Mayfield Childcare Limited

Half-Year Report – Period Ended 30 June 2026

mayfield

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Directors' Report

Your directors present their report on the consolidated entity (referred hereafter as the 'Group') consisting of Mayfield Childcare Limited (**Mayfield** or the **Company**) and the entities it controlled for the half-year ended 30 June 2026.

Directors

The directors of Mayfield in office during the half-year, and at the date of this report, are:

- Roseanne Healy, Independent Non-Executive Director and Chair (appointed Chair 23 January 2025)
- Greg Johnson, Independent Non-Executive Director (appointed Audit & Risk Committee Chair 21 November 2025)
- Ingrid Fraser-Williams, Independent Non-Executive Director (appointed 29 August 2025)
- Gary Scott, Non-Executive Director (appointed 26 May 2026)

Principal Activities

During the year the principal activity of the Group consisted of operating long day childcare (**LDC**) centres located in Victoria, Queensland and South Australia.

Dividends

No dividend has been declared, recommended or paid for the half year ended 30 June 2026.

Review Of Operations

The following tables summarise the key financial metrics for the half-year ended 30 June 2026.

	Group Half-year 2026 $'000	Group Half-year 2025 $'000	Change $'000
Childcare Services Revenue	**41,229**	43,876	(2,647)
Other Income	**67**	46	21
Revenue & other income	**41,296**	43,922	(2,626)
Labour costs	**(25,640)**	(28,248)	2,608
Agency costs	**(173)**	(104)	(69)
Centre operating costs	**(2,751)**	(2,807)	56
Rent and outgoings	**(8,224)**	(8,093)	(131)
Other facilities costs	**(1,434)**	(1,227)	(207)
Head office staff and corporate overheads	**(3,848)**	(3,592)	(256)
Underlying EBITDA[1]	**(774)**	(149)	(625)

Review Of Operations (continued)

After reversing the property leases impact of AASB 16 Leases[2], 'adjusted' NPAT from Continuing Operations was up $8.2 million on the previous corresponding reporting period as follows:

NPAT Adjusted for AASB16	Statutory Half-year 2026 $'000	Reversing AASB 16 Impact $'000	*Adjusted for AASB16 Half-year 2026 $'000*	*Adjusted Half-year 2025 $'000*
EBITDA	6,252	(7,026)	(774)	(149)
Impairment loss	(29,017)	18,101	(10,916)	(19,368)
Depreciation	(6,786)	6,094	(692)	(701)
EBIT	(29,551)	17,169	(12,382)	(20,218)
Finance costs	(2,987)	2,615	(372)	(253)
Tax	678	(506)	172	(263)
NPAT from Continuing Operations	(31,860)	19,278	(12,582)	(20,734)

1. Adjusted, NPAT, NPAT from Continuing Operations, Underlying, EBITDA and EBIT are non-statutory financial concepts 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.
2. For an explanation of AASB 16 Leases please refer to Note 1. Summary of material accounting policies on page 46 of the Annual Report for the year ended 31 December 2025.

After reversing the property leases impact of AASB 16 Leases, 'adjusted' Earnings Per Share1 (EPS) from Continuing Operations improved by 10.81 cents per share as follows:

Underlying EPS	Statutory Half-year 2026 Cents	Reversing AASB 16 Impact Cents	*Adjusted Half-year 2026 Cents*	*Adjusted Half-year 2025 Cents*
Basic and diluted earnings per share	(42.24)	25.56	(16.68)	(27.49)
	$	$	$	$
Earnings used in calculating EPS				
NPAT from Continuing Operations	(31,860,452)	19,278,896	(12,581,556)	(20,733,616)
	Number	Number	Number	Number
Weighted average number of shares	75,424,609	-	75,424,609	75,424,609

1. Adjusted EPS and NPAT from Continuing Operations are non-statutory financial 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.

For further details relating to the financial and operational performance for the period please refer to the Half Year Results announcement for more details.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group 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

Other than as disclosed in Note 15, no other matter or circumstance has arisen since 30 June 2026 which has significantly affected, or may significantly affect:

(a) the Group's operations in future financial years, or

(b) the results of those operations in future financial years, or

(c) the Group's state of affairs in future financial years.

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 6.

This report is made in accordance with a resolution of the directors.

