



ASX Announcement

ASX Code: NDO

Nido Education Limited appoints Chief Executive Officer

31 January 2025

Nido Education Limited (ASX:NDO) (**Company** or **Nido**) is pleased to announce the appointment of Adam Lai as the Company's new Chief Executive Officer (**CEO**), effective from Monday, 10 February 2025.

Mr Adam Lai will succeed Mr Mathew Edwards, who had assumed the role of interim CEO. Mr Edwards will continue his duties as Managing Director.

Company Chair, Mark Kerr, said, *"We are delighted to attract someone of Adam's calibre at a time when the Company intends to grow significantly over the next five to eight years."*

Adam brings the skills and experience needed to lead an organisation through the opportunities and complexities that come with significant growth. His appointment reflects our optimism for our business and the organisation we intend to become."

Adam joins from PwC Australia where he was Managing Partner, Sydney. During an 18-year career with PwC, including 12-years as Partner, Adam led pivotal transformation programs and developed expertise across a range of sectors including Healthcare, Financial Services, Professional Services, Transport and Emergency Services.

He is a purpose-led leader, who has actively contributed to several boards and working groups including Crime Stoppers NSW, the National Emergency Communications Working Group, and the European and Australian Business Chamber.

Adam said, *"Nido Education Limited is very well positioned with great people, capabilities, and a unique model that means it can extend the positive impact it has on students and their families, educators and those that work at Nido. I am excited to join the organisation and apply my skills to support the successful execution of its strategy."*

Whilst still in its early years, Nido currently manages and owns 102 child care Centres generating over \$300m in revenue and over \$60m in Centre based EBITDA and is therefore already operating at scale.

"At the heart of Nido, are over 3,500 passionate and dedicated employees across 102 Centres and Centre Support. With a pipeline of 100 Centres in development, we look forward to building Nido into a strong and stable organisation delivering value to families, children, our employees and investors," said Mr Kerr.

Remuneration package

In order to attract the calibre of candidate needed to build and manage an enterprise of significant scale and value, the Board developed a package that rewards performance aligned with the interests of our shareholders, appreciating that this performance is only achieved with motivated and aligned employees.

We offered a base, that the Board believes is commensurate with what the organisation currently manages and what it needs to build and develop over the next five to eight years. This has been coupled with Short Term Incentives that are only achieved through delivering significant results above budget.

One of the key areas of the remuneration package is the CEO's Premium Options with an average exercise price of \$1.50, expiring in seven years. The options cannot be exercised for three years and would require an investment of \$15mil from the CEO. He would likely exercise these options if the share price significantly exceeds the exercise price, with a probable exercise point at \$3.00.

The Board elected to use Premium Options as opposed to performance rights, which are rights to acquire shares at \$0. Premium Options align better with stakeholders, as it requires the CEO to have significant skin in the game and they are only rewarded through growth and stability in the share price.

-Ends-

Mr Adam Lai's profile and details of his employment terms are set out in Appendix A to this ASX announcement.

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

Investor & Media enquiries

Mathew Edwards

P: 02 9712 7444

E: md@nido.edu.au

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

Appendix A

ADAM LAI PROFILE

Prior to his appointment at Nido Education Limited Adam served as the Managing Partner of Sydney at PwC Australia. During his tenure at PwC, he led numerous significant transformations and held various leadership positions, including the global Customer Transformation Solutions leader, Alliances leader and Digital Experience and Analytics leader. In addition to his professional accomplishments Adam has been an active contributor to several boards and working groups including Crime Stoppers NSW, the National Emergency Communications Working Group and the European and Australian Business Chamber. He holds a Bachelor of Commerce and a Masters of Business Law alongside several management and technology certifications.

SUMMARY OF THE KEY TERMS OF THE EXECUTIVE SERVICE AGREEMENT

1. Commencement Date

Mr Lai is appointed to the role of Chief Executive Officer of the Company. Mr Lai's employment will commence on 10 February 2025.

2. Term

The appointment is on an ongoing basis.

3. Remuneration

Fixed remuneration

Mr Lai is entitled to fixed remuneration of the following:

- Sign on bonus: \$300,000 gross, one-off payment (inclusive of superannuation).
- In the first year: \$700,000 gross per annum (exclusive of superannuation).
- In the second year: \$1 million gross per annum (exclusive of superannuation).

Short-term incentive

Mr Lai is entitled to a short-term incentive (**STI**) with a maximum opportunity capped at 100% of Mr Lai's fixed remuneration for that STI year (**On Target STI Amount**), provided that the first STI will be \$1 million gross (on a pro-rata basis based on months of service) inclusive of superannuation.

Payment of any STI will be subject to the financial and non-financial performance of the Company and its controlled entities (**Group**). Mr Lai's performance will be measured against performance targets and priorities set by the Board in consultation with Mr Lai. Participation is in accordance with the rules of the scheme and any applicable Company policy.

Mr Lai may be entitled to a further STI Payment of up to 100% of the On Target STI Amount for that STI Year, in circumstances in which the Board, in its absolute unfettered discretion, determines that Mr Lai has reached a 120% of the specific performance targets for a particular STI Year (**Enhanced STI**). However, if the total enhanced short-term incentive

payments for select senior executives (including Mr Lai's Enhanced STI) (**Enhanced Payments**), exceed 25% of the over performance, Mr Lai would only receive a prorated amount of his Enhanced STI, ensuring that the total Enhanced Payments don't go over 25% of the Company's 20% over performance, leaving 75% of the overall performance benefits for the Company's shareholders.

All or a portion of any STI Payment in a particular STI Year may be paid in cash (net of tax) or as performance rights of Shares, at the Board's discretion.

Long-term incentive

Subject to any approval the Company considers necessary or appropriate, Mr Lai will be entitled to participate in the Company's employee share-based long-term incentive scheme in accordance with the rules of the scheme and any applicable Company policy.

1. Mr Lai will be granted premium options in Shares (**Premium Options**) as follows:
 - (a) Tranche 1 – 4 million Premium Options with an exercise price of \$1.40;
 - (b) Tranche 2 – 3 million Premium Options with an exercise price of \$1.50;
 - (c) Tranche 3 – 2 million Premium Options with an exercise price of \$1.60; and
 - (d) Tranche 4 – 1 million Premium Options with an exercise price of \$1.70.
2. Each of the above tranches of Premium Options will vest on, and be exercisable commencing three years after the Commencement Date for the exercise price specified for each tranche. Each such tranche will expire seven years from the Commencement Date, at which point any unexercised options will not be able to be exercised.
3. Notwithstanding paragraph 2 immediately above:
 - (a) all Premium Options will vest and be exercisable immediately upon a Change in Control;
 - (b) all unvested or unexercised Premium Options will immediately be cancelled and unable to be exercised in the event that the employment is terminated by the Company due to Mr Lai's misconduct; or
 - (c) if Mr Lai resigns from the employment before the Premium Options vest, Mr Lai's ability to exercise the Premium Options will be at the Board's absolute unfettered discretion.

4. Termination

The Company may terminate Mr Lai's employment at any time on six months' notice or payment in lieu of notice. Mr Lai may terminate his employment with the Company at any time on six months' notice or, at the Company's election, payment in lieu of notice. Mr Lai's employment may also be terminated by the Company in circumstances of his misconduct.

5. Restrictive covenant

Mr Lai will be restrained for up to six months after termination of his employment with the Company from being engaged in competition with the Company, and from soliciting Company employees or persuading people who do business with the Company to cease or reduce their business with the Company.