



ASX Announcement

ASX Code: NDO

Incubator Child Care Service acquired for \$2.4mil

1 August 2025

Nido Education Limited (ASX: NDO) (**Nido** or **Company**) is pleased to announce it has completed the acquisition of a Service from its incubation pipeline.

Acquired Service Performance Metrics

Acquisition investment	\$2.4m
EBIT (pre-AASB16) impact CY2026	\$0.5m
Licenced Places	82
Opened	Aug 2023



Incubation Explained

Growth Pipeline

Nido has a further 16 trading Services in incubation, 42 sites either in construction or finalising legal agreements and a further 50 sites incubator approved and moving to finalising commercial terms. The pipeline remains strong with circa 100 to 150 new opportunities considered every month.

Nido's de-risked Incubation model

Nido acquires high-performing, purpose-built Services, each fully approved and Nido designed, then managed by Nido from day one. This allows us to grow off-balance-sheet in a controlled, capital-efficient way.

For each acquisition, Nido has the option to acquire at a 4.5x EBIT multiple once acquisition metrics are met. Because we commission and open every Service ourselves, there's no integration risk after acquisition, and quality remains consistent across our network.

Finding a new site

Nido Sources the site, undertakes analysis regarding demand, convenience, capacity, competition and viability. Presents the site to the Incubator for approval. Nido negotiates commercial leasing terms and leasing documentation.

NAED Using its own assessment process, approves the site and associated agreements. Enters into the agreement for lease and the lease agreement.

Opening a Service

Nido receives \$250,000 as an establishment fee when a Service commences trading.

Nido Undertakes all the work from the design of the Service, working with architects, developers and the builders. Nido markets the Service, equips the Service with resources, manages all

recruitment of the employees, and undertakes all training and onboarding. Nido completes all works and applies for the licence to operate each Service.

NAED Funds all aspects of the fit-out and resources for the Service and contracts all the employees.

Managing a Service

Nido receives a per Service management fee of \$120,000 annually.

Nido Manages all operational aspects of the Service day-to-day. This includes human resources, financial management, payroll, operational compliance, maintenance and ensuring it meets the Nido standards. Nido reports to the Incubator through Business Intelligence dashboards, giving NAED full operational visibility.

NAED Funds all aspects of the business, including capex, trading losses and rental bonds.

Nido call option to acquire

Trading up and sale to Nido.

Nido Once a Service achieves the acquisition metrics of an average 80% occupancy and an average \$5,500 EBIT per place over a 6-month period, Nido has a call option, effective for the next 12 months, to acquire the Service at 4.5 x EBIT.

NAED Continues to fund all aspects of the business.

Overview of Nido

What does Nido do?

Nido owns, operates and manages child care Services and manages the development of new Services (leasehold):

- Owns 57 Services (post the acquisition of the incubator Service).
- Manages 50 Services on behalf of third parties, 16 of these are in incubation.

- Manages a pipeline of circa 100 Services at various stages of development.

How does Nido generate revenue?

Nido's revenue streams:

- Child care fees from operating and owning 57 Services.
- Various Government funding for Kindergarten and Service based programs.
- Fees from managing 50 Services (\$100-\$120K per annum per Service).
- Establishment Fees for opening Services for the Incubator, NAED, (\$250K per Service).

-Ends-

This ASX announcement was authorised for release by the Board of Nido Education Limited.

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About Nido

Founded in 2021, Nido Education Limited is a national owner, operator and manager of long day early childhood education and care services, operating under the Nido Early School brand. Visit: www.nidoeducation.edu.au



Stay connected with Nido by joining our Investor Hub where you will receive ASX announcements and Company updates directly in your inbox and can engage with our interactive Q&A feature. Scan the QR code or visit here to sign up: <https://nidoeducation.edu.au/s/3307cc>.