Roseanne Healy

Independent Non-Executive Director and Chair

Date: 31 August 2026

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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF MAYFIELD CHILDCARE LIMITED

In relation to our review of the interim consolidated financial report of Mayfield Childcare Limited for the half year ended 30 June 2026, I declare to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(b) no contraventions of any applicable code of professional conduct.

This declaration is made in respect of Mayfield Childcare Limited and the entities it controlled during the period.

PKF

PKF
Melbourne, 31 August 2026

Kaitlynn Brady

Kaitlynn Brady
Partner

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Financial Report

This interim financial report is for the consolidated entity (referred hereafter as the **Group**) consisting of Mayfield Childcare Limited (**Mayfield** or **Company**) and its subsidiaries.

The financial statements are presented in Australian dollars, which is the Group’s functional and presentation currency.

Mayfield is a public company limited by shares, incorporated and domiciled in Australia, and listed on the Australian Securities Exchange (ASX) since 30 November 2016. Its registered office and principal place of business is:

Suite 1, Level 3
108 Power Street
Hawthorn VIC 3122

A description of the nature of the Group’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 31 August 2026. 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 websites of either the ASX (www.asx.com.au) or Mayfield at www.investor.mayfield.com.au

Consolidated statement of comprehensive income
For the half-year ended 30 June 2026

	Note	**Half-year 2026** **$**	*Half-year 2025* *$*
Revenue	3	**41,296,350**	43,922,010
Employee costs		**(28,044,451)**	(30,709,238)
Centre operations costs		**(3,008,754)**	(2,961,077)
Facilities costs		**(2,631,026)**	(2,433,207)
Administration costs		**(1,360,789)**	(1,081,239)
Depreciation and amortisation of plant and equipment	6	**(691,858)**	(700,774)
Depreciation charge on right-of-use assets	11	**(6,094,133)**	(5,971,377)
Impairment loss	4	**(29,016,794)**	(19,367,999)
Finance costs		**(2,986,763)**	(2,802,922)
(Loss) before income tax		**(32,538,218)**	(22,105,823)
Income tax benefit / (expense)		**677,766**	227,867
(Loss) after income tax for the half-year entirely attributable to the owners of Mayfield Childcare Limited		**(31,860,452)**	(21,877,956)
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		**(31,860,452)**	(21,877,956)

	Note	***Cents***	***Cents***
Basic and diluted earnings per share	16	(42.24)	(29.01)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 30 June 2026

	Note	**30 Jun 2026**	*31 Dec 2025*
		$	*$*
ASSETS			
Current assets			
Cash and cash equivalents		**194,617**	87,697
Trade and other receivables	5	**4,463,690**	2,769,805
Prepayments		**681,601**	708,845
Total current assets		**5,339,908**	3,566,347
Non-current assets			
Plant and equipment	6	**4,486,726**	4,292,953
Intangible assets	7	**52,102,850**	63,018,956
Right-of-use assets	11	**128,233,191**	140,410,229
Security deposit		**5,300**	5,300
Deferred tax asset	8	**7,414,769**	6,725,310
Total non-current assets		**192,242,836**	214,452,748
Total assets		**197,582,744**	218,019,095
LIABILITIES			
Current liabilities			
Trade and other payables	9	**5,237,825**	5,391,081
Contract liabilities		**1,319,902**	1,506,406
Borrowings	10	**5,546,000**	1,848,126
Leases	11	**9,327,018**	9,359,294
Current Tax Liabilities		**63,097**	144,528
Provisions		**4,724,198**	4,984,566
Total current liabilities		**26,218,040**	23,234,001
Non-current liabilities			
Leases	11	**154,577,524**	146,145,111
Provisions		**249,728**	242,079
Total non-current liabilities		**154,827,252**	146,387,190
Total liabilities		**181,045,292**	169,621,191
Net assets		**16,537,452**	48,397,904
EQUITY			
Contributed equity	12	**65,098,216**	65,098,216
Retained earnings		**(48,560,764)**	(16,700,312)
Total Equity		**16,537,452**	48,397,904

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated statement of changes in equity
For the half-year ended 30 June 2026

