciary or other legal duties, after receiving written advice from the Company's external lawyers in relation to the matter;

and the Buyer notifies the Seller of this determination in writing and provides details of the relevant proposal;

- (c) the Company does not dispose of or declare itself trustee of any substantial assets, childcare centre, leasehold interest or goodwill, or agree to do so;
- (d) the Company remains a wholly-owned subsidiary of the Buyer, and remains a separate economic entity for accounting purposes;
- (e) no Buyer Group Member other than the Company carries on a business that is the same as or substantially similar to the Pool 1 Childcare Business carried on by the Company within 3 kilometres from a childcare centre operated by the Company, except at a childcare centre operated by the Buyer at the date of this agreement; and
- (f) other than in respect of any childcare centre operated by the Buyer at the date of this agreement in the normal course of operations of any such childcare centre, no Buyer Group Member:
 - (1) entices away from the Company orders or work from, sales or the provision of goods or services to or other transactions, opportunities or business; or
 - (2) solicits or procures such transactions, opportunities or business which otherwise would be or would be likely to be provided to the Company.

2.7 Earn Out Scrip Consideration-related adjustments

- (a) In this clause 2.7:

Bonus Issue means a Pro Rata Issue of securities to holders of Buyer Shares for which no consideration is payable by them;

Pro Rata Issue means an issue of securities which has been offered or made to all holders of securities in a class with registered addresses in Australia, or in any other place where the offer or issue is made, on a pro rata basis, but does not include an issue of securities in lieu or in satisfaction of dividends or by way of dividend reinvestment.

- (b) If at any time prior to the issue of Buyer Shares to satisfy part of the Earn Out Consideration there is a Bonus Issue, the Buyer must issue to the Seller at the same time the Buyer issues to the Seller the Buyer Shares to satisfy part of the Earn Out

Consideration, the number of bonus securities which the Seller would have received if before the record date for determining entitlements in relation to the Bonus Issue the Seller held the securities the Seller would have been entitled to receive as part of the Earn Out Consideration.

- (c) If at any time prior to the issue of Buyer Shares to satisfy part of the Earn Out Consideration there is a Pro Rata Issue (except a Bonus Issue) of securities offered or made to the holders of Buyer Shares, the Earn Out Share Price will be reduced according to the following formula:

$$O' = O - \frac{[P - (S + D)]}{N + 1}$$

where:

O' is the new Earn Out Share Price;

O is the old Earn Out Share Price;

P is the volume weighted average market price (as defined in the ASX Listing Rules) per Buyer Share of the fully paid Buyer Shares, calculated over the 5 trading days ending on the day before the 'ex rights date' or 'ex entitlements date' in relation to the Pro Rata Issue or, if at the time for determining entitlements under the Pro Rata Issue official quotation of Buyer Shares has been suspended or has ended, the market price per Buyer Share of the fully paid Buyer Shares as determined by the board of directors of the Buyer acting reasonably;

S is the subscription price for a security under the Pro Rata Issue;

D is the dividend per security (if any) due by the Buyer but not yet paid on the existing fully paid Buyer Shares (except those to be issued under the Pro Rata Issue); and

N is the number of Buyer Shares with rights or entitlements that must be held to receive a right to one new security pursuant to the Pro Rata Issue.

- (d) If at any time prior to the issue of the Buyer Shares to satisfy part of the Earn Out Consideration:
- (1) Buyer Shares are converted into a larger number (i.e. sub-divided), the Earn Out Share Price immediately before the conversion will be adjusted in inverse proportion to the ratio in which the Buyer Shares are converted;
 - (2) there is a return of share capital of the Buyer or a special distribution by way of dividend to holders of Buyer Shares, the Earn Out Share Price immediately before the distribution will be reduced by the amount distributed in relation to each fully paid Buyer Share; or
 - (3) there is any other reconstruction or reorganisation of the Buyer's share capital, the Earn Out Share Price will be reduced as necessary so that the Seller will not be disadvantaged by the reconstruction or reorganisation.

3. Conditions for Completion

3.1 Conditions

The parties have no obligation to complete the sale and purchase of the Sale Shares under clause 5 unless each of the following conditions is met or waived:

Condition	Right to waive
(a) The Pool 1 Childcare Business Sale Agreement is executed by and exchanged between the parties to that agreement, and all conditions under clause 3.1 of the Pool 1 Childcare Business Sale Agreement are satisfied or waived in accordance with the Pool 1 Childcare Business Sale Agreement, and the Buyer and Seller are otherwise reasonably satisfied that Completion will occur contemporaneously with Pool 1 Childcare Business Sale Completion.	Buyer and Seller
(b) The Incubator Agreement is executed by and exchanged between the parties to the agreement.	Buyer and Seller
(c) All material consents, approvals and waivers in relation to the sale and transfer of the Sale Shares or issue of Buyer Shares under, or any other transaction contemplated by, this agreement that are required to ensure that there is no material breach of any law, statutory instrument, constitution or agreement affecting the Company, are obtained including: <ul style="list-style-type: none"> (1) the consent of the landlords of the Business Premises to the change of control/ownership of the Company due to the sale and transfer of the Sale Shares under this agreement; and (2) if immediately before Completion Genius Learning continues to hold any Childcare Service Approvals for any Business Premises, the consent of each Government Agency to the transfer of each such Childcare Service Approval to the Buyer or Company at Completion that is required to ensure there is no breach of the Education and Care Services National Law in consequence of the transfer. 	Buyer and Seller
(d) No material adverse change in the assets, liabilities, financial position, performance, profits, losses, business, operations or prospects of the Company or the Pool 1 Childcare Business since 12 August 2021 occurs, other than any such change to the extent caused or contributed to by the effects caused by the COVID-19 pandemic.	Buyer
(e) All material consents, approvals and waivers in relation to the sale and transfer of the Sale Shares or issue of Buyer Shares under, or any other transaction contemplated by, this agreement that are required to ensure that there is no material	Buyer and Seller

Condition	Right to waive
breach of any law, statutory instrument, constitution, agreement or rule or other requirement of a securities exchange affecting a Buyer Group Entity, are obtained including:	
(1) the approval of the holders of Buyer Shares to the issue of Buyer Shares under this agreement to satisfy part of the Earn Out Consideration for the purpose of rule 6.1 of the ASX Listing Rules as applied by ASX in accordance with ASX guidance note 19 or written notification from ASX that it does not require the Buyer to get this approval;	
(2) to the extent required by ASX under rule 11.1.2 of the ASX Listing Rules, the approval of the holders of Buyer Shares to the sale and transfer of the Sale Shares and issue of Buyer Shares under this agreement or written notification from ASX that it does not require the Buyer to get this approval;	
(3) to the extent required by ASX under rule 11.1.3 of the ASX Listing Rules due to the sale and transfer of the Sale Shares and issue of Buyer Shares under this agreement, the Buyer meeting the requirements in chapters 1 and 2 of the ASX Listing Rules as if the Buyer were applying for admission to the official list of ASX or written notification from ASX that it does not require the Buyer to meet these requirements; and	
(4) the approval of the holders of Buyer Shares to the issue of all Buyer Shares under this agreement for the purpose of item 7 of the table in section 611 of the Corporations Act.	
(f) The Buyer receives share capital of approximately \$8,000,000 (or such other amount agreed between the Buyer and Seller) in cleared funds as a result of the Capital Raising.	Buyer and Seller
(g) No material adverse change in the assets, liabilities, financial position, performance, profits, losses, business, operations or prospects of a Buyer Group Entity since 12 August 2021 occurs other than any such change to the extent caused or contributed to by the effects caused by the COVID-19 pandemic, and no circumstance or event referred to in clause 2.4(g) occurs.	Seller

3.2 Reasonable endeavours

- (a) Each party must use its reasonable endeavours to ensure that all of the conditions set out in clause 3.1 are met as soon as reasonably practicable and each party must keep the other parties informed of any circumstance which may result in a condition not being satisfied.

- (b) Without limiting the generality of clause 3.2(a), the Buyer must:
- (1) prepare or procure preparation of the notice of meeting, explanatory statement and proxy form for the general meeting of the Buyer to seek the shareholders approvals referred to clause 3.1(e) in consultation with the Seller;
 - (2) procure an independent expert report as recommended by ASIC under ASIC Regulatory Guide 74 for the purpose of seeking the approval required under item 7 of the table in section 611 of the Corporations Act or that is required to seek any other approval;
 - (3) convene and hold the general meeting as soon as reasonably practicable and put to the meeting the resolutions required to obtain those approvals;
 - (4) ensure that in any public announcement about the transactions contemplated by this agreement and in the meeting materials a prominent statement is included to the effect that all directors of the Buyer intend to vote the Buyer Shares they or their associates hold in favour of all resolutions, and unanimously recommend that Buyer shareholders who are entitled to vote on the resolutions, also vote in favour of them, and the directors do not make any public statement to the contrary effect; and
 - (5) with respect to each Property Lease to be assigned or novated to the Company under clause 3.1 of the Pool 1 Childcare Business Sale Agreement, ensure that any guarantee, cash or property required by the landlord as a bond or security or otherwise to secure performance of the Company's obligations under the Property Lease is provided.

3.3 Waiver of conditions

A condition set out in clause 3.1 may be waived, and may only be waived, in writing by the party or parties entitled to waive the condition as specified in the second column of the table in clause 3.1 opposite that condition. A party entitled to waive a condition may do so in its absolute discretion. Waiver of a condition by a party that is not met due to a breach of this agreement, also waives any right or remedy the party would have in respect of that breach.

3.4 Termination

- (a) If the conditions set out in clause 3.1 are not met or waived in accordance with clause 3.3, on or before 31 December 2021 or such other date as the Seller and the Buyer may agree then this agreement automatically terminates on that date.
- (b) On termination of this agreement under this clause 3.4, the parties will be under no further obligation to each other and will have no further rights against each other under this agreement except in respect of any breach of this agreement which occurred before termination or under clause 12.

4. Conduct pending Completion

4.1 Conduct of Pool 1 Childcare Business in the ordinary course

The Seller must ensure that until Completion the Pool 1 Childcare Business Operator:

- (a) carries on the Pool 1 Childcare Business in a normal, proper and efficient manner and manages and conducts the Pool 1 Childcare Business in the ordinary and usual course, consistent with past practice;
- (b) uses all reasonable endeavours to preserve the goodwill of the Pool 1 Childcare Business;
- (c) maintains the assets it owns or uses in connection with the Pool 1 Childcare Business at normal levels;
- (d) carries out repairs and maintenance to the assets it owns or uses in connection with the Pool 1 Childcare Business in accordance with good commercial practice and standards of maintenance and as required under any relevant lease, licence or other agreement;
- (e) does not in connection with the Pool 1 Childcare Business:
 - (1) employ any new person in a senior management position;
 - (2) employ any new person not in a senior management position except to replace an employee who has resigned or whose employment has been validly terminated;
 - (3) terminate the employment of any employee other than for cause;
 - (4) materially change the terms of employment of any employee; or
 - (5) provide any bonus to any employee;or agree to do so;
- (f) in the case of the Company only, does not:
 - (1) increase, reduce or otherwise alter its issued equity or loan capital or securities or other rights convertible into equity or loan capital or grant any options for the issue of securities;
 - (2) buy back any of its securities;
 - (3) declare or pay a dividend or other distribution;
 - (4) make any alteration to the constitution or other constitutional documents of the Company;
 - (5) revalue any of its assets; or
 - (6) enter into any abnormal or unusual transaction which relates to or adversely affects the Company;or agree to do so;
- (g) regularly consults with the Buyer on the manner of conduct of the Pool 1 Childcare Business; and

- (h) ensures that the assets it owns or uses in connection with the Pool 1 Childcare Business are insured in accordance with prudent business practice;

except for or as a consequence of entry into or performance of this agreement, the Incubator Agreement or the Pool 1 Childcare Business Sale Agreement or any transaction required or permitted under or contemplated by such agreement or except to the extent otherwise expressly approved by the Buyer.

4.2 Conduct of Buyer Group Entity's business in the ordinary course

The Buyer must ensure that until Completion each Buyer Group Entity:

- (a) carries on its business in a normal, proper and efficient manner and manages and conducts its business in the ordinary and usual course, consistent with past practice;
- (b) uses all reasonable endeavours to preserve its goodwill;
- (c) maintains the assets it owns or uses in connection with its business at normal levels;
- (d) carries out repairs and maintenance to the assets it owns or uses in connection with its business in accordance with good commercial practice and standards of maintenance and as required under any relevant lease, licence or other agreement;
- (e) does not:
 - (1) employ any new person in a senior management position;
 - (2) employ any new person not in a senior management position except to replace an employee who has resigned or whose employment has been validly terminated;
 - (3) terminate the employment of any employee other than for cause;
 - (4) materially change the terms of employment of any employee; or
 - (5) provide any bonus to any employee;or agree to do so;
- (f) does not:
 - (1) increase, reduce or otherwise alter its issued equity or loan capital or securities or other rights convertible into equity or loan capital or grant any options for the issue of securities;
 - (2) buy back any of its securities;
 - (3) declare or pay a dividend or other distribution;
 - (4) make any alteration to the constitution or other constitutional documents of a Buyer Group Entity;
 - (5) revalue any of its assets; or

- (6) enter into any abnormal or unusual transaction which relates to or adversely affects a Buyer Group Entity;

or agree to do so;

- (g) regularly consults with the Seller on the manner of conduct of its business; and
- (h) ensures that the assets it owns or uses in connection with its business are insured in accordance with prudent business practice;

except for or as a consequence of entry into or performance of this agreement or the Incubator Agreement or any transaction required or permitted under or contemplated by such agreement (including in connection with the Capital Raising) or except to the extent otherwise expressly approved by the Seller.

5. Completion

5.1 Time and place

Completion must take place at the office of Piper Alderman, Level 23, 459 Collins Street, Melbourne, Victoria on the Completion Date starting at 11.00 am or such other place or time as the parties may agree.

5.2 Actions

At the place and time required for Completion (or at an earlier time):

- (a) the Seller must deliver to the Buyer a copy of each consent, approval, waiver or other document referred to in any of clauses 3.1(c) and (d) that has been executed, adopted or obtained at or before Completion, together with a certificate dated the date of Completion signed by or on behalf of the Seller certifying that the conditions referred to in those clauses have been met except for any waived by the Buyer in writing;
- (b) if immediately before Completion Genius Learning continues to hold a Childcare Service Approval for any Business Premises and the consent of each Government Agency to the transfer of the Childcare Service Approval to the Buyer or Company that is required to ensure there is no breach of the Education and Care Services National Law in consequence of the transfer has been obtained before Completion, the Seller must deliver to the Buyer, in addition to a copy of each consent under paragraph (a) above, an instrument of transfer in the prescribed form of the Childcare Service Approval in favour of the Buyer or Company duly executed by Genius Learning;
- (c) the Seller must deliver to the Buyer or as the Buyer may direct in respect of the Sale Shares the Buyer has agreed to buy from the Seller under clause 2.1:
 - (1) a certificate for the Sale Shares together with an instrument of transfer in registrable form (save for the payment of any applicable duty) of the Sale Shares in favour of the Buyer duly executed by the registered holder of them;
 - (2) a release and discharge in a form and on terms reasonably satisfactory to the Buyer of any Encumbrance over or in respect of any of the Sale Shares from

the holder of the Encumbrance including, without limitation, a copy of a duly completed and signed financing change statement in respect of the discharge of each registered security interest over or in respect of any of the Sale Shares, from the relevant secured party, together with a receipt from the Registrar of Personal Property Securities of lodgement of the financing change statement or other written confirmation that the financing change statement has been lodged with the Registrar; and

- (3) any approval, consent, waiver, notice or other document which is necessary for the Buyer to obtain good title to the Sale Shares and their transfer to the Buyer;
- (d) the Seller must deliver to the Buyer the Corporate Records and any other Business Records requested by the Buyer to be delivered to it and give the Buyer possession of the remaining Business Records (by leaving them at the Business Premises);
- (e) the Seller must give the Buyer possession of all keys, security cards, user names, passcodes and/or access codes for the Business Premises or any asset or system owned or used by the Company (by leaving them at the relevant Business Premises);
- (f) the Seller must procure:
 - (1) the resignation or removal as director of the Company of each person who is immediately before Completion a director of the Company except for 2 of those persons, to take effect immediately after Completion;
 - (2) the resignation or removal as secretary of the Company of each person who is immediately before Completion a secretary of the Company, to take effect immediately after Completion;
- (g) the Seller must procure a resolution of the directors of the Company to be passed which provides for the approval of the transfers of the Sale Shares the Buyer has agreed to buy under clause 2.1 and (subject to the payment of any applicable duty) the registration of the transfers in the Company's register of members, the cancellation of the existing certificates in respect of the Sale Shares and the issue of new certificates in the name of the Buyer;
- (h) the Seller must procure a resolution of the directors of the Company to be passed which provides for:
 - (1) the appointment as director of the Company of Dean Wayland Clarke, Michelle Robyn Clarke and Peter Scott Lowe (or any other person nominated by the Buyer to be a director of the Company in place of any of those persons), subject to the proposed director signing a consent in writing to act as director of the Company and providing evidence to the reasonable satisfaction of the Seller that the proposed director is a fit and proper person to be a director of an entity that holds or operates under a Childcare Provider Approval; and
 - (2) the appointment as secretary of the Company of Andrew John Draffin (or any other person nominated by the Buyer to be the secretary of the Company in place of him), subject to the proposed secretary signing a consent in writing to act as secretary of the Company and providing evidence to the reasonable

satisfaction of the Seller that that the proposed secretary is a fit and proper person to be a company secretary of an entity that holds or operates under a Childcare Provider Approval; and

- (i) the Seller must deliver to the Buyer a counterpart of the Escrow Deed executed by the Seller;
- (j) the Buyer must:
 - (1) deliver to the Seller a copy of each consent, approval, waiver or other document referred to in any of clauses 3.1(e) to (g) that has been executed, adopted or obtained at or before Completion, together with a certificate dated the date of Completion signed by or on behalf of the Buyer certifying that the conditions referred to in those clauses have been met except for any waived by the Seller in writing;
 - (2) deliver to the Seller a counterpart of the Escrow Deed executed by the Buyer;
 - (3) pay to the Seller the amount referred to in clause 2.4(a) on account of the Base Consideration;
 - (4) issue to the Seller the Buyer Shares referred to in clause 2.4(a) on account of the Base Consideration;
 - (5) if immediately before Completion there are more than 3 directors of the Buyer, procure the resignation or removal of directors of the Buyer such that there are no more than 3 immediately after Completion, not counting any director appointed under paragraph (6) below; and
 - (6) procure a resolution of the directors of the Buyer to be passed which provides for the appointment as director of the Company of Lubna Matta and David Niall (or any other person nominated by the Seller to be a director of the Buyer in place of any of those persons), subject to the proposed director signing a consent in writing to act as director of the Buyer and providing evidence to the reasonable satisfaction of the Buyer that the proposed director is a fit and proper person to be a director of an entity that holds a Childcare Provider Approval.

5.3 Interdependency

The parties agree that Completion is to occur immediately after Pool 1 Childcare Business Sale Completion **provided that** the parties' obligations at Completion and the obligations of the parties to the Pool 1 Childcare Business Sale Agreement at Pool 1 Childcare Business Sale Completion are interdependent so that a thing done at Completion by a party is conditional on, and not taken as done until, all things required at Completion and at Pool 1 Childcare Business Sale Completion are done.

6. Post Completion

6.1 Power of attorney

- (a) The Seller appoints the Buyer and each agent of the Buyer authorised in writing as its attorney from Completion until the Sale Shares bought by the Buyer from the Seller under this agreement are registered in the name of the Buyer.
- (b) The Seller authorises the attorneys severally on behalf of and in the name of the Seller to do everything that the Buyer reasonably considers should be done following Completion to:
 - (1) transfer those Sale Shares;
 - (2) exercise any rights attached to those Sale Shares; and
 - (3) receive an entitlement of the Seller in respect of those Sale Shares.
- (c) The Seller declares that:
 - (1) an act of an attorney under this power of attorney is valid;
 - (2) it gives this power of attorney for valuable consideration; and
 - (3) this power of attorney is irrevocable from the date of this agreement.
- (d) The Seller must ratify an act that an attorney does under this power of attorney.
- (e) An attorney may specifically do an act under this power of attorney which results in a benefit to the Buyer.
- (f) The Buyer indemnifies the Seller against all liabilities incurred by the Seller as a result of any act of an attorney of the Buyer authorised under this power of attorney.

6.2 Conduct pending payment of Earn Out Consideration

Following Completion, the Buyer must ensure that if the Earn Out EBITDA as set out in the final Earn Out Statement is less than the EBITDA Target, until the date the Earn Out Statement is finalised or, in any other case, until the date of issue the Buyer Shares to satisfy part of the Earn Out Consideration:

- (a) if a director of the Buyer who is appointed for or on behalf of or to represent the Seller or at the nomination of the Seller retires at a general meeting of the Buyer and stands for election or re-election, the Buyer uses its best endeavours to support the election or re-election of the director;
- (b) if a director of the Buyer who is appointed for or on behalf of or to represent the Seller or at the nomination of the Seller ceases to be a director of the Buyer for any reason, as soon as reasonably practicable the Buyer procures a resolution of the directors of the Buyer to be passed which provides for the appointment as director of the Buyer of any person nominated by the Seller to be a director of the Buyer in place of the person who ceases to be a director, subject to the proposed director signing a consent in writing to act as director of the Buyer and providing evidence to the

reasonable satisfaction of the Buyer that the proposed director is a fit and proper person to be a director of an entity that holds a Childcare Provider Approval;

- (c) no Buyer Group Entity has more than 5 directors and each director of the Buyer who is appointed for or on behalf of or to represent the Seller or at the nomination of the Seller continues to be or is appointed a director of the Company and each other Buyer Group Entity subject to the person agreeing to continue or to be appointed as a director of the entity and, in the case of a new appointment, signing a consent in writing to act as director of the entity; and
- (d) immediately after Completion the Buyer provides the Company with at least \$250,000 of working capital by way of gift or subscription for ordinary shares in the Company and a letter of comfort in connection with providing working capital to the Company on an as needed basis;

except to the extent otherwise expressly required or permitted by this agreement or unless the Seller otherwise agrees.

6.3 Change of name of Company

Upon termination of the IP Licence Agreement, the Buyer must do all things necessary to change the Company's name to a name which does not incorporate the word Genius or any business name, domain name or trade mark forming part of the intellectual property licensed under the IP Licence Agreement or any similar name and is approved by the Seller (which must not be unreasonably withheld or delayed).

7. Foreign resident CGT withholding and CGT roll-over relief

7.1 Residency declaration

For the purposes of section 14-225(1) of Schedule 1 of the 1953 Tax Act, the Seller declares that, for the period from the date of execution of this agreement up to and including Completion, it is and will be an Australian resident (within the meaning of the 1997 Tax Act).

7.2 Declaration that the Sale Shares are not indirect Australian real property interests

For the purposes of section 14-225(2) of Schedule 1 of the 1953 Tax Act, the Seller declares that, for the period from the date of execution of this agreement up to and including Completion, the Sale Shares:

- (a) are membership interests (within the meaning of the 1997 Tax Act); and
- (b) are not indirect Australian real property interests (within the meaning provided by section 855-25 of the 1997 Tax Act).

7.3 CGT roll-over relief

- (a) To the extent that:
 - (1) the Seller chooses to obtain roll-over pursuant to subdivision 124-M of the Tax Act in relation to its disposal of the Sale Shares, and

- (2) section 124-782 applies to the Seller in relation to the transactions contemplated by this agreement;

the Buyer agrees to jointly choose to obtain roll-over pursuant to subdivision 124-M of the Tax in relation to its acquisition of the Sale Shares.

- (b) The Buyer agrees not to make an election pursuant to section 124-795(4) of the Tax Act in relation to its acquisition of the Sale Shares.

8. Warranties by Seller

8.1 Seller Warranties

In consideration of the Buyer agreeing to buy Sale Shares from the Seller in accordance with this agreement, the Seller represents and warrants to the Buyer that each of the Seller Warranties is true, accurate and not misleading at the date of this agreement and will be true, accurate and not misleading at Completion.

8.2 Separate representations

Each of the Seller Warranties is to be treated as a separate representation and warranty in respect of each statement made and the interpretation of any statement made is not to be restricted by reference to or inference from any other statement.

8.3 Inducement

The Seller acknowledges that the Seller Warranties are made to the Buyer with the intention of inducing the Buyer to enter into this agreement and that the Buyer has entered into this agreement on the basis of, and in reliance on, the Seller Warranties.

8.4 Notice of breach

If before Completion the Seller becomes aware of any fact, matter or circumstance which is, or is reasonably likely to be, contrary to or inconsistent with any of the Seller Warranties or has had, is having or is reasonably likely to have, a material adverse effect on the profitability or value of the Pool 1 Childcare Business since the Balance Date, the Seller must as soon as reasonably practicable after becoming aware of that fact, matter or circumstance give notice to the Buyer in writing describing that fact, matter or circumstance in reasonable detail so as to enable the Buyer to consider the nature and impact of it.

9. Qualifications and limitations

9.1 Disclosures

- (a) Each Seller Warranty (other than a Seller Fundamental Warranty) is given subject to and qualified by any fact, matter or circumstance:
- (1) provided for or disclosed in this agreement (including the schedules);
 - (2) that would have been revealed by an inspection or search:
 - (A) on the date that is 3 Business Days before the date of this agreement of any public register or records kept by ASX, ASIC or the PPSR; or

(B) of the registry of:

- (i) the Federal Circuit Court of Australia on 26 August 2021;
- (ii) the Supreme Court of Queensland on 26 August 2021;
- (iii) the Supreme Court of New South Wales on 19 September 2021;
- (iv) the Supreme Court of Western Australia on 26 August 2021;
- (v) the Supreme Court of South Australia on 3 September 2021;
or
- (vi) the Supreme Court of Victoria on 30 August 2021;

(3) Fairly Disclosed in the Disclosure Letter and each Seller Fundamental Warranty set out in clauses 2 and 3 of schedule 1 is also given subject to and qualified by any fact, matter or circumstance Fairly Disclosed in the Disclosure Letter; or

(4) Fairly Disclosed in a Due Diligence Document;

which is contrary to or inconsistent with the Seller Warranty, and the Seller will not be liable for or in connection with a breach of the Seller Warranty due to the fact, matter or circumstance contradicting or being inconsistent with the Seller Warranty.

(b) No other information or investigation made by or on behalf of the Buyer into the affairs of the Company or the Seller will extinguish or affect any of the Seller Warranties or prejudice any Claim made by the Buyer under or in connection with this agreement or operate to reduce any amount recoverable by the Buyer.

9.2 Minimum limitation

The Buyer must not make a Claim against the Seller under or in connection with this agreement unless:

- (a) the Buyer's Loss due to the relevant cause of action exceeds or is reasonably likely to exceed \$30,000; and
- (b) the Buyer's Loss due to the relevant cause of action together with all other Losses of the Buyer due to causes of action under or in connection with this agreement exceed \$100,000;

in which case, the Buyer can bring a Claim against the Seller for the full amount of the Buyer's Losses. In determining any Loss of the Buyer in respect of a cause of action for the purposes only of determining whether the thresholds specified in clauses 9.2(a) and 9.2(b) have been exceeded, no account will be taken of the legal and other costs the Buyer incurs or may incur in pursuing the Seller in respect of the cause of action.

9.3 Maximum limitation

The maximum liability of the Seller under or in connection with this agreement is the Base Consideration paid by the Buyer to the Seller. Additionally, the maximum liability of the Seller

under or in connection with this agreement other than for breach of a Seller Fundamental Warranty or in respect of a Tax Claim is 65% of the Base Consideration paid by the Buyer to the Seller.

9.4 Time limitation

The Buyer may not make a Claim against the Seller:

- (a) for or in connection with a breach of a Seller Fundamental Warranty or in respect of a Tax Claim unless a notice in writing containing reasonable particulars of the Claim is given by the Buyer to the Seller within 5 years from the date of Completion; or
- (b) otherwise under or in connection with this agreement unless a notice in writing containing reasonable particulars of the Claim is given by the Buyer to the Seller within 18 months from the date of Completion;

and the Seller will have no liability in relation to such a Claim unless the Claim has been settled or a proceeding is filed with a court of competent jurisdiction in respect of the Claim within 6 months from the later of:

- (c) the date of receipt by the Seller of the Buyer's written notice of the Claim; and
- (d) the date sufficient written notices of Claims by the Buyer have been received by the Seller which in aggregate exceed the minimum Claims thresholds referred to in clause 9.2.

9.5 Future events

The Seller will not be liable for any Loss of or Claim by the Buyer arising under or in connection with this agreement to the extent attributable to:

- (a) a change of law or the interpretation of a law; or
- (b) the enactment of any legislation or the announcement by a government of its intention to enact any legislation,

after the date of this agreement.

9.6 Buyer's acts

The Seller will not be liable for any Loss of or Claim by the Buyer arising under or in connection with this agreement to the extent attributable to

- (a) the Buyer or another Buyer Group Member applying accounting standards or principles in respect of the Pool 1 Childcare Business after Completion that are different to the Pool 1 Childcare Business Accounting GAAP ; or
- (b) an act or omission by a Seller Group Member before Completion which occurs because the Seller Group Member complies with a written direction given to it by the Buyer other than a direction requiring compliance, or that is otherwise consistent, with the Seller's obligations under this agreement or any other agreement.

9.7 Loss otherwise compensated

- (a) The Seller will not be liable for any Loss of the Buyer arising under or in connection with this agreement to the extent that:
 - (1) the Loss is recovered by the Buyer under a Claim against the Seller or is made good or otherwise compensated for net of any cost to the Buyer; or
 - (2) any Buyer Group Member receives compensation for the Loss, whether under an insurance policy or otherwise:
- (b) Where a Buyer Group Member may be entitled to such compensation from a third party, then the Buyer must ensure that the Buyer Group Member uses reasonable endeavours to seek and recover the compensation.
- (c) If the Buyer receives payment of an amount (**Claim Amount**) from or on behalf of the Seller in respect of a Claim arising under or in connection with this agreement and within 12 months after the Claim Amount is received any Buyer Group Member receives payment of an amount (**Recovery Amount**) by reason of the fact, matter or circumstance to which the Claim relates, then the Buyer must within 20 Business Days after the Recovery Amount is received repay to the Seller (in such proportions or amounts as they determine) an amount (**Repayment Amount**) equal to the lesser of:
 - (1) the Claim Amount up to the amount by which the Recovery Amount exceeds:
 - (A) all reasonable costs incurred by any Buyer Group Member in consequence of seeking or enforcing payment of or otherwise claiming the Claim Amount or Recovery Amount (including any increase in insurance premiums in respect of future periods); and
 - (B) any additional income tax payable under the Tax Act by any Buyer Group Member as a result of receiving the Claim Amount or Recovery Amount after taking into account all available tax deductions and concessions available to any Buyer Group Member as a result of the Buyer repaying to the Seller the Repayment Amount or any Buyer Group Member paying or incurring costs in consequence of seeking or enforcing payment of or otherwise claiming the Claim Amount or Recovery Amount; and
 - (2) the amount (if any) by which the Claim Amount plus the Recovery Amount exceeds the actual Loss of the Buyer (including any part of the Loss that is below the minimum Claims thresholds referred to in clause 9.2), plus all other Losses of the Buyer due to or in connection with any other cause of action arising under or in connection with this agreement to the extent not recovered from a Seller Group Member.

9.8 Third party claims

- (a) If a Claim (**Third Party Claim**) is made against the Buyer or another Buyer Group Member (**Defendant**) by a person other than a Seller Group Member which may result in liability of the Seller under or in connection with this agreement, the Buyer must and, if the Buyer is not the Defendant, the Buyer must procure the Defendant to:

- (1) notify the Seller in writing of the Third Party Claim together with reasonable particulars of the Third Party Claim as soon as reasonably practicable after becoming aware of the Third Party Claim;
 - (2) not make any admission of liability in respect of or settle the Third Party Claim without the prior written consent of the Seller which must not be unreasonably withheld or delayed; and
 - (3) take such action as the Seller reasonably request, including action to avoid, dispute, resist, bring an appeal on, compromise or defend the Third Party Claim or any adjudication of the Third Party Claim.
- (b) Where a Third Party Claim is made, the Seller may give written notice to the Buyer that the Seller, on behalf of the Defendant, wants to:
- (1) assume the conduct of the defence of the Third Party Claim;
 - (2) institute a cross claim or counterclaim to the Third Party Claim;
 - (3) negotiate and agree to a settlement of the Third Party Claim;
 - (4) agree to any form of alternative dispute resolution (including mediation) in relation to the Third Party Claim; and/or
 - (5) retain lawyers to act on behalf of both the Defendant and the Seller in relation to the Third Party Claim;

and if the Seller gives written notice to the Buyer that the Seller wants to do any of the above, the Buyer must and, if the Buyer is not the Defendant, the Buyer must procure the Defendant to, ensure that the conduct of the Third Party Claim by the Defendant will (to the extent of the notice) be under the management and control of the Seller.

- (c) Where the Seller assumes the management and control of the conduct of a Third Party Claim on behalf of the Defendant under clause 9.8(b):
- (1) the Seller must act reasonably in the conduct of the Third Party Claim and have regard to the principle that the reputation of the Defendant should not be unnecessarily injured;
 - (2) the Buyer must and, if the Buyer is not the Defendant, the Buyer must procure the Defendant to:
 - (A) if requested by the Seller, render all reasonable assistance and co-operation to the Seller in the conduct of the defence of the Third Party Claim or the prosecution of a cross claim or counterclaim to the Third Party Claim including, without limitation, providing the Seller with any documents, authorities and directions that the Seller may reasonably require for that purpose; and
 - (B) if requested by the Seller, do anything reasonably necessary or desirable to enable the Seller (so far as it is possible) to be subrogated to and enjoy the benefits of the Defendant's rights in relation to any cause of action against any third party in connection

with the Third Party Claim and render such assistance as may be reasonably requested by the Seller for that purpose; and

- (3) the Seller must indemnify the Buyer and, if the Buyer is not the Defendant, the Defendant against the reasonable costs incurred by the Buyer or the Defendant in taking action or providing assistance pursuant to clause 9.8(c)(2).

9.9 No other warranties or remedies

- (a) The Buyer acknowledges and agrees that the Seller Warranties and other representations and warranties by the Seller expressly set out in this agreement:
 - (1) are the only representations and warranties the Seller has given in connection with the sale of the Sale Shares or otherwise in connection with this agreement; and
 - (2) are the only representations and warranties the Buyer has relied on in entering into this agreement.
- (b) The Buyer also acknowledges and agrees that:
 - (1) the Seller Group Members will not be liable for any Loss of or Claim by the Buyer or any other Buyer Group Member arising from or relating to any statement, representation, warranty, promise, undertaking or agreement in connection with the sale of the Sale Shares made by or on behalf of any Seller Group Member or resulting from or implied by conduct made in the course of communications or negotiations in connection with the sale of the Sale Shares not expressly set out in this agreement;
 - (2) the Seller Group Members give no representations or warranties whatever about future matters, including the future financial position or performance of the Pool 1 Childcare Business, Group or any Group Entity; and
 - (3) any forecast, forward looking statement or other statement as to the future made by or on behalf of any Seller Group Member or resulting from or implied by conduct made in the course of communications or negotiations in connection with the sale of the Sale Shares may involve significant elements of subjective judgment and assumption as to future events which may or may not be correct, and there are usually differences between forecasts and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material;

and the Buyer releases, and must procure each other Buyer Group Member to release, the Seller Group Members from all liability in respect of any such statement, representation, warranty, promise, undertaking or agreement to the maximum extent permitted by law.
- (c) To the maximum extent permitted by law, the Buyer agrees not to make, and to waive any right it may have to make, and to procure each other Buyer Group Member not to make, and to waive any right it may have to make, a Claim against any Seller Group Member under the *Competition and Consumer Act 2010* (Cth), *Corporations Act 2001* (Cth), *Australian Securities and Investments Commission Act 2001* (Cth) or any

similar federal, state or territory legislation, for misleading or deceptive conduct concerning the sale of Sale Shares or any other transaction under or contemplated by this agreement or for any statement or representation concerning any of those things.

9.10 Seller liable to Buyer only

- (a) The Buyer acknowledges and agrees that:
 - (1) no Seller Group Member other than the Seller has any liability to the Buyer or any other Buyer Group Member; and
 - (2) the Seller has no liability to any Buyer Group Member other than the Buyer;under or in connection with this agreement.
- (b) Each Seller Group Member, whether or not a party to this agreement, will be entitled to the benefit of this clause 9 and this clause 9 may be enforced on its behalf by the Seller.
- (c) The Buyer must ensure that each other Buyer Group Member abides by and observes this clause 9 as if it were the Buyer.

9.11 Duty to mitigate

The Buyer must, and must procure each other Buyer Group Member to, use reasonable endeavours to mitigate its losses and liabilities in relation to a Claim against the Buyer or any Buyer Group Member which may result in liability of the Seller under or in connection with this agreement.

9.12 No knowledge of breach

As at the date of execution of this agreement, the Buyer had not already formulated an intention to make a Claim for or in connection with a breach of Seller Warranty and neither it nor any other Buyer Group Member had actual knowledge of any fact, matter or circumstance which would constitute a breach of Seller Warranty.

9.13 Indirect or consequential loss

The Seller will not be liable for, or with respect to any indirect or consequential loss arising under or in connection with this agreement, whether the relevant claim or cause of action arises due to a breach of contract, in tort, under an indemnity, under any other basis in common law or equity, under statute or otherwise and whether or not the loss may reasonably be supposed to have been in the contemplation of the parties at the time they entered into this agreement. In this clause 9.13, indirect or consequential loss is taken to include loss of or damage to goodwill, business reputation or future reputation, adverse publicity or damage to credit rating, loss of profits, bonuses, anticipated income, anticipated cost savings or other economic loss, corruption, destruction or other loss of data, and loss of opportunity, customers, clients, investors or other business, but does not include any loss which may fairly and reasonably be considered to arise naturally, that is, according to the usual course of things, from the relevant breach or other cause of action itself or any diminution in the value of any Sale Shares or any direct loss of profits, direct loss of revenue or direct loss of production.

9.14 Compensation

- (a) If the Buyer is entitled to an amount from the Seller in respect of a Claim arising under or in connection with this agreement (**SPA Claim**), the Seller, once the aggregate amount of SPA Claims paid by the Seller to the Buyer is equal to or exceeds the Base Cash Consideration, may elect by written notice to the Buyer to pay all or any of the amount (**Share Compensation Amount**) by selling and transferring to the Buyer the number of fully paid Buyer Shares (rounded to the nearest whole number) (**Compensation Sale Shares**) equal to the Share Compensation Amount divided by the Buyer Share VWAP. Upon the Seller giving the notice of election to the Buyer, the Seller will be taken to have agreed to sell to the Buyer, and the Buyer will be taken to have agreed to buy back from the Seller and to have approved in writing the buy-back for the purpose of clause 2.3(b) of the Escrow Deed, the Compensation Sale Shares free from all Encumbrances subject to satisfying the applicable requirements under division 2 of part 2J.1 of the Corporations Act, and as soon as reasonably practicable thereafter:

- (1) the Seller must deliver an instrument of transfer in registrable form (save for the payment of any applicable duty) of the Compensation Sale Shares in favour of the Buyer duly executed by the registered holder of them and take all other steps within its power that are necessary to sell and transfer the Compensation Sale Shares to the Buyer in compliance with division 2 of part 2J.1 of the Corporations Act; and
- (2) the Buyer must use its best endeavours to ensure that all other requirements to buy back the Compensation Sale Shares in compliance with division 2 of part 2J.1 of the Corporations Act are met;

and once the Seller has satisfied its obligations under this clause 9.14(a) and done anything else reasonably within its power to do to ensure the requirements of division 2 of part 2J.1 of the Corporations Act are met, the Share Compensation Amount will have been, or will be taken to have been, paid to the Buyer.

- (b) Any compensation received by the Buyer for or in connection with a breach of Seller Warranty or other provision of this agreement will be in reduction and refund of the consideration for the Sale Shares bought by the Buyer under this agreement.

9.15 Limitations do not apply

None of the qualifications or limitations in this clause 9 apply to any Loss of or Claim by the Buyer or any other Buyer Group Member to the extent that it arises out of, or is increased as a result of, any fraud, wilful default or wilful concealment by the Seller.

