mayfield childcare limited

30 January 2026
ASX Market Release

Quarterly Activities Report & Appendix 4C

Quarterly Highlights

- **Revenue remained consistent with Q3** ($23.7M => $23.8M) as occupancy stabilised and efficiency gains improved throughout, reflecting continued occupancy stability into the month of December 2025.
- **Underlying Centre EBITDA Margin improving from 11% Q3 to 12% Q4** as cost discipline held OPEX flat despite sector pressures.
- **Underlying Centre EBITDA[1]** increased 7% QoQ.
- **Q4 FY25 Underlying Centre EBITDA of $2.9M** compared to $2.7M in Q3 FY25, reflecting improvement in core controls across the business.
- **Spot occupancy[2] improved quarter-on-quarter,** increasing from 64.1% in Q3 to 64.8% in Q4 (+0.7%), for the week beginning 1 December 2025, prior to the seasonal holiday period.
- **Occupancy Growth Rate** pleasingly the velocity at which occupancy grew between August to November 2025 exceeded prior corresponding periods with a 2024 growth rate of 0.6% versus 2025 with a growth rate of 2.2%, +1.6% for the comparison period.
- **Wage to Revenue[3] reduced to 57.8%** in Q4 FY25, reflecting a 0.4 percentage point improvement QoQ from 58.2%, driven by continued rostering and cost discipline.
- **Precious Cargo** continued to be EBITDA positive for the period, reflecting sustained cost discipline and operating stability.

Operations Update

During Q4 Fy25, Mayfield Childcare Limited (ASX:MFD) (**Mayfield**, the **Company** or the **Group**) continued to deliver improved performance executing against its previously communicated plan, with a focus on stability, quality, and disciplined performance across the network. The Group maintained positive trends across October 2025 – December 2025. Showing consistent recovery and stability across underlying centre level margins, cost management, improved rostering discipline and consistent centre level execution.

Occupancy for Q4 across the Group continued to stabilise and strengthen with a growth rate August 2025 – November 2025 of 2.2% compared to listed peer G8[4] that showed a 1.3% increase over the same period.

The Group continued its investment in 2026 growth initiatives with significant spend on marketing across both community and digital platforms to achieve uplift in new family enquiries and pre-enrolment indicators with an improvement in tour flow, family sentiment and conversion metrics. Enrolment metrics continue to improve within the latest reporting data.

1. Underlying Centre EBITDA is a non-statutory financial concept and measures which are not prescribed by Australian Accounting Standards (AAS). The Directors consider that these measures are useful in gaining an understanding of the performance of the entity, consistent with internal reporting. Underlying Centre EBITDA reported in the Quarter ended 31 December 2025 is an unaudited number.
2. Spot Occupancy excludes centres previously marked for divestment in comparative period FY24 and Precious Cargo centres
3. Wage to Revenue for the group excluding acquisition centres (Precious Cargo). At a group level including all centres (WTR 59.8% Q4 FY25)
4. https://g8education.edu.au/investor-information/asx-announcements FY25Trading Update

Precious Cargo continues to stabilise with positive earnings for the quarter and occupancy stabilisation across the portfolio. Precious Cargo is now achieving Underlying Centre EBITDA of $0.1M. With the ability to continue that growth and momentum into 2026.

Quality continued to be a focus for the Group with increased effort, awareness and visibility in the turnaround of previously 'Working Towards' centres under the audit regime delivered by the Department of Education. During the quarter, a centre that had been rated as 'Working Towards' for over eight years or two audit cycles completed its assessment and has been re-rated to 'Meeting'.

The Group is pleased with its progress to deliver customer satisfaction, family support and compliance and quality outcomes as a guiding principle of success and performance.

Underperforming centres identified in previous periods including those that were considered for divestment are being actively managed through the Group's 'Performance Improvement Centre' program. Occupancy in these centres continued to strengthen in line with expectations. As the program concludes, any non-performing centres will be actively managed, with outcomes being actively considered by Management.

Spot Occupancy for the Group improved to 64.8% prior to the holiday period, compared to 64.1% in the previous Q3 update provided by the Company. As a result, the Group delivered underlying Centre EBITDA of **$2.9m** for Q4.

The cost environment remains challenging, with ongoing rising costs across consumables and ordinary items utilised in centres. As the Group reprioritises its pricing methodology and mix, costs are currently being absorbed above the normal level with planned execution of material price improvements targeted for February 2026, targeting increased days for families and underlying improvements in margin and yield across the Group with initial trials proving favourable on a small pilot program of centres.

The Group has incurred additional extraordinary costs in the Quarter with respect to its defence costs associated with the Takeover Bid received from Embark Early Education Limited (ASX:EVO) (**Embark**) (see below). These costs are expected to continue into Q1 FY26.