	Share Capital $	Retained Earnings $	Equity Reserves $	Total $
Balance as at 1 January 2025	60,774,016	4,677,729	8,080	65,459,825
(Loss) after income tax expense for the half-year	-	(21,877,956)	-	(21,877,956)
Total comprehensive income for the half-year	-	(21,877,956)	-	(21,877,956)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (Note 12(b))	4,324,200	-	-	4,324,200
Performance rights forfeited by employees (Note 12(f))	-	-	(8,080)	(8,080)
Balance as at 30 June 2025	65,098,216	(17,200,227)	-	47,897,989
Balance as at 1 January 2026	**65,098,216**	**(16,700,312)**	**-**	**48,397,904**
(Loss) after income tax expense for the half-year	-	(31,860,452)	-	(31,860,452)
Total comprehensive income for the half-year	-	(31,860,452)	-	(31,860,452)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (Note 12(b))	-	-	-	-
Balance as at 30 June 2026	**65,098,216**	**(48,560,764)**	**-**	**16,537,452**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows
For the half-year ended 30 June 2026

	Note	**Half-year 2026 $**	*Half-year 2025 $*
Cash flows from operating activities			
Receipts from customers, including government funding		**43,698,887**	43,746,322
Payments to suppliers and employees		**(39,733,765)**	(37,106,030)
		3,965,122	6,640,292
Other receipts		**52,463**	46,431
Interest paid on lease liabilities		**(2,651,651)**	(2,549,839)
Net interest paid on borrowings		**(360,488)**	(250,392)
Net income tax refunded / (paid)		**(93,123)**	(832,775)
Net cash inflow from operating activities		**912,323**	3,053,717
Cash flows from investing activities			
Payments for plant and equipment		**(885,631)**	(433,672)
Net cash (outflow) from investing activities		**(885,631)**	(433,672)
Cash flows from financing activities			
Proceeds from issue of shares (net of transaction costs)	12(b)	**-**	4,324,200
Net proceeds from drawdown / (repayment of) borrowings	10	**3,697,874**	(2,330,063)
Receipt of lease incentives from lessors	11(b)	**800,000**	-
Repayment of lease liabilities	11(b)	**(4,417,646)**	(4,336,607)
Net cash inflow / (outflow) from financing activities		**80,228**	(2,342,470)
Net increase / (decrease) in cash and cash equivalents		**106,920**	277,575
Cash and cash equivalents at the beginning of the half-year		**87,697**	102,997
Cash and cash equivalents at the end of the half-year		**194,617**	380,572

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements
For the half-year ended 30 June 2026

Note 1. Summary of significant accounting policies

These general purpose financial statements are for the consolidated entity (**Group**) consisting of Mayfield and its subsidiaries for the half-year reporting period ended 30 June 2026. They 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 34 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 2025 and all public announcements made by the Group during the half-year 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

The Group recorded a net statutory loss of $31.9 million for the period, or $2.8 million excluding non-cash impairment losses (30 June 2025: $21.9 million, or $2.5 million excluding non-cash impairment losses). The Group's current liabilities exceed current assets at reporting date by $20.9 million (31 December 2025: $19.7 million). This included $9.3 million of lease liabilities which are expected to be settled through operating cash flows earned in the next twelve months.

The Current Liabilities includes a $5.4 million working capital facility classified as Current at balance date as the loan facility was due to terminate on 31 August 2026. Subsequent to the end of the current reporting period, the Lender has provided an extension of the finance Facility until 3 September 2027 as the parties work through the standard process of establishing a new Facility.

As disclosed in Note 10, subsequent to the Reporting Period end, the Company notified its Lender that it would likely be non-compliant with certain financial covenants for the reporting period ended 30 June 2026. The Group's covenant reporting is on a six-monthly basis for the previous rolling twelve months and thus reflects the challenging trading conditions primarily in the form of lower than forecast occupancy, capped fee increases as required under the ECEC Worker Retention Payment grant and inflationary cost pressures experienced through CY25 and continuing into CY26. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the group's ability to continue as a going concern.