10. Tax Indemnity by Seller

10.1 Indemnity

Subject to this clause 10, the Seller indemnifies and must keep indemnified the Buyer for any:

- (a) costs and expenses incurred by or on behalf of the Company due to any action taken to manage, avoid, resist or settle any Tax Liabilities to the extent those costs and expenses arise from or relate to any of the matters referred to in clause 10.1(b) (**Tax Costs**) up to \$30,000 in the aggregate;

- (b) Tax Liabilities payable or incurred by the Company in respect of the operations of the Company or the Pool 1 Childcare Business in respect of any period prior to Completion as a result of, or in respect of, or by reference to:
- (1) any acts or omissions of, or an event occurring, or deemed for Tax purposes to occur or have occurred and which affects the Company;
 - (2) an action, decision, direction or election made;
 - (3) any grouping of the Company with any other business or corporation for payroll tax purposes;
 - (4) any income, profits or gains (not falling within clause 10.1(b)(1)) earned, accrued, derived or received, or deemed for any Tax purposes to be earned, accrued, derived or received on or before or in respect of any period ending;
 - (5) any deductions or losses deducted, or deemed for any Tax purposes to be deducted;
 - (6) any financial incentives and associated declarations, rebates, credits, withholding tax, offsets, PAYG tax, franking credits or debits, GST input tax credits and any tax related transactions made or in respect of the period ending;
 - (7) any underpayment of any Taxes by the Company; or
 - (8) any failure by the Company to comply with statutory requirements including failure to provide information or documents to any Government Agency where the time or date for compliance with those requirements or the provision of the information or documents occurred or fell,

prior to Completion, but only to the extent that the Tax Liability is not a liability for Tax arising in connection with the conduct of the Pool 1 Childcare Business after Completion.

10.2 Scope of Tax Indemnity

- (a) The Seller will not be liable to make any payment under this clause 10 in respect of any Tax Liability to the extent that (except in the event of fraud on the part of the Seller or the Company):
- (1) it arises as a result of any income derived, loss, outgoing or deductions incurred or activities undertaken, or deemed for Tax purposes to have been undertaken, after Completion unless arising from an action, decision, direction or election made prior to Completion;
 - (2) it arises as a result of the transactions contemplated by this agreement; or
 - (3) an amount has been recovered by the Company in respect of the same subject matter (net of liabilities incurred in making that recovery).
- (b) The Buyer may not make a Claim under clause 10.1 to the extent the Seller has fully compensated the Company for the subject matter of that Claim.
- (c) The Seller is not liable for any Tax Claim, and the Buyer must not bring any Tax Claim to the extent that:

- (1) the Claim arises from, or is increased as a result of, the Company joining a consolidated group for Tax purposes on or after Completion;
- (2) the Tax the subject of the Claim would not have arisen but for any change in the accounting policy or practice of the Company or another Buyer Group Entity after Completion;
- (3) the Tax the subject of the Claim arises out of the cessation or alteration of the Pool 1 Childcare Business or any other business of a Buyer Group Entity after Completion; or
- (4) the Tax the subject of the Claim is due to changes in Tax Law with retrospective operation.

10.3 Payment of Tax Liabilities

Where a Claim under the Tax Indemnity involves an actual payment of Tax by the Company:

- (a) the parties must procure that the Company pays the relevant Tax by the date on which the Tax in question is due to be paid to the relevant Taxation Authority; and
- (b) where it is agreed by the parties or determined that the Seller is liable to make a payment under the Tax Indemnity in respect of the amount of Tax referred to in clause 10.1, the Seller must pay the amount agreed or determined to the Buyer within 10 Business Days of the agreement or determination of the Seller's liability.

Despite anything else contained in this agreement, if the Buyer is paid an amount under the Tax Indemnity and the circumstances giving rise to that entitlement also constitute a breach of Seller Warranty, any compensation under this agreement in respect of that breach of Seller Warranty due to the Buyer will be reduced by that amount.

10.4 Tax investigations

If any request for information, investigation or audit is made by any Government Agency in respect of Tax of any Buyer Group Entity relating to a period before Completion which may result in liability of the Seller under the Tax Indemnity, the Buyer must as soon as reasonably practicable notify the Seller in writing and provide the Seller with the notice and copies of any written materials received. In addition, if the Seller notifies the Buyer that the Seller wishes to participate in any such request for information, investigation or audit, the Buyer must:

- (a) consult with the Seller at all times whilst any investigation or audit is being conducted and exchange any relevant information with the Seller; and
- (b) endeavour to give the Seller the right to be represented at any interview, meeting or settle negotiation between any officer or employee of the Commissioner of Taxation (or other relevant Government Agency) and a representative of the Buyer dealing with any issue arising from the information requested, investigation or audit.

10.5 Tax returns

The Buyer must ensure that every tax return in respect of Tax of any Buyer Group Entity relating to a period before Completion which may result in liability of the Seller under the Tax Indemnity that is lodged after Completion:

- (a) is delivered to the Seller in final draft form a reasonable period before that return is lodged; and
- (b) incorporates any reasonable amendments the Seller requests prior to lodgement.

11. Warranties by Buyer

11.1 Buyer Warranties

In consideration of the Seller agreeing to sell their Sale Shares to the Buyer in part consideration for the issue of Buyer Shares to the Seller in accordance with this agreement, the Buyer represents and warrants to the Seller that each of the Buyer Warranties is true, accurate and not misleading at the date of this agreement and will be true, accurate and not misleading at Completion.

11.2 Separate representations

Each of the Buyer Warranties is to be treated as a separate representation and warranty in respect of each statement made and the interpretation of any statement made is not to be restricted by reference to or inference from any other statement.

11.3 Inducement

The Buyer acknowledges that the Buyer Warranties are made to the Seller with the intention of inducing the Seller to enter into this agreement and that the Seller has entered into this agreement on the basis of, and in reliance on, the Buyer Warranties.

11.4 Notice of breach

If before Completion the Buyer becomes aware of any fact, matter or circumstance which is, or is reasonably likely to be, contrary to or inconsistent with any of the Buyer Warranties or has had, is having or is reasonably likely to have, an adverse effect on the profitability or value of a Buyer Group Entity since the Balance Date, the Buyer must as soon as reasonably practicable after becoming aware of that fact, matter or circumstance give notice to the Seller in writing describing that fact, matter or circumstance in reasonable detail so as to enable the Buyer to consider the nature and impact of it.

11.5 No knowledge of breach

As at the date of execution of this agreement, the Seller had not already formulated an intention to make a Claim for or in connection with a breach of Buyer Warranty and the Seller had no actual knowledge of any fact, matter or circumstance which would constitute a breach of Buyer Warranty.

12. Confidentiality

12.1 Prohibition

Each party undertakes that it and its officers, employees and advisers and others to whom it discloses the terms of this agreement, any transaction contemplated under it or any information about the sale of the Sale Shares that is not in the public domain, will not disclose any of that information except as permitted or otherwise provided under this agreement.

12.2 Exceptions

Information may be disclosed:

- (a) to a person **provided that** knowledge of the information disclosed to the person is necessary for the purpose of negotiating, preparing, executing, performing, undertaking, completing or enforcing this agreement or any transaction contemplated under this agreement and the person agrees not to disclose the information except as permitted or otherwise provided under this agreement;
- (b) as is necessary for a party to comply with any applicable law or requirement of a securities exchange or to exercise or enforce its rights, perform its obligations or defend any claim or proceeding, under or in connection with this agreement **provided that** all reasonable steps have been taken to limit, as far as reasonably possible, the extent of the disclosure;
- (c) by a party in a press release or public announcement about this agreement or any transaction under it with the approval of the other parties as to the form, content and manner of the release or announcement, which must not be unreasonably withheld; or
- (d) by a party to the extent permitted in writing by the other parties.

13. Expert determination

If a matter is permitted or required to be determined under this agreement by an expert:

- (a) the expert is to be a suitably qualified and experienced independent expert agreed by the parties to make the determination **provided that** if the parties have not agreed on an expert to make the determination within 10 Business Days from the first date a written nomination of any such expert is given by one of them to the others, a person who is nominated by the national president of Resolution Institute ABN 69 008 651 232 (or his or her nominee) to make the determination, at the request of any party, and who represents to the parties in writing to the effect that the expert is independent of the parties and has sufficient qualifications and experience to make the determination;
- (b) as soon as reasonably practicable after the expert has been agreed or nominated, the parties must engage the expert on reasonable terms and refer the relevant matter to the expert for determination in writing expeditiously, as an expert and not an arbitrator;
- (c) each party must provide the expert with such information as the expert may reasonably require in order to make the determination, subject to the party taking reasonable precautions to maintain the confidentiality of that information or to ensure that any legal professional privilege or other privilege attaching to that information is not waived or otherwise lost;
- (d) a party may make a submission to the expert in respect of the matter under determination and all written communications between the expert (or expert's adviser) and a party (or party's adviser) must be copied to each other party;
- (e) the parties must ensure that:

- (1) the expert provides a draft of the expert's determination to each party at or about the same time and must allow each party a period of 5 Business Days to review and provide any comments to the expert on the draft determination; and
- (2) the expert provides the expert's final written determination to each party at or about the same time and promptly after it has been finalised;
- (f) the expert's final written determination will be conclusive and binding on the parties except to the extent of any manifest error;
- (g) the costs of the expert must be borne by the Buyer as to one-half and the Seller as to the other half unless otherwise expressly stated in this agreement or agreed between the parties in writing; and
- (h) each party must consult with each other party and do whatever is reasonably requested of it to effect the engagement of the expert and to assist the expert make the determination as soon as reasonably practicable and within any period required for finalising the determination.

14. Default

14.1 Termination

- (a) If the Buyer or the Seller (**defaulting party**) commits a material breach of this agreement before Completion has occurred and:
 - (1) if the breach is capable of remedy, fails to remedy the breach and pay to the other (**non-defaulting party**) any reasonable costs incurred by the non-defaulting party resulting from the breach within 5 Business Days from receipt of a written notice of default from the non-defaulting party specifying the breach and any such costs; or
 - (2) if the breach is not capable of remedy, fails to pay to the non-defaulting party reasonable compensation for the non-defaulting party's Loss resulting from the breach within 5 Business Days from receipt of a written notice of default from the non-defaulting party specifying the breach and compensation;

this agreement may be terminated immediately by the non-defaulting party giving a written notice of termination to the defaulting party.

- (b) The parties agree that failure to perform an obligation by a particular time is a breach capable of remedy.
- (c) The parties agree that:
 - (1) a breach of clause 5.2 by a party is a material breach committed by the party;
 - (2) a breach of a Seller Fundamental Warranty is a material breach committed by the Seller; and
 - (3) a breach of a Buyer Fundamental Warranty is a material breach committed by the Buyer.

14.2 Effect of termination

Termination of this agreement under this clause 14 will not prejudice or otherwise affect any rights and obligations of the parties expressed in this agreement to survive termination of this agreement, nor will it prejudice or otherwise affect any right or remedy one party has against another party in respect of any breach of this agreement before termination, but will terminate all other rights and obligations of the parties under this agreement.

14.3 Survival

This clause 14 and clauses 9, 12 and 16 (except 16.13) survive termination of this agreement.

14.4 Deferral of Completion

Where:

- (a) Completion does not occur on the Completion Date due to a party committing a material breach of this agreement;
- (b) the defaulting party redresses the breach (i.e. remedies the breach and pays to the non-defaulting party any reasonable costs incurred by the non-defaulting party resulting from the breach or pays to the non-defaulting party reasonable compensation for the non-defaulting party's Loss resulting from the breach) within 5 Business Days from receipt of the non-defaulting party's written notice of default under clause 14.1(a) (or such longer period as the non-defaulting party allows); and
- (c) there remains any outstanding actions required to be performed by the parties at Completion under clause 5;

those actions must be performed on the next Business Day after the defaulting party redresses the breach at the same place and time of day specified in or otherwise agreed in accordance with clause 5.1.

15. Restraint

15.1 Seller's restraint

Subject to Completion occurring and this clause 15, the Seller agrees that it will not, directly or indirectly, on their own account, or for or on behalf of or through any person or entity, do any of the following in the Restraint Area during the Restraint Period:

- (a) carry on, participate in, assist in or otherwise be directly or indirectly involved in as a director, consultant, adviser, contractor, principal, manager, employee, partner, associate, or financier of, any business or venture which is the same as, substantially similar to or competitive with the Pool 1 Childcare Business;
- (b) solicit, canvass, induce, entice away or encourage any person or entity known to it to leave their employment or engagement with the Pool 1 Childcare Business;
- (c) solicit, canvass, approach or accept any approach from any person or entity who was at any time during the immediately preceding 12 months a customer of the Pool 1 Childcare Business, with a view to establishing a relationship with or obtaining the custom of that person or entity; or

- (d) interfere or seek to interfere with the relationship between the Company and its clients, customers, employees or suppliers in the conduct of the Pool 1 Childcare Business.

15.2 Acknowledgements

- (a) The restraints set out in this clause 15 are separate, distinct and several so that the unenforceability of any restraint does not affect the enforceability of the other restraints. The parties acknowledge that:
 - (1) all the prohibitions and restrictions in this clause 15 are reasonable in the circumstances and necessary to protect the goodwill of the Pool 1 Childcare Business; and
 - (2) it is the intention of the parties that all combinations of such prohibitions and restrictions will apply and be enforceable and that only those which a court, in exercising its discretion, may hold to be an unreasonable restraint of trade will be severed.
- (b) The parties acknowledge and agree that damages would not be an adequate remedy for any breach of the restraints set out in this clause 15 and the remedies of injunction, specific performance and other equitable relief are appropriate for any threatened or actual breach of this clause.
- (c) Clause 15.1 does not prohibit a Seller Group Member from:
 - (1) having an interest in Buyer Shares;
 - (2) having an interest in securities of an entity which represent no more than 5% of the voting rights attached to the issued securities of the entity;
 - (3) performing any contracting or services arrangement for a Buyer Group Member;
 - (4) undertaking any act required or anticipated by this agreement, the Incubator Agreement or the Pool 1 Childcare Business Sale Agreement or any transaction required under such agreement or any act otherwise undertaken with the prior written consent of the Buyer; or
 - (5) doing anything in respect of any childcare centre operated by a Seller Group Member at the date of this agreement in the normal course of operations of any such childcare centre.

16. General

16.1 Governing law and jurisdiction

This agreement is governed by the laws of Victoria, Australia. The parties submit to the non-exclusive jurisdiction of the courts exercising jurisdiction there.

16.2 Amendment

This agreement may only be amended by written amendment executed by each party.

16.3 Waiver

A provision of this agreement or a right created under it may not be waived except in writing signed by the party granting the waiver.

16.4 Exercise of a right

A party may exercise a right at its discretion and separately or together with another right. If a party exercises a single right or only partially exercises a right, then that party may still exercise that right or any other right later. If a party fails to exercise a right or delays in exercising a right, then that party may still exercise that right later.

16.5 Remedies cumulative

The rights and remedies provided in this agreement are cumulative with and not exclusive of the rights and remedies provided by law independently of this agreement.

16.6 Continuing indemnities

Each indemnity in this agreement is:

- (a) a continuing obligation despite any settlement of account or the occurrence of any other thing, and remains in full force and effect until all money owing, contingently or otherwise, under the indemnity has been paid in full;
- (b) is additional, separate and independent from the other obligations of the parties; and
- (c) survives termination of this agreement.

It is not necessary for a party to incur expense or make payment before enforcing a right of indemnity conferred by this agreement.

16.7 No merger

The rights and obligations of the parties will not merge on completion of any transaction under this agreement. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing any transaction.

16.8 Assignment

- (a) This agreement is for the benefit of the parties and their successors and assigns. The parties and their successors and assigns are bound by this agreement.
- (b) A party may only assign its rights under this agreement after it obtains the written consent of each other party.

16.9 Severance

If any provision of this agreement is void, voidable, unenforceable, illegal, prohibited or otherwise invalid in a jurisdiction, in that jurisdiction the provision must be read down to the extent it can be to save it but if it cannot be saved by reading it down, words must be severed from the provision to the extent they can be to save it but if that also fails to save it the whole provision must be severed. That will not invalidate the remaining provisions of this agreement

nor affect the validity or enforceability of that provision in any other jurisdiction where it is not invalid.

16.10 Counterparts

The parties may execute this agreement in two or more counterparts and all counterparts together constitute one instrument.

16.11 Consent or approval

Subject to an express provision in this agreement, a party may in its absolute discretion give its consent or approval conditionally or unconditionally, or withhold its consent or approval.

16.12 Entire agreement

This agreement constitutes the entire agreement of the parties in respect of the subject matter of this agreement and supersedes all prior discussions, undertakings and agreements.

16.13 Further assurances

Each party must, at its own expense, do everything reasonably necessary to give effect to this agreement and the transactions contemplated by it, including without limitation the execution of documents.

16.14 Relationship

Nothing in this agreement constitutes the relationship of principal and agent or partners as between any of the parties, and no party has any authority to bind the other legally or equitably except as expressly stated in this agreement.

16.15 Notices

A party may send a notice in connection with this agreement by hand delivery, pre-paid post or email to another party at the recipient party's address details set out at the beginning of this agreement or in such other way as the recipient party may have last notified the sending party in writing. A notice is deemed to be received:

- (a) if sent by hand delivery, at the time of delivery if on a Business Day at or before 5:30 pm, otherwise on the next Business Day;
- (b) if sent by pre-paid post within the same country, on the second Business Day after the date of posting, or if sent by pre-paid airmail from an address in a country to an address in another country, on the fifth Business Day after the date of posting; or
- (c) if sent by email, at the time of sending if on a Business Day at or before 5:30 pm, otherwise on the next Business Day, **provided that** the sender does not receive a subsequent 'out of office' reply or similar response or a system administrator message stating that the email did not reach its intended recipient.

16.16 Warranties of authority

Each party represents and warrants to each other party that:

- (a) it has the power to enter into and perform this agreement;

- (b) this agreement is valid and binding on it and enforceable against it in accordance with its terms subject to the payment of any necessary document or transaction duty, the availability of any equitable remedies and to laws affecting creditors' rights generally;
- (c) it benefits by executing this agreement; and
- (d) it is able to pay its debts as and when they fall due, and no action has been taken towards winding it up or placing it in bankruptcy.

16.17 Costs

Each party must bear its own costs in relation to the negotiation, preparation or execution of this agreement.

16.18 Duty

The Buyer must pay:

- (a) any document or transaction duty that is payable in respect of:
 - (1) this agreement or the Pool 1 Childcare Business Sale Agreement; or
 - (2) any transaction under or contemplated by this agreement or the Pool 1 Childcare Business Sale Agreement; and
- (b) any interest, fine, penalty or other amount imposed due to the failure to pay any such document or transaction duty on time or at all.

In this clause 16.18, **document or transaction duty** means duty, fee, levy or other charge imposed by a Government Agency in respect of a document or transaction directly or indirectly affecting ownership of any property or creating or discharging rights in respect of any property e.g. a transfer, lease, mortgage, charge or other security interest, acquisition of an interest in an entity that owns property, discharge of a lease or mortgage, or registration of a transfer, lease, security interest or discharge.

16.19 GST

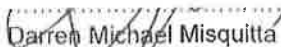
- (a) All amounts payable to a party under this agreement (other than an amount for GST payable to the party under this clause 16.19) have been calculated without regard to GST.
- (b) If the whole or any part of any such amount is the consideration for a taxable supply for which the supplying party is liable to pay GST, the supplying party may charge the party liable to pay for the taxable supply under this agreement, and that party must pay the supplying party, concurrently with the payment of that amount, an additional amount equal to the GST payable in respect of the taxable supply calculated on the basis that the value of the taxable supply is the amount payable for the taxable supply excluding any GST.
- (c) The recovery of consideration for any taxable supply made under this agreement is subject to the supplying party issuing to the party liable to pay for the taxable supply a tax invoice in respect of the supply.

- (d) Any reference to a cost or expense incurred by a party in this agreement excludes any amount of GST forming part of the relevant cost or expense when incurred by the party for which the party can claim an input tax credit.

Executed as an agreement

This agreement or any document amending or terminating this agreement or referred to in this agreement may be executed by hand or by electronic means (e.g. by an electronic copy of a person's signature being affixed by or on behalf of the person to an electronic copy of the document) and a paper or electronic copy of the document so executed will be as valid as an original document executed by hand.


**Executed by Genius Education Holdings Pty
Ltd by:**


Darren Michael Misquitta
Sole director and sole company secretary

Executed by Mayfield Childcare Limited by:

Signature of director 

Name of director


Signature of director/company secretary

Name of director/company secretary

Schedule 1 – Seller Warranties

1. Sale Shares

- 1.1 **(Title)** The Seller is the absolute legal and beneficial owner of, and has the power and capacity to sell and transfer (and at Completion will be selling and transferring) to the Buyer full legal and beneficial title to, and all other right, title and interest in and to, the Sale Shares it has agreed to sell to the Buyer under this agreement free of any Encumbrance, subject only to the approval and registration of the transfer by the Company, and the sale or transfer of those Sale Shares under this agreement will not violate or trigger a pre-emptive right of a shareholder of the Company or breach any law, statutory instrument, constitution or agreement applicable to or binding on the Company and does not require the approval, consent or waiver of any person, other than the board of directors of the Company.
- 1.2 **(Share capital)** Subject to Pool 1 Childcare Business Completion occurring, at Completion, the only issued shares, options to subscribe for shares or other securities of the Company will be 893,463 Sale Shares held by the Seller, those shares will be free from all Encumbrances and fully paid.
- 1.3 **(No other issues)** There is no agreement or commitment in existence under which the Company has agreed to issue or grant any shares, options or other securities of the Company or to buy-back, redeem or cancel any issued securities of the Company or otherwise increase, reduce or alter its issued share capital or rights convertible into share capital or to create any Encumbrance over the unissued share capital of the Company.

2. Group structure

- 2.1 **(Status)** The Company:
- (a) is accurately described in this agreement;
 - (b) is duly registered or formed under the laws of the place of its registration or formation and is not liable to be deregistered;
 - (c) has full corporate power;
 - (d) is qualified to own its property and assets;
 - (e) is qualified to carry on its business as it now does; and
 - (f) has done everything necessary to do business lawfully in each jurisdiction in which it carries on business.
- 2.2 **(No other entities)** The Company:
- (a) has no subsidiaries or controlled entities;
 - (b) is not a member of or the holder or beneficial owner of any shares or other capital in any body corporate (wherever incorporated);
 - (c) is not a member of or the holder or beneficial owner of units or other interests in a trust, partnership, joint venture, syndicate, cooperative, society, association, scheme

whereby people contribute money or money's worth to acquire rights to benefits produced by the scheme (whether the rights are actual, prospective or contingent and whether they are enforceable or not) or other entity or unincorporated body;

- (d) is not a party to any agreement under which it is bound to pay a share of profits or expenses;
- (e) is not the responsible entity, manager, trustee, representative or custodian of any body corporate, trust, partnership, joint venture, syndicate, cooperative, society, association, scheme whereby people contribute money or money's worth to acquire rights to benefits produced by the scheme (whether the rights are actual, prospective or contingent and whether they are enforceable or not) or other entity or unincorporated body or holds or manages any assets on behalf of any person; or
- (f) does not carry on any business or have any permanent establishment (as that expression is defined in the relevant double taxation agreement) outside the country in which it is incorporated;

or has not agreed to become one or to do so.

2.3 **(Business)** The business described in the definition of Pool 1 Childcare Business is carried on by the Pool 1 Childcare Business Operator and the Company does not carry on any other business.

2.4 **(Constitution)** The constitution of the Company together with all modifications (if any):

- (a) is valid, binding and enforceable in accordance with its terms as between the Company and its members and directors; and
- (b) complies with the Corporations Act and all other applicable law;

and a copy has been lodged with ASIC if required and was provided to the Buyer before the date of this agreement and each copy is complete and accurate.

2.5 **(Prospective interests)** No person other than the Seller has ever received any assurance, representation, promise or undertaking that the person will or may receive any share or other interest in the Company, and the Seller is not aware of any discussions (whether discontinued or otherwise) in respect of such matters with any such person.

3. Solvency

None of the following has occurred and is subsisting, or is threatened, in relation to the Company:

- (a) An application or order made, proceeding commenced, resolution passed or proposed in a notice of meeting, petition presented, meeting convened or other step taken for:
 - (1) the winding up, dissolution, bankruptcy or administration of the Company; or
 - (2) the Company entering into an arrangement, compromise or composition with or assignment for the benefit of its creditors or a class of them.
- (b) The Company:

- (1) being (or being taken to be under applicable legislation) unable to pay its debts as and when they fall due; or
- (2) stopping or suspending, or threatening to stop or suspend, payment of all or a class of its debts.
- (c) The appointment of an administrator, receiver, receiver and manager, administrative receiver, liquidator, provisional liquidator or similar officer to any of the assets and undertakings of the Company.
- (d) The levying of any distress, execution or other similar order or process on any of the property or assets of the Company.

4. Accounts

- 4.1 **(True and fair)** The Pool 1 Childcare Business Accounts present a true and fair view of the financial position and performance of the Pool 1 Childcare Business Operator in the conduct of the Pool 1 Childcare Business:
- (a) as at the Balance Date; and
 - (b) for the relevant period ended on that date.
- 4.2 **(Comply with accounting standards)** The Pool 1 Childcare Business Accounts comply with the Pool 1 Childcare Business Accounting GAAP.
- 4.3 **(Preparation)** The Pool 1 Childcare Business Accounts were prepared:
- (a) in the manner described in the notes to them and on a consistent basis with the accounts for the prior financial year; and
 - (b) without recording any appreciation in an asset during the period covered by the Pool 1 Childcare Business Accounts.
- 4.4 **(No other business)** The Pool 1 Childcare Business Accounts only relate to the Pool 1 Childcare Business Operator in the conduct of the Pool 1 Childcare Business and do not include or reflect the financial position, performance, profits, losses, assets or liabilities of an entity in the conduct of any other business or activity.

5. Changes since the Balance Date

Since the Balance Date:

- (a) the Pool 1 Childcare Business has been carried on in a normal, proper and efficient manner and managed and conducted in the ordinary and usual course, consistent with past practice;
- (b) to the date of this agreement there has been no material adverse change in the assets, liabilities, financial position, performance, profits, losses, business, operations or prospects of the Pool 1 Childcare Business Operator in the conduct of the Pool 1 Childcare Business as a whole;

- (c) the Pool 1 Childcare Business Operator in the conduct of the Pool 1 Childcare Business has not acquired or disposed of any assets except in the ordinary course of ordinary business, on arm's length terms and for fair market value or agreed to do so;
- (d) there has been no material change to the remuneration and other benefits (including any bonus scheme) payable to or conferred on an officer or employee of the Pool 1 Childcare Business Operator working in the Pool 1 Childcare Business nor any proposal or agreement to do so, except as required under any legislation or award;
- (e) there has not been any new accounting or valuation method implemented for the Pool 1 Childcare Business or any assets, property or rights of the Pool 1 Childcare Business Operator in the conduct of the Pool 1 Childcare Business; and
- (f) the Pool 1 Childcare Business Operator has not in the conduct of the Pool 1 Childcare Business:
 - (1) revalued any assets; or
 - (2) entered into any abnormal or unusual transaction;or agreed to do so;

except for or as a consequence of entry into or performance of this agreement, the Incubator Agreement or the Pool 1 Childcare Business Sale Agreement or any transaction required or permitted under or contemplated by such agreement or except to the extent otherwise expressly approved by the Buyer.

6. Financial obligations

The Company:

- (a) has not entered into a guarantee, covenant, indemnity, pledge, security, class order or letter of comfort or agreed to do so;
- (b) is not obliged in any way to guarantee, assume or provide funds to satisfy an obligation of any person;
- (c) does not owe any loan money to an officer, employee, consultant, contractor or shareholder;
- (d) is not owed money by any officer, employee, consultant, contractor or shareholder;
- (e) has not entered into any agreement with any financier to obtain financial accommodation or agreed to do so other than incurring credit in the ordinary course of trading; or
- (f) has not granted any person any Encumbrance over, or declared itself trustee of, any of its assets or agreed to do so;

except for or under a Finance Document or Finance Lease.

7. Assets

- 7.1 **(Title)** The Pool 1 Childcare Business Operator has absolute title to, and is the legal and beneficial owner of, all assets which it purports to own (including assets included in the Pool 1 Childcare Business Accounts or acquired since the Balance Date except for current assets subsequently sold or realised in the ordinary course of business) or which it uses or occupies or which are in its possession, except for the assets leased, licensed or hired by the Pool 1 Childcare Business Operator under a Finance Lease, Intellectual Property Licence or Property Lease.
- 7.2 **(No Encumbrances)** There is no Encumbrance affecting any asset owned, used or occupied by, or in the possession of, the Pool 1 Childcare Business Operator except for the rights of the lessors and licensors under the Finance Leases, Intellectual Property Licences and Property Leases.
- 7.3 **(Possession)** The assets owned by the Pool 1 Childcare Business Operator and the assets leased, licensed or hired by the Pool 1 Childcare Business Operator under a Finance Lease, Intellectual Property Licence or Property Lease:
- (a) in the case of tangible assets, are in the physical possession or control of the Pool 1 Childcare Business Operator except for items under repair or in transit;
 - (b) comprise the only assets used or occupied by the Pool 1 Childcare Business Operator in the conduct of the Pool 1 Childcare Business;
 - (c) are the only assets necessary for the conduct and operation of the Pool 1 Childcare Business after Completion in the manner it has been carried on for the last 12 months; and
 - (d) except for an asset the subject of an Intellectual Property Licence, are not used by any other person.
- 7.4 **(Title documents)** All documents which are necessary to establish the title of the Pool 1 Childcare Business Operator to its assets are in its possession or under its control.

8. Comply with law

- 8.1 **(No contravention of law)** The Pool 1 Childcare Business Operator is materially complying with all laws applying to the conduct by it of the Pool 1 Childcare Business and no contravention or allegation of any contravention of any applicable law is known to the Seller.
- 8.2 **(Authorisations)** So far as the Seller is aware, all Authorisations necessary to carry on the Pool 1 Childcare Business are held by and in the name of the Pool 1 Childcare Business Operator (or another person that has authorised the Pool 1 Childcare Business Operator to carry on the Pool 1 Childcare Business under that person's Authorisation), and a copy of each Authorisation was provided to the Buyer before the date of this agreement and each copy is complete and accurate.
- 8.3 **(Validity)** So far as the Seller is aware, the Authorisations held by the Pool 1 Childcare Business Operator:
- (a) are valid and effective;
 - (b) have been complied with;

- (c) are not breached or otherwise adversely affected by the execution or performance of this agreement; and
- (d) are not subject to a right of appeal by any person.

9. Contracts

9.1 **(Material Contracts)** The Material Contracts comprise all deeds, agreements, arrangements, offers, tenders and quotations entered into, made or issued by the Pool 1 Childcare Business Operator in the conduct of the Pool 1 Childcare Business which:

- (a) involve or are likely to involve expenditure and other liabilities of the Pool 1 Childcare Business Operator in excess of \$250,000; or
- (b) are incapable of being fulfilled or performed within 12 months from the date of this agreement.

9.2 **(Disclosure)** A copy of each Material Contract was provided to the Buyer before the date of this agreement and each copy is complete and accurate and is included as a Due Diligence Document.

9.3 **(Validity)** So far as the Seller is aware, each Material Contract:

- (a) has been duly executed by the parties to it; and
- (b) is not breached or otherwise adversely affected by the execution or performance of this agreement.

9.4 **(Compliance)** So far as the Seller is aware, the Pool 1 Childcare Business Operator and each other party is materially complying with each Material Contract, and no event has occurred which may be grounds for termination of the Material Contract.

10. Business Premises

10.1 **(All real property)** The Business Premises comprise all the land and buildings owned, used or occupied by the Pool 1 Childcare Business Operator in the conduct of the Pool 1 Childcare Business at the date of this agreement.

10.2 **(Structures)** So far as the Seller is aware, each structure on the Business Premises is:

- (a) in sound condition and repair;
- (b) free of any material defects;
- (c) fit for the purpose for which it is currently used;
- (d) safe and maintained, used and operated in accordance with the applicable health and safety standards;
- (e) approved by the relevant authority; and
- (f) complies with any applicable law.

- 10.3 **(All rights held)** So far as the Seller is aware, the Pool 1 Childcare Business Operator holds all rights and privileges necessary or appropriate for carrying on the Pool 1 Childcare Business at the Business Premises or otherwise using that property as it is currently being used.
- 10.4 **(Lawful use)** So far as the Seller is aware, the existing use of each Business Premises is the lawful permitted use of that property.
- 10.5 **(No dispute)** The Seller is not aware of any dispute relating to any Business Premises or its use.
- 10.6 **(No sub-lease)** There is no sub-lease, tenancy or licence to use or occupy affecting any of the Business Premises except for the Property Leases.
- 10.7 **(No notices)** No notice, order or direction has been received by the Pool 1 Childcare Business Operator at the date of this agreement and so far as the Seller is aware there is no proposal:
- (a) concerning the acquisition or resumption of or the change of planning, zoning or legislation affecting any Business Premises;
 - (b) requiring the doing of work or expenditure of money on or in relation to any Business Premises where the total cost could reasonably be expected to exceed \$50,000; or
 - (c) which would adversely affect the Pool 1 Childcare Business Operator's interest in or rights in respect of any Business Premises or its use.

11. Property Leases

- 11.1 **(All property leases)** The Property Leases comprise all the leases and licences to use or occupy any land or building in the conduct of the Pool 1 Childcare Business to which the Pool 1 Childcare Business Operator is a party at the date of this agreement.
- 11.2 **(Validity)** Each Property Lease:
- (a) is registered, where registration is available;
 - (b) has been consented to by each person having an interest in the relevant Business Premises in priority to the lessee, including, without limitation, each owner and mortgagee of the Business Premises.
- 11.3 **(Exclusive occupation)** The Pool 1 Childcare Business Operator which is a lessee under a Property Lease occupies the relevant Business Premises under that Property Lease:
- (a) exclusively; and
 - (b) free from third party rights.
- 11.4 **(No rent review)** So far as the Seller is aware, no review of the rent or outgoings under a Property Lease is currently taking place.
- 11.5 **(Renewal)** In the case of a Property Lease the term of which has expired or expires within 12 months from Completion, the Pool 1 Childcare Business Operator which is lessee under the Property Lease is taking all appropriate steps to secure a renewal of the Property Lease and

the Seller is not aware of any reason why the lessor will not renew the Property Lease in favour of the Pool 1 Childcare Business Operator.

12. Plant and Equipment

12.1 (All plant and equipment) The Plant and Equipment and Financed Equipment comprise all the plant, equipment, motor vehicles, machinery, furniture, fittings and computer equipment:

- (a) owned or used by the Pool 1 Childcare Business Operator in the conduct of the Pool 1 Childcare Business; and
- (b) required by the Pool 1 Childcare Business Operator to conduct or operate the Pool 1 Childcare Business;

at the date of this agreement.

12.2 (All finance leases) The Finance Leases comprise all the leases, hire purchase agreements and agreements to acquire or use any plant, equipment, motor vehicle, machinery, furniture, fitting or computer equipment in the conduct of the Pool 1 Childcare Business to which the Pool 1 Childcare Business Operator is a party at the date of this agreement.

12.3 (Sound condition) So far as the Seller is aware, each item of Plant and Equipment and Financed Equipment:

- (a) is in sound condition and repair;
- (b) is free of any material defects;
- (c) is fit for the purpose for which it is currently used;
- (d) has been maintained in accordance with prudent business practice and (where applicable) manufacturers recommended maintenance procedures and in a manner that does not prejudice any rights under any maintenance contract; and
- (e) complies with all applicable laws and Australian standards in its assembly, fitting, maintenance and operation and is safe to use as currently used.

12.4 (Plant and equipment register) The plant and equipment register of the Pool 1 Childcare Business Operator records each item of Plant and Equipment and Financed Equipment owned, leased or hired by the Pool 1 Childcare Business Operator and is otherwise complete and accurate, a copy was provided to the Buyer before the date of this agreement and each copy is complete and accurate.

13. Intellectual Property

13.1 (All Intellectual Property) Subject to and after Pool 1 Business Completion, the intellectual property licensed under the Intellectual Property Licences will comprise all the copyright, patents, trade marks, service marks, business names, designs, trade secrets, confidential information and other intellectual or industrial property required by the Company to conduct or operate the Pool 1 Childcare Business.

13.2 (All Intellectual Property Licences) Subject to and after Pool 1 Business Completion, the Intellectual Property Licences will comprise all the licences and agreements to use any copyright, patent, trade mark, service mark, design, business name, trade secret, confidential

information or other intellectual or industrial property in the conduct of the Pool 1 Childcare Business to which the Company will be a party.

- 13.3 **(No infringement by use of Intellectual Property)** So far as the Seller is aware, the Pool 1 Childcare Business Operator in carrying on the Pool 1 Childcare Business or by the use of the intellectual property licensed under the Intellectual Property Licences does not:

- (a) infringe the intellectual or industrial property of another person; or
- (b) breach an obligation of confidence owed to another person;

and no claim of any such infringement or breach has been made or threatened against the Pool 1 Childcare Business Operator.

- 13.4 **(Business names)** Subject to and after Pool 1 Business Completion, the Company will only carry on the Pool 1 Childcare Business under its corporate name or the business names licensed under the Intellectual Property Licences.

14. Insurance

- 14.1 **(Disclosure)** A copy of each insurance policy in force in respect of the Pool 1 Childcare Business Operator at the date of this agreement has been provided to the Buyer before the date of this agreement and each copy is complete and accurate.
- 14.2 **(Currency)** So far as the Seller is aware, each such insurance policy is currently in full force and effect and all applicable premiums have been paid. Nothing has been done or omitted to be done by the Company which would make any policy of insurance void or voidable or which would permit an insurer to cancel the policy or refuse or reduce a claim or materially increase the premiums payable under the policies.
- 14.3 **(No claims)** At the date of this agreement, there are no claims made by the Pool 1 Childcare Business Operator or any person on its behalf under any insurance policy held by or for the benefit of the Pool 1 Childcare Business Operator which are outstanding. So far as the Seller is aware, no event (other than one which has given rise to a claim which is no longer outstanding) has arisen which may give rise to a claim under any insurance policy.

15. Records

- 15.1 **(Books and records)** So far as the Seller is aware, the Business Records:
- (a) have been fully and properly maintained and contain complete records of all matters required to be entered in them by law;
 - (b) do not contain or reflect any material inaccuracies or discrepancies;
 - (c) are in the possession or control of the Pool 1 Childcare Business Operator; and
 - (d) contain adequate and suitable records regarding the service of each employee of the Pool 1 Childcare Business Operator.
- 15.2 **(Filings)** So far as the Seller is aware, all returns, documents and other information in relation to the Pool 1 Childcare Business Operator required to be lodged or filed with or otherwise submitted to a Government Agency under any law have been duly submitted for all periods up to the date of this agreement, will continue to be submitted in respect of periods after the date

of this agreement until Completion for those later periods and are supported by accurate records included in the Business Records, and no such information is disputed or the subject of an adjustment by any Government Agency or likely to be so.

- 15.3 **(Rectification of registers)** The Company has not received notice of any application or intended application to rectify any register which it is required by law to maintain.

16. Litigation

- 16.1 **(No litigation)** Neither the Pool 1 Childcare Business Operator, nor a person for whom it may be vicariously liable, is involved at the date of this agreement in any litigation, arbitration, administrative or governmental investigation or criminal prosecution and so far as the Seller is aware there are no facts likely to give rise to a proceeding of this type.

- 16.2 **(No judgements)** There are no unsatisfied judgments, orders, awards or decisions against the Pool 1 Childcare Business Operator.

17. Employees

- 17.1 **(Disclosure)** Details of all the material terms of employment or service of each officer and employee of the Pool 1 Childcare Business Operator and of each person engaged by the Pool 1 Childcare Business Operator as a consultant or other contractor to provide the services of a manager, executive or other employee in the conduct of the Pool 1 Childcare Business, (each such officer, employee, consultant or contractor referred to in this warranty 17 and warranty 18 as an **Employee** of the Pool 1 Childcare Business Operator) including, without limitation, details of:

- (a) the position and age of the Employee;
- (b) all remuneration and other benefits (including any bonus scheme) payable to or conferred on the Employee;
- (c) the period of service of the Employee and the accrued leave and other entitlements of the Employee as at the end of the last month;
- (d) each award and collective or enterprise agreement which applies to the Employee; and
- (e) each individual employment or services contract (whether written or oral) between the Pool 1 Childcare Business Operator and the Employee (except for any oral contract which may be terminated on one month's notice or less without payment of compensation);

at the date of this agreement, have been provided to the Buyer before the date of this agreement, and those details are complete and accurate.

- 17.2 **(Outstanding claim)** No amount due to or in respect of any Employee is in arrears or unpaid other than his or her current remuneration for the relevant period at the date of this agreement.
- 17.3 **(Unions)** The Pool 1 Childcare Business Operator is not a party to any agreement with any union or industrial organisation in respect of the Employees or their employment or superannuation benefits.