Operating Cashflows for the Quarter

Net operating cash outflows of $3.0M were driven predominantly by payments totalling $4.12M to eligible employees of amounts received as backpay under the Early Childhood Education and Care (**ECEC**) Worker Retention Payment grant funding. The receipt of the backpay amount was previously reported Q3. Excluding the ECEC backpay amount, the Net operating cash inflow was $1.16M reflecting effective cost control through continued centre staff rostering efficiency, as well as improvements in centre occupancy during the quarter. The outflows also reflected 'one-off' extraordinary costs related to corporate matters associated with the Embark takeover bid.

At the end of the quarter the Group maintained a robust balance sheet, with $0.1M (30 September 2025: $3.2M) of cash and cash equivalents and $1.8M (30 September 2025: $1.6M) drawn down on its borrowing facilities. The movement in the cash position reflects the ECEC backpay in the quarter as detailed above. The Group had $8.1M available under its working capital redraw facility at the quarter end.

Embark Early Education (ASX:EVO) Takeover Bid for Mayfield Childcare Limited

On 7 November 2025, the Group advised that it had received a notice from Embark of its intention to make an off-market takeover bid to acquire all of the fully paid ordinary shares on issue in Mayfield that Embark does not already own (**Proposed Offer**). Embark lodged a Notice of Initial Substantial Holder (**Form 603**) on 29 October 2025 indicating it had recently acquired 19.9% of Mayfield's fully paid ordinary shares.

Under the Proposed Offer, Embark indicated that it will offer Mayfield shareholders the option to receive either:

a. cash price of $0.50 per Mayfield share; or

b. ordinary shares in Embark (**Embark Shares**) with the ratio for the share consideration to be determined on the basis of $0.50 per Mayfield share, with the number of Embark Shares to be offered to be valued subject to Embark relying on ASIC Corporations (**Minimum Bid Price**) Instrument 2015/1068.

On 7 November 2025, Mayfield shareholders were advised to Take No Action in relation to the Proposed Offer and any correspondence received in relation to it, and that a recommendation would be provided in due course.

On 19 December 2025, Embark lodged a Bidder's Statement with ASIC in relation to the Proposed Offer. In its 'Operational Update' on 18 December 2025, the Mayfield Directors advised shareholders to Take No Action upon receipt of Embark's Bidder's Statement which was due for dispatch on 5 January 2026, pending Mayfield's Target's Statement response, including a recommendation to shareholders, to be sent no later than 20 January 2026 .

Since the end of the quarter, on 20 January 2026 Mayfield lodged with ASIC and sent to shareholders a Target's Statement, which contained a unanimous recommendation from the Mayfield Board to reject the takeover offer from Embark.

Board Changes

There were no changes to the Board during the reporting period.

Outlook and Market Conditions

- **Sustained marketing investment to drive occupancy acceleration.**

  Continued investment in marketing is planned into FY26, with Q4 spend of $0.25m expected to be maintained across the full year to support lead generation, improve enquiry conversion, and accelerate occupancy growth.

- **Pricing rectification to protect margins amid cost inflation.**

  Targeted pricing actions will be implemented to improve margins and offset ongoing wage increases and input cost pressures, while maintaining competitiveness and value for families.

- **Elevated child safety standards as a core operating priority**.

  Ongoing investment in child safety initiatives will ensure alignment with heightened regulatory expectations, strengthening supervision, workforce capability, and wellbeing standards across the network.

- **Mayfield 360 launch to unlock scalable earnings growth.**

  The rollout of Mayfield 360 is expected to deliver incremental and scalable earnings as adoption increases, supporting diversification of revenue streams and operating leverage over time.

- **Customer Experience investments.**

  Investment in program and curriculum, community/commercial partnerships and family engagement initiatives will elevate educational quality, strengthen consistency across centres, and enhance child and family experience, supporting retention, reputation, and long-term occupancy.

ASX Additional Information

Payments to Related Parties during the period as detailed in Section 6.1 of the Appendix 4C consisted of Director fees (including superannuation) of $0.054M.

This announcement has been approved for release by the Board.