- 17.4 **(Compliance)** So far as the Seller is aware, the Pool 1 Childcare Business Operator has complied in all material respects with all laws, health and safety standards, codes of conduct and practice, awards and contractual arrangements relevant to conditions of service and to the relations between it and the Employees.
- 17.5 **(No disputes)** At the date of this agreement, the Pool 1 Childcare Business Operator is not involved in, and so far as the Seller is aware, there are no circumstances which are likely to give rise to, any dispute (including an industrial or trade dispute) with, or involving, any Employee.
- 17.6 **(Termination of employment)** At the date of this agreement, no Employee whose annual remuneration exceeds \$100,000:
- (a) has been given an unexpired notice terminating his or her contract of employment or services;
 - (b) is under notice of dismissal or termination;
 - (c) has been terminated in circumstances which may give rise to a claim against the Pool 1 Childcare Business Operator in relation to loss of office or termination of employment (including, without limitation, redundancy or breach of contract); or
 - (d) has given notice terminating his or her contract of employment or services with the Pool 1 Childcare Business Operator or informed the Pool 1 Childcare Business Operator that he or she plans to terminate his or her employment or services with the Pool 1 Childcare Business Operator, and so far as the Seller is aware, no Employee has any plans to terminate his or her contract of employment or services.
- 17.7 **(No severance pay)** There is nothing which may make the Pool 1 Childcare Business Operator liable to pay severance pay to an Employee as a result of this agreement.
- 18. Superannuation**
- 18.1 **(Disclosure)** Details of each Super Fund including, without limitation, the name of each Employee who is a member of the fund and periodic contributions the Pool 1 Childcare Business Operator makes to the fund on behalf of that Employee at the date of this agreement have been provided to the Buyer before the date of this agreement, and those details are complete and accurate.
- 18.2 **(No other funds)** Other than the Super Funds the Pool 1 Childcare Business Operator does not contribute to and there are no superannuation, retirement or provident funds or other arrangements in place providing for any lump sum, pension, annuity or other payment on or in respect of the retirement, resignation, death or permanent or temporary disablement of an Employee.
- 18.3 **(Outstanding payments)** Otherwise than in the ordinary course of administration, there are no outstanding contributions to the Super Funds on the part of the Pool 1 Childcare Business Operator and apart from its obligation to pay to a Super Fund periodic contributions for the benefit of an Employee the Pool 1 Childcare Business Operator has no responsibility or liability at all in respect of the Super Fund or its administration, management, solvency or otherwise.
- 18.4 **(Superannuation guarantee charge)** At Completion, the Pool 1 Childcare Business Operator will have satisfied its obligations to pay the superannuation guarantee charge in respect of

any Employee for any contribution period (as defined in the Superannuation Guarantee (Administration) Act 1992) up to Completion.

- 18.5 **(No liability)** The Pool 1 Childcare Business Operator is not trustee or manager of and does not maintain a superannuation, retirement or provident fund or other arrangement which provides for, or is under any present legal liability or voluntary commitment (whether or not legally binding) to pay, any lump sum, pension, annuity or other payment on or in respect of the retirement, resignation, death or permanent or temporary disablement of any person.

19. Information

- 19.1 **(Schedules)** The information set out in or annexed to schedules 3 and 7 is accurate.
- 19.2 **(Disclosure Letter)** The information contained in the Disclosure Letter is accurate.
- 19.3 **(Not misleading)** None of the information referred to in warranties 19.1 and 19.2 is misleading in any material particular, whether by inclusion of misleading information or omission of information or both.
- 19.4 **(Due Diligence Documents)** So far as the Seller is aware, Due Diligence Documents being:
- (a) letters, agreements, deeds, certificates and other documents of title with respect to the Pool 1 Childcare Business which are copies, are true copies of the relevant documents held by the Pool 1 Childcare Business;
 - (b) historical accounting information and other historical business information with respect to the Pool 1 Childcare Business which are extracts from the records of the Pool 1 Childcare Business, are accurate extracts of the records concerned; and
 - (c) responses to requests for information made by or on behalf of the Buyer with respect to the Pool 1 Childcare Business were, when provided, accurate except for any information which is prospective or forecast or otherwise as to the future, any information supplied by a person other than the Seller or the Pool 1 Childcare Business Operator or any information which is subsequently corrected or contradicted by the Seller or the Pool 1 Childcare Business Operator before the date of this agreement.

20. Finder's fees

No person is or will be entitled to receive from the Company any finder's fee, brokerage or other commission in connection with the execution or performance of this agreement.

21. Taxation

- 21.1 **(Compliance with Tax Law)** The Company has complied with every obligation to which it is subject under Tax Law.
- 21.2 **(Tax since the Balance Date)** Since the Balance Date, no liability for Tax has accrued to the Company or become due, otherwise than as a result of trading activities in the ordinary course of its business.
- 21.3 **(Deductions)** The Company has deducted all Tax required to be deducted from any payments made by it. When necessary, the Company has accounted for that Tax in accordance with relevant law.

- 21.4 **(Payment of tax)** All Tax which has been, or are deemed to or ought properly to have been, assessed or imposed on the Company, or have been required to be withheld from any payment made by the Company to another person:
- (a) which are due and payable, have been paid by the final date for payment; and
 - (b) which are not yet payable, will be paid by the due date.
- 21.5 **(No disallowance)** Nothing has occurred which will cause the disallowance for income tax purposes of either the carry forward of any losses of the Company as at the Balance Date or the deduction of any losses incurred by the Company since the Balance Date other than the acquisition of Sale Shares under this agreement. The Company will not have an unrealised net loss on Completion as calculated under section 165-115E of the Tax Act.
- 21.6 **(Returns)** All necessary information, notices, computations and returns:
- (a) have been properly and duly submitted by the Company to each relevant Government Agency in respect of Tax for all periods up to the date of this agreement;
 - (b) will continue to be submitted in respect of periods after the date of this agreement until Completion in respect of those later periods;
 - (c) are supported by accurate records kept by the Company.
- No such information, notice, computation or return contains a statement that is false or misleading in any material particular or omits to refer to any matter which is required to be included or without which the statement is false or misleading.
- 21.7 **(Franking)** The Company:
- (a) maintains and has retained for the period required by law, accurate records of franking credits and franking debits (as defined in the Tax Act) in respect of its current and earlier accounting periods;
 - (b) has franked to the required amount any dividend paid since the Balance Date;
 - (c) has not franked any dividend paid since the Balance Date to the extent that a franking deficit has or will arise at the end of the year following the Balance Date.
- 21.8 **(Share capital accounts)** On Completion the Company will not have a share capital account which is tainted within the meaning of division 197 of the Tax Act.
- 21.9 **(Commercial dealings)** The Company has not made salary payments, service fee payments or provided other emoluments or remuneration to its shareholders which are in excess of reasonable commercial terms.
- 21.10 **(Debt forgiveness)** No debt owed by the Company has been forgiven for the purposes of division 245 of Tax Act.
- 21.11 **(Capital benefits)** The Company has not provided a capital benefit to a shareholder as that phrase is defined in subsection 45A(3) of the Tax Act in respect of which the Commissioner of Taxation could make a determination under subsection 45A(2) or 45B(3) of the Tax Act that section 45C of the Tax Act applies in relation to the whole, or a part, of the capital benefit.

21.12 (No audit) The Company:

- (a) is not involved in any audit of any of its Tax returns or any dispute with a Government Agency regarding Tax and the Seller is not aware of any circumstances which may give rise to such an audit or dispute;
- (b) has not entered into or been a party to any transaction which contravenes the anti-avoidance provisions of any Tax;
- (c) has not taken any action which has or might alter or prejudice any arrangement, agreement or Tax ruling or exemption which has previously been negotiated with or obtained from any Government Agency; and
- (d) has not made any Tax private binding ruling requests, objections or amended assessments with respect to its lodged Tax returns.

21.13 (Depreciation schedules) The Company has:

- (a) maintained sufficient income tax depreciation schedules of its assets and depreciated its assets at the appropriate rates in accordance with the Tax Act; and
- (b) maintained accurate cost bases of those assets for income tax purposes.

21.14 (No rollover relief) No asset of the Company has been subject to:

- (a) a claim for capital gains tax rollover relief under Tax Act; or
- (b) the operation of division 149 or subdivision 126-B of the Tax Act.

21.15 (GST) The Company:

- (a) is registered for GST;
- (b) has systems in place which are adequate to enable it to comply with the GST Law; and
- (c) has complied with every obligation to which it is subject under the GST Law.

Schedule 2 – Pool 1 Childcare Business Accounts

Profit and Loss Statement FY21

CONSOL

FY21 TOTAL

Sales	
Sales	18,321,436
Other revenue	222,177
Before School fees	111,466
After School fees	264,042
School Holiday fees	84,896
Discounts - promotion	(548)
Discounts - retention	(666,063)
Total Sales	18,337,406
Cost of Goods Sold	
Food	(444,171)
Nappies	(86,370)
Other COGS	(275,005)
Total Cost of Goods Sold	(805,546)
Employee Costs	
Salary and wages	(9,984,807)
External Labour	(19,336)
Superannuation	(924,672)
Payroll tax	(523,179)
Workcover	(180,723)
Total Employee Costs	(11,632,718)
Total Direct Costs	(12,438,264)
Gross Profit	5,899,142
Other Overhead	
Consulting fees	-
Bank fees	(33,205)
Cleaning	(102,440)
Power, heating, water	(138,312)
Entertainment	819
General	-
Insurance	(74,276)
Legal	(11,803)
Marketing	(420)
Office costs	(143,487)
Vehicle costs	(23,785)
Plant rental	(31,950)
Recruitment	(21,172)
Rent	(1,880,293)
Repairs & maintenance	(131,444)
Telephone & Internet	(45,223)
Technology hire	(89,699)
Toys and small items	(17,309)
Travel	(1,288)
Statutory fees	(16,268)
Rates and taxes	(243,438)
Total Other Overhead	(3,004,992)
Total EBITDA	2,894,150

Balance Sheet	
Genius Learning Pty Ltd	
As at 30 June 2021	
Location is CONSOL	
Assets	
Current Assets	
Prepayments	35,120.62
Total Current Assets	35,120.62
Fixed Assets	
Computer Equipment	13,815.01
Fixtures & Fittings	208,084.90
Less Accumulated Depreciation Fixtures & Fittings	(104,172.26)
Less Accumulated Depreciation Low value pool	(86,605.98)
Less Accumulated Depreciation on Computer Equipment	(3,929.92)
Less Accumulated Depreciation on Motor Vehicle	(17,109.66)
Less Accumulated Depreciation on Office Equipment	(53,773.48)
Less Accumulated Depreciation on Plant & Equipment	(32,705.02)
Low Value Pool	488,285.02
Motor Vehicle	102,600.00
Office Equipment	160,878.31
Property, Plant and Equipment	141,355.92
Total Fixed Assets	816,722.84
Total Assets	851,843.46
Liabilities	
Current Liabilities	
Provision For Employee Entitlements	510,517.16
Provision for Long Service leave	181,167.70
Total Current Liabilities	691,684.86
Total Liabilities	691,684.86
Net Assets	160,158.60

Schedule 3 – Business Premises

The information contained in this schedule reflect facts and circumstances current or existing at the date of this agreement which may change after that date.

Title Details	Address	Lessor ¹	Lessee ²
Title Reference: 50067935, Lot 1 on RP881585	27 Ross Street, Rockhampton, Queensland, 4700	Misquitta Childcare Property Pty Ltd as trustee for the Misquitta Childcare Property Trust	Genius Learning
Title Reference: 50118114, Lot 11 on RP896896	83 Loridan Drive, Brinsmead, Queensland, 4870	Cracker Holdings Pty Ltd as trustee for the Pritchard Family Trust	Genius Learning
Volume 10244 Folio 050, being Lot 14 on PS342086D Volume 10244 Folio 051, being Lot 15 on PS342086D Volume 10244 Folio 052, being Lot 16 on PS342086D Volume 10244 Folio 053, being Lot 17 on PS342086D Volume 10244 Folio 054, being Lot 18 on PS342086D	1A Bernard Street, Cheltenham, Victoria, 3192	Sandhurst Trustees Limited as custodian for the Arena REIT No. 1	Genius Learning
Title Reference: 50746872, Lot 14 on Survey Plan 218282	2-4 Evergreen Street, Clifton Beach, Queensland, 4879	Misquitta Childcare Property Pty Ltd as trustee for the Misquitta Childcare Property Trust	Genius Learning

¹ Some of these properties are subject to a proposed sale and therefore, at Completion, the lessor may be a different person.

² It is intended that the rights and benefits under the leases will be assigned to the Company at Pool 1 Childcare Business Sale Completion.

Title Details	Address	Lessor ¹	Lessee ²
Part of the land more particularly described in Certificate of Title Volume 11942 Folio 675, Lot 3 on PS 518301Y	Level 1, 800 Berwick Cranbourne Road, Clyde North, Victoria, 3978	S & N Super Fund Pty Ltd	Genius (Clyde)
Volume 11383 Folio 546	16-18 Harry Vallence Drive, Maddingley, Victoria, 3340	BMLP Properties Pty Ltd	Genius Learning
Volume 12157 Folio 825	3-5 Bathurst Street, Mooroolbark, Victoria, 3138	Sandhurst Trustees Limited as custodian for the Arena REIT No. 1	Genius Learning
Title Reference: 50490994, Lot 1 on Survey Plan 167025	653-661 Norman Road, Rockhampton, Queensland, 4701	Sandhurst Trustees Limited as custodian for the Arena REIT No. 1	Genius Learning
Volume 6128 Folio 368	205 Onkaparinga Valley Road, Oakbank, South Australia, 5243	The Trust Company Limited as asset custodian of Charter Hall Social Infrastructure REIT	Genius Learning
Title Reference: 50609875, Lot 132 on Survey Plan 176333	115-119 Shute Harbour Road, Cannonvale, Queensland, 4802	Misquitta Childcare Property Pty Ltd as trustee for the Misquitta Childcare Property Trust	Genius Learning
Volume 11973 Folio 120, being Lot 1 on PS077186 Volume 11973 Folio 121, being Lot 2 on PS077186 Volume 11973 Folio 122, being Lot 3 on PS077186	5-7 Sunderland Court, Seaford, Victoria, 3198	Sandhurst Trustees Limited as custodian for the Arena REIT No. 1	Genius Learning
Title Reference: 20889064, Lot 11 on Crown Plan C198140	9 Brose Street, White Rock, Queensland, 4868	Misquitta Childcare Property Pty Ltd as trustee for the Misquitta Childcare Property Trust	Genius Learning

Title Details	Address	Lessor¹	Lessee²
Title Reference: 50600430, Lot 11 on Survey Plan 172555	2-6 Fretwell Road, White Rock, Queensland, 4686	MD Investments (NQ) Pty Ltd	Genius Learning
Title Reference: 50559383, Lot 120 on Survey Plan 172385	353 Stuart Drive, Wulguru, Queensland, 4811	Misquitta Childcare Property Pty Ltd as trustee for the Misquitta Childcare Property Trust	Genius Learning

Schedule 4 – Disclosure Letter



Genius Education Holdings Pty Ltd
Level 1, 60 Toorak Road
South Yarra VIC 3141

30 October 2021

By email: dclarke@mayfieldchildcare.com.au

Dean Clarke
Managing Director
Mayfield Childcare Limited
Suite 2, 207 Waverley Road
Malvern East VIC 3146

Dear Dean

Disclosure letter

It is anticipated that Genius Education Holdings Pty Ltd (**Seller**) and Mayfield Childcare Limited (**Buyer**) will shortly enter into a share sale agreement (**Share Sale Agreement**) in respect of all of the shares in Genius Education Pty Ltd (**Company**). In connection with the Share Sale Agreement, it is also anticipated that Genius Learning Pty Ltd (**Genius Learning**), the Seller and the Company will enter into a business sale agreement (**Pool 1 Childcare Business Sale Agreement**) for the sale of certain business assets of Genius Learning to the Company.

The purpose of this letter is to disclose matters which may be relevant to the representations and warranties by the Seller that will be contained in the Share Sale Agreement as well as representations and warranties by Genius Learning contained in the Pool 1 Childcare Business Sale Agreement (**Warranties**). Under clause 9.1 of the Share Sale Agreement and clause 8.1 of the Pool 1 Childcare Business Sale Agreement, the Warranties will be given subject to and qualified by those disclosures.

The disclosure of any matter or document will not imply any representation, warranty or undertaking not expressly given in the Share Sale Agreement or Pool 1 Childcare Business Sale Agreement nor will such disclosure be taken as extending the scope of any Warranties.

If an inconsistency exists between the Share Sale Agreement or Pool 1 Childcare Business Sale Agreement and this letter, this letter prevails and is deemed to contain the relevant disclosure.

The following disclosures are made in relation to the Share Sale Agreement and Pool 1 Childcare Business Sale Agreement. For convenience, each matter is disclosed against the paragraph number of the Warranty under the Share Sale Agreement to which the disclosure is most likely to relate but a disclosure applies to all of the Warranties to which it is or may be appropriate and a disclosure is not limited in any way to the specific Warranty to which it refers below.

Item No.	Warranty	Disclosure
1.	2.1(a)-(f), 8.1 and 8.2	The Company has submitted an application to obtain a Provider Approval. This Provider Approval may not be granted, or may not be granted by Completion. At the request of the Buyer, the Buyer and Genius Learning have also submitted applications for the transfer of each Service Approval in respect of the Pool 1 Childcare Business from Genius Learning to the Buyer directly. If a Provider Approval is not granted to the Company or the Service Approvals are not transferred to the Company, the Company will not itself hold

Disclosure letter

Item No.	Warranty	Disclosure
		the required Provider Approval and Service Approvals to operate the Pool 1 Childcare Business. In consequence, the Company would not hold every Authorisation necessary to carry on the Pool 1 Childcare Business in compliance with all applicable law including the Education and Care Services National Law. Further, the copies of the Authorisations provided to the Buyer before the date of the Share Sale Agreement were complete and accurate when provided, and remain complete and accurate at the date of this document, but may change moving forward.
2.	3	At Completion the Company will be unable to pay its debts as and when they fall due, without financial support from the Buyer.
3.	5(b)	Since the Balance Date, the Pool 1 Childcare Business has been affected negatively due to the COVID-19 Pandemic and the resulting restrictions imposed by the relevant Government Agency. In particular, the centres at Clyde North and Maddingley had to close for two days due to the centre being deemed an exposure site in respect of COVID-19 since the Balance Date.
4.	5(b)	Since the Balance Date, the Pool 1 Childcare Business in respect of the Business Premises at Oakbank has been affected negatively due to significant flooding issues. The centre has had to temporarily close due to such flooding issues. See item 14 below for further disclosure of the damage caused by the flooding.
5.	6(e)	Under the various agreements Genius Learning has in place with internet and telephone providers (such as Hyperspike, VoxIP and Telstra) as described in item 2 of schedule 3 of the Pool 1 Childcare Business Sale Agreement, the supplier retains title to the goods throughout the term of the arrangement, or until the contract is paid out in full.
6.	7, 1, 15, 1(c) and 16	Genius Learning has been served with a subpoena in relation to the centre at Brinsmead which forms part of the Pool 1 Childcare Business to produce documents in respect of a child who is the subject of a family law matter. A copy of the subpoena has been included as a Due Diligence Document.
7.	9	Genius Learning has various agreements in place with internet and telephone providers (being Hyperspike, IS Telecoms, VoxIP, Breeze Connect, Aussie Broadband and Telstra), however, we have been unable to locate the executed agreements. The details of such providers have been disclosed in a Due Diligence Document. These agreements may have a duration of longer than 12 months, and may involve expenditure of more than \$250,000 over their duration. The nature of this expenditure is for the provision of internet and/or telephone hardware, software and services, the expenditure for which for the financial year ended 30 June 2021 that related to the Pool 1 Childcare Business was in the order of \$45,223 and the annual expenditure under these agreements going forward is not expected to materially increase.
8.	9	Genius Learning has various Finance Leases in place with RBC Business Solutions Pty Ltd (and/or strategic partners of RBC Business Solutions Pty Ltd, such as GPD Finance Pty Ltd and HP

Disclosure letter

Item No.	Warranty	Disclosure
		Financial Services (Australia) Pty Ltd) as described in schedule 4 of the Pool 1 Childcare Business Sale Agreement, however, we have been unable to locate all of the executed agreements.
9.	9.2	Although copies of all Material Contracts have not been provided to the Buyer before the date of the Share Sale Agreement, those copies that were provided were complete and accurate when provided, and remain complete and accurate at the date of this document, but may change moving forward.
10.	9, 10.3, 11 and 19.4	<p>The owner of the following Business Premises is a related entity of the Seller and is intending to sell the land and buildings comprising the Business Premises:</p> <ol style="list-style-type: none"> 1. Allenstown (27 Ross Street, Rockhampton); 2. Clifton Beach; 3. Cannonvale; 4. Sheridan Gardens (9 Brose Street, White Rock); and 5. Wulguru. <p>As such, by Completion the lease of these Business Premises may be with a new landlord.</p> <p>A related entity of the Seller has agreed to buy the land and buildings comprising the Business Premises at Maddingley, and is intending to nominate a third party to buy the land and buildings in its place. The related entity, Genius Learning, the Company and the third party propose to enter into a surrender and new lease deed to effect the replacement of lease after settlement of the purchase. A draft of the surrender and new lease has been disclosed as a Due Diligence Document.</p>
11.	9, 11 and 19.4	<p>In anticipation of the property sale mentioned in item 10 above, new leases were recently entered into in respect of the following Business Premises:</p> <ol style="list-style-type: none"> 1. Allenstown (27 Ross Street, Rockhampton); 2. Clifton Beach; 3. Cannonvale; 4. Sheridan Gardens (9 Brose Street, White Rock); and 5. Wulguru. <p>Copies of the new leases have been disclosed as Due Diligence Documents.</p>
12.	10	<p>Although the Pool 1 Childcare Business Operator has not received any notice, order or direction to conduct any works at any premises, the following centres need the following works to be undertaken:</p> <ol style="list-style-type: none"> 1. Oakbank: Works need to be undertaken to rebrand the centre to adhere to the Genius brand, the outdoor playscape needs to be upgraded and minor indoor works need to be undertaken so that the centre adheres to the Genius brand and specifications. Further, upgrades are needed to the exterior plumbing, façade and site levelling. Genius Learning is intending to enter into, or has entered into, a renovation deed with the landlord in respect

Disclosure letter

Item No.	Warranty	Disclosure
		<p>of such works. The total cost of these works is estimated to exceed \$50,000 and Genius Learning intends to arrange for the works to be carried out at its cost provided that if any works are to be carried out after Completion Genius Learning's representatives and contractors are given reasonable access to the premises to do so. Work also needs to be undertaken to rectify the damage referred to in item 14 below. The total cost of this work is estimated to exceed \$50,000.</p> <p>2. Maddingley: Works need to be undertaken to rebrand the centre to adhere to the Genius brand, the outdoor playscape needs to be upgraded and minor indoor works need to be undertaken so that the centre adheres to the Genius brand and specifications. Work also needs to be undertaken to rectify the damage referred to in item 13 below. The total cost of these works is estimated to exceed \$50,000 and Genius Learning intends to arrange for the works to be carried out at its cost provided that if any works are to be carried out after Completion Genius Learning's representatives and contractors are given reasonable access to the premises to do so.</p> <p>3. Allenstown: Structural and capital works need to be undertaken to extend the building at the Business Premises so that the centre can obtain a service approval for 135 long day care places. This will likely involve various cosmetic and fit-out works to adhere to the Genius brand and specifications. Genius Learning is intending to enter into a development agreement with the incoming landlord for conducting such works. The total cost of these works is estimated to exceed \$50,000 and Genius Learning intends to arrange for the works to be carried out at its cost provided that if any works are to be carried out after Completion Genius Learning's representatives and contractors are given reasonable access to the premises to do so.</p>
13.	10.2 and 10.17	<p>The Business Premises at Maddingley suffered some damage after an earthquake that occurred in Victoria on 22 September 2021. Photos of such damage have been disclosed as a Due Diligence Document. Genius Learning has requested that the landlord commence an insurance claim on the damage. The centre was not required to be closed. The total cost of this work is to be claimed from the landlord's insurer less the insurance deductible/excess under the policy which Genius Learning intends to pay provided that if any works are to be carried out after Completion the representatives and contractors of the landlord's insurer or Genius Learning are given reasonable access to the premises to carry out the works.</p>
14.	10.2 and 10.17	<p>The Business Premises at Oakbank suffered flooding issues due to rain. Both of the landlord and tenant's insurers have commenced assessing the matter. A recent assessment of the site by loss assessors, McLarens, as set out in an email from Chris Martland dated October 2021 concluded the property would require extensive repairs and decontamination. The assessment noted that it was difficult to estimate the time frame for the repairs to be completed, but suggested a time frame in the vicinity of 4-6 weeks. The centre has been closed since 30 September 2021. A copy of the email from Mr Martland containing the loss assessment has been</p>

Disclosure letter

Item No.	Warranty	Disclosure
		disclosed as a Due Diligence Document. The total cost of this work is to be claimed from the landlord's insurer less the insurance deductible/excess under the policy which Genius Learning intends to pay provided that if any works are to be carried out after Completion the representatives and contractors of the landlord's insurer or Genius Learning are given reasonable access to the premises to carry out the works.
15.	10.3, 10.6 and 11	The Pool 1 Childcare Business Operator is not the tenant under the lease of the Business Premises at Clyde North. The tenant is Genius (Clyde) Pty Ltd, which is wholly owned by DK Andaras Pty Ltd, a related entity of the Seller.
16.	11	<p>The following issues exist with the leases of the Business Premises that Genius Learning has on file:</p> <ol style="list-style-type: none"> 1. Brinsmead: The address for service for the lessor or lessee in the reference schedule has not been completed. The lease is not registered on title. 2. Cheltenham: The lease is for a term of 35 years, however, the commencement date, termination date and option term dates have not been inserted in Items 4, 5 and 8 of the schedule 1 of the lease. 3. Clyde North: The execution panel for the guarantor, DK Andaras Pty Ltd, incorrectly refers to Genius (Clyde) Pty Ltd. 4. Seaford: The lease is for a term of 30 years, however, the commencement date, termination date and option term dates have not been inserted in Items 4, 5 and 8 of the schedule 1 of the lease. 5. Maddingley: The transfer of lease dated 6 December 2019 which was intended to transfer the tenant's rights and benefits to Genius Learning does not have Genius Learning inserted as the new lessee, however, the transfer has been signed. 6. Mooroolbark: The lease is for a term of 30 years, however, the commencement date, termination date and option term dates have not been inserted in Items 4, 5 and 8 of the schedule 1 to the lease. 7. Sheridan Meadows (2-6 Fretwell Road, White Rock): The deed of assignment of lease and deed of consent and assignment of lease to Genius Learning are not dated.
17.	11.2	The leases of the Business Premises in Victoria and at Brinsmead are not registered. The new leases of the Business Premises at Allensdown, Clifton Beach, Cannonvale and Wulguru referred to in Item 11 above are in the process of being registered.
18.	11.3	The Business Premises at Clyde North form part of a business precinct and as such has common areas with other tenants.
19.	12	Due Diligence Documents in respect of Financed Equipment may also relate to other childcare centres that are not part of the Pool 1 Childcare Business. Under the Pool 1 Childcare Business Sale Agreement the Seller will agree to pay out the Finance Leases by Completion to the extent that they relate to the Pool 1 Childcare Businesses.

Disclosure letter

Item No.	Warranty	Disclosure
20.	12.4	The plant and equipment register of the Pool 1 Childcare Business Operator does not record any of the Financed Equipment, and the latest copy provided to the Buyer, namely the document entitled 'Fixed Asset Register' included as a Due Diligence Document, was made up to 30 September 2021 and was complete and accurate as at that date, but may change after that date, although the Seller is not aware of any material adverse change between that date and the date of this document.
21.	13.4	The childcare centre business conducted at the Business Premises at Maddingley was purchased by Genius Learning while it was branded as Early Learning Centre Maddingley. This branding and signage have not yet been replaced. Works therefore need to be undertaken to rebrand the centre to adhere to the Genius brand as noted in Item 12 above.
22.	13.4	The childcare centre business conducted at the Business Premises at Oakbank was purchased by Genius Learning while it was branded as a Goodstart centre. This branding and signage have been removed but not yet replaced. Works therefore need to be undertaken to rebrand the centre to adhere to the Genius brand as noted in Item 12 above.
23.	15.2	As at the date of the Share Sale Agreement the tax returns of the Pool 1 Childcare Business Operator for the year ended 30 June 2021 may not have been filed, however, they are not overdue and will be filed by Completion.
24.	16 and 17	A former employee working in the childcare centre at the Business Premises at Allenstown lodged a claim with WorkCover QLD, which was denied. We were advised of such result on 15 September 2021. The former employee has a right to review the decision, however, we have not had any correspondence since 15 September 2021 on this matter.
25.	17.1 and 18.1	In respect of the employment agreements, we have disclosed each template for a full-time, part-time and casual employee as a Due Diligence Document. We have also provided a schedule of the specific information for each employee as a Due Diligence Document. Each employee that has an employment agreement that varies materially from a template has been disclosed as a Due Diligence Document. Further, the details of the material terms of employment or service of the officers, employees, consultants and contractors and the details of each Super Fund last provided to the Buyer before the date of the Share Sale Agreement were as at 22 October 2021 and were complete and accurate as at that date, not the date of the agreement, and those details may change after that date, although the Seller is not aware of any material adverse change between that date and the date of this document.
26.	17.3	Genius Learning is in the process of bargaining in relation to an enterprise agreement (Genius Learning Oakbank Enterprise Agreement 2021) which is proposed to cover employees that perform childcare work at the Oakbank centre. A copy of some of relevant materials has been included as a Due Diligence Document.

Disclosure letter

Item No.	Warranty	Disclosure
27.	18.3	As at the date of the Share Sale Agreement, the superannuation guarantee charge in respect of the Employees may not have been paid, however, such payment will be paid by Completion.
28.	18.4	As at the date of the Share Sale Agreement, the quarterly superannuation payments for the employees of the Pool 1 Childcare Business may not have been paid, however, such payments are not overdue and will be paid by Completion.
29.	21	The Company is a member of a tax consolidated group and a party to a tax sharing and funding agreement. At Completion, the Company will cease to be a member of the tax consolidated group and the head company will execute an exit deed stating that the Company is released from the tax consolidated group's tax obligations.
30.	21.14	As part of the Share Sale Agreement and the transactions contemplated by the Share Sale Agreement, the Seller intends to obtain the benefit of scrip for scrip roll-over relief with the support of the Buyer in accordance with clause 7.3 of the Share Sale Agreement.

Unless the context otherwise requires, a word or term defined in the Share Sale Agreement has the same meaning in this letter.

Please acknowledge receipt of this letter by signing and returning a copy of it.

Yours faithfully



Darren Misquitta
Sole director and sole company secretary
Genius Education Holdings Pty Ltd

Receipt on 30 October 2021 before execution of the Share Sale Agreement is acknowledged.



Signature



Name

CEO

Position with Buyer

Schedule 5 – Due Diligence Documents

External DD Docs

140921 Sealed Subpoena Genius Day Care (2) - Brinsmead - Family Law Matter pdf
Centres

1-2380235308917_MOSB3071 30092019.pdf
595_HOM_BRI_17072020164421-0001 (1).pdf
BEA_SHG_SHM_24022021101611-0001 (1).pdf
CLY_WUL_GDP_Genius Agreement (1).pdf
Current Fee and Discount Schedule.xlsx
Fee Increases - Last 12 Months.xlsx
Genius Buses.xlsx
Genius Equipment Leased.xlsx
Genius Lease (1).pdf
Genius Printer List.xlsx

Internet and phones Suppliers.xlsx
Invoice from Hyperspike - Genius Brinsmead - JUL 2021.eml
Invoice from Hyperspike - Genius Cheltenham - JUL 2021.eml
Invoice from Hyperspike - Genius Clifton Beach - JUL 2021.eml
Invoice from Hyperspike - Genius Clyde - JUL 2021.eml
Invoice from Hyperspike - Genius Mooroolbark - JUL 2021.eml
Invoice from Hyperspike - Genius Oakbank - JUL 2021.eml

Maddingley Earthquake Insurance Matter

20210923_122217.jpg
20210923_122303.jpg
20210923_122313.jpg
20210923_122339.jpg
20210923_122507.jpg
20210923_122521.jpg
20210923_122523.jpg
20210923_122644.jpg
20210923_122733.jpg
20210923_122807.jpg
20210923_122902.jpg
20210923_122954.jpg
20210923_123018.jpg
20210923_123052.jpg
20210923_123116.jpg
20210923_123141.jpg
20210923_123207.jpg
20210923_123236.jpg

MOO_18012021170238-0001 (1).pdf

Oakbank Flooding Insurance Matter

0C772ACF-5D26-4361-B302-B30F31A91D90.jpeg
0E7CA466-F8F5-4E77-8DC5-A3A0F36D90F1.jpeg
3C199BFB-516F-461B-BA74-7A26B2DF1DCF.jpeg
5D3F9E0E-A777-4896-BE93-04D14DE80B3B.jpeg
7AA1FFC8-4762-42F6-A1AF-76840FE2C3F1.jpeg
16E42602-A08B-4E4C-958E-D038C8A636DA.jpeg
73F5927A-CA88-43C9-BC7F-F3BB710F288F.jpeg
86DC93CB-740C-4A38-94B6-ECAF59BE8CE9.jpeg
4394AE26-04B8-40E6-898C-641191909C23.jpeg

9807D54C-C5AB-4B39-91A4-5DC00A278A14.jpeg
 33627BF1-7810-4B66-BE01-9D76235F7ED6.jpeg
 50996A86-FE09-4DC1-8127-C9A7ABDEAC31.jpeg
 A7C75ECD-C767-41FD-AC09-106F4A4706F5.jpeg
 AC67FAE1-8BA1-44C3-B808-2A5D2A3EB9AE.jpeg
 B02BFEB5-EB9D-4AC1-8640-E98B0306454A.jpeg
 BBDD9987-7404-4E95-9382-1BDC78B61340.jpeg
 C7D58019-4B8E-440D-B9F7-93C9776EBD75.jpeg
 CDE6D973-E190-473A-96D8-FAAA1117B7C6.jpeg
 E91211EF-409A-4BCD-97AD-9D7B32F72BB7.jpeg
 F280EC64-B086-4EDF-8C22-8A3AC863637B.jpeg
 F0081DB0-D416-4481-850D-2B1E92669B51.jpeg
 F071630C-7D96-410C-B3A4-9B88F28C9FF0.jpeg
 F7864984-65E6-4394-90CB-600F21ECD5D7.jpeg
 Oakbank Flooding Insurance Matter.pdf
 Oct_2021 (2).pdf
 Oct_2021 (3).pdf
 RBC - printer contract.pdf
 SEA_18082020185841-0001 (1).pdf
 Shortform Lease (Aus)_5510524463_5510524463AUS1_v1 signed (2).pdf
 Weekly Trend Occupancy Reports.xlsx
Corporate
 631886_1-Genius Learning Pty Ltd Constitution_R.pdf
 Constitution (Genius Education).pdf
 Genius Education Balance Sheet per centre 30 June 2021.xlsx
 Genius Education Fixed Asset Register 30 September 2021.xlsx
 Genius FY21 P&L.xlsx
Disputes
Employees
 Above Award Employees 30.09.21.xlsx
Employees Contracts (All Employees)
Allenstown Contracts
 ALL - Abigail Anderson.pdf
 ALL - Alicia-Joe Cahill.pdf
 ALL - Alisha Thackeray.pdf
 ALL - Alissa Newcombe.pdf
 ALL - Amy Schnabel.pdf
 ALL - Courtney Hansen.pdf
 ALL - Danielle Bardsley.pdf
 ALL - Haylie Finning.pdf
 ALL - Kim Lawrence.pdf
 ALL - Lacey Burns.pdf
 ALL - Lauren Hill.pdf
 ALL - Linda Marshall.pdf
 ALL - Lydia Kennedy.pdf
 ALL - Maryana Purnell.pdf
 ALL - Natasha Simpson.pdf
 ALL - Nicole Durdin.pdf
 ALL - Paige Lawrence.pdf
 ALL - Rhianonn Millan.pdf

ALL - Tahlee Roos.pdf
ALL - Trena Kline.pdf
ALL - Yvette Mukalora.pdf
Brinsmeade Contracts
BRI - Blendina McCartney.pdf
BRI - Caitlin Obrien.pdf
BRI - Carolan Devon.pdf
BRI - Christine Aspinall.pdf
BRI - Daniela Jajtnerova.pdf
BRI - Deepak Giewia.pdf
BRI - Elaine Seden.pdf
BRI - Ellen Finch.pdf
BRI - Emily Hughes.pdf
BRI - Florence Katusabe.pdf
BRI - Iveth Sanchez.pdf
BRI - Jasmine Jimenez.pdf
BRI - John Calvert.pdf
BRI - Kate Gehringer.pdf
BRI - Kiri Lacey.pdf
BRI - Kuldeep Kaur.pdf
BRI - Laureci santos.pdf
BRI - Lisa Kilpatrick.pdf
BRI - Maria Ericson.pdf
BRI - Natasha Doolah.pdf
BRI - Nicole Hansen.pdf
BRI - Razele Zamora.pdf
BRI - Roxy Townsend.pdf
BRI - Shaylene or Shay Taylor.pdf
BRI - Tanika Haines.pdf
BRI - Tanika Rogers.pdf
BRI - Teegan Walsh.pdf
BRI - Terri Nelson.pdf
BRI - Zhenjiao Yuan.pdf
Cheltenham Contracts
CHL - Alex McInemey.pdf
CHL - Allen Middleton.pdf
CHL - Briana Shiels.pdf
CHL - Carlie Cochrane.pdf
CHL - Christine Reindel.pdf
CHL - Darcy Lee.pdf
CHL - Dulani Sooriyabandara.pdf
CHL - Elizabeth Moe.pdf
CHL - Grace Bridges.pdf
CHL - Jian Liang.pdf
CHL - Kasandra Caldwell.pdf
CHL - Kirsty Patullo.pdf
CHL - Natarsha Woodward.pdf
CHL - Nichole Hay.pdf
CHL - Priyasika Narayan.pdf
CHL - Rebecca Proc.pdf

CHL - Sam van der Zwaard.pdf
CHL - Sandra Nikolicin.pdf
CHL - Sarah Boyd.pdf
CHL - Shami Le Souef.pdf
CHL - Vicki Thurwood.pdf
CHL - Yingzhu Lu.pdf

Clifton Beach Contracts

CLI - Abigail Hughes.pdf
CLI - Aleksandra Thomas.pdf
CLI - Angela Bakker.pdf
CLI - Chieko Abe.pdf
CLI - Cydine Aquilina.pdf
CLI - Demi-Grace Coburn.pdf
CLI - Elyse Blucher.pdf
CLI - Fernanda Vitale.pdf
CLI - Hannah Knuth.pdf
CLI - Jade Berton.pdf
CLI - Jessamyn Jansz.pdf
CLI - Jessica Corby.pdf
CLI - Jesssica Robinson.pdf
CLI - Judith Adams.pdf
CLI - Kaisey Gibbs.pdf
CLI - Kaitlin Martin.pdf
CLI - Lana Hutchings.pdf
CLI - Laura Castillo.pdf
CLI - Louise Kirwan.pdf
CLI - Manju Thapa.pdf
CLI - mardi Pithie.pdf
CLI - Marnie Heraud.pdf
CLI - Minhee (Eileen) Seo.pdf
CLI - Monica Storer-Jensen.pdf
CLI - Pheobe Butler.pdf
CLI - Rebecca Fenwick.pdf
CLI - Renata Nogueira.pdf
CLI - Riana Deacon.pdf
CLI - Rie Ito.pdf
CLI - Talia Ryan.pdf
CLI - Vanessa Gillem.pdf
CLI - Vicki Benson.pdf
CLI - Yasuko Stridh.pdf
CLI - Laura Castillo.pdf

Clyde North Contracts

CLY - Chelsey Durdin.pdf
CLY - Chetna Gajjar.pdf
CLY - Claire Best.pdf
CLY - Devika Sanmogam.pdf
CLY - Emma Cross.pdf
CLY - Esha Vora.pdf
CLY - Farah Saqib.pdf
CLY - Geraldine Tourmentin.pdf

CLY - Hardeep Kaur.pdf
CLY - Harpreet Kaur.pdf
CLY - Holly Carlton.pdf
CLY - Isabella Larosa.pdf
CLY - Jayde Armstrong.pdf
CLY - Katrina Macdonald.pdf
CLY - Lara Prasad.pdf
CLY - Laura Diiorio.pdf
CLY - Lynda Mcpherson.pdf
CLY - Madison Nuttall.pdf
CLY - Manjeet Kaur.pdf
CLY - Marianna Pardi.pdf
CLY - Marie Desiree Stephanie Ridoyneauth.pdf
CLY - Medhanie K D Kahagolla.pdf
CLY - Mehry Isfahani.pdf
CLY - Melinda Walsh.pdf
CLY - Neeti Kapoor.pdf
CLY - Neha Yadav.pdf
CLY - Renee Teal.pdf
CLY - Roslyn Bosdoff.pdf
CLY - Sahira Dhaliwal.pdf
CLY - Samantha Keddie.pdf
CLY - Sandra Wraight.pdf
CLY - Sindhuja Karanam.pdf
CLY - Sowjanya Kanakamedala.pdf
CLY - Stephanie Casey.pdf
CLY - Stephanie Fitzgerald.pdf
CLY - Thani Haritou.pdf

Maddingley Contracts

MAD - Alexandra Chillingworth.pdf
MAD - Alicia Curmi.pdf
MAD - Amanpreet Kaur.pdf
MAD - Baljinder Kaur.pdf
MAD - Balpreet Saran.pdf
MAD - Blesilyn Reyes.pdf
MAD - Christine Dumble.pdf
MAD - Fevronia Camilleri.pdf
MAD - Fiona Minihan.pdf
MAD - Gemma Russell.pdf
MAD - Gloria Marrocchino.pdf
MAD - Hannah Graham.pdf
MAD - Hayley Stevens.pdf
MAD - Inderpreet Sarao.pdf
MAD - Joshua Porter.pdf
MAD - Kamaljeet Kaur.pdf
MAD - Kate Hesline.pdf
MAD - Lee Kakoschke.pdf
MAD - Pardeep Kaur Chahal.pdf
MAD - Poh Tan.pdf
MAD - Pooja Badhwar.pdf