For further information please contact:

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About Mayfield

Mayfield own and operate 45 childcare centres with over 4,000 registered childcare places across Victoria, Queensland, and South Australia. Our goal at is to deliver exceptional, high-quality services to families by continuously improving our centres and surpassing National Quality Standards. We believe that providing the best education and care will create a positive impact on the lives of families we serve.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

MAYFIELD CHILDCARE LIMITED

ABN	**Quarter ended ("current quarter")**
53 604 970 390	31 December 2025

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	23,739	88,267
1.2	Payments for		
	(a) research and development	0	0
	(b) operating costs	(1,768)	(9,204)
	(c) advertising and marketing	(265)	(472)
	(d) leased assets	(2,180)	(8,702)
	(e) staff costs	(23,185)	(68,587)
	(f) administration and corporate costs	(691)	(2,377)
1.3	Dividends received (see note 3)	0	0
1.4	Interest received	0	0
1.5	Interest and other costs of finance paid (including AASB 16 Leases interest)	(1,368)	(5,557)
1.6	Income taxes paid	(147)	(980)
1.7	Government grants and tax incentives	2,841	9,122
1.8	Other (provide details if material)	13	101
1.9	**Net cash from / (used in) operating activities**	**(3,011)**	**1,611**

Note: the amount included at **1.7** includes funds received under the Early Childhood Education and Care (ECEC) Worker Retention Payment grant funding for eligible employees in addition to an amount received in the prior quarter as backpay for the period from application to funding approval date. The ECEC grant backpay amounts were subsequently paid out to eligible workers in October 2025 upon finalisation of the backpay amounts due to eligible employees. This amount is reflected in **1.2(e)** Staff Costs.

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	0	0
	(b) businesses	0	0
	(c) property, plant and equipment	(417)	(1,519)
	(d) investments	0	0
	(e) intellectual property	0	0
	(f) other non-current assets	0	0
2.2	Proceeds from disposal of:		
	(a) entities	0	0
	(b) businesses	0	0
	(c) property, plant and equipment	0	0
	(d) investments	0	0
	(e) intellectual property	0	0
	(f) other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other (provide details if material)	0	0
2.6	**Net cash from / (used in) investing activities**	**(417)**	**(1,519)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	4,324
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	0	0
3.4	Transaction costs related to issues of equity securities or convertible debt securities	0	0
3.5	Proceeds from borrowings	0	0
3.6	Repayment of borrowings	278	(4,431)
3.7	Transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	0	0
3.9	Other (provide details if material)	0	0
3.10	**Net cash from / (used in) financing activities**	**278**	**(107)**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,238	103
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,011)	1,611
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(417)	(1,519)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	278	(107)
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	**Cash and cash equivalents at end of period**	**88**	**88**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	88	3,238
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**88**	**3,238**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	54
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

The amount at 6.1 includes Director fees (including superannuation) for Directors and any deemed related parties.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	9,814	1,750
7.2	Credit standby arrangements	0	0
7.3	Other (please specify)	0	0
7.4	**Total financing facilities**	0	0

7.5	**Unused financing facilities available at quarter end**	8,064

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

As at 31 December 2025 the Company has two Business Loans as part of its Facility with Westpac Banking Corporation ("Lender") . The loans have a termination date of 31 August 2026. The Facility loans are secured by a first ranking security held by the Lender over the assets and undertakings of Mayfield Childcare Limited and its subsidiaries.

Facility A1: Bank Bill Business Loan Variable Rate (No Redraw)
Available commitment: $1,570,000 (no principal repayments required).
Purpose: Acquisition line to purchase childcare centres (restricted)
Amount drawn at 31 December 2025: $1,570,000
Amount Unused at 31 December 2025: $Nil
Redraw: Not permitted
Interest Rate: 5.26% (Line Fee 1.75%)

Facility A2: Bank Bill Business Loan Variable Rate (Redraw)
Available commitment: $8,244,000 (reducing by $175,000 per month until maturity – no principal repayments required).
Purpose: Working Capital Facility (unrestricted)
Amount drawn at 31 December 2025: $180,000
Amount Unused at 31 December 2025: $8,064,000
Redraw: Permitted
Interest Rate: 5.34% (Line Fee 1.75%)

In addition, Mayfield also has the below facility with its Lender:

Premium Funding Facility – Insurances
Amount Financed (including Finance Costs): $108,707.13
Repayments: 10 equal monthly instalments
Term: 10 months
Interest Rate: Flat rate of 2.95%
Commencement Date: 24 November 2025.

Premium Funding Facility – Insurances
Amount Financed (including Finance Costs): $393,790.91
Repayments: 10 equal monthly instalments
Term: 10 months
Interest Rate: Flat rate of 2.87%
Commencement Date: 29 January 2026.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(3,011)
8.2	Cash and cash equivalents at quarter end (item 4.6)	88
8.3	Unused finance facilities available at quarter end (item 7.5)	8,064
8.4	Total available funding (item 8.2 + item 8.3)	8,152
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	2.71

Note: the amount included at **8.1** includes Early Childhood Education and Care (ECEC) Worker Retention Payment grant funding one-off backpay for the period from application to funding approval date. Excluding the one-off backpay amount of $4.167M, the Net Cash from Operating Activities would have been $1.156M.

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2026
Authorised by: The Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.