MAD - Rajyalakshmi Imadabattuni.pdf

MAD - Ramanjit Kaur.pdf

MAD - Renae Cauchi.pdf

MAD - Samantha Bradley.pdf

MAD - Sandeep Pable.pdf

MAD - Sara Collins.pdf

MAD - Sara Garces.pdf

MAD - Sarbjit Kaur.pdf

MAD - Susan Parr.pdf

Moorolbark Contracts

MOO - Anna Pham.pdf

MOO - Beth Schmidt.pdf

MOO - Codee Ring.pdf

MOO - Ebony Fell.pdf

MOO - Ellen Kollosche.pdf

MOO - Emma Clark.pdf

MOO - Genevieve Barclay.pdf

MOO - Georgia Rees.pdf

MOO - Jaysun Maxwell.pdf

MOO - Katie Morris.pdf

MOO - Lauren Roitman.pdf

MOO - Liz Pereira.pdf

MOO - Margaret Zhou.pdf

MOO - Nicole Lutgens.pdf

MOO - Phoebe Whyte.pdf

MOO - Rachel Goulter.pdf

MOO - Rebecca Challday.pdf

MOO - Sarah Cartelli.pdf

MOO - Shama Hams.pdf

MOO - Teal Kregting.pdf

MOO - Wendy Flanagan.pdf

Norman Gardens Contracts

NOR - Allana Lacey.pdf

NOR - Anna Aguila.pdf

NOR - Carly Strickfuss.pdf

NOR - Celia Toop.pdf

NOR - Chloe Dahler.pdf

NOR - Chloe Johnstone.pdf

NOR - Chloe Poole.pdf

NOR - Chrystl Yong.pdf

NOR - Daniel Mabb.pdf

NOR - Debbie Rayner.pdf

NOR - Deborah Hollyman.pdf

NOR - Diana Shahmuradov.pdf

NOR - Dipika Segrar.pdf

NOR - Ebony-Ann Johnstone.pdf

NOR - Elie Jensen.pdf

NOR - Ellena Hamilton.pdf

NOR - Ellie-rose Todkill.pdf

NOR - Ellise - Rose Todkill.pdf

NOR - Heather Wisley.pdf
NOR - Isabella Richter.pdf
NOR - Jillian Mower.pdf
NOR - Julie Humphreys.pdf
NOR - Katie Edwards.pdf
NOR - Keri-Anne Arnold.pdf
NOR - Kimberley Kirkwood.pdf
NOR - Kristy Marianetti.pdf
NOR - Kristy Turner.pdf
NOR - Latoia Toye.pdf
NOR - Lilly Braney.pdf
NOR - Madelein Gouws.pdf
NOR - Maria Auld.pdf
NOR - Miranda Evans.pdf
NOR - Mya Duffy.pdf
NOR - Nicole Crimmins.pdf
NOR - Pellevi Jha.pdf
NOR - Paris Nevin.pdf
NOR - Phoebe Morgan.pdf
NOR - Piranavy Rajaruban.pdf
NOR - Samantha McArdle.pdf
NOR - Tiana Luckman.pdf
NOR - Toni Baxter.pdf
NOR - Vanessa Roberts.pdf

Oakbank Contracts

OAK - Anne Leewood.pdf
OAK - Cathryn Wynne.pdf
OAK - Charlotte Norris.pdf
OAK - Cheyanne Dolling.pdf
OAK - Cory Mae Williams.pdf
OAK - Georgia Sheavills.pdf
OAK - Hayley Leister.pdf
OAK - Jasmin Scott.pdf
OAK - Jennifer Maddern.pdf
OAK - Karen Light.pdf
OAK - Lisa Gutte.pdf
OAK - Maeve Dullaghan.pdf
OAK - Margaret Halloran.pdf
OAK - Melissa Kennedy.pdf
OAK - Narmada Manukonda.pdf
OAK - Olivia Cecil.pdf
OAK - Sarah Druwitt.pdf
OAK - Shani Arnold.pdf
OAK - Suzanne Bowman.pdf
OAK - Vanessa Bastiras.pdf
OAK - Yolanda Heatherley.pdf

Rainforest Contracts

RAI - Aci Sukarsih.pdf
RAI - Aibelyn Agustin.pdf
RAI - An Nguyen.pdf

RAI - Belle Gudes.pdf
RAI - Emilia Woo.pdf
RAI - Emma Telford.pdf
RAI - Gaebriella Taylor.pdf
RAI - Georgia Jeffcoat.pdf
RAI - Hayley Mitchell.pdf
RAI - Joanne Eriksson.pdf
RAI - Justine Davy.pdf
RAI - Kerry Wall.pdf
RAI - Lenka Smidova.pdf
RAI - Lilly Wood.pdf
RAI - Louise Cox.pdf
RAI - Ma Victoria Saremo.pdf
RAI - Marie-Ange Cristaldi.pdf
RAI - Marnie Marshman.pdf
RAI - Melinda Smyth.pdf
RAI - Michelle King.pdf
RAI - Rajlirth Kaur.pdf
RAI - Rebecca Schultz.pdf
RAI - Rebekah Rudkin.pdf
RAI - Reina Pascua.pdf
RAI - Renee Martin.pdf
RAI - Sally Bryan.pdf
RAI - Sarah Lewis.pdf
RAI - Sarah Milne.pdf
RAI - Seama Casos.pdf
RAI - Sheree Cox.pdf
RAI - Sherena Creighton.pdf
RAI - Taoata Chilton.pdf
RAI - Tayla Temple.pdf
RAI - Vera Henton.pdf

Seaford Contracts

SEA - Ashleigh Fox.pdf
SEA - Ashleigh Villani.pdf
SEA - Bianca Grech.pdf
SEA - Brianna Purdey.pdf
SEA - Caroline Humphries.pdf
SEA - Cheyenne Savage.pdf
SEA - Ebony Cox new.pdf
SEA - Ebony Cox.pdf
SEA - Emma Smith.pdf
SEA - Erin Taylor.pdf
SEA - Hannah Dee-Scullion.pdf
SEA - Jillian Boyde.pdf
SEA - Judith Laracas.pdf
SEA - Kate Browman.pdf
SEA - Lucy Cracknell.pdf
SEA - Maddison D'Angelo.pdf
SEA - Madeline Coad.pdf
SEA - Melinda McFarland.pdf

SEA - Merennage Udari.pdf
SEA - Mikalya Anell.pdf
SEA - Penelope Yerondais.pdf
SEA - Shelley Vellin.pdf
SEA - Tricia Anderson.pdf

Sheridan Gardens Contracts

SHG - Adrienne Boulle.pdf
SHG - Audry Edwards.pdf
SHG - Brie Cook.pdf
SHG - Caitlin O'Reilly.pdf
SHG - Chloe Boulle.pdf
SHG - Gwen Vincin.pdf
SHG - Jacinta Joyce.pdf
SHG - Jazmine Boyle.pdf
SHG - Jazzman Wyles.pdf
SHG - Joanne Howis.pdf
SHG - Kelsey Whetters.pdf
SHG - Kiara Samaniego.pdf
SHG - Kirstie Borgo.pdf
SHG - Korissa Hoeyers.pdf
SHG - Leesa Pogorzelski.pdf
SHG - Michelle Kelly.pdf
SHG - Monokoatihu Ngametua.pdf
SHG - Naomi Sullivan.pdf
SHG - Rebecca Boland.pdf
SHG - Tanya Rontund.pdf
SHG - Time Jakab.pdf
SHG - Jessica Curtis.pdf

Sheridan Meadows Contracts

SHM - Alexandra Milan.pdf
SHM - Alicia Gobus.pdf
SHM - Amanda Riley.pdf
SHM - Anne-Marie Smith.pdf
SHM - Ashleigh Cummings.pdf
SHM - Carolyn Hitchin.pdf
SHM - Debra Abdalla.pdf
SHM - Elyse Wallwork.pdf
SHM - Grace Yoon.pdf
SHM - Hayley Joyce.pdf
SHM - Jeeln Yang.pdf
SHM - Jessie Dunstan.pdf
SHM - Joan Vincin.pdf
SHM - Lisa Pettigrew.pdf
SHM - Lorræ Godfrey.pdf
SHM - Lowana Fagan.pdf
SHM - Lucica-Viorica Devine.pdf
SHM - Monique Van Der Knapp.pdf
SHM - Nasrin Akther.pdf
SHM - Nicole DeLoryn.pdf
SHM - Olivia Keniry.pdf

SHM - Rachael Mayson.pdf
 SHM - Reynelda Hornig.pdf
 SHM - Salomi Anderson.pdf
 SHM - Shantel Thom.pdf
 SHM - Sky Bolton.pdf
 SHM - Sofia Forzano.pdf
 SHM - Sophie Day.pdf
 SHM - Taya Coleman.pdf
 SHM - Veerpal Dhillon.pdf
 SHM - Yumiko Coleman.pdf

Wulguru Contracts

WUL - Amanda-Leigh Johnson.pdf
 WUL - Courtney-Lee Cassidy.pdf
 WUL - Dannielle Ross.pdf
 WUL - Eloise Crosby.pdf
 WUL - Emily Teleni-Frost.pdf
 WUL - Evie Clayton.pdf
 WUL - Ingrid Grant.pdf
 WUL - Jamie-Lee Sard.pdf
 WUL - Kelli-Maree Skelton.pdf
 WUL - Kim Lovell.pdf
 WUL - Linda Blows.pdf
 WUL - Lisa Thomas.pdf
 WUL - Louise Lyons.pdf
 WUL - Malinda Seymour.pdf
 WUL - Neha Dhir.pdf
 WUL - Pertina Jaromey.pdf
 WUL - Riho Uchikata.pdf
 WUL - Sally Burgess.pdf
 WUL - Stephanie Schwartz.pdf
 WUL - Teana Newman.pdf
 WUL - Tineal Shanahan.pdf

Employees Information Genius - October FN 22.10.21.xlsx

FWC

Mooroolbark

Cheree File note for Melanie Pumpkin intolerance.pdf
 Cheree staff file.pdf
 Cheree Termination for Cooper Soy tofu.pdf
 Cherie verbal warning for harvey FPIES.pdf
 PDF - UDT Listing - conciliation - Darren Misquitta, Genius Learning Pty Ltd Trading
 AS Genius Childcare - Level 1, 60 Toorak Road, SOUTH YARRA VIC 3141.pdf
 Termination Letter - Mooroolbark.pdf

Seaford

F2_Emma_Smith-Davidson__864348.pdf
 PDF - UDT Listing - conciliation - Ms Maddy Coad, Genius Learning Pty Ltd - 5-7
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 BRI - Hansen Nicole.pdf
 BRI - Roxanne Townsend.pdf
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 CLI - Nebeauer Kerry.pdf
 CLI - Robinson Jessica.pdf
 CLY - Dhalwal Sahira.pdf
 CLY - Gamage Kasun.pdf
 CLY - Mita Lo.pdf
 CLY - Reid Kristy.pdf
 CLY - Wright Sandra.pdf
 MOO - Ellen Kollosche.pdf
 MOO - Sarah Cartelli.pdf
 MOO - Goulter Rachael.pdf
 NOR - Arnold Kerri.pdf
 NOR - Morgan Phoebe.pdf
 NOR - Weston Tegan.pdf
 OAK - Leister Hayley.pdf
 RAI - Rebecca Schultz.pdf
 RAI - Schitlerova Zuzana.pdf
 SEA - Jillian Boyde.pdf
 SEA - Vellin Shelly.pdf
 SHG - Curtis Jessica.pdf
 SHM - Deloryn Nicole.pdf
 WUL - Cassidy Courtney - Lee.pdf
 WUL - Dhir Neha.pdf
OAK EBA
 2021 09 03 - Notice of Representational Rights(4700705.2) (1).pdf
 Determination by FWC re Oakbank EA.pdf
 Genius Learning Oakbank - United Workers Union Log of Claims re Bargaining for
 an Enterprise Agreement.jpg
 Parental leave info
 Paid Parental Leave Obligations.xlsx
Standard contracts (templates)
 Genius Learning - Casual Award Contract - Template.docx
 Genius Learning Pty Ltd - Template - Full-Time.docx
 Genius Learning Pty Ltd - Template - Part time.docx
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MAD - Alexander Chillingworth
 20210127 Scan 162536.pdf
 AC Capacity certificate 1.2.2021.pdf
 AC Incident Form (2).pdf
 AC Incident Form.pdf
 AC Medical.pdf
 Certificate of Capacity AC.pdf
 ISBN-Workers-injury-claim-form-2020-06.pdf
 Workcover Claim - September 2021.pdf
MAD- Christine Dumble

C.D work cover incident report 18.11.2020.pdf
 CD-Claim Reimbursement Remittance Advice March.pdf
 Christine D - Reduction (1).pdf
 Electronic-Funds-Transfer-Application-Form-Employers-May-2013.pdf
 Employer notice - CD.pdf
 PIAWE form (2).pdf
 RTW Plan updated April 2021.pdf
 Sprint Capital Mail - Fwd_ Ms Christine Dumble - 09200040873 - Return to Work Status.pdf
 work capacity 16th sept 21 C.D.pdf
 workcare cert 2.pdf
 workcare cert 4.pdf
 workcare cert 6.pdf
 workcare cert 7.pdf
 Workcare cert 8.pdf
 WorkCover CoC 02.06.2021 - 30.06.2021 CD.pdf
 WORKER'S COMPENSATION CLAIM LODGEMENT SYSTEM.pdf
 worker's injury claim form (1).pdf
 WorkSafe-Entry Report-V01049000028L.pdf
NOR - Miranda Evans
 Work capacity Cert until 10.05.2021.jpg
 work cover.pdf
 WorkersWagesSubmittedOnline (2).pdf
 WorkersWagesSubmittedOnline.pdf
RAI - Sarah Milne
 OnlineClaimForm_177504.pdf
 Sarah Milne Workers Comp Paperwork (1).pdf
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 Acquisition Analysis - Genius ALL adjusted.xlsx
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 Genius CentresCo adjusted.xlsx
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Leases and Agreements

1. Allenstown

3446-3743-1830-v2 - Genius Childcare Lease - Allenstown.pdf
 885218_1-Rockhampton Regional Council Rates Notice FY21.pdf
 Portugal - QLD LandTax - 1 RP881585.pdf

2. Brinsmead

2020-2021 Land Tax Brinsmead.pdf
 RatesNotice - BRI.pdf
 Rent Invoice - BRI.pdf
 Signed Lease Agreement with Genius Learning - Commencing 19 Sept 2020.pdf

3. Cheltenham

2021 VIC Land Tax Assessment Notice - CHL,MOO,SEA.pdf
 Cheltenham - Lease (fully signed) (1).PDF
 Rates & Taxes FY21 - 1A BERNARD ST.PDF
 Rent Invoice - CHL.pdf

4. Clifton Beach

3477-4534-5046-v2 - Genius Childcare Lease - Clifton Beach.pdf
 210715 - Land Tax Clearance Certificate Request Notice.pdf
 834507_1-Cairns Regional Council Statement - Rates FY22.pdf

5. Clyde North

Genius - Executed Lease.pdf
 Rent Invoice - CLY.pdf

6. Maddingley

2020-2021 Land Tax Maddingley.pdf
 4009 - Deed of Assignment and Variation 2014 - Maddingley.pdf
 55759110_1 - Lease transfer, Maddingley - Compiled - Executed.PDF
 BMLP Properties Pty Ltd - Deed of Variation - SIGN AND RETURN (2).pdf
 DRAFT Genius Childcare Lease - Maddingley.pdf
 DRAFT Surrender and new lease deed (Maddingley).pdf
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7. Mooroolbark

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 COMMPAC INVOICE - Mooroolbark Genius rates 05.10.20.pdf
 Mooroolbark - Lease (fully executed) (1).PDF
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8. Norman Gardens

AREIT Inv 5014095 - April 2021 - 653 - 661 Norman Rd.pdf
 Norman Gardens - Lease (23 March 2020).pdf
 Rates & Taxes FY21.pdf
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9. Oakbank

887332013_1_Oakbank lease dated 15.10.2021 (CD 1.10.2021).PDF
 Adelaide Hills Council Rate Notice 2021-22 - OAK.pdf
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10. Rainforest (Cannonvale)

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 Misquitta Childcare Property Pty Ltd as TTE Rates Notice FY21.pdf
 Portugal - QLD LandTax - 132 SP176333.pdf

11. Seaford

2021 VIC Land Tax Assessment Notice - CHL,MOO,SEA.pdf

Rates & Taxes FY21.jpg

Rent Invoice - SEA.pdf

Seaford - Lease FULLY EXECUTED.PDF

12. Sheridan Gardens

3445-4246-9654-v2 - Genius Childcare Lease - White Rock.pdf

201027 - QLD Land Tax Clearance Certificate.pdf

Assessment Rates FY21.pdf

Portugal - QLD LandTax - 11 CPC198140.pdf

13. Sheridan Meadows

2017LeaseSheridanMeadows.pdf

Deed of Assignment - Sheridan Meadows.pdf

Deed of Consent and Assignment of Lease - Sheridan Meadows.pdf

Invoice Rates & Taxes FY22.pdf

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Rent Invoice - SHM.pdf

14. Wulguru

3446-5912-3734-v4 - Genius Childcare Lease - Wulguru.pdf

Portugal - QLD LandTax - 120 SP172385.pdf

Rates and Taxes FY21.pdf

Bank Guarantee List.xlsx

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Pool 1 Lease Summary Schedule - 31.8.21.xlsx

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1a Bernard Street, Cheltenham (PL&PI).pdf

2 Evergreen Street, Clifton Beach (PL & PI).pdf

3-5 Bathurst Street, Mooroolbark (PL & PI).pdf

4-6 Fretwell Road, White Rock (PL & PI).pdf

5-7 Sunderland Court, Seaford (PL&PI).pdf

9 Brose Street, White Rock (PL & PI).pdf

16-18 Harry Vallence Dr Maddingley (PL&P).PDF

20 319468 Service Approval Certificate Genius Learning - 121 Rainforest Centre update.pdf

27 Ross St Allenstown (PL&PI).pdf

83 Londen Drive, Brinsmead (PI & PL).pdf

121 Shute Harbour Rd, Cannonvale (PL & PI).pdf

205 Onkaparinga Valley Road, Oakbank (PL & PI).pdf

353 Stuart Drive, Wulguru (PL&PI).pdf

653-661 Norman Road, Rockhampton (PL & PI).pdf

CertificateServiceApproval OAKBANK.pdf

Genius Brinsmead - Initial Service Approval Certificate PDF

Genius Learning - Allenstown - Re-issued Service Approval Certificate.pdf

ISR - 1a Bernard Street Cheltenham.pdf

ISR - 2 Evergreen Street Clifton Beach.pdf

ISR - 3-5 Bathurst Street Mooroolbark.pdf

ISR - 4-6 Fretwell Road White Rock.pdf

ISR - 5-7 Sunderland Court Seaford.pdf

ISR - 9 Brose Street White Rock.pdf

ISR - 16-18 Harry Vallence Dr Maddingley.pdf

ISR - 27 Ross St Allensdown.pdf
 ISR - 83 Lordan Drive Brinsmead.pdf
 ISR - 121 Shute Harbour Rd Cannonvale.pdf
 ISR - 205 Onkaparinga Valley Road Oakbank.pdf
 ISR - 353 Stuart Drive Wulguru.pdf
 ISR - 653-661 Norman Road Rockhampton.pdf
 ISR - Lv1 800 Berwick-Cranbourne Rd Clyde North.pdf
 Lv1 800 Berwick Cranbourne Rd, Clyde North (PL&PI).pdf
 P795009_ca88304ee4ae4a6b8782d478c859001b.1 - Insurance - ISR.pdf
 P795162_2266167490694776ae25e1b0dde42fc3.1 - Insurance - PL.pdf
 Provider_approval_Genius Learning PTY LTD_Sep2015 (1) (1).pdf
 Service Approval Certificate - Genius Wulguru (75 spaces).pdf
 Service Approval Certificate Clifton Beach.pdf
 Service Approval Certificate Genius Learning - Norman Garden.pdf
 Service Approval certificate_Genius Childcare - Cheltenham.pdf
 service approval certificate_Genius Learning Maddingley (SE-40002764) (1).pdf
 Service approval Genius Learning - Clyde North.pdf
 Service Approval sheridan gardens.pdf
 Service Approval Sheridan Meadows.pdf
 Service_approval_letter_and_certificate_Genius Learning Mooroolbark.pdf
 Service_approval-Genius Childcare - Seaford-SE-40015262.pdf
RFIs from MFD
 Certificate of Name Change - Genius (Clyde) Pty Ltd.pdf
 Constitution - Genius IP Pty Ltd.pdf
 DK ANDARAS PTY LTD - Register of Members.pdf
 DK Andaras Pty Ltd Constitution (Signed).pdf
 Email from Glen.pdf
 Email response to Glenn re employees.pdf
 Email Response to MFD DD Questions - (Glenn Raines) 1.9.21.pdf
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 Email Response to MFD DD Questions - employees.pdf
 Email Response to MFD DD Questions.pdf
 Email Response to MFD Employment Entitlements Questions.pdf
 Email RFIs from MFD - 31.8.21.pdf
 Email to Glenn re DD questions.pdf
 Emails to MFD re DD.pdf
 GENIUS_CLYDE_PTY LTD _ Register of Members.pdf
 GENIUS_COLLINS_PTY LTD _ Register of Members.pdf
 Genius (Carindale) Pty Ltd Constitution.pdf
 Genius (Collins) Pty Ltd Constitution - Previously named Genius Estates Pty Ltd.pdf
 Genius Centres List - 31.8.21.xlsx
 GENIUS CHILDCARE PTY LTD _ Register of Members.pdf
 Genius Childcare Pty Ltd Constitution (Signed).pdf
 GENIUS IP PTY LTD _ Register of Members.pdf
 Misquitta Family Trust Deed (Signed & Certified)_Ref886487_1.pdf
 Misquitta Family Trust Deed (Signed & Certified).pdf
 Provider_approval_Genius Learning PTY LTD_Sep2015 (1) (1).pdf
 RFIs from MFD.pdf

Schedule 6 – Incubator Agreement

Incubator agreement

Genius Learning Pty Ltd
ABN 66 603 513 604

and

Mayfield Childcare Limited
ABN 53 604 970 390

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This agreement is made on _____
insert date

between:	Genius Learning Pty Ltd ABN 66 603 513 604 (Genius Learning)
	Address: 1 Balmain Street, Cremorne, Victoria, 3121
	Email: darren@sprintcapitalpartners.com
	Attention: Darren Michael Misquitta
and:	Mayfield Childcare Limited ABN 53 604 970 390 (Mayfield)
	Address: Suite 2, 207 Waverley Road, Malvern East, Victoria, 2145
	Email: dclarke@mayfieldchildcare.com.au
	Attention: Dean Clarke

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this agreement, unless the context otherwise requires:

Annualised EBITDA means, with respect to a Childcare Centre at a date, the earnings before interest, tax, depreciation and amortisation of the operator of the Childcare Centre to the extent relating to the operation of the Childcare Centre for the period of 3 calendar months ending on that date as determined in accordance with the EBITDA Schedule and the Childcare Business Accounting GAAP multiplied by 4;

Authorisation means a certificate, licence, approval, permit, authority or exemption of, by or with a Government Agency;

Business Day means a day which is not a Saturday, Sunday, bank holiday or public holiday:

- (a) for the purpose of sending or receiving a notice, in the city where the notice is received; and
- (b) for all other purposes, in the city of Melbourne, Australia;

Childcare Business Accounting GAAP means Australian generally accepted accounting principles excluding Accounting Standards AASB 16 Leases and AASB 117 Leases;

Childcare Centre means premises used, or proposed to be used, wholly or predominately as a place to provide education and/or care services for children that is owned, leased or licensed by or on behalf of a Genius Learning Entity (or agreed to be acquired, leased or licensed by or on behalf of a Genius Learning Entity) at the locations specified in Schedule 1 at the Commencement Date or at any other location specified in the Childcare Centre Development Plan for the time being or the childcare centre business operated, or proposed to be operated, by or on behalf of a Genius Learning Entity at such a location, as the context requires, subject to clause 4.2(d) and 4.2(e).

Childcare Centre Development Plan means a plan for the identification and development of Childcare Centres (including any Childcare Centres under development) and their sale to Mayfield, including general and desired lease parameters (including in relation to the type of premises, the type of landlord, the duration of the term and further terms, the rent and increases or market reviews, the outgoings, and the guarantees or other security) and potential sale dates.

Commencement Date means the date of Completion as defined in the Share Sale Agreement.

Corporations Act means the *Corporations Act 2001* (Cth).

EBITDA Schedule means schedule 3.

Education and Care Services National Law means

- (a) Education and Care Services National Law (Victoria) as that term is defined under the *Education and Care Services National Law Act 2010* (Vic);
- (b) Education and Care Services National Law (Queensland) as that term is defined under the *Education and Care Services National Law (Queensland) Act 2011* (Qld);
- (c) Education and Care Services National Law (South Australia) as that term is defined under the *Education and Early Childhood Services (Registration and Standards) Act 2011* (SA);
- (d) Children (Education and Care Services) National Law (NSW) as that term is defined in the *Children (Education and Care Services National Law Application) Act 2010* (NSW);
- (e) Education and Care Services National Law (Western Australia) as that term is defined in the *Education and Care Services National Law (WA) Act 2012* (WA);
- (f) Education and Care Services National Law (ACT) as that term is defined in the *Education and Care Services National Law (ACT) Act 2011* (ACT);
- (g) Education and Care Services National Law (NT) as that term is defined in the *Education and Care Services (National Uniform Legislation) Act 2011* (NT);
- (h) Education and Care Services National Law (Tasmania) as that term is defined in the *Education and Care Services National Law (Application) Act 2011* (Tas).

as the context requires;

Genius Learning Entity means Genius Learning or a related body corporate of Genius Learning other than Mayfield or a related body corporate of Mayfield.

Government Agency means a government, government agency, administrative, fiscal, judicial or non-governmental regulatory body, department, commission, authority, tribunal or agency in any Australian jurisdiction whether federal, state or local;

Mayfield PM Confirmation means confirmation from Mayfield to Genius Learning that the performance metrics set out in clause 4.1 have been met.

Pro Forma Sale Agreement means the pro forma sale agreement set out in Schedule 2.

Share Sale Agreement means the share sale agreement between Genius Education Holdings Pty Ltd and Mayfield dated [insert date]

1.2 Interpretation

In this agreement headings and bold typing are included for convenience only and do not affect interpretation and, unless the context otherwise requires:

- (a) a reference to a word includes the singular and the plural of the word and vice versa;
- (b) a reference to a gender includes any gender;
- (c) if a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
- (d) a term which refers to a person includes a person in any capacity, a body corporate, an unincorporated body (for example a society or association), a trust, a partnership, a sovereign state, a government or a government department or agency;
- (e) a reference to a document includes a reference to that document as amended, novated, supplemented, varied or replaced;
- (f) a reference to a recital, clause, paragraph, schedule, annexure or other part is a reference to an item of that type in this agreement;
- (g) a reference to a party is a reference to a party to this agreement and includes a reference to that party's successors and permitted assigns;
- (h) a reference to a statute or regulation or a provision of a statute or regulation is a reference to that statute, regulation or provision as amended or a statute, regulation or provision replacing it, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws made or issued under that statute;
- (i) a reference to a document is a reference to a document of any kind including but not limited to an agreement in writing, a certificate, a notice, or an instrument;
- (j) no provision of this agreement will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this agreement or that provision;
- (k) a reference to a time is a reference to that time in the city of Melbourne, Australia;
- (l) a monetary reference is a reference to Australian currency;
- (m) a reference to an entity, other than a party to this agreement, which ceases to exist or whose powers or functions are transferred to another entity, is a reference to the entity which replaces it or which substantially succeeds to its powers or functions;
- (n) the term 'including', 'e.g.', 'such as', 'particularly' or any similar expression is not used as, nor is intended to be interpreted as, a term of limitation.

- (o) a word or term defined in the Corporations Act has the same meaning in this agreement, and
- (p) a word or term defined in *A New Tax System (Goods and Services Tax) Act 1999* (Cth) has the same meaning in this agreement where used in connection with the GST imposed under that Act.

1.3 Acquiring and disposal references

In this agreement, unless the context otherwise requires, a reference to owning, acquiring or disposing of a childcare centre includes owning, acquiring or disposing of

- (a) the freehold title to, a leasehold interest in or other right to occupy or another interest in the childcare centre premises and/or title to or a right to use the furniture, plant, equipment and other assets for the operation of the childcare centre, or
- (b) an interest in an entity that owns the childcare centre,

and, for the avoidance of doubt, acquiring includes buying and disposing includes selling

1.4 Conditional on Completion

- (a) This agreement (other than this clause 1.4 and clause 7) is conditional on Completion as defined in the Share Sale Agreement occurring. If that does not happen, this agreement will terminate upon termination of the Share Sale Agreement
- (b) On termination of this agreement under this clause 1.4, the parties will be under no further obligation to each other and will have no further rights against each other under this agreement except in respect of any breach of this agreement which occurred before termination

2. Term

This agreement commences on the Commencement Date and continues in force until terminated in accordance with clause 8.

3. Childcare Centre Development Plan

3.1 Childcare Centre Development Plan

- (a) Genius Learning must provide to Mayfield for approval a Childcare Centre Development Plan for each calendar year one month before the commencement of the calendar year except that the first Childcare Centre Development Plan must cover the period from the Commencement Date to 31 December 2022 and must be provided within 6 weeks from the Commencement Date. Genius Learning may provide to Mayfield for approval a Childcare Centre Development Plan for a calendar year or the remaining period of a calendar year at any other time if Genius Learning (acting reasonably) considers the existing Childcare Centre Development Plan for the calendar is or is likely to be unproductive
- (b) Mayfield must not unreasonably withhold or delay its approval of a Childcare Centre Development Plan provided by Genius Learning that satisfies Mayfield's requirements as set out in clause 3.1(d).

- (c) Genius Learning must use its reasonable endeavours to (whether by itself or by procuring another Genius Learning Entity to do so) identify, develop and trade-up Childcare Centres for sale to Mayfield in accordance with the Childcare Centre Development Plan last approved by Mayfield and Genius Learning must keep Mayfield regularly informed in writing of such endeavours and of progress made in achieving the objectives set out in this clause 3.1(c).
- (d) Mayfield must keep Genius Learning regularly informed in writing of Mayfield's capacity to operate, preferred locations and other reasonable requirements for new childcare centres and details of childcare centres that Mayfield acquires or develops, agrees or proposes to acquire or develop or is offered to acquire or develop, and Genius Learning must take this information into account in preparing a Childcare Centre Development Plan.

3.2 Performance standards

Each party must in exercising its powers and performing its functions, duties and other obligations under this clause 3

- (a) exercise reasonable care and skill, and due diligence and attention,
- (b) operate in a reasonable, safe and businesslike manner,
- (c) act faithfully and diligently,
- (d) act in a timely way; and
- (e) comply with all applicable Authorisations (including any held by any Genius Learning Entity), laws and industry standards

4. Incubator arrangements

4.1 Performance metrics

It

- (a) the Annualised EBITDA for a Childcare Centre at the end of a calendar month is at least \$150,000,
- (b) the daily average number of children enrolled at the Childcare Centre for that calendar month and the previous two calendar months (i.e. the aggregate of the number of children enrolled at the Childcare Centre each Business Day during those three calendar months divided by the total number of those Business Days) is at least 75% of the maximum number of children approved to receive education and/or care at the Childcare Centre under the service approval issued under section 48 of the Education and Care Services National Law for the Childcare Centre; and
- (c) in the case of a Childcare Centre acquired after the Commencement Date, the maximum number of children approved to receive education and/or care at the Childcare Centre under the service approval issued under section 48 of the Education and Care Services National Law for the Childcare Centre at the end of the calendar month is at least 60.

Genius Learning may give Mayfield notice in writing that the Childcare Centre has satisfied the above performance metrics at the end of that month **provided that** it does so as soon as reasonably practicable after the end of the calendar month, together with reasonable details of how the performance metrics have been satisfied together with any other information reasonably required by Mayfield relating to such satisfaction (GL PM Notice). Mayfield must, within 30 days of receipt of the GL PM Notice, notify Genius Learning in writing whether or not it is satisfied (acting reasonably) that the above performance metrics have been met (Mayfield PM Notice). If Mayfield does not provide a Mayfield PM Notice within the 30 day period referred to in this clause **4.1** then Mayfield is deemed to have provided a Mayfield PM Confirmation.

4.2 Sale agreement

- (a) Genius Learning must ensure that before giving notice under clause **4.1** in relation to a Childcare Centre or as soon as reasonably practicable after giving the notice, the Childcare Centre premises are owned, leased or licensed, and the Childcare Centre business is operated, by a wholly-owned subsidiary of Genius Learning (Childcare Centre Subsidiary) that has not carried on any other business or operations.
- (b) Subject to this clause **4.2**, as soon as reasonably practicable after giving notice under clause **4.1** in relation to a Childcare Centre that has satisfied the performance metrics set out in clause **4.1** at the end of a calendar month and a Mayfield PM Confirmation has been provided to Genius Learning (or deemed provided):
 - (1) Genius Learning must prepare a draft sale agreement under which all of the shares in the Childcare Centre Subsidiary that operates the Childcare Centre are agreed to be sold to Mayfield, and Mayfield agrees to buy those shares in the Childcare Centre Subsidiary, for consideration equal to 4.25 x the Annualised EBITDA for the Childcare Centre at the end of that calendar month and otherwise on the terms that are consistent with and in the form, or substantially in the form or to the effect, of the Pro Forma Sale Agreement.
 - (2) Genius Learning must provide the draft sale agreement to Mayfield and the parties must work together in good faith to negotiate, amend and finalise the sale agreement.
 - (3) Mayfield must deliver to Genius Learning a counterpart of the final sale agreement executed by Mayfield, and
 - (4) Genius Learning must deliver to Mayfield a counterpart of the final sale agreement executed by each other party.
- (c) In preparing a draft sale agreement under clause **4.2(b)(1)** for the sale of shares in a Childcare Centre Subsidiary, Genius Learning must ensure that:
 - (1) if any assets required for the operation of the Childcare Centre Subsidiary's Childcare Centre are owned by a Genius Learning Entity, provision is made for the assets to be transferred or licensed to, or otherwise able to be used by, the Childcare Centre Subsidiary at completion of the sale, free from all encumbrances or security interests; and
 - (2) if the Childcare Centre Subsidiary has any material liabilities relating to the operation of another Childcare Centre or any other business conducted by

another Genius Learning Entity, provision is made for the liabilities to be satisfied or otherwise discharged at or before completion of the sale of shares under the sale agreement and otherwise excluded from the sale to Mayfield.

- (d) If after Genius Learning gives to Mayfield a notice under clause 4.1 in relation to a Childcare Centre that has satisfied the performance metrics set out in clause 4.1 at the end of a calendar month, Mayfield provides to Genius Learning a Mayfield PM Notice that does not state Mayfield is satisfied the performance metrics have been met or if Genius Learning and Mayfield are unable to agree on the terms of a final sale agreement for the shares in the Childcare Centre Subsidiary that operates the Childcare Centre within 20 Business Days from Genius Learning providing a draft of the sale agreement to Mayfield under this clause 4.2:
- (1) Mayfield will be deemed to have declined to acquire the Childcare Centre Subsidiary (and the Childcare Centre);
 - (2) Genius Learning will be free to sell the Childcare Centre Subsidiary (or the Childcare Centre) to anyone else; and
 - (3) the Childcare Centre will cease to be included in the definition of that term in clause 1.1 and this agreement (including clause 5) will otherwise cease to apply to the Childcare Centre
- (e) If a sale agreement entered into by Genius Learning and Mayfield in respect of a Childcare Centre Subsidiary that operates a Childcare Centre is subsequently terminated before completion of the sale:
- (1) Genius Learning will be free to sell the Childcare Centre Subsidiary (or the Childcare Centre) to anyone else; and
 - (2) the Childcare Centre will cease to be included in the definition of that term in clause 1.1 and this agreement (including clause 5) will otherwise cease to apply to the Childcare Centre

6. Right of first refusal

Genius Learning agrees that it will not sell or agree to sell a childcare centre (whether or not identified, developed and traded-up for sale to Mayfield in accordance with an approved Childcare Centre Development Plan) to a third party (i.e. a person other than Mayfield or a related body corporate of Mayfield or a Genius Learning Entity) without first offering to sell the Childcare Centre to Mayfield.

6. Co-operation

The parties must work together in good faith and provide reasonable assistance and information to each other as necessary for each party to carry out and comply with their obligations under this agreement.

7. Confidentiality

7.1 Prohibition

Each party undertakes that it and its officers, employees and advisers and others to whom it discloses the terms of this agreement, any transaction contemplated under it or any information about the other party that it obtains from the other party or as a consequence of the activities under this agreement that is not in the public domain, will not disclose any of that information except as permitted or otherwise provided under this agreement.

7.2 Exceptions

Information may be disclosed

- (a) to a person provided that knowledge of the information disclosed to the person is necessary for the purpose of negotiating, preparing, executing, performing, undertaking, completing or enforcing this agreement or any transaction contemplated under this agreement and the person agrees not to disclose the information except as permitted or otherwise provided under this agreement;
- (b) as is necessary for a party to comply with any applicable law or requirement of a securities exchange or to exercise or enforce its rights, perform its obligations or defend any claim or proceeding, under or in connection with this agreement provided that all reasonable steps have been taken to limit, as far as reasonably possible, the extent of the disclosure; or
- (c) by a party to the extent permitted in writing by the other party.

8. Termination

8.1 Termination date

- (a) This agreement will terminate on 31 December 2026 unless Genius Learning and Mayfield agree in writing that the agreement continues after that date for another 5 years
- (b) If the agreement continues, thereafter Genius Learning or Mayfield may terminate this agreement without reason by giving to the other at least 3 months' written notice of termination expiring on 31 December 2031 or a later 31 December, in which case the agreement will terminate on the expiration of the period of notice.

8.2 Termination due to default or insolvency

If:

- (a) a party commits a material breach of this agreement and fails to remedy the breach within 20 Business Days from receipt of a written notice of default from the other party;
- (b) a party or any of its officers is found guilty of fraud or any indictable offence;
- (c) a court makes a disqualification order against a party due to an act or omission by a party or any of its officers under or in connection with this agreement;

- (d) a party goes into liquidation except for the purpose of solvent reconstruction or amalgamation of the party; or
- (e) a controller is appointed in respect of any property of a party pursuant to the Corporations Act and the party does not issue a proceeding to discharge the appointment within 20 Business Days from the appointment or the party does issue such a proceeding but the appointment is not subsequently discharged as a consequence;

this agreement may be terminated by the other party giving a written notice of termination to the defaulting or insolvent party at least 5 Business Days before the intended date of termination. The parties agree that failure to perform an obligation by a particular time may be remedied by performing the obligation after that time.

8.3 Effect of termination

Termination of this agreement will not prejudice or otherwise affect any rights and obligations of the parties expressed in this agreement to survive termination of this agreement, nor will it prejudice or otherwise affect any right or remedy one party has against another party in respect of any breach of this agreement before termination, but will terminate all other rights and obligations of the parties under this agreement.

8.4 Survival

This clause 8 and clauses 7 and 9 (except clause 9.12) survive termination of this agreement

9. General

9.1 Governing law and jurisdiction

This agreement is governed by the laws of Victoria, Australia. The parties submit to the non-exclusive jurisdiction of the courts exercising jurisdiction there.

9.2 Amendment

This agreement may only be amended by written amendment executed by each party.

9.3 Waiver

A provision of this agreement or a right created under it may not be waived except in writing signed by the party granting the waiver.

9.4 Exercise of a right

A party may exercise a right at its discretion and separately or together with another right. If a party exercises a single right or only partially exercises a right, then that party may still exercise that right or any other right later. If a party fails to exercise a right or delays in exercising a right, then that party may still exercise that right later.

9.5 Remedies cumulative

The rights and remedies provided in this agreement are cumulative with and not exclusive of the rights and remedies provided by law independently of this agreement.

Instrument agreement

 Piper Alderman**9.6 No merger**

The rights and obligations of the parties will not merge on completion of any transaction under this agreement. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing any transaction.

9.7 Assignment

- (a) This agreement is for the benefit of the parties and their successors and assigns. The parties and their successors and assigns are bound by this agreement.
- (b) A party may only assign its rights under this agreement after it obtains the written consent of each other party.

9.8 Severance

If any provision of this agreement is void, voidable, unenforceable, illegal, prohibited or otherwise invalid in a jurisdiction, in that jurisdiction the provision must be read down to the extent it can be to save it but if it cannot be saved by reading it down, words must be severed from the provision to the extent they can be to save it but if that also fails to save it the whole provision must be severed. That will not invalidate the remaining provisions of this agreement nor affect the validity or enforceability of that provision in any other jurisdiction where it is not invalid.

9.9 Counterparts

The parties may execute this agreement in two or more counterparts and all counterparts together constitute one instrument.

9.10 Consent or approval

Subject to an express provision in this agreement, a party may in its absolute discretion give its consent or approval conditionally or unconditionally, or withhold its consent or approval.

9.11 Entire agreement

This agreement constitutes the entire agreement of the parties in respect of the subject matter of this agreement and supersedes all prior discussions, undertakings and agreements.

9.12 Further assurances

Each party must, at its own expense, do everything reasonably necessary to give effect to this agreement and the transactions contemplated by it, including without limitation the execution of documents.

9.13 Relationship

Nothing in this agreement constitutes the relationship of principal and agent or partners as between any of the parties, and no party has any authority to bind the other legally or equitably except as expressly stated in this agreement.

9.14 Notices

A party may send a notice in connection with this agreement by hand delivery, pre-paid post or email to another party at the recipient party's address details set out at the beginning of this agreement or in such other way as the recipient party may have last notified the sending party in writing. A notice is deemed to be received:

- (a) if sent by hand delivery, at the time of delivery if on a Business Day at or before 5.30 pm, otherwise on the next Business Day;
- (b) if sent by pre-paid post within the same country, on the second Business Day after the date of posting, or if sent by pre-paid airmail from an address in a country to an address in another country, on the fifth Business Day after the date of posting; or
- (c) if sent by email, at the time of sending if on a Business Day at or before 5.30 pm, otherwise on the next Business Day, provided that the sender does not receive a subsequent 'out of office' reply or similar response or a system administrator message stating that the email did not reach its intended recipient.

9.15 Warranties of authority

Each party represents and warrants to each other party that

- (a) it has the power to enter into and perform this agreement;
- (b) this agreement is valid and binding on it and enforceable against it in accordance with its terms subject to the payment of any necessary document or transaction duty, the availability of any equitable remedies and to laws affecting creditors' rights generally;
- (c) it benefits by executing this agreement; and
- (d) it is able to pay its debts as and when they fall due, and no action has been taken towards winding it up or placing it in bankruptcy.

9.16 Costs

Each party must bear its own costs in relation to the negotiation, preparation or execution of this agreement.

Executed as an agreement

This agreement or any document amending or terminating this agreement or referred to in this agreement may be executed by hand or by electronic means (e.g. by an electronic copy of a person's signature being affixed by or on behalf of the person to an electronic copy of the document) and a paper or electronic copy of the document so executed will be as valid as an original document executed by hand.

Executed by Genius Learning Pty Ltd by

Damen Misquitta
Sole director and sole company secretary

Incubator agreement

 PiperAlderman

Executed by Mayfield Childcare Limited by	
Signature of director	Signature of director/company secretary
Name of director	Name of director/company secretary

Schedule 1 – Childcare Centres

Childcare Centres with service approval

Childcare Centre	Maximum number of children approved to receive education and/or care at the Childcare Centre under the service approval issued under section 48 of the Education and Care Services National Law for the Childcare Centre
35 Walsh Avenue, Castle Hill, New South Wales, 2154	94
21 Harris Street, Pymont, New South Wales, 2009	110
Level 1, 55 Pymont Bridge Road, Pymont, New South Wales, 2009 (North Centre)	68
Level 1, 55 Pymont Bridge Road, Pymont, New South Wales, 2009 (South Centre)	73
Westfield Chermside Shopping Centre, Level 3, Shop 33, 600 Gympie Road and Hamilton Road, Chermside, Queensland, 4032	234
206 Tramway Parade, Beaumaris, Victoria, 3193	45
Level 1, 595 Collins Street, Melbourne, Victoria, 3000	171
139 Bay Road, Sandringham, Victoria, 3191	60
17A Anderson Road, Forrestfield, Western Australia, 6058	196
94 Cardigan Street, Granville, Queensland, 4650	77
157 Rockingham Road, Hamilton Hill, Western Australia, 6163	99
98 Fifteenth Street, Home Hill, Queensland, 4806	80
8-10 Short Street, Nerang, Queensland, 4211	75
386 Morrison Road, Swan View, Western Australia, 6056	84
855 Ruthven Street, Kearneys Spring, Queensland, 4350	130

Schedule 2 – Pro Forma Sale Agreement

Share sale agreement

This agreement is made on _____
insert date

between: **Genius Learning Pty Ltd ABN 56 603 513 604 (Seller)**
 Address: [insert]
 Email: [insert]
 Attention: [insert]
 and: **Mayfield Childcare Limited ABN 53 604 970 390 (Buyer)**
 Address: [insert]
 Email: [insert]
 Attention: [insert]

Recitals

- A The Seller holds all of the issued shares in the Company.
- B The Seller has agreed to sell to the Buyer and the Buyer has agreed to buy from the Seller all of the Seller's shares in the Company on the terms contained in this agreement.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this agreement, unless the context otherwise requires:

Announcement Date means

- (a) if the transaction contemplated by this agreement is first announced to ASX before the date of this agreement, that date; and
- (b) in any other case, the date of this agreement.

Annualised EBITDA means the earnings before interest, tax, depreciation and amortisation of the Childcare Business Operator to the extent relating to the operation of the Childcare Business for the period of 3 calendar months ending on the Consideration Reference Date as determined in accordance with the EBITDA Schedule and the Childcare Business Accounting QAMP multiplied by 4.

Authorisation means, with respect to a person, a certificate, licence, approval, permit, authority or exemption of, by or with a Government Agency held by the person or necessary to carry on the person's business as currently operated or to use or occupy any premises as currently used or occupied by the person.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 or the financial market operated by ASX Limited ABN 98 008 624 691, as the context requires.

ASX Listing Rules means the listing rules made by ASX that deal with admitting entities to, or removing entities from, ASX's official list or the activities or conduct of entities that are included on that list.

Business Day means a day which is not a Saturday, Sunday, bank holiday or public holiday

- (a) for the purpose of sending or receiving a notice, in the city where the notice is received, and
- (b) for all other purposes, in the city of Melbourne, Australia.

Business Premises means [insert address of relevant Childcare Centre].

Business Records means

- (c) the Corporate Records, and
- (d) the agreements, deeds, documents, books, accounts, ledgers, customer and supplier lists, registers, journals, certificates, documents of title, employee records, correspondence, studies, reports, statutory records and other information solely relating to the Childcare Business which the Childcare Business Operator maintains or has in its possession or control, regardless of the material or medium used for the holding, storage or communication of the information.

Buyer Group Entity means

- (a) the Buyer,
- (b) a related body corporate of the Buyer, or
- (c) an entity controlled by any of the Buyer and its related bodies corporate.

Buyer Fundamental Warranty means a warranty set out in clause 1, 2, 3 or 8 of schedule 2.

Buyer Group Member means

- (a) a Buyer Group Entity, or
- (b) an officer or employee of a Buyer Group Entity.

Buyer Share means an ordinary share in the Buyer.

Buyer Share VWAP means, with respect to any Buyer Shares to be issued to the Seller under this agreement, the volume weighted average market price of fully paid Buyer Shares over the period of 20 trading days ending on the trading day before the Announcement Date adjusted by subtracting the amount or value of any dividend, distribution or other entitlement per Buyer Share that is to be paid or provided to holders of Buyer Shares where the 'ex rights date' or 'ex entitlements date' in relation to the entitlement occurs after the start of the period and the record date in relation to the entitlement occurs before the Buyer Shares are issued to the Seller under this agreement.

Buyer Warranty means a warranty set out in schedule 2.

Childcare Business means the business of providing child education and care services and operating a childcare centre and related activities that is carried on by the Childcare Business Operator at the Business Premises.

Childcare Business Accounting GAAP means Australian generally accepted accounting principles excluding Accounting Standards AASB 16 Leases and AASB 117 Leases.

Childcare Business Operator means the operator of the Childcare Business for the time being, being either Genius Learning or the Company (as relevant).

Childcare Provider Approval means a provider approval issued under section 15 of the Education and Care Services National Law.

Childcare Service Approval means a service approval issued under section 46 of the Education and Care Services National Law, as transferred or otherwise amended.

Claim means a threat, complaint, demand, proceeding or other claim howsoever arising and whether written or oral, present or future, or actual or contingent.

Company means [insert full name and ACN/ABN of Childcare Centre Subsidiary].

Compensation Sale Shares has the meaning given in clause 9.14.

Completion means completion of the sale and purchase of the Sale Shares under clause 9.

Completion Date means

- (a) 5 Business Days after the date of this agreement, or
- (b) 1 Business Day after the conditions set out in clause 3.1 have been met or waived, whichever is later, or such other date as the Seller and the Buyer may agree.

Consideration has the meaning given in clause 2.1.

Consideration Reference Date means [insert date of last day of third calendar month in respect of which Annualised EBITDA is determined].

Corporate Records means

- (a) the minutes of meetings or resolutions of members of the Company;
- (b) the minutes of meetings or resolutions of directors of the Company;
- (c) the register of members of the Company; and
- (d) the register of officers/holders of the Company;

regardless of the material or medium used for the holding, storage or communication of the information.

Corporations Act means the Corporations Act 2001 (Cth).

Disclosure Letter means the letter from the Seller to the Buyer dated and delivered to the Buyer before execution of this agreement a copy of which is set out in schedule 3.

Due Diligence Document means a document provided by or on behalf of the Seller to the Buyer between the Consideration Reference Date and execution of this agreement in connection with the Childcare Business Operator or the sale of Sale Shares under this agreement, being those documents listed in schedule 4.

Duty means any stamp, transaction or registration duty, or similar charge, imposed by any Government Agency, or any interest, fine, penalty, charge or other amount imposed in respect of any such duty or similar charge.

EBITDA Schedule means schedule 3 of the Incubator Agreement as completed for the Childcare Business.

Education and Care Services National Law means (if Childcare Business carried on in Victoria, insert Education and Care Services National Law (Victoria) as that term is defined under the Education and Care Services National Law Act 2010 (Vic), if Childcare Business carried on in another jurisdiction, insert corresponding legislation for that jurisdiction).

Encumbrance means a mortgage, charge, pledge, lien, conditional sale agreement, hire or hire purchase agreement, option, restriction as to transfer, use or possession, easement, subordination to a right of another person, adverse or competing interest of another person or other security interest or encumbrance in respect of property created or arising to secure performance of an obligation except for a lien or reservation of title arising in the ordinary course of business.

Fairly Disclosed means disclosure in sufficient detail and context to enable a reasonable person to identify the nature and scope of the relevant fact, matter, event or circumstance.

Finance Document means [insert details].

Government Agency means a government, government agency, administrative, fiscal, judicial or non-governmental regulatory body, department, commission, authority, tribunal or agency in any jurisdiction whether federal, state, local or territorial.

Genius Education means Genius Education Pty Ltd ABN 30 053 437 905.

Genius IP means Genius IP Pty Ltd ABN 69 636 102 428.

GL PM Notice has the meaning given to that term in the Incubator Agreement.

GST means goods and services tax or similar value added tax levied or imposed in Australia under the GST Law or otherwise on a supply.

GST Act means A New Tax System (Goods and Services Tax) Act 1999 (Cth).

GST Law has the same meaning as in the GST Act.

Incubator Agreement means the incubator agreement dated [insert date] between the Seller and the Buyer.

IP Licence Agreement means an intellectual property licence agreement between Genius IP, the Company and the Buyer prepared by the Seller under which Genius IP grants to the

Company a licence to copy and use intellectual property of Genius IP on substantially the same terms as the intellectual property licence agreement between the Seller, Genius Education and the Buyer that was entered into in connection with the Buyer's acquisition of shares in Genius Education except for clause 4.1 of that agreement.

Leave Entitlements means the entitlements of the employees of the Company at Completion to long service leave and annual leave and personal/carer's/sick leave under all relevant agreements, statutes or awards to the extent that these entitlements relate to their employment in the Childcare Business and are determined on the basis of the amount recorded in the books and records of the Childcare Business at Completion.

Loss means, with respect to a person, the loss suffered or expense or liability incurred by the person or the damages or costs to which the person is entitled or an amount payable to the person under an indemnity or otherwise.

Material Contract means a Finance Document, Property Lease and [insert list of material contracts].

Plant and Equipment means all plant, equipment, motor vehicles, machinery, furniture, fittings and computer equipment owned by the Childcare Business Operator.

Property Lease means [insert details of lease of Business Premises].

Sale Proceeds Account means the following bank account:

Bank:	[insert]
Account name:	[insert]
BSEI:	[insert]
Account no:	[insert]

Sale Share means an ordinary share in the Company.

Seller Group Member means:

- (a) the Seller,
- (b) a related body corporate of the Seller,
- (c) an entity controlled by any of the Seller and its related bodies corporate, or
- (d) an officer or employee of an entity referred to in paragraph (a), (b) or (c) above.

Seller Fundamental Warranty means a warranty set out in clause 1, 2 or 3 of schedule 1.

Seller Warranty means a warranty set out in schedule 1.

Share Compensation Amount has the meaning given in clause 9.14.

SPA Claim has the meaning given in clause 9.14.

Super Fund means a superannuation fund to which the Company makes superannuation contributions for employees of the Company;

Tax means any tax, levy, charge, impost, deduction, goods and services tax or withholding, which is assessed, levied, imposed or collected by any Government Agency and includes any interest, fine, penalty, charge, fee or other amount imposed by statute on, or in respect of, any of the above, but excludes any Duty;

Tax Act means the Income Tax Assessment Act 1936 (Cth) or Income Tax Assessment Act 1997 (Cth), whichever is relevant;

Tax Costs has the meaning given in clause 10.1(a);

Tax Claim means a Claim by the Buyer arising from any breach of Seller Warranty 22 or under the Tax Indemnity;

Tax Indemnity means the indemnity given by the Seller under clause 10;

Tax Law means any law in relation to any Tax, including the Tax Act and the GST Act;

Tax Liability means a liability for Tax;

Transitional Services Agreement means a transitional services agreement between the Seller, the Company and the Buyer prepared by the Seller for the provision of management services by the Seller to the Company on substantially the same terms as the transitional services agreement between the Seller, Genius Education and the Buyer that was entered into in connection with the Buyer's acquisition of shares in Genius Education other than that the management fee calculated by reference to the monthly place rate will commence immediately; and

Warranty means a Buyer Warranty or Seller Warranty

1.2 Interpretation

In this agreement headings and bold typing are included for convenience only and do not affect interpretation and, unless the context otherwise requires:

- (a) a reference to a word includes the singular and the plural of the word and vice versa;
- (b) a reference to a gender includes any gender;
- (c) if a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
- (d) a term which refers to a person includes a person in any capacity, a body corporate, an unincorporated body (for example a society or association), a trust, a partnership, a sovereign state, a government or a government department or agency;
- (e) a reference to a document includes a reference to that document as amended, novated, supplemented, varied or replaced;
- (f) a reference to a recital, clause, paragraph, schedule, annexure or other part is a reference to an item of that type in this agreement;

- (g) a reference to a party is a reference to a party to this agreement and includes a reference to that party's successors and permitted assigns;
- (h) a reference to a statute or regulation or a provision of a statute or regulation is a reference to that statute, regulation or provision as amended or a statute, regulation or provision replacing it, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws made or issued under that statute;
- (i) a reference to a document is a reference to a document of any kind including but not limited to an agreement in writing, a certificate, a notice, or an instrument;
- (j) no provision of this agreement will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this agreement or that provision;
- (k) a reference to a time is a reference to that time in the city of Melbourne, Australia;
- (l) a monetary reference is a reference to Australian currency;
- (m) a reference to an entity, other than a party to this agreement, which ceases to exist or whose powers or functions are transferred to another entity, is a reference to the entity which replaces it or which substantially succeeds to its powers or functions;
- (n) the term 'including', 'e.g.', 'such as', 'particularly' or any similar expression is not used as, nor is intended to be interpreted as, a term of limitation;
- (o) a reference to a breach of Warranty means a Warranty being untrue, inaccurate or misleading in breach of clause 8.1 or 11.1;
- (p) the terms 'volume weighted average market price' and 'trading day' the same meaning as in the ASX Listing Rules except that a trading day does not include a day on which Buyer Shares are not able to be traded on market e.g. due to a trading halt, suspension from quotation or de-listing;
- (q) a word or term defined in the Corporations Act has the same meaning in this agreement, and
- (r) a word or term defined in A New Tax System (Goods and Services Tax) Act 1999 (Cth) has the same meaning in this agreement where used in connection with the GST imposed under that Act.

1.3 Awareness

In this agreement, a reference to the awareness or knowledge of a party is a reference to the actual knowledge at the date of this agreement of, in the case of the Buyer, the CEO and CFO of the Buyer or, in the case of the Seller, the CEO and CFO of the Seller.

1.4 Manner of payment

Payment of an amount of money to the Seller under this agreement (or any part of the amount) must be made by electronic funds transfer to the Sale Proceeds Account, or by such other reasonable method to such person as the Seller may notify the Buyer in writing at least 2 Business Days before the payment is due.

2. Sale and purchase of Sale Shares

2.1 Sale and purchase

Subject to clause 3, the Seller agrees to sell to the Buyer, and the Buyer agrees to buy from the Seller, all of the issued Sale Shares on the Completion Date for the Consideration and otherwise on the terms set out in this agreement.

2.2 Associated rights

The Sale Shares agreed to be sold under clause 2.1 will be sold (subject to Completion occurring):

- (a) on the Completion Date;
- (b) free from all Encumbrances; and
- (c) with all rights attached to the Sale Shares at the Completion Date and all rights accruing after that date.

2.3 Consideration

- (a) The Consideration for all of the Sale Shares is \$insert 4.25 x Annualised EBITDA for the relevant Childcare Centre] less 50% of the total amount of the Lease Entitlements, plus or minus the aggregate of the adjustments referred to in clause 2.3(b), as determined by the Seller in good faith and notified to the Buyer on or before the Completion Date.
- (b) The Consideration must be adjusted if necessary on the Completion Date in respect of all rates, rent and other property related outgoings, charges and other expenditure paid or payable by the Company (or previous tenant) under the Property Lease in connection with the conduct of the Childcare Business as at the close of business on the Business Day immediately preceding the Completion Date as determined by the Seller in good faith to the intent and with the effect that the Seller bears the cost of all such expenditure referable to the period up to and including the Business Day immediately preceding the Completion Date and the Buyer bears the cost of all such expenditure referable to any period on and from the Completion Date.

2.4 Payment

The Consideration is payable as follows:

- (a) Subject to this clause 2.4, the Buyer must pay to the Seller on the Completion Date the Consideration, 20% of which (or such other percentage as may be agreed by the parties) must be paid in money and 80% of which (or such other percentage as may be agreed by the parties) must be satisfied by the Buyer issuing to the Seller (or its nominee) on the Completion Date the number of Buyer Shares (credited as fully paid) equal to 80% of the Consideration (or such other percentage as may be agreed by the parties) divided by the Buyer Share VWAP (rounded to the nearest whole Buyer Share).
- (b) If the issue of all of the Buyer Shares referred to clause 2.4(a) would require the approval of the holders of Buyer Shares for the purpose of item 7 of the table in

section 611 of the Corporations Act to ensure there is no contravention of section 606 of the Corporations Act or would require the approval of the holders of Buyer Shares to ensure there is no contravention of rule 7.1, 10.1 or 10.11 of the ASX Listing Rules (Restrictions).

- (1) the Buyer must issue to the Seller (or its nominee) the maximum number of Buyer Shares able to be issued without there being a contravention of any of the Restrictions on the Completion Date (Unrestricted Buyer Shares).
 - (2) promptly, and in any event by the date that is 3 months after the Completion Date (Cut Off Date), the Buyer must convene a general meeting of the Buyer and seek and use best endeavours to obtain the relevant approvals of the holders of Buyer Shares (Shareholder Approval) to issue the remaining number of Buyer Shares to the Seller (or its nominee) equal to 80% of the Consideration (or such other percentage as may be agreed by the parties) divided by the Buyer Share VWAP (rounded to the nearest whole Buyer Share) less the Unrestricted Buyer Shares (Remaining Buyer Shares);
 - (3) if before the Cut Off Date either Shareholder Approval is obtained or the Remaining Buyer Shares may otherwise be issued to the Seller (or its nominee) without there being a contravention of any of the Restrictions, those Buyer Shares must be issued to the Seller (or its nominee) within 5 Business Days from the date the Shareholder Approval is obtained or the date the Restrictions otherwise cease to prohibit the issue, whichever occurs first, and
 - (4) in any other case, the remaining Consideration must be paid by the Buyer to the Seller in money within 5 Business Days from the Cut Off Date.
- (c) Where any Buyer Shares are required to be issued to the Seller (or its nominee) on a date, the Buyer must on that date:
- (1) issue to the Seller (or its nominee) the Buyer Shares free from all Encumbrances ranking equally with all other issued Buyer Shares on and from the date of issue;
 - (2) enter the Seller (or its nominee) on the register of members of the Buyer as the holder of those Buyer Shares;
 - (3) deliver to the Seller (or its nominee) a holding statement confirming its holdings of those Buyer Shares; and
 - (4) apply for their quotation on ASX, and as soon as practicable after applying for quotation, procure their quotation.
- (d) On issue of any Buyer Shares to the Seller (or its nominee), the Seller agrees, or must procure its nominee to agree, to become a member of the Buyer and to be bound by its constitution in respect of those Buyer Shares.
- (e) Despite anything else contained in this agreement, if after the Seller executes this agreement
- (1) trading in Buyer Shares on ASX is suspended from quotation for more than a total of 5 days and the suspension is due to a material adverse change in the

assets, liabilities, financial position, performance, profits, losses, business, operations or prospects of the Buyer,

- (2) the Buyer is removed from the official list of ASX or announces its intention to request removal or ASX announces its intention to remove the Buyer from the official list;
- (3) a takeover bid is made under chapter 6 of the Corporations Act for all of the issued Buyer Shares not owned by the bidder, the bidder's voting power in the Buyer increases to at least 50% and, if the bid is subject to defeating conditions, all defeating conditions are satisfied or the bid is declared free from all unsatisfied defeating conditions;
- (4) a scheme of arrangement between the Buyer and its shareholders under part 5.1 of the Corporations Act for the merger of the Buyer with another entity or the acquisition of all of the issued Buyer Shares or the whole or a substantial part of the business or property of the Buyer by another entity is approved by the shareholders of the Buyer under section 411(4)(a)(i) of the Corporations Act;
- (5) the Buyer disposes, or agrees to dispose, of the whole or a substantial part of its business and assets;
- (6) the voting power of a person in the Buyer (other than the Seller or any associate of the Seller) increases from 50% or below to more than 50%; or
- (7) the issue of any Buyer Shares to the Seller (or its nominee) would result in a contravention of the ASX Listing Rules, the Corporations Act or any other law other than in connection with the Restrictions;

the Seller may elect by written notice to the Buyer to be paid in money any Consideration otherwise to be satisfied by the issue of Buyer Shares, in which case the Buyer must pay to the Seller by the due date of payment the amount elected to be paid in money instead of issuing Buyer Shares to satisfy payment of the amount.

- (f) if any Consideration is not paid within 5 months from the Completion Date, the Buyer must pay to the Seller on demand interest on the amount to be paid charged at the rate of 8% per annum from the Completion Date to the date the amount is paid and accruing from day to day;
- (g) Without limiting clause 2.4(b), the Buyer must, to the extent applicable:
 - (1) prepare or procure preparation of the notice of meeting, explanatory statement and proxy form for the general meeting of the Buyer to seek the shareholders approvals referred to in clause 2.4(b) in consultation with the Seller;
 - (2) procure an independent expert report as recommended by ASIC under ASIC Regulatory Guide 74 for the purpose of seeking the approval required under item 7 of the table in section 611 of the Corporations Act or that is required to seek any other approval;
 - (3) convene and hold the general meeting as soon as reasonably practicable and put to the meeting the resolutions required to obtain those approvals; and

- (4) ensure that in any public announcement about the transactions contemplated by this agreement and in the meeting materials a prominent statement is included to the effect that all directors of the Buyer intend to vote the Buyer shares they or their associates hold in favour of all resolutions, and unanimously recommend that Buyer shareholders who are entitled to vote on the resolutions, also vote in favour of them, and the directors do not make any public statement to the contrary effect.

3. Conditions for Completion

3.1 Conditions

The parties have no obligation to complete the sale and purchase of the Sale Shares under clause 5 unless each of the following conditions is met or waived.

Condition	Right to waive
(a) If the Company is not the tenant under the Property Lease, the parties to the Property Lease and the Company agree in writing to the novation or assignment of the Property Lease to the Company in a form and on terms reasonably satisfactory to the Buyer and Seller	Buyer and Seller
(b) If required to ensure that there is no material breach of the Property Lease, the consent of the landlord of the Business Premises to the change of control/ownership of the Company due to the sale and transfer of the Sale Shares under this agreement is obtained.	Buyer and Seller
(c) If the Company is not the tenant under the Property Lease and the premises leased under the Property Lease are mortgaged and the mortgagee's consent is required to ensure the mortgage is subject to the Company's interest as tenant, each mortgagee consents in writing to the assignment or novation of the tenant's rights and benefits under the Property Lease to the Company.	Buyer and Seller
(d) If the Company does not hold a Childcare Provider Approval or Childcare Service Approval to provide child education and care services at the Business Premises and such an approval is required to be held by the Company to ensure there is no breach of the Education and Care Services National Law, the Childcare Provider Approval or Childcare Service Approval is obtained (including, in the case of the Childcare Service Approval, by way of transfer from the Seller to the Company or the Buyer with the approval of the relevant Government Agency).	Buyer and Seller
(e) All other material consents, approvals and waivers in relation to the sale and transfer of the Sale Shares or issue of Buyer Shares under, or any other transaction contemplated by, this agreement that are required to ensure that there is no material	Buyer and Seller

Condition	Right to waive
breach of any law, statutory instrument, constitution, agreement affecting the Company are obtained.	

3.2 Reasonable endeavours

- (a) Each party must use its reasonable endeavours to ensure that all of the conditions set out in clause 3.1 are met as soon as reasonably practicable and each party must keep the other parties informed of any circumstance which may result in a condition not being satisfied.
- (b) Without limiting the generality of clause 3.2(a), where any guarantee, cash or property has been provided to the landlord of the Business Premises as a bond or security or otherwise to secure performance of the tenant's obligations under the Property Lease, the Buyer must:
- (1) in the case of a guarantee, provide a replacement guarantee as required by the landlord to allow the existing guarantee to be discharged;
 - (2) in the case of cash or property provided by or on behalf of the Company, pay to the Seller an amount equal to the cash or value of the property; and
 - (3) in the case of cash or property provided by or on behalf of another person, provide replacement cash or property as required by the landlord to allow the existing cash or property to be returned to the person.

3.3 Waiver of conditions

A condition set out in clause 3.1 may be waived, and may only be waived, in writing by the party or parties entitled to waive the condition as specified in the second column of the table in clause 3.1 opposite that condition. A party entitled to waive a condition may do so in its absolute discretion. Waiver of a condition by a party that is not met due to a breach of this agreement, also waives any right or remedy the party would have in respect of that breach.

3.4 Termination

- (a) If the conditions set out in clause 3.1 are not met or waived in accordance with clause 3.3, on or before the end of 120 days from the date of this agreement or such other date as the Seller and the Buyer may agree then this agreement automatically terminates on that date.
- (b) On termination of this agreement under this clause 3.4, the parties will be under no further obligation to each other and will have no further rights against each other under this agreement except in respect of any breach of this agreement which occurred before termination or under clause 12.

4 Conduct pending Completion

4.1 Conduct of Childcare Business in the ordinary course

The Seller must ensure that from the Consideration Reference Date until Completion the Childcare Business Operator

- (a) carries on the Childcare Business in a normal, proper and efficient manner and manages and conducts the Childcare Business in the ordinary and usual course, consistent with past practice;
- (b) uses all reasonable endeavours to preserve the goodwill of the Childcare Business;
- (c) maintains the assets it owns or uses in connection with the Childcare Business at normal levels;
- (d) carries out repairs and maintenance to the assets it owns or uses in connection with the Childcare Business in accordance with good commercial practice and standards of maintenance and as required under any relevant lease, licence or other agreement;
- (e) does not in connection with the Childcare Business
- (1) employ any new person in a senior management position;
 - (2) employ any new person not in a senior management position except to replace an employee who has resigned or whose employment has been validly terminated;
 - (3) terminate the employment of any employee other than for cause;
 - (4) materially change the terms of employment of any employee; or
 - (5) provide any bonus to any employee;
- or agree to do so, other than in the ordinary course of carrying on the Childcare Business;
- (f) in the case of the Company only, does not
- (1) increase, reduce or otherwise alter its issued equity or loan capital or securities or other rights convertible into equity or loan capital or grant any options for the issue of securities;
 - (2) buy back any of its securities;
 - (3) declare or pay a dividend or other distribution;
 - (4) make any alteration to the constitution or other constitutional documents of the Company;
 - (5) revalue any of its assets; or
 - (6) enter into any abnormal or unusual transaction which relates to or adversely affects the Company;
- or agree to do so;
- (g) from the date of this agreement regularly consults with the Buyer on the manner of conduct of the Childcare Business; and

- (n) ensures that the assets it owns or uses in connection with the Childcare Business are insured in accordance with prudent business practice;

except for the purpose of transferring the Childcare Business to the Company (or any related assets, liabilities, employees or operations) or except for or as a consequence of entry into or performance of this agreement or any transaction required or permitted under or contemplated by such agreement or except to the extent otherwise expressly approved by the Buyer.

4.2 Conduct of Buyer Group Entity's business in the ordinary course

The Buyer must ensure that from the date the Buyer receives the Q1 PM Notice until Completion or until all of the Buyer Shares required to be issued to the Seller (or its nominee) under this agreement are issued, whichever is later, each Buyer Group Entity

- (a) carries on its business in a normal, proper and efficient manner and manages and conducts its business in the ordinary and usual course, consistent with past practice;
- (b) uses all reasonable endeavours to preserve its goodwill;
- (c) maintains the assets it owns or uses in connection with its business at normal levels;
- (d) carries out repairs and maintenance to the assets it owns or uses in connection with its business in accordance with good commercial practice and standards of maintenance and as required under any relevant lease, licence or other agreement;
- (e) does not:
 - (1) increase, reduce or otherwise alter its issued equity or loan capital or securities or other rights convertible into equity or loan capital or grant any options for the issue of securities;
 - (2) buy back any of its securities;
 - (3) declare or pay a dividend or other distribution;
 - (4) make any alteration to the constitution or other constitutional documents of a Buyer Group Entity;
 - (5) revalue any of its assets; or
 - (6) enter into any abnormal or unusual transaction which relates to or adversely affects a Buyer Group Entity;
- or agree to do so;
- (n) ensures that the assets it owns or uses in connection with its business are insured in accordance with prudent business practice;

except for or as a consequence of entry into or performance of this agreement or any transaction required or permitted under or contemplated by such agreement or except to the extent otherwise expressly approved by the Seller.

6. Completion

6.1 Time and place

Completion must take place at the office of [insert address of Seller or its lawyers] on the Completion Date starting at 11 00 am or such other place or time as the parties may agree.

6.2 Actions

At the place and time required for Completion (or at an earlier time):

- (a) if required under clause 3.1(a), the Seller must deliver to the Buyer a copy of the novation or assignment of the Property Lease that has been executed by each party at or before Completion;
- (b) the Seller must deliver to the Buyer a copy of each consent, approval, waiver or other document referred to in any of clauses 3.1(b) and (c) and (e) that has been executed, adopted or obtained at or before Completion, together with a certificate dated the date of Completion signed by or on behalf of the Seller certifying that the conditions referred to in those clauses have been met except for any waived by the Buyer in writing;
- (c) if required under clause 3.1(d), the Seller must deliver to the Buyer a copy of the Childcare Provider Approval or Childcare Service Approval that has been obtained at or before Completion;
- (d) the Seller must deliver to the Buyer or as the Buyer may direct in respect of the Sale Shares the Buyer has agreed to buy from the Seller under clause 2.1
 - (1) a certificate for the Sale Shares together with an instrument of transfer in registrable form (save for the payment of any applicable duty) of the Sale Shares in favour of the Buyer duly executed by the registered holder of them;
 - (2) a release and discharge in a form and on terms reasonably satisfactory to the Buyer of any Encumbrance over or in respect of any of the Sale Shares from the holder of the Encumbrance including, without limitation, a copy of a duly completed and signed financing change statement in respect of the discharge of each registered security interest over or in respect of any of the Sale Shares, from the relevant secured party, together with a receipt from the Registrar of Personal Property Securities of lodgement of the financing change statement or other written confirmation that the financing change statement has been lodged with the Registrar; and
 - (3) any approval, consent, waiver, notice or other document which is necessary for the Buyer to obtain good title to the Sale Shares and their transfer to the Buyer;
- (e) the Seller must deliver to the Buyer the Corporate Records and any other Business Records requested by the Buyer to be delivered to it and give the Buyer possession of the remaining Business Records by leaving them at the Business Premises;

- (c) the Seller must give the Buyer possession of all keys, security cards, user names, passcodes and/or access codes for the Business Premises or any asset or system owned or used by the Company (by leaving them at the Business Premises);
- (d) the Seller must procure:
- (1) the resignation or removal as director of the Company of each person who is immediately before Completion a director of the Company except for 2 of those persons, to take effect immediately after Completion;
 - (2) the resignation or removal as secretary of the Company of each person who is immediately before Completion a secretary of the Company, to take effect immediately after Completion;
- (e) the Seller must procure a resolution of the directors of the Company to be passed which provides for the approval of the transfers of the Sale Shares the Buyer has agreed to buy under clause 2.1 and (subject to the payment of any applicable duty) the registration of the transfers in the Company's register of members, the cancellation of the existing certificates in respect of the Sale Shares and the issue of new certificates in the name of the Buyer;
- (f) the Seller must procure a resolution of the directors of the Company to be passed which provides for:
- (1) the appointment as director of the Company of up to 3 of the directors of the Buyer nominated by the Buyer to be a director of the Company, subject to the proposed director signing a consent in writing to act as director of the Company; and
 - (2) the appointment as secretary of the Company of a secretary of the Buyer nominated by the Buyer to be the secretary of the Company, subject to the proposed secretary signing a consent in writing to act as secretary of the Company; and
- (g) the Seller must deliver to the Buyer a counterpart of the IP Licence Agreement and, if required by the Buyer, the Transitional Services Agreement, executed by each party other than the Buyer;
- (h) the Buyer must:
- (1) deliver to the Seller a copy of each consent, approval, waiver or other document referred to in clause 3.1(a) that has been executed, adopted or obtained at or before Completion, together with a certificate dated the date of Completion signed by or on behalf of the Buyer certifying that the conditions referred to in those clauses have been met except for any waived by the Seller in writing;
 - (2) deliver to the Seller a counterpart of the IP Licence Agreement and, if the Buyer requires the Seller to deliver an executed counterpart of the Transitional Services Agreement, a counterpart of the Transitional Services Agreement executed by the Buyer;
 - (3) pay to the Seller the amount referred to in clause 2.4 on account of the Consideration; and

- (4) issue to the Seller (or its nominee) such of the Buyer Shares referred to in clause 2.4 as may be issued on account of the Consideration.

5.3 Interdependency

The parties' obligations at Completion are interdependent so that a thing done at Completion by a party is conditional on, and not taken as done until, all things required at Completion are done.

6. Post Completion

6.1 Power of attorney

- (a) The Seller appoints the Buyer and each agent of the Buyer authorised in writing as its attorney from Completion until the Sale Shares bought by the Buyer from the Seller under this agreement are registered in the name of the Buyer.
- (b) The Seller authorises the attorneys severally on behalf of and in the name of the Seller to do everything that the Buyer reasonably considers should be done following Completion to
- (1) transfer those Sale Shares,
 - (2) exercise any rights attached to those Sale Shares, and
 - (3) receive an entitlement of the Seller in respect of those Sale Shares.
- (c) The Seller declares that:
- (1) an act of an attorney under this power of attorney is valid;
 - (2) it gives this power of attorney for valuable consideration, and
 - (3) this power of attorney is irrevocable from the date of this agreement.
- (d) The Seller must ratify an act that an attorney does under this power of attorney.
- (e) An attorney may specifically do an act under this power of attorney which results in a benefit to the Buyer.
- (f) The Buyer indemnifies the Seller against all liabilities incurred by the Seller as a result of any act of an attorney of the Buyer authorised under this power of attorney.

6.2 Working capital contribution

Immediately after Completion the Buyer must provide the Company with sufficient working capital by way of gift or subscription for ordinary shares in the Company to ensure that the Company is able to continue to operate the Childcare Business and pay its debts as and when they fall due.

6.3 Change of name of Company

Upon termination of the IP Licence Agreement, the Buyer must do all things necessary to change the Company's name to a name which does not incorporate the word Genius or any

business name, domain name or trade mark forming part of the intellectual property licensed under the IP Licence Agreement or any similar name and is approved by the Seller (which must not be unreasonably withheld or delayed)

6.4 Access and inspection

The Buyer must retain or procure the retention of the Business Records delivered to the Buyer or left at the Business Premises at Completion in accordance with clause 5.2 for 7 years from the date of Completion, and after Completion, the Buyer must, after reasonable notice from the Seller, allow the Seller and its representatives during normal business hours reasonable access at the Seller's expense to inspect and obtain copies of any of this material, except for any privileged legal advice, solely for the purpose of assisting the Seller in producing accounts, tax returns or any document that it or any of its related bodies corporate or controlled entities is required by law to produce or file or for the purpose of assessing, verifying, exercising or paying any right or liability of the Seller any of its related bodies corporate or controlled entities arising due to or in connection with the conduct of the Childcare Business before Completion, subject to the Seller and its relevant representatives executing and delivering to the Buyer a non-disclosure and non-use undertaking in respect of the inspected or copied material in a reasonable form and on reasonable terms acceptable to the Buyer

7. Foreign resident CGT withholding and CGT roll-over relief

7.1 Residency declaration

For the purposes of section 14-225(1) of Schedule 1 of the 1953 Tax Act, the Seller declares that, for the period from the date of execution of this agreement up to and including Completion, it is and will be an Australian resident (within the meaning of the 1997 Tax Act)

7.2 Declaration that the Sale Shares are not indirect Australian real property interests

For the purposes of section 14-225(2) of Schedule 1 of the 1953 Tax Act, the Seller declares that, for the period from the date of execution of this agreement up to and including Completion, the Sale Shares:

- (a) are membership interests (within the meaning of the 1997 Tax Act); and
- (b) are not indirect Australian real property interests (within the meaning provided by section 855-25 of the 1997 Tax Act)

7.3 CGT roll-over relief

- (a) To the extent that:
 - (1) the Seller chooses to obtain roll-over pursuant to subdivision 124-M of the Tax Act in relation to its disposal of the Sale Shares, and
 - (2) section 124-762 applies to the Seller in relation to the transactions contemplated by this agreement,
- the Buyer agrees to jointly choose to obtain roll-over pursuant to subdivision 124-M of the Tax Act in relation to its acquisition of the Sale Shares.

- (b) The Buyer agrees not to make an election pursuant to section 124-795(4) of the Tax Act in relation to its acquisition of the Sale Shares.

8. Warranties by Seller

8.1 Seller Warranties

In consideration of the Buyer agreeing to buy Sale Shares from the Seller in accordance with this agreement, the Seller represents and warrants to the Buyer that each of the Seller Warranties is true, accurate and not misleading at the date of this agreement and will be true, accurate and not misleading at Completion.

8.2 Separate representations

Each of the Seller Warranties is to be treated as a separate representation and warranty in respect of each statement made and the interpretation of any statement made is not to be restricted by reference to or inference from any other statement.

8.3 Inducement

The Seller acknowledges that the Seller Warranties are made to the Buyer with the intention of inducing the Buyer to enter into this agreement and that the Buyer has entered into this agreement on the basis of, and in reliance on, the Seller Warranties.

8.4 Notice of breach

If before Completion the Seller becomes aware of any fact, matter or circumstance which is, or is reasonably likely to be, contrary to or inconsistent with any of the Seller Warranties or has had, is having or is reasonably likely to have, a material adverse effect on the profitability or value of the Childcare Business since the Consideration Reference Date, the Seller must as soon as reasonably practicable after becoming aware of that fact, matter or circumstance give notice to the Buyer in writing describing that fact, matter or circumstance in reasonable detail so as to enable the Buyer to consider the nature and impact of it.

9. Qualifications and limitations

9.1 Disclosures

- (a) Each Seller Warranty (other than a Seller Fundamental Warranty) is given subject to and qualified by any fact, matter or circumstance:
- (1) provided for or disclosed in this agreement (including the schedules);
 - (2) that would have been revealed by an inspection or search:
 - (A) on the date that is 3 Business Days before the date of this agreement of any public register or records kept by ASX, ASIC or the Personal Property Securities Registrar; or
 - (B) of the registry of the Federal Circuit Court of Australia on a day that is no more than 20 Business Days before the date of this agreement or the Supreme Court of [insert state or territory] on a day that is no more than 20 Business Days before the date of this agreement.

- (3) Fairly Disclosed in the Disclosure Letter and each Seller Fundamental Warranty is also given subject to and qualified by any fact, matter or circumstance Fairly Disclosed in the Disclosure Letter, or

- (4) Fairly Disclosed in a Due Diligence Document,

which is contrary to or inconsistent with the Seller Warranty, and the Seller will not be liable for or in connection with a breach of the Seller Warranty due to the fact, matter or circumstance contradicting or being inconsistent with the Seller Warranty

- (b) No other information or investigation made by or on behalf of the Buyer into the affairs of the Company or the Seller will extinguish or affect any of the Seller Warranties or prejudice any Claim made by the Buyer under or in connection with this agreement or operate to reduce any amount recoverable by the Buyer

9.2 Minimum limitation

The Buyer must not make a Claim against the Seller under or in connection with this agreement unless:

- (a) the Buyer's Loss due to the relevant cause of action exceeds or is reasonably likely to exceed 0.1% of the Consideration, and
- (b) the Buyer's Loss due to the relevant cause of action together with all other Losses of the Buyer due to causes of action under or in connection with this agreement exceed 0.4% of the Consideration,

in which case, the Buyer can bring a Claim against the Seller for the full amount of the Buyer's Loss. In determining any Loss of the Buyer in respect of a cause of action for the purposes only of determining whether the thresholds specified in clauses 9.2(a) and 9.2(b) have been exceeded, no account will be taken of the legal and other costs the Buyer incurs or may incur in pursuing the Seller in respect of the cause of action.

9.3 Maximum limitation

The maximum liability of the Seller under or in connection with this agreement is the Consideration paid by the Buyer to the Seller. Additionally, the maximum liability of the Seller under or in connection with this agreement other than for breach of a Seller Fundamental Warranty or in respect of a Tax Claim is 65% of the Consideration paid by the Buyer to the Seller.

9.4 Time limitation

The Buyer may not make a Claim against the Seller

- (a) for or in connection with a breach of a Seller Fundamental Warranty or in respect of a Tax Claim unless a notice in writing containing reasonable particulars of the Claim is given by the Buyer to the Seller within 5 years from the date of Completion, or
- (b) otherwise under or in connection with this agreement unless a notice in writing containing reasonable particulars of the Claim is given by the Buyer to the Seller within 18 months from the date of Completion,

and the Seller will have no liability in relation to such a Claim unless the Claim has been settled or a proceeding is filed with a court of competent jurisdiction in respect of the Claim within 6 months from the later of

- (c) the date of receipt by the Seller of the Buyer's written notice of the Claim; and
- (d) the date sufficient written notices of Claims by the Buyer have been received by the Seller which in aggregate exceed the minimum Claims thresholds referred to in clause 9.2

9.5 Future events

The Seller will not be liable for any Loss of or Claim by the Buyer arising under or in connection with this agreement to the extent attributable to

- (a) a change of law or the interpretation of a law; or
- (b) the enactment of any legislation or the announcement by a government of its intention to enact any legislation,

after the date of this agreement.

9.6 Buyer's acts

The Seller will not be liable for any Loss of or Claim by the Buyer arising under or in connection with this agreement to the extent attributable to

- (a) the Buyer or another Buyer Group Member applying accounting standards or principles in respect of the Childcare Business or Company after Completion that are different to the accounting standards or principles applied to determine the income, expenses, earnings, interest, tax, depreciation or amortisation of the Childcare Business or Company before Completion; or
- (b) an act or omission by a Seller Group Member before Completion which occurs because the Seller Group Member complies with a written direction given to it by the Buyer other than a direction requiring compliance, or that is otherwise consistent, with the Seller's obligations under this agreement or any other agreement.

9.7 Loss otherwise compensated

- (a) The Seller will not be liable for any Loss of the Buyer arising under or in connection with this agreement to the extent that
 - (1) the Loss is recovered by the Buyer under a Claim against the Seller or is made good or otherwise compensated for net of any cost to the Buyer; or
 - (2) any Buyer Group Member receives compensation for the Loss, whether under an insurance policy or otherwise
- (b) Where a Buyer Group Member may be entitled to such compensation from a third party, then the Buyer must ensure that the Buyer Group Member uses reasonable endeavours to seek and recover the compensation.

- (c) If the Buyer receives payment of an amount (Claim Amount) from or on behalf of the Seller in respect of a Claim arising under or in connection with this agreement and within 12 months after the Claim Amount is received any Buyer Group Member receives payment of an amount (Recovery Amount) by reason of the fact, matter or circumstance to which the Claim relates, then the Buyer must within 20 Business Days after the Recovery Amount is received repay to the Seller (in such proportions or amounts as they determine) an amount (Repayment Amount) equal to the lesser of
- (1) the Claim Amount up to the amount by which the Recovery Amount exceeds
 - (A) all reasonable costs incurred by any Buyer Group Member in consequence of seeking or enforcing payment of or otherwise claiming the Claim Amount or Recovery Amount (including any increase in insurance premiums in respect of future periods); and
 - (B) any additional income tax payable under the Tax Act by any Buyer Group Member as a result of receiving the Claim Amount or Recovery Amount after taking into account all available tax deductions and concessions available to any Buyer Group Member as a result of the Buyer repaying to the Seller the Repayment Amount or any Buyer Group Member paying or incurring costs in consequence of seeking or enforcing payment of or otherwise claiming the Claim Amount or Recovery Amount; and
 - (2) the amount (if any) by which the Claim Amount plus the Recovery Amount exceeds the actual Loss of the Buyer (including any part of the Loss that is below the minimum Claims thresholds referred to in clause 9.2), plus all other Losses of the Buyer due to or in connection with any other cause of action arising under or in connection with this agreement to the extent not recovered from a Seller Group Member.

9.8 Third party claims

- (a) If a Claim (Third Party Claim) is made against the Buyer or another Buyer Group Member (Defendant) by a person other than a Seller Group Member which may result in liability of the Seller under or in connection with this agreement, the Buyer must and, if the Buyer is not the Defendant, the Buyer must procure the Defendant to
- (1) notify the Seller in writing of the Third Party Claim together with reasonable particulars of the Third Party Claim as soon as reasonably practicable after becoming aware of the Third Party Claim;
 - (2) not make any admission of liability in respect of or settle the Third Party Claim without the prior written consent of the Seller which must not be unreasonably withheld or delayed; and
 - (3) take such action as the Seller reasonably request, including action to avoid, dispute, resist, bring an appeal on, compromise or defend the Third Party Claim or any adjudication of the Third Party Claim.
- (b) Where a Third Party Claim is made, the Seller may give written notice to the Buyer that the Seller, on behalf of the Defendant, wants to

- (1) assume the conduct of the defence of the Third Party Claim,
- (2) institute a cross claim or counterclaim to the Third Party Claim,
- (3) negotiate and agree to a settlement of the Third Party Claim,
- (4) agree to any form of alternative dispute resolution (including mediation) in relation to the Third Party Claim; and/or
- (5) retain lawyers to act on behalf of both the Defendant and the Seller in relation to the Third Party Claim,

and if the Seller gives written notice to the Buyer that the Seller wants to do any of the above, the Buyer must and, if the Buyer is not the Defendant, the Buyer must procure the Defendant to, ensure that the conduct of the Third Party Claim by the Defendant will (to the extent of the notice) be under the management and control of the Seller.

- (c) Where the Seller assumes the management and control of the conduct of a Third Party Claim on behalf of the Defendant under clause 9.8(b):
 - (1) the Seller must act reasonably in the conduct of the Third Party Claim and have regard to the principle that the reputation of the Defendant should not be unnecessarily injured,
 - (2) the Buyer must and, if the Buyer is not the Defendant, the Buyer must procure the Defendant to:
 - (A) if requested by the Seller, render all reasonable assistance and co-operation to the Seller in the conduct of the defence of the Third Party Claim or the prosecution of a cross claim or counterclaim to the Third Party Claim including, without limitation, providing the Seller with any documents, authorities and directions that the Seller may reasonably require for that purpose; and
 - (B) if requested by the Seller, do anything reasonably necessary or desirable to enable the Seller (so far as it is possible) to be subrogated to and enjoy the benefits of the Defendant's rights in relation to any cause of action against any third party in connection with the Third Party Claim and render such assistance as may be reasonably requested by the Seller for that purpose; and
 - (3) the Seller must indemnify the Buyer and, if the Buyer is not the Defendant, the Defendant against the reasonable costs incurred by the Buyer or the Defendant in taking action or providing assistance pursuant to clause 9.8(c)(2)

9.9 No other warranties or remedies

- (a) The Buyer acknowledges and agrees that the Seller Warranties and other representations and warranties by the Seller expressly set out in this agreement
- (1) are the only representations and warranties the Seller has given in connection with the sale of the Sale Shares or otherwise in connection with this agreement; and

(2) are the only representations and warranties the Buyer has relied on in entering into this agreement.

(2) The Buyer also acknowledges and agrees that:

- (1) the Seller Group Members will not be liable for any Loss of or Claim by the Buyer or any other Buyer Group Member arising from or relating to any statement, representation, warranty, promise, undertaking or agreement in connection with the sale of the Sale Shares made by or on behalf of any Seller Group Member or resulting from or implied by conduct made in the course of communications or negotiations in connection with the sale of the Sale Shares not expressly set out in this agreement,
- (2) the Seller Group Members give no representations or warranties whatever about future matters, including the future financial position or performance of the Childcare Business, Group or any Group Entity; and
- (3) any forecast, forward looking statement or other statement as to the future made by or on behalf of any Seller Group Member or resulting from or implied by conduct made in the course of communications or negotiations in connection with the sale of the Sale Shares may involve significant elements of subjective judgment and assumption as to future events which may or may not be correct, and there are usually differences between forecasts and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material.

and the Buyer releases, and must procure each other Buyer Group Member to release, the Seller Group Members from all liability in respect of any such statement, representation, warranty, promise, undertaking or agreement to the maximum extent permitted by law.

- (c) To the maximum extent permitted by law, the Buyer agrees not to make, and to waive any right it may have to make, and to procure each other Buyer Group Member not to make, and to waive any right it may have to make, a Claim against any Seller Group Member under the Competition and Consumer Act 2010 (CCA), Corporations Act 2001 (CA), Australian Securities and Investments Commission Act 2001 (ASIC Act) or any similar federal, state or territory legislation, for misleading or deceptive conduct concerning the sale of Sale Shares or any other transaction under or contemplated by this agreement or for any statement or representation concerning any of those things.

9.10 Seller liable to Buyer only

(a) The Buyer acknowledges and agrees that:

- (1) no Seller Group Member other than the Seller has any liability to the Buyer or any other Buyer Group Member; and
- (2) the Seller has no liability to any Buyer Group Member other than the Buyer, under or in connection with this agreement.

(b) Each Seller Group Member, whether or not a party to this agreement, will be entitled to the benefit of this clause 9 and this clause 9 may be enforced on its behalf by the Seller.

- (C) The Buyer must ensure that each other Buyer Group Member abides by and observes this clause 9 as if it were the Buyer

9.11 Duty to mitigate

The Buyer must, and must procure each other Buyer Group Member to, use reasonable endeavours to mitigate its losses and liabilities in relation to a Claim against the Buyer or any Buyer Group Member which may result in liability of the Seller under or in connection with this agreement

9.12 No knowledge of breach

As at the date of execution of this agreement, the Buyer had not already formulated an intention to make a Claim for or in connection with a breach of Seller Warranty and neither it nor any other Buyer Group Member had actual knowledge of any fact, matter or circumstance which would constitute a breach of Seller Warranty

9.13 Indirect or consequential loss

The Seller will not be liable for, or with respect to any indirect or consequential loss arising under or in connection with this agreement, whether the relevant claim or cause of action arises due to a breach of contract, in tort, under an indemnity, under any other basis in common law or equity, under statute or otherwise and whether or not the loss may reasonably be supposed to have been in the contemplation of the parties at the time they entered into this agreement. In this clause 9.13, indirect or consequential loss is taken to include loss of or damage to goodwill, business reputation or future reputation, adverse publicity or damage to credit rating, loss of profits, bonuses, anticipated income, anticipated cost savings or other economic loss, corruption, destruction or other loss of data, and loss of opportunity, customers, clients, investors or other business, but does not include any loss which may fairly and reasonably be considered to arise naturally, that is, according to the usual course of things, from the relevant breach or other cause of action itself or any diminution in the value of any Sale Shares or any direct loss of profits, direct loss of revenue or direct loss of production

9.14 Compensation

- (a) If the Buyer is entitled to an amount from the Seller in respect of a Claim arising under or in connection with this agreement (SPA Claim), the Seller, once the aggregate amount of SPA Claims paid by the Seller to the Buyer is equal to or exceeds the Consideration paid in cash, may elect by written notice to the Buyer to pay all or any of the amount (Share Compensation Amount) by selling and transferring to the Buyer the number of fully paid Buyer Shares (rounded to the nearest whole number) (Compensation Sale Shares) equal to the Share Compensation Amount divided by the Buyer Share VWAP used for the purpose of determining the number of Buyer Shares issued as part of the Consideration. Upon the Seller giving the notice of election to the Buyer, the Seller will be taken to have agreed to sell to the Buyer, and the Buyer will be taken to have agreed to buy back from the Seller, the Compensation Sale Shares free from all Encumbrances subject to satisfying the applicable requirements under division 2 of part 2J.1 of the Corporations Act, and as soon as reasonably practicable thereafter

- (1) the Seller must deliver an instrument of transfer in registrable form (save for the payment of any applicable duty) of the Compensation Sale Shares in

favour of the Buyer duly executed by the registered holder of them and take all other steps within its power that are necessary to sell and transfer the Compensation Sale Shares to the Buyer in compliance with division 2 of part 2.1 of the Corporations Act, and

- (2) the Buyer must use its best endeavours to ensure that all other requirements to buy back the Compensation Sale Shares in compliance with division 2 of part 2.1 of the Corporations Act are met,

and once the Seller has satisfied its obligations under this clause 9.14(a) and done anything else reasonably within its power to do to ensure the requirements of division 2 of part 2.1 of the Corporations Act are met, the Share Compensation Amount will have been, or will be taken to have been, paid to the Buyer

- (3) Any compensation received by the Buyer for or in connection with a breach of Seller Warranty or other provision of this agreement will be a reduction and refund of the consideration for the Sale Shares bought by the Buyer under this agreement.

9.15 Limitations do not apply

None of the qualifications or limitations in this clause 9 apply to any Loss of or Claim by the Buyer or any other Buyer Group Member to the extent that it arises out of, or is increased as a result of, any fraud, wilful default or wilful concealment by the Seller

10. Tax indemnity by Seller

10.1 Indemnity

Subject to this clause 10, the Seller indemnifies and must keep indemnified the Buyer for any

- (A) costs and expenses incurred by or on behalf of the Company due to any action taken to manage, avoid, resist or settle any Tax Liabilities to the extent those costs and expenses arise from or relate to any of the matters referred to in clause 10.1(b) (Tax Costs) up to \$20,000 in the aggregate, and
- (B) Tax Liabilities payable or incurred by the Company in respect of the operations of the Company or the Childcare Business in respect of any period prior to Completion as a result of, or in respect of, or by reference to
- (1) any acts or omissions of, or an event occurring, or deemed for Tax purposes to occur or have occurred and which affects the Company,
 - (2) an action, decision, direction or election made,
 - (3) any grouping of the Company with any other business or corporation for payroll tax purposes,
 - (4) any income, profits or gains (not falling within clause 10.1(b)(1)) earned, accrued, derived or received, or deemed for any Tax purposes to be earned, accrued, derived or received on or before or in respect of any period ending,
 - (5) any deductions or losses deducted, or deemed for any Tax purposes to be deducted,

- (6) any financial incentives and associated declarations, rebates, credits, withholding tax, offsets, PAYG tax, franking credits or debts, GST input tax credits and any tax related transactions made or in respect of the period ending,
- (7) any underpayment of any Taxes by the Company; or
- (8) any failure by the Company to comply with statutory requirements including failure to provide information or documents to any Government Agency where the time or date for compliance with those requirements or the provision of the information or documents occurred or fell,

prior to Completion, but only to the extent that the Tax Liability is not a liability for Tax arising in connection with the conduct of the Childcare Business after Completion.

10.2 Scope of Tax indemnity

- (a) The Seller will not be liable to make any payment under this clause 10 in respect of any Tax Liability to the extent that (except in the event of fraud on the part of the Seller or the Company):
 - (1) it arises as a result of any income derived, loss, outgoing or deductions incurred or activities undertaken, or deemed for Tax purposes to have been undertaken, after Completion unless arising from an action, decision, direction or election made prior to Completion;
 - (2) it arises as a result of the transactions contemplated by this agreement; or
 - (3) an amount has been recovered by the Company in respect of the same subject matter (net of liabilities incurred in making that recovery)
- (b) The Buyer may not make a Claim under clause 10.1 to the extent the Seller has fully compensated the Company for the subject matter of that Claim.
- (c) The Seller is not liable for any Tax Claim, and the Buyer must not bring any Tax Claim to the extent that:
 - (1) the Claim arises from, or is increased as a result of, the Company joining a consolidated group for Tax purposes on or after Completion;
 - (2) the Tax the subject of the Claim would not have arisen but for any change in the accounting policy or practice of the Company or another Buyer Group Entity after Completion;
 - (3) the Tax the subject of the Claim arises out of the cessation or alteration of the Childcare Business or any other business of a Buyer Group Entity after Completion; or
 - (4) the Tax the subject of the Claim is due to changes in Tax Law with retrospective operation.

10.3 Payment of Tax Liabilities

Where a Claim under the Tax Indemnity involves an actual payment of Tax by the Company:

- (a) the parties must procure that the Company pays the relevant Tax by the date on which the Tax in question is due to be paid to the relevant Taxation Authority; and

- (b) where it is agreed by the parties or determined that the Seller is liable to make a payment under the Tax indemnity in respect of the amount of Tax referred to in clause 10.1, the Seller must pay the amount agreed or determined to the Buyer within 10 Business Days of the agreement or determination of the Seller's liability.

Despite anything else contained in this agreement, if the Buyer is paid an amount under the Tax indemnity and the circumstances giving rise to that entitlement also constitute a breach of Seller Warranty, any compensation under this agreement in respect of that breach of Seller Warranty due to the Buyer will be reduced by that amount.

10.4 Tax investigations

If any request for information, investigation or audit is made by any Government Agency in respect of Tax of any Buyer Group Entity relating to a period before Completion which may result in liability of the Seller under the Tax indemnity, the Buyer must as soon as reasonably practicable notify the Seller in writing and provide the Seller with the notice and copies of any written materials received. In addition, if the Seller notifies the Buyer that the Seller wishes to participate in any such request for information, investigation or audit, the Buyer must:

- (a) consult with the Seller at all times whilst any investigation or audit is being conducted and exchange any relevant information with the Seller, and
- (b) endeavour to give the Seller the right to be represented at any interview, meeting or settle negotiation between any officer or employee of the Commissioner of Taxation (or other relevant Government Agency) and a representative of the Buyer dealing with any issue arising from the information requested, investigation or audit.

10.5 Tax returns

The Buyer must ensure that every tax return in respect of Tax of any Buyer Group Entity relating to a period before Completion which may result in liability of the Seller under the Tax indemnity that is lodged after Completion:

- (a) is delivered to the Seller in final draft form a reasonable period before that return is lodged, and
- (b) incorporates any reasonable amendments the Seller requests prior to lodgement.

11. Warranties by Buyer

11.1 Buyer Warranties

In consideration of the Seller agreeing to sell their Sale Shares to the Buyer in part consideration for the issue of Buyer Shares to the Seller in accordance with this agreement, the Buyer represents and warrants to the Seller that each of the Buyer Warranties is true, accurate and not misleading at the date of this agreement and will be true, accurate and not misleading at Completion.

11.2 Separate representations

Each of the Buyer Warranties is to be treated as a separate representation and warranty in respect of each statement made and the interpretation of any statement made is not to be restricted by reference to or inference from any other statement.

11.3 Inducement

The Buyer acknowledges that the Buyer Warranties are made to the Seller with the intention of inducing the Seller to enter into this agreement and that the Seller has entered into this agreement on the basis of, and in reliance on, the Buyer Warranties.

11.4 Notice of breach

If before Completion the Buyer becomes aware of any fact, matter or circumstance which is, or is reasonably likely to be, contrary to or inconsistent with any of the Buyer Warranties or has had, is having or is reasonably likely to have, a material adverse effect on the profitability or value of the Buyer Group Entities as a whole since the Consideration Reference Date, the Buyer must as soon as reasonably practicable after becoming aware of that fact, matter or circumstance give notice to the Seller in writing describing that fact, matter or circumstance in reasonable detail so as to enable the Buyer to consider the nature and impact of it.

11.5 No knowledge of breach

As at the date of execution of this agreement, the Seller had not already formulated an intention to make a Claim for or in connection with a breach of Buyer Warranty and the Seller had no actual knowledge of any fact, matter or circumstance which would constitute a breach of Buyer Warranty.

12 Confidentiality

12.1 Prohibition

Each party undertakes that it and its officers, employees and advisers and others to whom it discloses the terms of this agreement, any transaction contemplated under it or any information about the sale of the Sale Shares that is not in the public domain, will not disclose any of that information except as permitted or otherwise provided under this agreement.

12.2 Exceptions

Information may be disclosed:

- (a) to a person provided that knowledge of the information disclosed to the person is necessary for the purpose of negotiating, preparing, executing, performing, undertaking, completing or enforcing this agreement or any transaction contemplated under this agreement and the person agrees not to disclose the information except as permitted or otherwise provided under this agreement;
- (b) as is necessary for a party to comply with any applicable law or requirement of a securities exchange or to exercise or enforce its rights, perform its obligations or defend any claim or proceeding, under or in connection with this agreement provided that all reasonable steps have been taken to limit, as far as reasonably possible, the extent of the disclosure;
- (c) by a party in a press release or public announcement about this agreement or any transaction under it with the approval of the other parties as to the form, content and manner of the release or announcement, which must not be unreasonably withheld, or

(d) by a party to the extent permitted in writing by the other parties.

13. Default

13.1 Termination

- (a) If the Buyer or the Seller (defaulting party) commits a material breach of this agreement before Completion has occurred and
- (1) If the breach is capable of remedy, fails to remedy the breach and pay to the other (non-defaulting party) any reasonable costs incurred by the non-defaulting party resulting from the breach within 5 Business Days from receipt of a written notice of default from the non-defaulting party specifying the breach and any such costs, or
 - (2) If the breach is not capable of remedy, fails to pay to the non-defaulting party reasonable compensation for the non-defaulting party's Loss resulting from the breach within 5 Business Days from receipt of a written notice of default from the non-defaulting party specifying the breach and compensation,
- this agreement may be terminated immediately by the non-defaulting party giving a written notice of termination to the defaulting party.
- (b) The parties agree that failure to perform an obligation by a particular time is a breach capable of remedy.
- (c) The parties agree that:
- (1) a breach of clause 5.2 by a party is a material breach committed by the party;
 - (2) a breach of a Seller Fundamental Warranty is a material breach committed by the Seller, and
 - (3) a breach of a Buyer Fundamental Warranty is a material breach committed by the Buyer.

13.2 Effect of termination

Termination of this agreement under this clause 13 will not prejudice or otherwise affect any rights and obligations of the parties expressed in this agreement to survive termination of this agreement, nor will it prejudice or otherwise affect any right or remedy one party has against another party in respect of any breach of this agreement before termination, but will terminate all other rights and obligations of the parties under this agreement.

13.3 Survival

This clause 13 and clauses 9, 12 and 14 (except 14.13) survive termination of this agreement.

13.4 Deferral of Completion

Where:

- (a) Completion does not occur on the Completion Date due to a party committing a material breach of this agreement,

- (b) the defaulting party redresses the breach or remedies the breach and pays to the non-defaulting party any reasonable costs incurred by the non-defaulting party resulting from the breach or pays to the non-defaulting party reasonable compensation for the non-defaulting party's Loss resulting from the breach) within 5 Business Days from receipt of the non-defaulting party's written notice of default under clause 13.1(a) (or such longer period as the non-defaulting party allows); and
- (c) there remains any outstanding actions required to be performed by the parties at Completion under clause 5,

those actions must be performed on the next Business Day after the defaulting party redresses the breach at the same place and time of day specified in or otherwise agreed in accordance with clause 5.1

14. General

14.1 Governing law and jurisdiction

This agreement is governed by the laws of Victoria, Australia. The parties submit to the non-exclusive jurisdiction of the courts exercising jurisdiction there.

14.2 Amendment

This agreement may only be amended by written amendment executed by each party.

14.3 Waiver

A provision of this agreement or a right created under it may not be waived except in writing signed by the party granting the waiver.

14.4 Exercise of a right

A party may exercise a right at its discretion and separately or together with another right. If a party exercises a single right or only partially exercises a right, then that party may still exercise that right or any other right later. If a party fails to exercise a right or delays in exercising a right, then that party may still exercise that right later.

14.5 Remedies cumulative

The rights and remedies provided in this agreement are cumulative with and not exclusive of the rights and remedies provided by law independently of this agreement.

14.6 Continuing indemnities

Each indemnity in this agreement is:

- (a) a continuing obligation despite any settlement of account or the occurrence of any other thing, and remains in full force and effect until all money owing, contingently or otherwise, under the indemnity has been paid in full;
- (b) is additional, separate and independent from the other obligations of the parties; and
- (c) survives termination of this agreement.

It is not necessary for a party to incur expense or make payment before enforcing a right of indemnity conferred by this agreement.

14.7 No merger

The rights and obligations of the parties will not merge on completion of any transaction under this agreement. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing any transaction.

14.8 Assignment

- (a) This agreement is for the benefit of the parties and their successors and assigns. The parties and their successors and assigns are bound by this agreement.
- (b) A party may only assign its rights under this agreement after it obtains the written consent of each other party.

14.9 Severance

If any provision of this agreement is void, voidable, unenforceable, illegal, prohibited or otherwise invalid in a jurisdiction, in that jurisdiction the provision must be read down to the extent it can be to save it but if it cannot be saved by reading it down, words must be severed from the provision to the extent they can be to save it but if that also fails to save it the whole provision must be severed. That will not invalidate the remaining provisions of this agreement nor affect the validity or enforceability of that provision in any other jurisdiction where it is not invalid.

14.10 Counterparts

The parties may execute this agreement in two or more counterparts and all counterparts together constitute one instrument.

14.11 Consent or approval

Subject to an express provision in this agreement, a party may in its absolute discretion give its consent or approval conditionally or unconditionally, or withhold its consent or approval.

14.12 Entire agreement

This agreement constitutes the entire agreement of the parties in respect of the subject matter of this agreement and supersedes all prior discussions, undertakings and agreements.

14.13 Further assurances

Each party must, at its own expense, do everything reasonably necessary to give effect to this agreement and the transactions contemplated by it, including without limitation the execution of documents.

14.14 Relationship

Nothing in this agreement constitutes the relationship of principal and agent or partners as between any of the parties, and no party has any authority to bind the other legally or equitably except as expressly stated in this agreement.

14.15 Notices

A party may send a notice in connection with this agreement by hand delivery, pre-paid post or email to another party at the recipient party's address details set out at the beginning of this agreement or in such other way as the recipient party may have last notified the sending party in writing. A notice is deemed to be received:

- (a) if sent by hand delivery, at the time of delivery if on a Business Day at or before 5.30 pm, otherwise on the next Business Day;
- (b) if sent by pre-paid post within the same country, on the second Business Day after the date of posting, or if sent by pre-paid airmail from an address in a country to an address in another country, on the fifth Business Day after the date of posting; or
- (c) if sent by email, at the time of sending if on a Business Day at or before 5.30 pm, otherwise on the next Business Day, provided that the sender does not receive a subsequent 'out of office' reply or similar response or a system administrator message stating that the email did not reach its intended recipient.

14.16 Warranties of authority

Each party represents and warrants to each other party that:

- (a) it has the power to enter into and perform this agreement;
- (b) this agreement is valid and binding on it and enforceable against it in accordance with its terms subject to the payment of any necessary document or transaction duty, the availability of any equitable remedies and to laws affecting creditors' rights generally;
- (c) it benefits by executing this agreement; and
- (d) it is able to pay its debts as and when they fall due, and no action has been taken towards winding it up or placing it in bankruptcy.

14.17 Costs

Each party must bear its own costs in relation to the negotiation, preparation or execution of this agreement.

14.18 Duty

The Buyer must pay:

- (a) any document or transaction duty that is payable in respect of
 - (1) any assignment or transfer of assets or assumption of liabilities of or relating to the Childcare Business to or by the Company prior to or in connection with execution of this agreement or any transaction under or contemplated by this agreement, any agreement relating to any such assignment or transfer or any other transaction under, in connection with or contemplated by such an agreement;
 - (2) this agreement; or

(3) any transaction under or contemplated by this agreement, and

(4) any interest, fine, penalty or other amount imposed due to the failure to pay any such document or transaction duty on time or at all.

In this clause 14.18, document or transaction duty means duty, fee, levy or other charge imposed by a Government Agency in respect of a document or transaction directly or indirectly affecting ownership of any property or creating or discharging rights in respect of any property e.g. a transfer, lease, mortgage, charge or other security interest, acquisition of an interest in an entity that owns property, discharge of a lease or mortgage, or registration of a transfer, lease, security interest or discharge.

14.19 GST

(a) All amounts payable to a party under this agreement (other than an amount for GST payable to the party under this clause 14.19) have been calculated without regard to GST.

(b) If the whole or any part of any such amount is the consideration for a taxable supply for which the supplying party is liable to pay GST, the supplying party may charge the party liable to pay for the taxable supply under this agreement, and that party must pay the supplying party, concurrently with the payment of that amount, an additional amount equal to the GST payable in respect of the taxable supply calculated on the basis that the value of the taxable supply is the amount payable for the taxable supply excluding any GST.

(c) The recovery of consideration for any taxable supply made under this agreement is subject to the supplying party issuing to the party liable to pay for the taxable supply a tax invoice in respect of the supply.

(d) Any reference to a cost or expense incurred by a party in this agreement excludes any amount of GST forming part of the relevant cost or expense when incurred by the party for which the party can claim an input tax credit.

Incubator agreement

 Piper Alderman

Share sale agreement

 Piper Alderman

Executed as an agreement

This agreement or any document amending or terminating this agreement or referred to in this agreement may be executed by hand or by electronic means (e.g. by an electronic copy of a person's signature being affixed by or on behalf of the person to an electronic copy of the document) and a paper or electronic copy of the document so executed will be as valid as an original document executed by hand.

Executed by Genius Learning Pty Ltd by

Signature of director/sole director and sole company secretary*

Signature of director/company secretary*

Name of director/sole director and sole company secretary*
*delete whichever is inapplicable

Name of director/company secretary*

Executed by Mayfield Childcare Limited by

Signature of director

Signature of director/company secretary*

Name of director
*delete whichever is inapplicable

Name of director/company secretary*

Schedule 1 – Seller Warranties

1. Sale Shares

- 1.1 (Title) The Seller is the absolute legal and beneficial owner of, and has the power and capacity to sell and transfer (and at Completion will be selling and transferring) to the Buyer full legal and beneficial title to, and all other right, title and interest in and to, the Sale Shares. It has agreed to sell to the Buyer under this agreement free of any Encumbrance, subject only to the approval and registration of the transfer by the Company, and the sale or transfer of those Sale Shares under this agreement will not violate or trigger a pre-emptive right of a shareholder of the Company or breach any law, statutory instrument, constitution or agreement applicable to or binding on the Company and does not require the approval, consent or waiver of any person, other than the board of directors of the Company.
- 1.2 (Share capital) At Completion, the only issued shares, options to subscribe for shares or other securities of the Company will be the Sale Shares held by the Seller, those shares will be free from all Encumbrances and fully paid.
- 1.3 (No other issues) There is no agreement or commitment in existence under which the Company has agreed to issue or grant any shares, options or other securities of the Company or to buy-back, redeem or cancel any issued securities of the Company or otherwise increase, reduce or alter its issued share capital or rights convertible into share capital or to create any Encumbrance over the unissued share capital of the Company.

2. Group structure

2.1 (Status) The Company

- (a) is accurately described in this agreement,
- (b) is duly registered or formed under the laws of the place of its registration or formation and is not liable to be deregistered,
- (c) has full corporate power,
- (d) is qualified to own its property and assets,
- (e) is qualified to carry on its business as it now does; and
- (f) has done everything necessary to do business lawfully in each jurisdiction in which it carries on business.

2.2 (No other entities) The Company

- (a) has no subsidiaries or controlled entities,
- (b) is not a member of or the holder or beneficial owner of any shares or other capital in any body corporate (wherever incorporated);
- (c) is not a member of or the holder or beneficial owner of units or other interests in a trust, partnership, joint venture, syndicate, cooperative, society, association, scheme whereby people contribute money or money's worth to acquire rights to benefits

produced by the scheme (whether the rights are actual, prospective or contingent and whether they are enforceable or not) or other entity or unincorporated body,

- (d) is not a party to any agreement under which it is bound to pay a share of profits or expenses,
- (e) is not the responsible entity, manager, trustee, representative or custodian of any body corporate, trust, partnership, joint venture, syndicate, cooperative, society, association, scheme whereby people contribute money or money's worth to acquire rights to benefits produced by the scheme (whether the rights are actual, prospective or contingent and whether they are enforceable or not) or other entity or unincorporated body or holds or manages any assets on behalf of any person, or
- (f) does not carry on any business or have any permanent establishment (as that expression is defined in the relevant double taxation agreement) outside the country in which it is incorporated,

or has not agreed to become one or to do so

2.3 (Business) The business described in the definition of Childcare Business is carried on by the Childcare Business Operator and the Company does not carry on any other business.

2.4 (Prospective interests) No person other than the Seller has ever received any assurance, representation, promise or undertaking that the person will or may receive any share or other interest in the Company, and the Seller is not aware of any discussions (whether discontinued or otherwise) in respect of such matters with any such person.

3. Solvency

None of the following has occurred and is subsisting, or is threatened, in relation to the Company

- (a) An application or order made, proceeding commenced, resolution passed or proposed in a notice of meeting, petition presented, meeting convened or other step taken for:
 - (1) the winding up, dissolution, bankruptcy or administration of the Company, or
 - (2) the Company entering into an arrangement, compromise or composition with or assignment for the benefit of its creditors or a class of them.
- (b) The Company
 - (1) being (or being taken to be under applicable legislation) unable to pay its debts as and when they fall due; or
 - (2) stopping or suspending, or threatening to stop or suspend, payment of all or a class of its debts.
- (c) The appointment of an administrator, receiver, receiver and manager, administrative receiver, liquidator, provisional liquidator or similar officer to any of the assets and undertakings of the Company.

(d) The levying of any distress, execution or other similar order or process on any of the property or assets of the Company

4. Performance metrics

4.1 (EBITDA Schedule) The EBITDA Schedule provided by the Seller to the Buyer under clause 4.1 of the Incubator Agreement, including the Annualised EBITDA, was determined in accordance with the Incubator Agreement.

4.2 (Childcare centre occupancy) The daily average number of children enrolled at the childcare centre operated at the Business Premises for the calendar month ending on the Consideration Reference Date and the previous two calendar months (i.e. the aggregate of the number of children enrolled at the childcare centre each Business Day during those three calendar months divided by the total number of those Business Days) was at least 75% of the maximum number of children approved to receive education and/or care at the childcare centre under the Childcare Service Approval for the childcare centre as at the Consideration Reference Date.

4.3 (Licensed places) As at the Consideration Reference Date, the number of children approved to receive education and/or care at the Childcare Business under the Childcare Service Approval is [insert].

5. EBITDA Schedule

5.1 (True and fair) The EBITDA Schedule present a true and fair view of the earnings before interest, tax, depreciation and amortisation of the Childcare Business Operator to the extent relating to the operation of the Childcare Business for the period of 3 calendar months ending on the Consideration Reference Date as determined in accordance with the Childcare Business Accounting GAAP.

5.2 (Comply with accounting standards) The EBITDA Schedule has been completed with certain financial information concerning the Childcare Business that has been recorded in compliance with the Childcare Business Accounting GAAP.

5.3 (No other business) The EBITDA Schedule only relates to the Childcare Business Operator in the conduct of the Childcare Business and does not include or reflect the financial position, performance, profits, losses, assets or liabilities of an entity in the conduct of any other business or activity.

6. Changes since the Consideration Reference Date

Since the Consideration Reference Date

- (a) the Childcare Business has been carried on in a normal, proper and efficient manner and managed and conducted in the ordinary and usual course, consistent with past practice;
- (b) to the date of this agreement there has been no material adverse change in the assets, liabilities, financial position, performance, profits, losses, business, operations or prospects of the Childcare Business Operator in the conduct of the Childcare Business;

- (c) the Childcare Business Operator in the conduct of the Childcare Business has not acquired or disposed of any assets except in the ordinary course of ordinary business, on arm's length terms and for fair market value or agreed to do so;
- (d) there has been no material change to the remuneration and other benefits (including any bonus scheme) payable to or conferred on an officer or employee of the Childcare Business Operator working in the Childcare Business nor any proposal or agreement to do so, except as required under any legislation or award or in the ordinary course of carrying on the Childcare Business;
- (e) there has not been any new accounting or valuation method implemented for the Childcare Business or any assets, property or rights of the Childcare Business Operator in the conduct of the Childcare Business, and
- (f) the Childcare Business Operator has not in the conduct of the Childcare Business
 - (1) revalued any assets; or
 - (2) entered into any abnormal or unusual transaction,
 or agreed to do so.

except for the purpose of transferring the Childcare Business to the Company (or any related assets, liabilities, employees or operations) or for or as a consequence of entry into or performance of this agreement, or any transaction required or permitted under or contemplated by such agreement or except to the extent otherwise expressly approved by the Buyer

7. Financial obligations

The Company

- (a) has not entered into a guarantee, covenant, indemnity, pledge, security, class order or letter of comfort or agreed to do so;
- (b) is not obliged in any way to guarantee, assume or provide funds to satisfy an obligation of any person;
- (c) does not owe any loan money to an officer, employee, consultant, contractor or shareholder;
- (d) is not owed money by any officer, employee, consultant, contractor or shareholder;
- (e) has not entered into any agreement with any financier to obtain financial accommodation or agreed to do so other than incurring credit in the ordinary course of trading; or
- (f) has not granted any person any Encumbrance over, or declared itself trustee of, any of its assets or agreed to do so,

except for or under a Finance Document

Indemnity agreement

 Piper Alderman

Share sale agreement

 Piper Alderman

8. Assets

- 8.1 (Title) The Company has absolute title to, and is the legal and beneficial owner of, all assets which it purports to own (except for current assets subsequently sold or realised in the ordinary course of business).
- 8.2 (No Encumbrances) At Completion, there will be no Encumbrance affecting any asset owned by the Company.
- 8.3 (All assets) At Completion, the assets owned by the Company and the assets leased, licensed or hired by the Company
- (a) in the case of tangible assets, will be in the physical possession or control of the Company except for items under repair or in transit;
 - (b) will comprise the only assets used or occupied by the Company in the conduct of the Childcare Business;
 - (c) will be the only assets necessary for the conduct and operation of the Childcare Business after Completion in the manner it has been carried on for the last 12 months.
- 8.4 (Title documents) All documents which are necessary to establish the title of the Company to its assets are in its possession or under its control.

9. Comply with law

- 9.1 (No contravention of law) The Childcare Business Operator is materially complying with all laws applying to the conduct by it of the Childcare Business and no contravention or allegation of any contravention of any applicable law is known to the Seller.
- 9.2 (Childcare Provider Approval and Childcare Service Approval) So far as the Seller is aware, the Childcare Provider Approval and Childcare Service Approval necessary to carry on the Childcare Business will by Completion be held by and in the name of the Company (or another person that has authorised the Company to carry on the Childcare Business under that person's Childcare Provider Approval or Childcare Service Approval as relevant).

10. Contracts

- 10.1 (Material Contracts) The Material Contracts comprise all deeds, agreements, arrangements, offers, tenders and quotations entered into, made or issued by the Childcare Business Operator in the conduct of the Childcare Business which
- (a) involve or are likely to involve expenditure and other liabilities of the Childcare Business Operator in excess of \$100,000; or
 - (b) are incapable of being fulfilled or performed within 12 months from the date of this agreement.
- 10.2 (Disclosure) A copy of each Material Contract and Property Lease was provided to the Buyer before the date of this agreement and each copy was complete and accurate when provided.
- 10.3 (Validity) So far as the Seller is aware, the each Material Contract and Property Lease

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(A) has been duly executed by the parties to it, and

(B) is not breached or otherwise adversely affected by the execution or performance of this agreement.

10.4 (Compliance) So far as the Seller is aware, the Childcare Business Operator and each other party is materially complying with each Material Contract, and no event has occurred which may be grounds for termination of the Material Contract.

11. Business Premises

11.1 (All real property) The Business Premises comprise all the land and buildings owned, used or occupied by the Childcare Business Operator in the conduct of the Childcare Business.

11.2 (Structures) So far as the Seller is aware, each structure on the Business Premises is

(A) in sound condition and repair,

(B) free of any material defects,

(C) fit for the purpose for which it is currently used,

(D) safe and maintained, used and operated in accordance with the applicable health and safety standards,

(E) approved by the relevant authority, and

(F) complies with any applicable law.

11.3 (Lawful use) So far as the Seller is aware, the existing use of the Business Premises is the lawful permitted use of that property.

12. Property Lease

12.1 (All property leases) The Property Lease comprises all the leases and licences to use or occupy any land or building in the conduct of the Childcare Business to which the Childcare Business Operator is a party at the date of this agreement.

12.2 (Validity) The Property Lease is registered, where registration is available.

12.3 (Exclusive occupation) The Childcare Business Operator which is a lessee under the Property Lease occupies the Business Premises under that Property Lease

(A) exclusively, and

(B) free from third party rights.

13. Plant and Equipment

13.1 (All plant and equipment) The Plant and Equipment and assets leased, licensed or hired under a Finance Document comprise all the plant, equipment, motor vehicles, machinery, furniture, fittings and computer equipment.

(a) owned or used by the Childcare Business Operator in the conduct of the Childcare Business; and

(b) required by the Childcare Business Operator to conduct or operate the Childcare Business.

at the date of this agreement.

13.2 (Sound condition) So far as the Seller is aware, each item of Plant and Equipment owned by the Childcare Business Operator in the conduct of the Childcare Business:

(a) is in sound condition and repair;

(b) is free of any material defects;

(c) is fit for the purpose for which it is currently used;

(d) has been maintained in accordance with prudent business practice and (where applicable) manufacturers recommended maintenance procedures and in a manner that does not prejudice any rights under any maintenance contract; and

(e) complies with all applicable laws and Australian standards in its assembly, fitting, maintenance and operation and is safe to use as currently used.

14. Intellectual Property

(No infringement by use of Intellectual Property) So far as the Seller is aware, the Childcare Business Operator in carrying on the Childcare Business or by the use of the intellectual property licensed under the IP Licence Agreement does not:

(a) infringe the intellectual or industrial property of another person; or

(b) breach an obligation of confidence owed to another person;

and no claim of any such infringement or breach has been made or threatened against the Childcare Business Operator.

15. Insurance

15.1 (Disclosure) A copy of each insurance policy in force in respect of the Childcare Business Operator in respect of the Childcare Business at the date of this agreement has been provided to the Buyer before the date of this agreement and each copy was complete and accurate when provided.

15.2 (No claims) At the date of this agreement, there are no claims made by the Childcare Business Operator or any person on its behalf under any insurance policy held by or for the benefit of the Childcare Business Operator which are outstanding. So far as the Seller is aware, no event (other than one which has given rise to a claim which is no longer outstanding) has arisen which may give rise to a claim under any insurance policy.

16. Records

(Books and records) So far as the Seller is aware, the Business Records have been fully and properly maintained and contain complete records of all matters required to be entered in them by law

17. Litigation

17.1 (No litigation) Neither the Childcare Business Operator, nor a person for whom it may be vicariously liable, is involved at the date of this agreement in any litigation, arbitration, administrative or governmental investigation or criminal prosecution and so far as the Seller is aware there are no facts likely to give rise to a proceeding of this type

17.2 (No judgements) There are no unsatisfied judgments, orders, awards or decisions against the Childcare Business Operator

18. Employees

(Disclosure) Details of all the material terms of employment or service of each employee of the Childcare Business Operator and of each person engaged by the Childcare Business Operator as a consultant or other contractor to provide the services of a manager, executive or other employee in the conduct of the Childcare Business, (each such employee, consultant or contractor referred to in this warranty 18 and warranty 19 as an Employee of the Childcare Business Operator) including, without limitation, details of

- (a) the position and age of the Employee,
- (b) all remuneration and other benefits (including any bonus scheme) payable to or conferred on the Employee,
- (c) the period of service of the Employee and the accrued leave and other entitlements of the Employee as at the end of the last month,
- (d) each award and collective or enterprise agreement which applies to the Employee, and
- (e) each individual employment or services contract (whether written or oral) between the Childcare Business Operator and the Employee (except for any oral contract which may be terminated on one month's notice or less without payment of compensation),

at the date of this agreement, have been provided to the Buyer before the date of this agreement, and those details were complete and accurate when provided.

18.2 (Outstanding claim) No amount due to or in respect of any Employee is in arrears or unpaid other than his or her current remuneration for the relevant period at the date of this agreement.

18.3 (Compliance) So far as the Seller is aware, the Childcare Business Operator has complied in all material respects with all laws, health and safety standards, codes of conduct and practice, awards and contractual arrangements relevant to conditions of service and to the relations between it and the Employees

19. Superannuation

- 19.1** (Disclosure) Details of each Super Fund including, without limitation, the name of each Employee who is a member of the fund and periodic contributions the Childcare Business Operator makes to the fund on behalf of that Employee at the date of this agreement have been provided to the Buyer before the date of this agreement, and those details are complete and accurate.
- 19.2** (No other funds) Other than the Super Funds the Childcare Business Operator does not contribute to and there are no superannuation, retirement or provident funds or other arrangements in place providing for any lump sum, pension, annuity or other payment on or in respect of the retirement, resignation, death or permanent or temporary disablement of an Employee.
- 19.3** (Outstanding payments) Otherwise than in the ordinary course of administration, there are no outstanding contributions to the Super Funds on the part of the Childcare Business Operator and apart from its obligation to pay to a Super Fund periodic contributions for the benefit of an Employee the Childcare Business Operator has no responsibility or liability at all in respect of the Super Fund or its administration, management, solvency or otherwise.
- 19.4** (Superannuation guarantee charge) At Completion, the Childcare Business Operator will have satisfied its obligations to pay the superannuation guarantee charge in respect of any Employee for any contribution period (as defined in the Superannuation Guarantee (Administration) Act 1992) up to Completion.
- 19.5** (No liability) The Childcare Business Operator is not trustee or manager of and does not maintain a superannuation, retirement or provident fund or other arrangement which provides for, or is under any present legal liability or voluntary commitment (whether or not legally binding) to pay, any lump sum, pension, annuity or other payment on or in respect of the retirement, resignation, death or permanent or temporary disablement of any person.
- ## 20. Information
- 20.1** (Disclosure Letter) The information contained in the Disclosure Letter is accurate and none of the information is misleading in any material particular, whether by inclusion of misleading information or omission of information or both.
- 20.2** (Due Diligence Documents) So far as the Seller is aware, Due Diligence Documents being:
- (a) letters, agreements, deeds, certificates and other documents of title with respect to the Childcare Business which are copies, are true copies of the relevant documents held by the Childcare Business;
 - (b) historical accounting information and other historical business information with respect to the Childcare Business which are extracts from the records of the Childcare Business, are accurate extracts of the records concerned; and
 - (c) responses to requests for information made by or on behalf of the Buyer with respect to the Childcare Business were, when provided, accurate except for any information which is prospective or forecast or otherwise as to the future, any information supplied by a person other than the Seller or the Childcare Business Operator any information which is subsequently corrected or contradicted by the Seller or the Childcare Business Operator before the date of this agreement.

21. Finder's fees

No person is or will be entitled to receive from the Company any finder's fee, brokerage or other commission in connection with the execution or performance of this agreement.

22. Taxation

22.1 (Compliance with Tax Law) The Company has complied with every obligation to which it is subject under Tax Law.

22.2 (Tax) No liability for Tax has accrued to the Company or become due, otherwise than as a result of trading activities in the ordinary course of its business.

22.3 (Deductions) The Company has deducted all Tax required to be deducted from any payments made by it. When necessary, the Company has accounted for that Tax in accordance with relevant law.

22.4 (Payment of tax) All Tax which has been, or are deemed to or ought properly to have been, assessed or imposed on the Company, or have been required to be withheld from any payment made by the Company to another person:

- (a) which are due and payable, have been paid by the final date for payment, and
- (b) which are not yet payable, will be paid by the due date.

22.5 (Debt forgiveness) No debt owed by the Company has been forgiven for the purposes of division 245 of Tax Act.

22.6 (No audit) The Company:

- (a) is not involved in any audit of any of its Tax returns or any dispute with a Government Agency regarding Tax and the Seller is not aware of any circumstances which may give rise to such an audit or dispute,
- (b) has not entered into or been a party to any transaction which contravenes the anti-avoidance provisions of any Tax,
- (c) has not taken any action which has or might alter or prejudice any arrangement, agreement or Tax ruling or exemption which has previously been negotiated with or obtained from any Government Agency; and
- (d) has not made any Tax private binding ruling requests, objections or amended assessments with respect to its lodged Tax returns.

Schedule 2 – Buyer Warranties

1. Share capital

- 1.1 (Valid issue) Each Buyer Share to be issued under this agreement will be validly issued and on issue will be fully paid and free from all Encumbrances other than any created by the holder of the Buyer Share.
- 1.2 (No breach) The execution, delivery or performance of this agreement or the issue of any Buyer Shares under, or any other transaction contemplated by, this agreement will not result in a breach of any law, statutory instrument, constitution, agreement or rule or other requirement of a securities exchange applicable to or binding on the Buyer or another Buyer Group Entity.

2. Group structure

2.1 (Status) Each Buyer Group Entity:

- (a) is duly registered or formed under the laws of the place of its registration or formation and is not liable to be deregistered;
- (b) has full corporate power;
- (c) is qualified to own its property and assets;
- (d) is qualified to carry on its business as it now does; and
- (e) has done everything necessary to do business lawfully in each jurisdiction in which it carries on business.

2.2 (No other entities) The Buyer

- (a) has no subsidiaries or controlled entities;
- (b) is not a member of or the holder or beneficial owner of any shares or other capital in any body corporate (wherever incorporated);
- (c) is not a member of or the holder or beneficial owner of units or other interests in a trust, partnership, joint venture, syndicate, cooperative, society, association, scheme whereby people contribute money or money's worth to acquire rights to benefits produced by the scheme (whether the rights are actual, prospective or contingent and whether they are enforceable or not) or other entity or unincorporated body;
- (d) is not a party to any agreement under which it is bound to pay a share of profits or expenses;
- (e) is not the responsible entity, manager, trustee, representative or custodian of any body corporate, trust, partnership, joint venture, syndicate, cooperative, society, association, scheme whereby people contribute money or money's worth to acquire rights to benefits produced by the scheme (whether the rights are actual, prospective or contingent and whether they are enforceable or not) or other entity or unincorporated body or holds or manages any assets on behalf of any person, or

Incubator agreement

 Piper Alderman

Share sale agreement

 Piper Alderman

(f) does not carry on any business or have any permanent establishment (as that expression is defined in the relevant double taxation agreement) outside the country in which it is incorporated;

or has not agreed to become one or to do so, except to the extent disclosed in the most recent annual report of the Buyer given to ASX.

1 Solvency

None of the following has occurred and is subsisting, or is threatened, in relation to a Buyer Group Entity

(a) An application or order made, proceeding commenced, resolution passed or proposed in a notice of meeting, petition presented, meeting convened or other step taken for

(1) the winding up, dissolution, bankruptcy or administration of the Buyer Group Entity; or

(2) the Buyer Group Entity entering into an arrangement, compromise or composition with or assignment for the benefit of its creditors or a class of them

(b) The Buyer Group Entity

(1) being (or being taken to be under applicable legislation) unable to pay its debts as and when they fall due; or

(2) stopping or suspending, or threatening to stop or suspend, payment of all or a class of its debts.

(c) The appointment of an administrator, receiver, receiver and manager, administrative receiver, liquidator, provisional liquidator or similar officer to any of the assets and undertakings of the Buyer Group Entity

(d) The levying of any distress, execution or other similar order or process on any of the property or assets of the Buyer Group Entity.

4 Accounts

4.1 (True and fair) The [insert audited or auditor reviewed] financial statements of the Buyer and the other Buyer Group Entities for the [insert 12 months or 6 months] ended on the [insert balance date - these will be the accounts most recently released to ASX prior to the date of this agreement] (Balance Date) released to ASX (Buyer Accounts) present a true and fair view of the financial position and performance of the Buyer and the other Buyer Group Entities

(a) as at the Balance Date; and

(b) for the relevant period ended on that date

4.2 (Comply with law) The Buyer Accounts comply with

(a) the requirements of the Corporations Act and any other applicable laws.

- (c) the accounting standards made by the Australian Accounting Standards Board under section 334 of the Corporations Act and the requirements of the Corporations Act in relation to the preparation and content of financial reports to the extent they are applicable to a public company limited by shares registered under the Corporations Act that is a disclosing entity; and
- (d) if and to the extent that any matter is not covered by such a standard or requirement, other relevant accounting standards and generally accepted accounting principles applied from time to time in Australia in relation to entities similar to the Buyer, or operating in the industry in which the Buyer operates, unless inconsistent with any of the standards and requirements referred to in paragraph (b) above.

4.3 (Preparation) The Buyer Accounts were prepared:

- (a) in the manner described in the notes to them and the accompanying auditor's opinion and on a consistent basis with the audited accounts for the prior financial year, and
- (b) without recording any appreciation in an asset during the period covered by the Buyer Accounts.

5 Changes since the Balance Date

Since the Balance Date

- (a) each Buyer Group Entity's business has been carried on in a normal, proper and efficient manner and managed and conducted in the ordinary and usual course, consistent with past practice; and
- (b) to the date of this agreement there has been no material adverse change in the assets, liabilities, financial position, performance, profits, losses, business, operations or prospects of the Buyer or any Buyer Group Entity;
- (c) a Buyer Group Entity has not acquired or disposed of any assets except in the ordinary course of ordinary business, on arm's length terms and for fair market value, or agreed to do so;
- (d) there has been no material change to the remuneration and other benefits (including any bonus scheme) payable to or conferred on an officer or employee of a Buyer Group Entity nor any proposal or agreement to do so, except as required under any contract, legislation or award or in the ordinary course of business;
- (e) there has not been any new accounting or valuation method implemented for the business or any assets, property or rights of a Buyer Group Entity;

except for or as a consequence of entry into or performance of this agreement or any transaction required or permitted under or contemplated by such agreement or except to the extent otherwise expressly approved by the Seller

6 Comply with law

- 6.1 (No contravention of law) Each Buyer Group Entity is materially complying with all laws applying to the conduct by it of its business and no contravention or allegation of any contravention of any applicable law is known to the Buyer

6.2 (Authorisations) So far as the Buyer is aware, all Authorisations necessary to carry on each Buyer Group Entity's business are held by and in the name of the Buyer or another Buyer Group Entity, and a copy of each Authorisation was provided to the Seller before the date of this agreement and each copy is complete and accurate.

7. Litigation

7.1 (No litigation) Neither a Buyer Group Entity, nor a person for whom it may be vicariously liable, is involved at the date of this agreement in any litigation, arbitration, administrative or governmental investigation or criminal prosecution and so far as the Buyer is aware there are no facts likely to give rise to a proceeding of this type.

7.2 (No judgements) There are no unsatisfied judgments, orders, awards or decisions against a Buyer Group Entity.

8. ASX rules and requirements

8.1 (Compliance) The Buyer is in compliance with all listing, operating or settlement rules and requirements of ASX, ASX Operations Pty Ltd or ASX Settlement Pty Ltd binding on or applicable to it and no contravention or allegation of any contravention of any applicable rule or requirement is known to the Buyer.

8.2 (Continuous disclosure) The Buyer is in compliance with rule 3.1 of the ASX Listing Rules.

8.3 (No excluded information) Since at least 20 trading days before the Announcement Date or the date of execution of this agreement, whichever is earlier, no information has been withheld from disclosure to ASX in reliance on the exception under rule 3.1A of the ASX Listing Rules, other than information about the transactions contemplated by this agreement.

Schedule 3 – Disclosure Letter

Schedule 4 – Due Diligence Documents

Schedule 3 – EBITDA Schedule

	CONSOL
Sales	
Sales	
Other revenue	
Before School fees	
After School fees	
School Holiday fees	
Discounts	
Total Sales	
Cost of Goods Sold	
Food	
Nappies	
Other COGS	
Total Cost of Goods Sold	
Employee Costs	
Salary and wages	
Superannuation	
Payroll tax	
Workcover	
Total Employee Costs	
Total Direct Costs	
Gross Profit	
Other Overhead	
Cleaning	
Power, heating, water	
Entertainment	
General	
Insurance	
Office costs	
Vehicle costs	
Plant rental	
Rent	
Repairs & maintenance	
Telephone & Internet	
Technology hire	
Travel	
Rates and taxes	
Total Other Overhead	
Total EBITDA	

Schedule 7 – Material Contracts

The information contained in this schedule reflect facts and circumstances current or existing at the date of this agreement which may change after that date.

1. Finance Documents

At the date of this agreement, Genius Learning is party to number of finance documents, none which have agreed to be assigned to or assumed by the Company apart from the contracts referred to in schedule 3 of the Pool 1 Childcare Business Sale Agreement

2. Finance Leases

At the date of this agreement, there are finance leases to which Genius Learning is a party including those noted in schedule 4 of the Pool 1 Childcare Business Sale Agreement, none which have agreed to be assigned to or assumed by the Company apart from the contracts referred to in schedule 3 of the Pool 1 Childcare Business Sale Agreement

3. Intellectual Property Licences

IP Licence Agreement to be entered into at or before Pool 1 Childcare Business Sale Completion

4. Property Leases³

Lease dated 27 October 2021 between Misquitta Childcare Property Pty Ltd as trustee for the Misquitta Childcare Property Trust, Genius Learning and Darren Misquitta in respect of 27 Ross Street, Allenstown, Queensland, 4700

Lease between Cracker Holdings Pty Ltd as trustee for the Pritchard Family Trust and Genius Learning in respect of 83 Lordin Drive, Brinsmead, Queensland, 4870

Lease dated 20 November 2020 between Sandhurst Trustees Limited as custodian for the Arena REIT No. 1, Genius Learning, DK Andaras Pty Ltd and Darren Misquitta in respect of 1A Bernard Street, Cheltenham, Victoria, 3192

Lease dated 27 October 2021 between Misquitta Childcare Property Pty Ltd as trustee for the Misquitta Childcare Property Trust, Genius Learning and Darren Misquitta in respect of 2-4 Evergreen Street, Clifton Beach, Queensland, 4879

Lease dated 6 November 2019 between S & N Super Fund Pty Ltd, Genius (Clyde) Pty Ltd and DK Andaras Pty Ltd in respect of Level 1, 800 Berwick Cranbourne Road, Clyde North, Victoria, 3978

Lease dated 15 May 2014 between Sandhurst Trustees Limited as custodian for the Arena REIT No. 1 and Maddingley Corporation Pty Ltd as trustee for the Maddingley Unit Trust in respect of 16-18 Harry Vallence Drive, Maddingley, Victoria, 3340, as assigned and/or varied by deed of assignment and variation of lease dated 24 September 2014 and deeds of

³ It is intended that the rights and benefits under the leases will be assigned to the Company at Pool 1 Childcare Business Sale Completion

variation of lease dated 6 December 2019 and 1 October 2020 and as proposed to be replaced by surrender and new lease deed between Misquitta Childcare Property Pty Ltd as trustee for the Misquitta Childcare Property Trust, Genius Learning, the Company and Asia Property AU 1 Pty Ltd in the form of the draft surrender and new lease deed provided as a Due Diligence Document

Lease dated 2 November 2020 between Sandhurst Trustees Limited as custodian for the Arena REIT No. 1, Genius Learning, DK Andaras Pty Ltd and Darren Misquitta in respect of 3-5 Bathurst Street, Mooroolbark, Victoria, 3138

Lease between Sandhurst Trustees Limited as custodian for the Arena REIT No. 1, Genius Learning, DK Andaras Pty Ltd and Darren Misquitta in respect of 653-661 Norman Road, Rockhampton, Queensland, 4701

Lease dated 15 October 2021 between The Trust Company Limited as custodian of Charter Hall Social Infrastructure REIT, Charter Social Infrastructure Limited as responsible entity of Charter Hall Social Infrastructure REIT, Genius Learning and Darren Misquitta in respect of 205 Onkaparinga Valley Road, Oakbank, South Australia, 5243

Lease dated 27 October 2021 between Misquitta Childcare Property Pty Ltd as trustee for the Misquitta Childcare Property Trust, Genius Learning and Darren Misquitta in respect of 115-119 Shute Harbour Road, Cannonvale, Queensland, 4802

Lease dated 2 November 2020 between Sandhurst Trustees Limited as custodian for the Arena REIT No. 1, Genius Learning, DK Andaras Pty Ltd and Darren Misquitta in respect of 5-7 Sunderland Court, Seaford, Victoria, 3198

Lease dated 27 October 2021 between Misquitta Childcare Property Pty Ltd as trustee for the Misquitta Childcare Property Trust, Genius Learning and Darren Misquitta in respect of 9 Brose Street, White Rock, Queensland, 4868

Lease between Norris Road Holdings Pty Ltd and Whiz Kids Child Care Pty Ltd in respect of 2-6 Fretwell Road, White Rock, Queensland, 4868 as assigned and/or varied by assignment of lease between Whiz Kids Child Care Pty Ltd and Genius Learning and deed of consent and assignment of lease between Whiz Kids Childcare Pty Ltd, Genius Learning, MD Investments (NQ) Pty Ltd and Darren Misquitta

Lease dated 27 October 2021 between Misquitta Childcare Property Pty Ltd as trustee for the Misquitta Childcare Property Trust, Genius Learning and Darren Misquitta in respect of 353 Stuart Drive, Wulguru, Queensland, 4811

5. Other Material Contacts

Pool 1 Childcare Business Sale Agreement

Transitional Services Agreement to be entered into at or before Pool 1 Childcare Business Sale Completion

Schedule 8 – Buyer Warranties

1. Share capital

- 1.1 **(Existing share capital)** Apart from the Buyer Shares issued under the Capital Raising, the only issued shares, options to subscribe for shares or other securities of the Buyer are 32,418,965 fully paid Buyer Shares.
- 1.2 **(Capital Raising)** No more than 9,500,000 Buyer Shares have been or will be issued under the Capital Raising.
- 1.3 **(Valid issue)** Each Buyer Share to be issued under this agreement will be validly issued and on issue will be fully paid and free from all Encumbrances other than any created by the holder of the Buyer Share.
- 1.4 **(No breach)** The execution, delivery or performance of this agreement or the Incubator Agreement or the issue of any Buyer Shares under, or any other transaction contemplated by, this agreement or the Incubator Agreement or under or in consequence of the Capital Raising will not result in a breach of any law, statutory instrument, constitution, agreement or rule or other requirement of a securities exchange applicable to or binding on the Buyer or another Buyer Group Entity.
- 1.5 **(No other issues)** There is no agreement or commitment in existence under which the Buyer has agreed to issue or grant any shares, options to subscribe for shares or other securities of the Buyer or to buy-back, redeem or cancel any issued securities of the Buyer or otherwise increase, reduce or alter its issued equity or loan capital or securities or other rights convertible into equity or loan capital or to create any encumbrance over the unissued share capital of the Buyer, except:
- (a) under this agreement or the Incubator Agreement;
 - (b) under the terms of the existing issued securities of the Buyer; or
 - (c) under or in consequence of the Capital Raising.

2. Group structure

- 2.1 **(Status)** The Buyer:
- (a) is accurately described in this agreement;
 - (b) is duly registered or formed under the laws of the place of its registration or formation and is not liable to be deregistered;
 - (c) has full corporate power;
 - (d) is qualified to own its property and assets;
 - (e) is qualified to carry on its business as it now does; and
 - (f) has done everything necessary to do business lawfully in each jurisdiction in which it carries on business.

2.2 (No other entities) The Buyer:

- (a) has no subsidiaries or controlled entities;
- (b) is not a member of or the holder or beneficial owner of any shares or other capital in any body corporate (wherever incorporated);
- (c) is not a member of or the holder or beneficial owner of units or other interests in a trust, partnership, joint venture, syndicate, cooperative, society, association, scheme whereby people contribute money or money's worth to acquire rights to benefits produced by the scheme (whether the rights are actual, prospective or contingent and whether they are enforceable or not) or other entity or unincorporated body;
- (d) is not a party to any agreement under which it is bound to pay a share of profits or expenses;
- (e) is not the responsible entity, manager, trustee, representative or custodian of any body corporate, trust, partnership, joint venture, syndicate, cooperative, society, association, scheme whereby people contribute money or money's worth to acquire rights to benefits produced by the scheme (whether the rights are actual, prospective or contingent and whether they are enforceable or not) or other entity or unincorporated body or holds or manages any assets on behalf of any person; or
- (f) does not carry on any business or have any permanent establishment (as that expression is defined in the relevant double taxation agreement) outside the country in which it is incorporated;

or has not agreed to become one or to do so.

2.3 (Constitution) The constitution of the Buyer together with all modifications (if any):

- (a) is valid, binding and enforceable in accordance with its terms as between the Buyer and its members and directors; and
- (b) complies with the ASX Listing Rules, the Corporations Act and all other applicable law;

and the copy located at <https://www.asx.com.au/asxpdf/20161128/pdf/43d8n99ff6kdg2.pdf> and announced to ASX on 28 November 2016 is complete and accurate.

3. Solvency

None of the following has occurred and is subsisting, or is threatened, in relation to the Buyer:

- (a) An application or order made, proceeding commenced, resolution passed or proposed in a notice of meeting, petition presented, meeting convened or other step taken for:
 - (1) the winding up, dissolution, bankruptcy or administration of the Buyer; or
 - (2) the Buyer entering into an arrangement, compromise or composition with or assignment for the benefit of its creditors or a class of them.
- (b) The Buyer:

- (1) being (or being taken to be under applicable legislation) unable to pay its debts as and when they fall due; or
- (2) stopping or suspending, or threatening to stop or suspend, payment of all or a class of its debts.
- (c) The appointment of an administrator, receiver, receiver and manager, administrative receiver, liquidator, provisional liquidator or similar officer to any of the assets and undertakings of the Buyer.
- (d) The levying of any distress, execution or other similar order or process on any of the property or assets of the Buyer.

4. Accounts

4.1 **(True and fair)** The Buyer Accounts present a true and fair view of the financial position and performance of the Buyer:

- (a) as at the Balance Date; and
- (b) for the relevant period ended on that date.

4.2 **(Comply with law)** The Buyer Accounts comply with:

- (a) the requirements of the Corporations Act and any other applicable laws; and
- (b) the Buyer Accounting Standards.

4.3 **(Preparation)** The Buyer Accounts were prepared:

- (a) in the manner described in the notes to them and the accompanying auditor's opinion and on a consistent basis with the audited accounts for the prior financial year; and
- (b) without recording any appreciation in an asset during the period covered by the Buyer Accounts.

5. Changes since the Balance Date

Since the Balance Date:

- (a) the Buyer's business has been carried on in a normal, proper and efficient manner and managed and conducted in the ordinary and usual course, consistent with past practice;
- (b) to the date of this agreement there has been no material adverse change in the assets, liabilities, financial position, performance, profits, losses, business, operations or prospects of the Buyer;
- (c) the Buyer has not acquired or disposed of any assets except in the ordinary course of ordinary business, on arm's length terms and for fair market value, or agreed to do so;
- (d) there has been no material change to the remuneration and other benefits (including any bonus scheme) payable to or conferred on an officer or employee of the Buyer

nor any proposal or agreement to do so, except as required under any contract, legislation or award;

- (e) there has not been any new accounting or valuation method implemented for the business or any assets, property or rights of the Buyer;
- (f) the Buyer has not:
 - (1) increased, reduced or otherwise altered its issued share or loan capital or securities or other rights convertible into share or loan capital or granted any options for the issue of shares or other securities;
 - (2) declared or paid a dividend or other distribution;
 - (3) bought back any of its shares;
 - (4) made any alteration to its constitution or other constitutional documents;
 - (5) revalued any assets; or
 - (6) entered into any abnormal or unusual transaction;or agreed to do so;

except for or as a consequence of entry into or performance of this agreement or the Incubator Agreement or any transaction required or permitted under or contemplated by such agreement or except to the extent otherwise expressly approved by the Seller.

6. Comply with law

- 6.1 **(No contravention of law)** The Buyer is materially complying with all laws applying to the conduct by it of its business and no contravention or allegation of any contravention of any applicable law is known to the Buyer.
- 6.2 **(Authorisations)** So far as the Buyer is aware, all Authorisations necessary to carry on the Buyer's business are held by and in the name of the Buyer, and a copy of each Authorisation was provided to the Seller before the date of this agreement and each copy is complete and accurate.
- 6.3 **(Validity)** So far as the Buyer is aware, the Authorisations held by the Buyer:
 - (a) are valid and effective;
 - (b) have been complied with;
 - (c) are not breached or otherwise adversely affected by the execution or performance of this agreement; and
 - (d) are not subject to a right of appeal by any person.

7. Litigation

- 7.1 **(No litigation)** Neither the Buyer, nor a person for whom it may be vicariously liable, is involved at the date of this agreement in any litigation, arbitration, administrative or

governmental investigation or criminal prosecution and so far as the Buyer is aware there are no facts likely to give rise to a proceeding of this type.

- 7.2 **(No unsatisfied judgments)** There are no unsatisfied judgments, orders, awards or decisions against the Buyer.

8. ASX rules and requirements

- 8.1 **(Compliance)** The Buyer is in compliance with all listing, operating or settlement rules and requirements of ASX, ASX Operations Pty Ltd or ASX Settlement Pty Ltd binding on or applicable to it and no contravention or allegation of any contravention of any applicable rule or requirement is known to the Buyer.
- 8.2 **(Continuous disclosure)** The Buyer is in compliance with rule 3.1 of the ASX Listing Rules.
- 8.3 **(No excluded information)** Since at least 10 trading days before the Announcement Date or the date of execution of this agreement, whichever is earlier, no information has been withheld from disclosure to ASX in reliance on the exception under rule 3.1A of the ASX Listing Rules, other than information about the transactions contemplated by this agreement.

9. Buyer due diligence documents

So far as the Buyer is aware, the documents contained in the electronic on-line data room as at 11:11 am on 31 October 2021 accessed at <https://www.dropbox.com/sh/aetskdf30kgmbwg/AADvWbunl4q8yGQ9JWLQ0opla?dl=0> to which the Seller has had access, the complete contents of which were copied in electronic form onto a USB provided by or on behalf of the Buyer to the Seller or to a director, employee, agent or adviser of the Seller before execution of this agreement being:

- (a) letters, agreements, deeds, certificates and other documents of title with respect to a Buyer Group Entity which are copies, are true copies of the relevant documents held by the Buyer Group Entity;
- (b) historical accounting information and other historical business information with respect to a Buyer Group Entity which are extracts from the records of a Buyer Group Entity, are accurate extracts of the records concerned; and
- (c) responses to requests for information made by or on behalf of the Seller with respect to a Buyer Group Entity were, when provided, accurate except for any information which is prospective or forecast or otherwise as to the future, any information supplied by a person other than by or on behalf of a Buyer Group Entity or any information which is subsequently corrected or contradicted by the Buyer before the date of this agreement.

Schedule 9 – Buyer Accounts



ASX Half-year Report

Period ended 30 June 2021

Lodged with the ASX under Listing Rule 4.2A.3

Company details

Name of reporting entity:	Mayfield Childcare Limited ("Mayfield", "Company")
ABN:	53 604 970 390
Reporting period:	Half-year ended 30 June 2021
Previous corresponding reporting period (pcp):	Half-year ended 30 June 2020

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Results for announcement to the market

	Movement	%	\$
Revenue from ordinary activities	Up	6.1	to 17,484,032
Profit from ordinary activities after tax attributable to members	Up	129.4	to 1,256,161
Net Profit for the period attributable to members	Up	129.4	to 1,256,161

Dividend type	Amount per security (cents)	Franked amount per security (cents)
Final dividend for the year ended 31 December 2020	2.00	2.00
Interim dividend for the half-year ended 30 June 2021	2.47	2.47
<p>The Company has a Dividend Reinvestment Plan (DRP), shareholder participation in which is optional.</p> <p>On 26 March 2021 the Company paid a dividend for the year ended 31 December 2020 of \$642,060. Cash dividend payments totalled \$510,716 and 145,938 ordinary shares were issued under the DRP at \$0.90 per share.</p> <p>On 6 August 2021 the company was pleased to declare its inaugural interim dividend for the half-year ended 30 June 2021 of 2.47 cents per ordinary share, fully franked, with a record date of 13 August 2021. The dividend will be paid on 24 September 2021, the total cost of which is estimated to be \$796,491, which is expected to be satisfied by a combination of cash payments and the issue of DRP shares which rank equally with all other fully paid up ordinary shares of the Company. The DRP is offered by the Company to all its shareholders.</p>		

Brief explanation of Revenue

Revenues of \$17.5m were up 6.1% on pcp primarily due to the first half of CY 2020 having been adversely impacted by the COVID-19 pandemic.

Brief explanation of Profit (and Net Profit)

Net Profit After Tax (NPAT) of \$1.3m was up 129.4% on pcp primarily due to the adverse impact of the COVID-19 pandemic in pcp and the closure of a centre in Q4 of CY 2020 which was loss-making in pcp.

Please refer to the Review of Operations in the Directors' Report on pages 5 to 6 for further commentary, including a reconciliation of the above statutory result to the underlying, non-IFRS NPAT result of \$1,591k, which is 139.5% up on pcp.

***Net tangible assets***

	30 Jun 2021 (cents)	30 Jun 2020 (cents)
Net tangible asset backing per ordinary share	(109.38)	(125.37)

Control over other entities

No control was gained or lost over any entity during the reporting period.

Associates and joint venture entities

The Company has no associates, nor has it formed any joint ventures with any other entities during the reporting period.

Compliance statement

This report is based on accounts which were subject to review by the auditor, whose review report is attached to, and forms part of, the Interim Report.

Mayfield Childcare Limited

ABN: 53 604 970 390

Interim Report

For the Half-year ended 30 June 2021

Mayfield Childcare Limited (ABN: 53 604 970 300)
Interim Report – 30 June 2021

Directors' Report

Your directors present their report on Mayfield Childcare Limited ("Mayfield", "Company") for the half-year ended 30 June 2021.

DIRECTORS

The directors of the Company in office during the half-year, and at the date of this report, are:

Peter Lowe, *Chairman*
Dean Clarke
Michelle Clarke

PRINCIPAL ACTIVITIES

During the half-year the principal activity of the Company consisted of operating long day childcare centres located in Victoria.

DIVIDENDS

On 26 March 2021 the Company paid a dividend for the year ended 31 December 2020 of 2.0 cents per ordinary share, fully franked. Cash dividend payments totalled \$510,716 and 145,938 ordinary shares were issued under the Dividend Reinvestment Plan (DRP) at \$0.90 per share.

On 6 August 2021 the Company was pleased to declare its inaugural interim dividend for the half-year ended 30 June 2021 of 2.47 cents per ordinary share, fully franked, with a record date of 13 August 2021. The dividend will be paid on 24 September 2021, the total cost of which is estimated to be \$796,491, which is expected to be satisfied by a combination of cash payments and the issue of DRP shares which rank equally with all other fully paid up ordinary shares of the Company. The DRP is offered by the Company to all its shareholders.

REVIEW OF OPERATIONS

During the half-year demand for childcare slowly picked up as the Victorian economy recovered from the COVID-19 induced difficulties of 2020. Despite the federal government's Relief Package having ceased at the end of January, and its budgeted improved child care package not being implemented before July 2022, the Company performed well.

Management maintained effective staff rostering and tight cost control throughout the period, with the Company continuing to benefit from the teamwork and co-operation of its dedicated employees.

The Company's annual centre improvement programme recommenced, incorporating capital expenditure on both internal and external centre upgrades, having been delayed due to the ongoing economic and operational impact of the pandemic.

Statutory net profit after tax (NPAT) for the half-year ended 30 June 2021 of \$1,256,161.

Mayfield Childcare Limited (ABN: 53 604 970 390)
Interim Report – 30 June 2021

REVIEW OF OPERATIONS (continued)

Non-IFRS Financial Information¹

After reversing the impact of AASB 16 Leases², 'underlying' NPAT was as follows:

Underlying NPAT

	Statutory Half-year 2021 \$'000	Reversing AASB 16 Impact \$'000	Underlying Half-year 2021 \$'000	Underlying Half-year 2020 \$'000
Revenue	17,484	-	17,484	16,115
Labour costs	(10,411)	-	(10,411)	(10,219)
Centre operating expenses	(809)	-	(809)	(854)
Facilities	(543)	(1,959)	(2,502)	(2,402)
Centre EBITDA	5,721	(1,959)	3,762	2,640
Head Office staff & related costs	(732)	-	(732)	(830)
Other corporate overheads	(314)	(67)	(381)	(460)
EBITDA	4,675	(2,026)	2,649	1,350
Depreciation	(2,313)	1,984	(329)	(249)
EBIT	2,362	(42)	2,320	1,101
Finance costs	(635)	489	(146)	(236)
Profit Before Tax	1,727	447	2,174	865
Tax	(471)	(112)	(583)	(201)
NPAT from Continuing Operations	1,256	335	1,591	664

1. EBIT and EBITDA are non-statutory financial measures which are not prescribed by Australian Accounting Standards (AAS). They represent the profit under AAS adjusted for Interest and Tax (EBIT) plus Depreciation and Amortisation (EBITDA) and certain other specific items. The Directors consider that EBIT and EBITDA reflect the core earnings of the entity, consistent with internal reporting.
2. For an explanation of AASB 16 Leases please refer to Note 1. Summary of significant accounting policies on page 26 of the Annual Report for the year ended 31 December 2020.

After reversing the impact of AASB 16 Leases², 'underlying' Earnings Per Share (EPS) was as follows:

Underlying EPS

	Statutory Half-year 2021 Cents	Reversing AASB 16 Impact Cents	Underlying Half-year 2021 Cents	Underlying Half-year 2020 Cents
Basic and diluted earnings per share	3.90	1.05	4.95	2.09
	\$	\$	\$	\$
Earnings used in calculating EPS				
NPAT from Continuing Operations	1,256,161	335,197	1,591,358	664,317
	Number	Number	Number	Number
Weighted average number of shares	32,178,872	32,178,872	32,178,872	31,833,763

The financial position of the Company, as detailed in the Statement of Financial Position in the financial statements, is sound and is in line with management's expectations.

Mayfield Childcare Limited (ABN: 53 604 970 390)
Interim Report – 30 June 2021

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company that occurred during the half-year not otherwise disclosed in this report or in the accompanying financial statements.

MATTERS SUBSEQUENT TO THE END OF THE HALF-YEAR

The acquisition of a Victorian-based, purpose-built, 70 place centre was completed on 16 July 2021.

The Company has agreed to acquire a Victorian-based, purpose-built, 111 place centre. The purchase will be debt funded, with timing subject to standard licensing approvals and transfers.

No other matter or circumstance has arisen since 30 June 2021 which has significantly affected, or may significantly affect:

- (a) the Company's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Company's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Company expects to continue to execute its business plan, in line with its strategic objectives, as outlined in its 2020 Annual Report. Future growth is expected to come through the continued improvement of existing centres and the acquisition of new, long day childcare centres.

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 on page 8.

This report is made in accordance with a resolution of the directors.



Peter Lowe
Chairman

Melbourne
6 August 2021

PKF Melbourne

PKF

Auditor's Independence Declaration to the Directors of Mayfield Childcare Limited

In relation to our review of the financial report of Mayfield Childcare Limited for the half-year ended 30 June 2021 to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct in relation to the review.



PKF
Melbourne, 06 August 2021



Kenneth Weldin
Partner

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Mayfield Childcare Limited (ABN: 53 604 970 390)
Interim Report – 30 June 2021

Interim Financial Report

For the half-year ended 30 June 2021

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This interim financial report is for Mayfield Childcare Limited ("Mayfield", "Company").

The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Mayfield Childcare Limited is a public company limited by shares, incorporated and domiciled in Australia, and listed on the Australian Securities Exchange since 30 November 2016. Its registered office and principal place of business is:

Suite 2, Ground Floor
207-213 Waverley Road
Malvern East VIC 3145

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

The financial report was authorised for issue by the directors on 6 August 2021. The directors have the power to amend and to reissue the interim financial report.

A copy of this financial report may be obtained from the ASX website (www.asx.com.au).

Mayfield Childcare Limited (ABN: 53 804 970 380)
Interim Report – 30 June 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the half-year ended 30 June 2021

	<i>Note</i>	<i>Half-year 2021 \$</i>	<i>Half-year 2020 \$</i>
Revenue	3	17,484,032	16,471,720
Employees		(11,084,370)	(11,047,762)
Centre operations		(808,688)	(853,779)
Facilities		(545,635)	(600,624)
Administration		(370,106)	(417,963)
Depreciation and amortisation of plant and equipment	4	(321,245)	(240,897)
Depreciation charge on right-of-use assets	7	(1,991,845)	(1,919,243)
Finance costs		(635,115)	(683,371)
Profit before income tax		<u>1,727,028</u>	<u>708,081</u>
Income tax expense		<u>(470,867)</u>	<u>(160,389)</u>
Profit after income tax for the half-year entirely attributable to the owners of Mayfield Childcare Limited		<u>1,256,161</u>	<u>547,692</u>
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the half-year entirely attributable to the owners of Mayfield Childcare Limited		<u>1,256,161</u>	<u>547,692</u>

	<i>Note</i>	<i>Cents</i>	<i>Cents</i>
Basic and diluted earnings per share	10	3.90	1.72

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

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Mayfield Childcare Limited (ABN: 53 604 970 390)
Interim Report – 30 June 2021

STATEMENT OF FINANCIAL POSITION
As at 30 June 2021

	Note	30 Jun 2021 \$	31 Dec 2020 \$
ASSETS			
Current assets			
Cash and cash equivalents		1,655,299	1,569,464
Trade and other receivables		532,735	1,034,217
Prepayments		219,018	268,588
Other		237,500	-
Total current assets		2,644,552	2,872,269
Non-current assets			
Plant and equipment	4	2,729,225	2,558,724
Intangibles	5	39,638,275	39,638,275
Right-of-use assets	7	25,509,594	25,409,674
Deferred tax		971,070	923,941
Total non-current assets		68,848,164	68,530,614
Total assets		71,492,716	71,402,883
LIABILITIES			
Current liabilities			
Trade and other payables		1,531,379	1,323,465
Contract liabilities		970,946	907,917
Borrowings	6	1,057,200	1,599,000
Leases	7	3,466,370	3,441,626
Current tax liabilities		(7,084)	781,933
Provisions		1,678,391	1,682,373
Total current liabilities		8,697,202	9,736,314
Non-current liabilities			
Borrowings	6	8,170,600	8,297,400
Leases	7	23,671,422	23,159,028
Provisions		106,206	106,206
Total non-current liabilities		31,948,228	31,562,634
Total liabilities		40,645,430	41,298,948
Net assets		30,847,286	30,103,935
EQUITY			
Contributed equity		24,229,970	24,100,720
Retained earnings		6,617,316	6,003,215
Total Equity		30,847,286	30,103,935

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

Mayfield Childcare Limited (ABN: 53 604 970 390)
Interim Report – 30 June 2021

STATEMENT OF CHANGES IN EQUITY
For the half-year ended 30 June 2021

	<i>Share Capital</i> \$	<i>Retained Earnings</i> \$	<i>Total</i> \$
Balance as at 1 January 2020	23,839,313	4,718,878	28,558,191
Profit after income tax expense for the half-year	-	547,692	547,692
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	547,692	547,692
<i>Transactions with owners in their capacity as owners</i>			
Contributions of equity (via DRP), net of transaction costs	-	-	-
Dividend payable	-	(2,454,382)	(2,454,382)
Balance as at 30 June 2020	23,839,313	2,812,188	26,651,501
Balance as at 1 January 2021	24,100,720	6,003,215	30,103,935
Profit after income tax expense for the half-year	-	1,256,161	1,256,161
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	1,256,161	1,256,161
<i>Transactions with owners in their capacity as owners</i>			
Contributions of equity (via DRP), net of transaction costs	129,250	-	129,250
Dividend paid	-	(642,060)	(642,060)
Balance as at 30 June 2021	24,229,970	6,617,316	30,847,286

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

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Mayfield Childcare Limited (ABN: 53 604 070 380)
Interim Report – 30 June 2021

STATEMENT OF CASH FLOWS
For the half-year ended 30 June 2021

	Half-year 2021 \$	Half-year 2020 \$
Cash flows from operating activities		
Receipts from customers, including government funding	18,077,809	16,405,316
Payments to suppliers and employees	(12,543,640)	(11,883,596)
	5,534,169	4,521,720
Other receipts	9,271	3,706
Interest paid on lease liabilities	(385,601)	(391,066)
Net interest paid on borrowings	(143,874)	(235,209)
Net income tax paid	(1,307,013)	(491,549)
Net cash inflow from operating activities	3,706,952	3,407,602
Cash flows from investing activities		
Payments for plant and equipment	(499,342)	(650,419)
Payments for purchases of businesses plus associated costs	(237,500)	-
Centre closure costs	(44,403)	-
Proceeds from disposal of plant and equipment	-	455
Net cash outflow from investing activities	(781,245)	(649,964)
Cash flows from financing activities		
Repayment of lease liabilities	(1,658,462)	(1,646,185)
Repayment of borrowings	(668,600)	(1,599,208)
Dividend paid	(510,716)	-
Share issue costs	(2,094)	-
Net cash outflow from financing activities	(2,839,872)	(3,245,393)
Net increase/(decrease) in cash and cash equivalents	85,835	(487,755)
Cash and cash equivalents at the beginning of the half-year	1,569,464	648,960
Cash and cash equivalents at the end of the half-year	1,655,299	161,205

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

Mayfield Childcare Limited (ABN: 53 804 970 380)
Interim Report – 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS For the half-year ended 30 June 2021

Note 1. Summary of significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for 'for profit' entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard (IFRS) IAS 134 *Interim Financial Reporting*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2020 and all public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The financial statements are prepared on a going concern basis and under the historical cost convention.

The preparation of current financial information, and the presentation of any prior reporting period comparatives, is consistent from one reporting period to the next.

Any new, revised or amending Accounting Standards and Interpretations that are not yet mandatory have not been adopted early.

Going concern

Current liabilities exceed current assets at reporting date by \$6.1 million. The ongoing application of AASB 16 *Leases* has required the recognition within the statement of financial position of a current lease liability of \$3.5 million as at reporting date without a concomitant current asset (the right-of-use leased asset being mandated as non-current), however this continues to have no impact upon the economic position of the Company. Despite the 'underlying' (pre-AASB 16) net shortfall in current assets of \$2.6 million, the Company continues to generate positive operational cash flows and continues to be profitable. The Company had up to \$5.2 million (at reporting date) available to be drawn down from its lending facility for working capital requirements and its cash resources are closely monitored.

In considering the pandemic and its expected impact upon the future cash flows of the Company, the directors have assumed that funding will continue to be received from both the federal (CCS) and state (Kindergarten) governments in a timely manner, and in accordance with currently legislated funding models and that occupancy will continue its gradual recovery. Whilst uncertainties in forecasting do and always will exist (and remain greater than would normally be the case), they do not constitute material uncertainty in relation to going concern. Therefore, having regard to all of the above, the directors believe it appropriate to prepare the financial statements on a going concern basis.

Amendments to Accounting Standards and new Interpretations that are mandatory, effective from the current reporting period

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period.

New Accounting Standards and Interpretations published but not yet adopted

There have been no new standards published but not yet adopted that would have a material impact upon either the Company's reported financial performance or its financial position.

Mayfield Childcare Limited (ABN: 53 804 970 390)
Interim Report – 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2021

Note 2. Operating segments

Identification of reportable segments

The Company continues to operate in one operating segment, as a childcare services provider. The Company operates in one geographical region, being Australia and, more specifically, Victoria.

Major customers

The Company did not have any major customers during the half-year ended 30 June 2021, as it earns the majority of its revenue from childcare provided to individual families.

	Half-year 2021 \$	Half-year 2020 \$
Note 3. Revenue		
Childcare services	17,482,355	12,844,711
Other income	1,677	3,168
JobKeeper wages subsidy	-	3,267,000
Property rent reductions	-	310,634
Early termination of property leases	-	46,207
	<u>17,484,032</u>	<u>16,471,720</u>

30 Jun 2021
\$

Note 4. Non-current assets – Plant and equipment

Plant and equipment	
Plant and equipment – at cost	4,090,777
Less: Accumulated depreciation	(1,361,552)
Net book amount	<u>2,729,225</u>
<i>Reconciliation</i>	
Opening net book amount at beginning of half-year	2,558,724
Additions	499,341
Disposals	(7,595)
Depreciation expense	(321,245)
Closing net book amount at end of half-year	<u>2,729,225</u>

Mayfield Childcare Limited (ABN: 53 604 970 380)
Interim Report – 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 30 June 2021

30 Jun 2021
\$

Note 5. Non-current assets – Intangibles

Goodwill – at cost	39,638,275
<u>Reconciliation</u>	
Balance at beginning of half-year	39,638,275
Adjustments during the half-year	-
Balance at end of half-year	39,638,275

The Company did not acquire any centres during the reporting period.
No centres were sold or closed during the reporting period.

Goodwill impairment testing

The Board is not aware of any indicators of potential impairment, determining that no impairment is required to the carrying amount of goodwill at 30 June 2021.

Note 6. Current & Non-current liabilities – Borrowings

Current	1,057,200
Non-current	8,170,600
	9,227,800
<u>Bank Loans</u>	
Balance at beginning of half-year	9,896,400
Net repayments	(668,600)
Balance at end of half-year	9,227,800

Financing arrangements

Bank loans

The bank loans are secured on the assets and undertakings of the Company.

Facility at end of half-year

Total bank loan facility	17,965,400
Less amount used	(9,227,800)
Unused facility	8,737,600

Of the \$8.7 million unused, \$3.5 million is only available for future acquisitions and there are specific criteria which need to be met prior to any draw-down. There have been no events of default on the financing arrangements of the Company during the half-year.

Mayfield Childcare Limited (ABN: 53 604 970 300)
Interim Report – 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 30 June 2021

	Half-year 2021 \$	Half-year 2020 \$	
Note 7. Leases			
(a) Expenses			
Expenses from transactions not recognised as leases:			
Rental expense relating to leases of low-value assets	26,646	26,031	
(b) Cash flows			
Total cash outflow for leases	2,044,063	2,037,251	
(c) Right-of-use assets			
	Property \$	Motor Vehicles \$	Total \$
Right-of-use assets	34,124,889	101,006	34,225,895
Less: Accumulated depreciation	(8,644,798)	(71,503)	(8,716,301)
Net book amount at end of half-year	25,480,091	29,503	25,509,594
Reconciliation			
Opening net book amount at beginning of half-year	25,371,823	37,851	25,409,674
Increase due to addition of next further term upon current term remaining being less than three years	1,701,623	-	1,701,623
Increase due to rent reviews and further terms exercised	345,950	-	345,950
Increase due to re-measurement of lease liabilities upon increase of variable lease payments	44,192	-	44,192
Depreciation charge	(1,983,497)	(8,348)	(1,991,845)
Closing net book amount at end of half-year	25,480,091	29,503	25,509,594
(d) Lease liabilities			
Current		3,466,370	
Non-current		23,671,422	
		27,137,792	

Maturity of Leases

The following table analyses the Company's leases by relevant maturity groupings, based on their contractual maturities – they are not expected to occur significantly earlier than as contracted at reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows.

30 June 2021	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
Leases – Property	4,140,753	4,251,882	11,979,716	9,723,196	30,095,547	27,122,632
Leases – Motor Vehicles	15,164	-	-	-	15,164	15,160
Total Leases	4,155,917	4,251,882	11,979,716	9,723,196	30,110,711	27,137,792

Mayfield Childcare Limited (ABN: 53 604 970 390)
Interim Report – 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS For the half-year ended 30 June 2021

Note 7. Leases (continued)

Additional information

Unavoidable future payments

For the purpose of calculating unavoidable future lease payments, only the current term of each property lease has been considered, unless the option to exercise the next further term falls within 3 years of reporting date, in which case exercise of the next further term is considered to be reasonably certain, thus both the current and subsequent further term lease payments are considered to be unavoidable.

Weighted average property lease term

The average unavoidable property lease term, weighted for the number of licensed places, is 6.6 years. Including all further terms, the weighted average term increases to 22.0 years.

Motor vehicle leases

Motor vehicles are leased over 4 years and the liability includes contracted end-of-lease residual payments.

Note 8. Related party transactions

Transactions with related parties

Management services agreements

No new related party service agreements were entered into during the half-year. No related party revenue has been recognized during the half-year.

Note 9. Events occurring after the reporting period

The acquisition of a Victorian-based, purpose-built, 70 place centre was completed on 16 July 2021.

The Company has agreed to acquire a Victorian-based, purpose-built, 111 place centre. The purchase will be debt funded, with timing subject to standard licensing approvals and transfers.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect, the Company's operations, the results of those operations or the Company's state of affairs in future years.

Note 10. Earnings per share

	Half-year 2021	Half-year 2020
	Cents	Cents
Basic and diluted earnings per share	3.90	1.72
	Number	Number
Weighted average number of shares		
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	32,178,872	31,833,763
	\$	\$
Earnings used in calculating basic and diluted earnings per share ¹		
Profit after tax attributable to the ordinary equity holders of the Company	1,256,161	547,692

1. Earnings have been reduced by the ongoing application of AASB 16 Leases (refer 'underlying' EPS in the Review of Operations, within the Directors' Report, on page 6).

Mayfield Childcare Limited (ABN: 53 604 970 360)
Interim Report – 30 June 2021

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 10 to 18 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Peter Lowe
Chairman

Melbourne
6 August 2021

PKF Melbourne



Independent Auditor's Review Report to the Members of Mayfield Childcare Limited
Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Mayfield Childcare Limited (the Company) which comprises the statement of financial position as at 30 June 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mayfield Childcare Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors of the Company a written Auditor's Independence Declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Regulations 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that causes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 30 June 2021 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mayfield Childcare Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



PKF

Melbourne 06 August 2021



Kenneth Weldin

PKF

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Mayfield Childcare Limited (ABN: 53 804 970 390)
Interim Report – 30 June 2021

Interim Financial Report

For the half-year ended 30 June 2021

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This interim financial report is for Mayfield Childcare Limited ("Mayfield", "Company").

The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Mayfield Childcare Limited is a public company limited by shares, incorporated and domiciled in Australia, and listed on the Australian Securities Exchange since 30 November 2016. Its registered office and principal place of business is:

Suite 2, Ground Floor
207-213 Waverley Road
Malvern East VIC 3145

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

The financial report was authorised for issue by the directors on 6 August 2021. The directors have the power to amend and to reissue the interim financial report.

A copy of this financial report may be obtained from the ASX website (www.asx.com.au).

Mayfield Childcare Limited (ABN: 53 604 970 390)
Interim Report – 30 June 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the half-year ended 30 June 2021

	<i>Note</i>	<i>Half-year 2021 \$</i>	<i>Half-year 2020 \$</i>
Revenue	3	17,484,032	16,471,720
Employees		(11,084,370)	(11,047,762)
Centre operations		(808,688)	(853,779)
Facilities		(545,635)	(600,624)
Administration		(370,106)	(417,963)
Depreciation and amortisation of plant and equipment	4	(321,245)	(240,897)
Depreciation charge on right-of-use assets	7	(1,991,845)	(1,919,243)
Finance costs		(635,115)	(683,371)
Profit before income tax		1,727,028	708,081
Income tax expense		(470,867)	(160,389)
Profit after income tax for the half-year entirely attributable to the owners of Mayfield Childcare Limited		1,256,161	547,692
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year entirely attributable to the owners of Mayfield Childcare Limited		1,256,161	547,692

	<i>Note</i>	<i>Cents</i>	<i>Cents</i>
Basic and diluted earnings per share	10	3.90	1.72

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

Mayfield Childcare Limited (ABN: 53 604 970 390)
Interim Report – 30 June 2021

STATEMENT OF FINANCIAL POSITION
As at 30 June 2021

	Note	30 Jun 2021 \$	31 Dec 2020 \$
ASSETS			
Current assets			
Cash and cash equivalents		1,655,299	1,569,464
Trade and other receivables		532,735	1,034,217
Prepayments		219,018	268,588
Other		237,500	-
Total current assets		2,644,552	2,872,269
Non-current assets			
Plant and equipment	4	2,729,225	2,558,724
Intangibles	5	39,638,275	39,638,275
Right-of-use assets	7	25,509,594	25,409,674
Deferred tax		971,070	923,941
Total non-current assets		68,848,164	68,530,614
Total assets		71,492,716	71,402,883
LIABILITIES			
Current liabilities			
Trade and other payables		1,531,379	1,323,465
Contract liabilities		970,946	907,917
Borrowings	6	1,057,200	1,599,000
Leases	7	3,466,370	3,441,626
Current tax liabilities		(7,084)	781,933
Provisions		1,678,391	1,682,373
Total current liabilities		8,697,202	9,736,314
Non-current liabilities			
Borrowings	6	8,170,600	8,297,400
Leases	7	23,671,422	23,159,028
Provisions		106,206	106,206
Total non-current liabilities		31,948,228	31,562,634
Total liabilities		40,645,430	41,298,948
Net assets		30,847,286	30,103,935
EQUITY			
Contributed equity		24,229,970	24,100,720
Retained earnings		6,617,316	6,003,215
Total Equity		30,847,286	30,103,935

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

Mayfield Childcare Limited (ABN: 53 804 970 300)
Interim Report – 30 June 2021

STATEMENT OF CHANGES IN EQUITY
For the half-year ended 30 June 2021

	<i>Share Capital</i> \$	<i>Retained Earnings</i> \$	<i>Total</i> \$
Balance as at 1 January 2020	23,839,313	4,718,878	28,558,191
Profit after income tax expense for the half-year	-	547,692	547,692
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	547,692	547,692
<i>Transactions with owners in their capacity as owners</i>			
Contributions of equity (via DRP), net of transaction costs	-	-	-
Dividend payable	-	(2,454,382)	(2,454,382)
Balance as at 30 June 2020	23,839,313	2,812,188	26,651,501
Balance as at 1 January 2021	24,100,720	6,003,215	30,103,935
Profit after income tax expense for the half-year	-	1,256,161	1,256,161
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	1,256,161	1,256,161
<i>Transactions with owners in their capacity as owners</i>			
Contributions of equity (via DRP), net of transaction costs	129,250	-	129,250
Dividend paid	-	(642,060)	(642,060)
Balance as at 30 June 2021	24,229,970	6,617,316	30,847,286

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

Mayfield Childcare Limited (ABN: 53 604 970 390)
Interim Report – 30 June 2021

STATEMENT OF CASH FLOWS
For the half-year ended 30 June 2021

	<i>Half-year 2021</i>	<i>Half-year 2020</i>
	\$	\$
Cash flows from operating activities		
Receipts from customers, including government funding	18,077,809	16,405,316
Payments to suppliers and employees	(12,543,640)	(11,883,596)
	5,534,169	4,521,720
Other receipts	9,271	3,706
Interest paid on lease liabilities	(385,601)	(391,066)
Net interest paid on borrowings	(143,874)	(235,209)
Net income tax paid	(1,307,013)	(491,549)
Net cash inflow from operating activities	3,706,952	3,407,602
Cash flows from investing activities		
Payments for plant and equipment	(499,342)	(650,419)
Payments for purchases of businesses plus associated costs	(237,500)	-
Centre closure costs	(44,403)	-
Proceeds from disposal of plant and equipment	-	455
Net cash outflow from investing activities	(781,245)	(649,964)
Cash flows from financing activities		
Repayment of lease liabilities	(1,658,462)	(1,646,185)
Repayment of borrowings	(668,600)	(1,599,208)
Dividend paid	(510,716)	-
Share issue costs	(2,094)	-
Net cash outflow from financing activities	(2,839,872)	(3,245,393)
Net increase/(decrease) in cash and cash equivalents	85,835	(487,755)
Cash and cash equivalents at the beginning of the half-year	1,569,464	648,960
Cash and cash equivalents at the end of the half-year	1,655,299	161,205

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

Mayfield Childcare Limited (ABN: 53 804 970 390)
Interim Report – 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS For the half-year ended 30 June 2021

Note 1. Summary of significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for 'for profit' entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard (IFRS) IAS 134 *Interim Financial Reporting*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2020 and all public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The financial statements are prepared on a going concern basis and under the historical cost convention.

The preparation of current financial information, and the presentation of any prior reporting period comparatives, is consistent from one reporting period to the next.

Any new, revised or amending Accounting Standards and Interpretations that are not yet mandatory have not been adopted early.

Going concern

Current liabilities exceed current assets at reporting date by \$6.1 million. The ongoing application of AASB 16 *Leases* has required the recognition within the statement of financial position of a current lease liability of \$3.5 million as at reporting date without a concomitant current asset (the right-of-use leased asset being mandated as non-current), however this continues to have no impact upon the economic position of the Company. Despite the 'underlying' (pre-AASB 16) net shortfall in current assets of \$2.6 million, the Company continues to generate positive operational cash flows and continues to be profitable. The Company had up to \$5.2 million (at reporting date) available to be drawn down from its lending facility for working capital requirements and its cash resources are closely monitored.

In considering the pandemic and its expected impact upon the future cash flows of the Company, the directors have assumed that funding will continue to be received from both the federal (CCS) and state (Kindergarten) governments in a timely manner, and in accordance with currently legislated funding models and that occupancy will continue its gradual recovery. Whilst uncertainties in forecasting do and always will exist (and remain greater than would normally be the case), they do not constitute material uncertainty in relation to going concern. Therefore, having regard to all of the above, the directors believe it appropriate to prepare the financial statements on a going concern basis.

Amendments to Accounting Standards and new Interpretations that are mandatory, effective from the current reporting period

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period.

New Accounting Standards and Interpretations published but not yet adopted

There have been no new standards published but not yet adopted that would have a material impact upon either the Company's reported financial performance or its financial position.

Mayfield Childcare Limited (ABN: 53 604 970 390)
Interim Report – 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS For the half-year ended 30 June 2021

Note 2. Operating segments

Identification of reportable segments

The Company continues to operate in one operating segment, as a childcare services provider. The Company operates in one geographical region, being Australia and, more specifically, Victoria.

Major customers

The Company did not have any major customers during the half-year ended 30 June 2021, as it earns the majority of its revenue from childcare provided to individual families.

	Half-year 2021 \$	Half-year 2020 \$
Note 3. Revenue		
Childcare services	17,482,355	12,844,711
Other income	1,677	3,168
JobKeeper wages subsidy	-	3,267,000
Property rent reductions	-	310,634
Early termination of property leases	-	46,207
	<u>17,484,032</u>	<u>16,471,720</u>

30 Jun 2021
\$

Note 4. Non-current assets – Plant and equipment

Plant and equipment

Plant and equipment – at cost	4,090,777
Less: Accumulated depreciation	(1,361,552)
Net book amount	<u>2,729,225</u>

Reconciliation

Opening net book amount at beginning of half-year	2,558,724
Additions	499,341
Disposals	(7,595)
Depreciation expense	(321,245)
Closing net book amount at end of half-year	<u>2,729,225</u>

Mayfield Childcare Limited (ABN: 53 604 970 380)
Interim Report – 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 30 June 2021

30 Jun 2021
\$

Note 5. Non-current assets – Intangibles

Goodwill – at cost	39,638,275
<i>Reconciliation</i>	
Balance at beginning of half-year	39,638,275
Adjustments during the half-year	-
Balance at end of half-year	39,638,275

The Company did not acquire any centres during the reporting period.
No centres were sold or closed during the reporting period.

Goodwill impairment testing

The Board is not aware of any indicators of potential impairment, determining that no impairment is required to the carrying amount of goodwill at 30 June 2021.

Note 6. Current & Non-current liabilities – Borrowings

Current	1,057,200
Non-current	8,170,600
	9,227,800
 Bank Loans	
Balance at beginning of half-year	9,896,400
Net repayments	(668,600)
Balance at end of half-year	9,227,800

Financing arrangements

Bank loans

The bank loans are secured on the assets and undertakings of the Company.

Facility at end of half-year

Total bank loan facility	17,965,400
Less amount used	(9,227,800)
Unused facility	8,737,600

Of the \$8.7 million unused, \$3.5 million is only available for future acquisitions and there are specific criteria which need to be met prior to any draw-down. There have been no events of default on the financing arrangements of the Company during the half-year.

Mayfield Childcare Limited (ABN: 53 804 970 380)
Interim Report – 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 30 June 2021

	Half-year 2021 \$	Half-year 2020 \$	
Note 7. Leases			
(a) Expenses			
Expenses from transactions not recognised as leases:			
Rental expense relating to leases of low-value assets	26,646	26,031	
(b) Cash flows			
Total cash outflow for leases	2,044,063	2,037,251	
(c) Right-of-use assets			
	Property \$	Motor Vehicles \$	Total \$
Right-of-use assets	34,124,889	101,006	34,225,895
Less: Accumulated depreciation	(8,644,798)	(71,503)	(8,716,301)
Net book amount at end of half-year	25,480,091	29,503	25,509,594
Reconciliation			
Opening net book amount at beginning of half-year	25,371,823	37,851	25,409,674
Increase due to addition of next further term upon current term remaining being less than three years	1,701,623	-	1,701,623
Increase due to rent reviews and further terms exercised	345,950	-	345,950
Increase due to re-measurement of lease liabilities upon increase of variable lease payments	44,192	-	44,192
Depreciation charge	(1,983,497)	(8,348)	(1,991,845)
Closing net book amount at end of half-year	25,480,091	29,503	25,509,594
(d) Lease liabilities			
Current			3,466,370
Non-current			23,671,422
			27,137,792

Maturity of Leases

The following table analyses the Company's leases by relevant maturity groupings, based on their contractual maturities – they are not expected to occur significantly earlier than as contracted at reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows.

30 June 2021	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
Leases – Property	4,140,753	4,251,882	11,979,716	9,723,196	30,095,547	27,122,632
Leases – Motor Vehicles	15,164	-	-	-	15,164	15,160
Total Leases	4,155,917	4,251,882	11,979,716	9,723,196	30,110,711	27,137,792

Mayfield Childcare Limited (ABN: 53 604 970 360)
Interim Report – 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS For the half-year ended 30 June 2021

Note 7. Leases (continued)

Additional information

Unavoidable future payments

For the purpose of calculating unavoidable future lease payments, only the current term of each property lease has been considered, unless the option to exercise the next further term falls within 3 years of reporting date, in which case exercise of the next further term is considered to be reasonably certain, thus both the current and subsequent further term lease payments are considered to be unavoidable.

Weighted average property lease term

The average unavoidable property lease term, weighted for the number of licensed places, is 6.6 years. Including all further terms, the weighted average term increases to 22.0 years.

Motor vehicle leases

Motor vehicles are leased over 4 years and the liability includes contracted end-of-lease residual payments.

Note 8. Related party transactions

Transactions with related parties

Management services agreements

No new related party service agreements were entered into during the half-year. No related party revenue has been recognized during the half-year.

Note 9. Events occurring after the reporting period

The acquisition of a Victorian-based, purpose-built, 70 place centre was completed on 16 July 2021.

The Company has agreed to acquire a Victorian-based, purpose-built, 111 place centre. The purchase will be debt funded, with timing subject to standard licensing approvals and transfers.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect, the Company's operations, the results of those operations or the Company's state of affairs in future years.

Note 10. Earnings per share

	Half-year 2021	Half-year 2020
	Cents	Cents
Basic and diluted earnings per share	3.90	1.72
	Number	Number
Weighted average number of shares		
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	32,178,872	31,833,763
	\$	\$
Earnings used in calculating basic and diluted earnings per share ¹		
Profit after tax attributable to the ordinary equity holders of the Company	1,256,161	547,692

1. Earnings have been reduced by the ongoing application of AASB 16 Leases (refer 'underlying' EPS in the Review of Operations, within the Directors' Report, on page 6).

Mayfield Childcare Limited (ABN: 53 804 970 300)
Interim Report – 30 June 2021

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 10 to 18 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Peter Lowe
Chairman

Melbourne
6 August 2021

PKF Melbourne



**Independent Auditor's Review Report to the Members of Mayfield Childcare Limited
Report on the Half-Year Financial Report**

Conclusion

We have reviewed the accompanying half-year financial report of Mayfield Childcare Limited (the Company) which comprises the statement of financial position as at 30 June 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mayfield Childcare Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors of the Company a written Auditor's Independence Declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Regulations 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that causes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 30 June 2021 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mayfield Childcare Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



PKF

Melbourne 06 August 2021



Kenneth Weldin

PKF

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Schedule 10 – Escrow Deed

THOMSON GEER
LAWYERS

Escrow Deed

between

Genius Education Holdings Pty Ltd
ACN 653 363 636
(Shareholder)

and

Mayfield Childcare Limited
ACN 604 970 390
(Company)

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This Deed is made on

Parties

- 1 Genius Education Holdings Pty Ltd ACN 653 363 636 of 1 Balmain Street, Cremorne, Victoria, 3121 (Shareholder).
- 2 Mayfield Childcare Limited ACN 604 970 390 of Suite 2, 207 Waverley Road, Malvern East, Victoria, 3145 (Company).

Recitals

- A The Company is admitted to the official list of ASX and its Shares are quoted on ASX.
- B The Shareholder will be issued the Escrow Shares under the Sale Agreement.
- C In order to help promote a stable market for Shares on ASX, the Shareholder undertakes to the Company to be bound by the terms and conditions of this Deed.

It is agreed as follows.

1 Definitions and Interpretation

1.1 Definitions

The following definitions apply unless the context requires otherwise.

ASIC means Australian Securities and Investments Commission;

ASX means ASX Limited ABN 98 008 624 691 or the financial market operated by ASX Limited ABN 98 008 624 691, as the context requires.

Business Day means a day which is not a Saturday, Sunday or a public holiday in Melbourne, Victoria.

Completion means the completion of the sale and purchase of all the shares in the Sale Company under the Sale Agreement.

Completion Date means the date on which Completion occurs.

Corporations Act means the *Corporations Act 2001* (Cth).

Dispose has the meaning given to 'dispose' in the Listing Rules.

Earn Out Consideration means the amount of earn out consideration payable to the Shareholder under the Sale Agreement.

Earn Out EBITDA means the earnings before interest, tax, depreciation and amortisation of the Sale Company for the Earn Out Year, as more particularly defined in the Sale Agreement.

Earn Out Statement means the statement to be prepared under the Sale Agreement setting out the Earn Out EBITDA.

Earn Out Year means the period of 12 months starting on 1 January 2022.

Escrow Period means the period commencing on the Completion Date and ending on:

- (a) in respect of 50% of the Escrow Shares issued under paragraph (a) of the definition of Escrow Shares in this clause 1.1, if the Earn Out EBITDA as set out in the final Earn Out Statement is at least \$8,000,000, the later of the date on which the Earn Out Statement becomes final and at the end of 10 Business Days from the date the Company gives to

ASX financial statements of the Company for the year ending on the last day of the Earn Out Year; or

- (b) in respect of all other Escrow Shares, the Escrow End Date.

Escrow End Date means the second anniversary of the Completion Date.

Escrow Shares means:

- (a) all of the Shares to be issued to the Shareholder at Completion in accordance with the Sale Agreement; and
- (b) 50% of any Shares issued to the Shareholder after Completion under the Sale Agreement that form part of the Earn Out Consideration in accordance with the Sale Agreement.

Holding Lock has the meaning given to 'holding lock' in the Listing Rules.

Issuer Sponsored Subregister has the meaning given to 'issuer sponsored subregister' in the Listing Rules.

Listing Rules means the Listing Rules of ASX (including the ASX Settlement Operating Rules).

Restricted Action has the meaning given to it in clause 2.1.

Sale Agreement means the share sale agreement dated [insert] between the Company and the Shareholder in relation to the sale and purchase of all the shares in the Sale Company.

Sale Company means Genius Education Pty Ltd ACN 653 437 935.

Shares means fully paid ordinary shares in the capital of the Company.

1.2 Interpretation

The following rules apply unless the context requires otherwise.

- (a) Headings are for convenience only and do not affect interpretation.
- (b) The singular includes the plural and conversely.
- (c) A gender includes all genders.
- (d) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (e) A reference to a clause is a reference to a clause of this Deed.
- (f) A reference to an agreement or document (including a reference to this Deed) is to the agreement or document as amended, varied, supplemented, novated or replaced, except to the extent prohibited by this Deed or that other agreement or document.
- (g) Specifying anything in this Deed after the words 'including', 'includes' or 'for example' or similar expressions does not limit what else is included.
- (h) A reference to a party to this Deed or another agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).
- (i) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
- (j) A word or term defined in the Corporations Act has the same meaning in this Deed.

1.3 Conditional on ASIC relief

- (a) This Deed (other than this clause 1.3) is conditional on:
- (i) the Company obtaining relief from ASIC to modify section 609 of the Corporations Act to enable the Company to disregard a relevant interest in the Escrow Shares resulting from the arrangements under this Deed for the purposes of section 606 of the Corporations Act; and
 - (ii) the Company providing a copy of the relief to the Shareholder.
- (b) If the conditions set out in clause 1.3(a) are not satisfied by the Completion Date or such other date as the parties may agree, then this Deed will terminate on that date.
- (c) On termination of this Deed under this clause 1.3, the parties will be under no further obligation to each other and will have no further rights against each other under this Deed except in respect of any breach of this Deed which occurred before termination.

2 Escrow Restrictions

2.1 Shareholder restrictions

During the Escrow Period, the Shareholder must not:

- (a) Dispose of, or agree or offer to Dispose of, any or all of the Escrow Shares;
- (b) create, or agree or offer to create, any security interest in any or all of the Escrow Shares; or
- (c) do or omit to do any act which may have the effect of transferring effective ownership or control of any or all of the Escrow Shares.

(each a Restricted Action), other than in accordance with clause 2.3.

2.2 Issuer Sponsored Subregister

- (a) The Shareholder agrees that the Escrow Shares will be:
- (i) kept on an electronic CHESS subregister; or
 - (ii) held on the Company's Issuer Sponsored Subregister (as that term is defined in the ASX Listing Rules),
- and agrees to the application of a Holding Lock to the Escrow Shares for the Escrow Period or, in respect of any Escrow Shares, until they may be Disposed of or the subject of another Restricted Action permitted by this Deed.
- (b) The Company agrees to do all things necessary to ensure that the Holding Lock is released:
- (i) to the extent necessary to permit Disposals of Escrow Shares and other Restricted Actions permitted by this Deed; and
 - (ii) in full at the conclusion of the Escrow Period.

2.3 Permitted Transfers

During the Escrow Period, the Shareholder may only undertake a Restricted Action if:

- (a) the Restricted Action is required by law (including an order of a court of competent jurisdiction);
- (b) the Shareholder obtains the prior written consent of the Company (which may be withheld by the Company at its absolute discretion);

- (c) the Restricted Action is the acceptance of:
 - (i) a bona fide takeover bid under Chapter 6 of the Corporations Act for all of the Shares in the Company; or
 - (ii) a proportional takeover bid under Chapter 6 of the Corporations Act, provided that:
 - (iii) such acceptance occurs following a public announcement by the Company that the board of directors of the Company recommends a takeover bid; or
 - (iv) the holders of at least 50% of the bid class securities that are not subject to escrow, and to which the offers under the bid relate, have accepted and the Escrow Shares continue to be held on the terms of this Deed if the relevant bid does not become unconditional or does not otherwise proceed;
- (d) the Restricted Action is the transfer or cancellation of the Shares in the Company as part of a scheme of arrangement under Part 5.1 of the Corporations Act, provided that scheme of arrangement takes effect;
- (e) the Restricted Action is in connection with exercising any voting rights attached to the Escrow Shares or a transfer or sale of securities in the Shareholder;
- (f) the Restricted Action is in connection with Shares being bought back under a buy-back that is an equal access scheme or cancelled under an equal capital reduction provided that if any Escrow Shares are not bought back under the equal access scheme or cancelled under the equal capital reduction (as relevant) the Escrow Shares continue to be held on the terms of this Deed; or
- (g) the Restricted Action is in connection with providing a security interest in any Escrow Shares to a bona fide third party financial institution as a security for a loan or other financial accommodation provided that:
 - (i) the Escrow Shares are not transferred to the financial institution during the Escrow Period; and
 - (ii) the financial institution agrees that the Escrow Shares will continue to be held on the terms of this Deed.

2.4 Shareholder to notify Company

If the Shareholder becomes aware:

- (a) that a dealing in any Escrow Shares has occurred, or is likely to occur, during the Escrow Period in breach of this Deed; or
- (b) of any other matter which is likely to give rise to a dealing in any Escrow Shares during the Escrow Period in breach of this Deed,

the Shareholder must notify the Company as soon as practicable after becoming aware of the dealing or those matters giving rise the dealing, and provide full details.

2.5 Providing a security interest under clause 2.3(g)

If at any time prior to the first anniversary of the Completion Date, the Shareholder provides a security interest in any Escrow Shares to a bona fide third party financial institution as a security for a loan or other financial accommodation on the terms of clause 2.3(g), the Shareholder undertakes to use its best endeavours to cause and procure the release of any such security interest over all the Escrow Shares by no later than the first anniversary of the Completion Date.

3 Breach

3.1 Prevention of anticipated breach

The parties acknowledge and agree that if it appears to the Company that the Shareholder may breach this Deed, the Company:

- (a) may take the steps necessary to prevent the breach or to enforce this Deed, as soon as the Company becomes aware of the potential breach; and
- (b) subject to the Listing Rules, may refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Escrow Shares (in addition to the other rights and remedies of the Company).

3.2 Damages insufficient remedy

The parties agree that damages would be an insufficient remedy for breach of this Deed and the Shareholder agrees that the Company is entitled to seek and obtain an injunction or specific performance as a remedy for any actual or threatened breach of this Deed, in addition to any other remedies available to the Company at law or in equity under or independently of this Deed.

4 Representations and Warranties

4.1 Shareholder representations and warranties

The Shareholder represents and warrants that:

- (a) (power) it has power to enter into and comply with all of the terms and conditions of this Deed applicable to it;
- (b) (authority) it has taken all necessary corporate actions and authorisations to permit it to enter into this Deed and to observe all of its terms and no such corporate action or authorisation has since been rescinded or varied;
- (c) (deed effective) this Deed constitutes a legal, valid and binding obligation on it and is enforceable against it in accordance with its terms;
- (d) (Escrow Shares) upon the issue of the Escrow Shares, it will be the legal and beneficial holder of the Escrow Shares; and
- (e) (no encumbrances) upon the issue of the Escrow Shares, the Escrow Shares are free from all encumbrances, security interests and other third party interests or rights.

4.2 Reliance on representations and warranties

The Shareholder acknowledges that the Company has executed this Deed in reliance on the representations and warranties that are made in this clause.

4.3 No representations by the Company

The Shareholder acknowledges that it has not relied and will not rely on any representation statement or promise made by or on behalf of the Company in deciding to enter into this Deed.

5 Notices

Any notice, demand, consent or other communication (Notice) given or made under this Deed:

- (a) must be in writing and signed by a person duly authorised by the sender;
- (b) must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail) or by hand or email to the address or email

address below or the address or email address last notified by the intended recipient to the sender:

(i) to the Company: Suite 2, 207 Waverley Road, Malvern East, Victoria, 3145

Attention: Dean Clarke

Email: dclarke@mayfieldchildcare.com.au

(ii) to the Shareholder: 1 Balmain Street, Cremorne, Victoria, 3121

Attention: Darren Michael Misquitta

Email: darren@sprintcapitalpartners.com

(c) will be taken to be duly given or made:

- (i) in the case of delivery in person, when delivered;
- (ii) in the case of delivery by post, two Business Days after the date of posting (if posted to an address in the same country) or seven Business Days after the date of posting (if posted to an address in another country); and
- (iii) in the case of email, on the day of transmission, provided that the sender does not receive an automated notice generated by the sender's or the recipient's email server that the email was not delivered,

but if the result is that a Notice would be taken to be given or made on a day that is not a business day in the place to which the Notice is sent or is later than 4pm (local time) it will be taken to have been duly given or made at the commencement of business on the next business day in that place.

6 General

6.1 Governing law

This Deed is governed by the laws of Victoria. Each party irrevocably accepts the non-exclusive jurisdiction of courts with jurisdiction there and waives any right to object to the venue on any ground.

6.2 Further assurances

Each party agrees to do all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the provisions of this Deed and the transactions contemplated by it.

6.3 Waiver and exercise of rights

- (a) No failure to exercise nor any delay in exercising any right, power or remedy by a party operates as a waiver. A single or partial exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver is not valid or binding on the party granting that waiver unless made in writing.
- (b) A party may exercise a right or remedy or give or refuse its consent in any way it considers appropriate (including by imposing conditions), unless this Deed expressly states otherwise.

6.4 Entire agreement

This Deed contains the entire agreement of the parties with respect to its subject matter. It sets out the only conduct on which the parties have relied on and supersedes all earlier conduct by the parties with respect to its subject matter.

6.5 Amendment

This Deed may be amended only by another deed executed by all the parties.

6.6 Severability

Any provision of this Deed which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this Deed enforceable, unless this would materially change the intended effect of this Deed.

6.7 Counterparts

This Deed may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

6.8 Costs

Each party must pay its own costs of negotiating, preparing and executing this Deed.

Executed and delivered as a Deed

Executed as a deed by Genius Education Holdings Pty Ltd ACN 653 363 636 in accordance with section 127(1) of the Corporations Act 2001 (Cth):

Director

*Director/*Company Secretary

Name of Director
BLOCK LETTERS

Name of *Director/*Company Secretary
BLOCK LETTERS
*please strike out as appropriate

Executed as a deed by Mayfield Childcare Limited ACN 604 970 390 in accordance with section 127(1) of the Corporations Act 2001 (Cth):

Director

*Director/*Company Secretary

Name of Director
BLOCK LETTERS

Name of *Director/*Company Secretary
BLOCK LETTERS
*please strike out as appropriate

Schedule 11 – EBITDA Schedule

CY22 EBITDA Template

Sales	CONSOL
Sales	
Other revenue	
Before School fees	
After School fees	
School Holiday fees	
Discounts	
Total Sales	
Cost of Goods Sold	
Food	
Nappies	
Other COGS	
Total Cost of Goods Sold	
Employee Costs	
Salary and wages	
Superannuation	
Payroll tax	
Workcover	
Total Employee Costs	
Total Direct Costs	
Gross Profit	
Other Overhead	
Cleaning	
Power, heating, water	
Entertainment	
General	
Insurance	
Office costs	
Vehicle costs	
Plant rental	
Rent	
Repairs & maintenance	
Telephone & Internet	
Technology hire	
Travel	
Rates and taxes	
Total Other Overhead	
Total EBITDA	