Notwithstanding the above, the interim half year report has been prepared on a going concern basis which contemplates the continuity of normal business activity and the realisation of assets, settlement of liabilities through the normal course of business. In adopting this position, the directors have had regard to the following:

- The Group has prepared cash flow forecasts for the 12 month period from the date of the report demonstrating the Group's capacity to improve the underlying business performance. These forecasts reflect the Group continuing to generate improved net operational cash inflow, and be profitable and cashflow positive, for the next 12 months from the date of this report.
- The forecast is based on what the Board considers reasonably achievable assumptions related to key business drivers including: fee increases already implemented, maintaining low centre staff 'wage to revenue' ratios via rostering initiatives already implemented, reducing the Group's overhead costs and other Board-approved strategic initiatives.
- subsequent to the current Reporting Period, the Company completed a $3.0 million (before fees) capital raising via a non-renounceable rights issue of 7,365,301 fully paid ordinary shares to existing shareholders ("rights issue"). Net proceeds of $2.8 million were received from the rights issue, significantly strengthening the Company's financial position.
- The Company continues to have the support of shareholders and institutions to raise capital to fund the business strategic plans and initiatives as demonstrated by the non-renounceable rights issue completed in August 2026.

Note 1. Summary of significant accounting policies (continued)

- Subsequent to the end of the current reporting period, the Lender has confirmed that it will not cancel or recall the facilities solely as a consequence of the non-compliance within a 12 month period from the signing of the 30 June 2026 half year Financial Report provided that there are no further breaches of covenants or undertakings by the Group and no events of default.
- Subsequent to the end of the current reporting period, the Lender has confirmed an extension of the finance Facility until 3 September 2027 as the parties work through the standard process of establishing a new Facility. The Extension terms and conditions remain largely similar to the existing Facility Agreement. The Company has a strong and well-established relationship with its Lender and expects to finalise the new Facility during the extension period. Refer to Note 10 for further details of the extension.
- In the event that the Group requires additional funding to support its operations and obligations over the 12 month period from the date of this report, the Group has a range of available options to utilise including but not limited to support from the Group's existing lender as noted above. In the unlikely event that this does not eventuate, the Business has access to alternate Lenders given the Group's strong history of earnings and a strong realisable asset base of Childcare Centres;
- Should the above assumptions of the directors either individually or in the aggregate not come to fruition, there is a heightened risk the group may be unable to pay its debts as and when they fall due. If the Group is unable to continue it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different to those stated in the interim half-year report. The interim half-year report does not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

Amendments to Accounting Standards and new Interpretations that are mandatory, effective from the current reporting period
The Group 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.

Any new, revised or amending Accounting Standards and Interpretations that are not yet mandatory have not been adopted early.

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 Group's reported financial performance or its financial position.

Note 2. Operating segments

Identification of reportable segments
The Group continues to operate in one operating segment, as a long day childcare services provider.

The Group continues to operate in one geographical segment, being Australia.

Major customers
The Group did not have any major customers during the half-year ended 30 June 2026, as it earns the majority of its revenue from childcare services provided to individual families. However, the Group is reliant on continued funding received from the Australian Government through the Department of Education under the Child Care Subsidy (CCS) program. Refer to Note 18.

Note 3. Revenue

	Half-year 2026 $	*Half-year 2025 $*
Revenue from contracts with customers		
Childcare services	**41,228,887**	43,875,579
Other income		
Other income	**67,463**	46,431
	41,296,350	43,922,010

Note 4. Impairment Expense

	Half-year 2026 $	*Half-year 2025 $*
Impairment of goodwill (refer to note 7)	**(10,916,106)**	(19,367,999)
Impairment of Right of Use Assets (refer to note 11)	**(18,100,688)**	-
	(**29,016,794**)	(19,367,999)

Note 5. Current assets - Trade and other receivables

	Half-year 2026 $	*31 Dec 2025 $*
Trade receivables net of provision for impairment	**2,312,217**	1,520,361
GST receivable (net)	**180,141**	195,775
Other receivables	**1,971,332**	1,053,669
	4,463,690	2,769,805

Note 6. Non-current assets – Plant and equipment

	Half-year 2026 $	*31 Dec 2025 $*
Plant and equipment		
Plant and equipment – at cost	**11,823,098**	10,937,467
Less: Accumulated depreciation	**(7,336,372)**	(6,644,514)
Net book amount	**4,486,726**	4,292,953

Reconciliation	
Opening net book amount at beginning of half-year	**4,292,953**
Additions	**885,631**
Depreciation expense	**(691,858)**
Closing net book amount at end of half-year	**4,486,726**

Note 7. Non-current assets – Intangible assets

			30 June 2026 $
	Goodwill at cost	**Other IP assets**	**Total**
Opening net book value	**62,992,684**	**26,272**	**63,018,956**
Less impairment losses	**(10,916,106)**	**-**	**(10,916,106)**
Closing net book value	**52,076,578**	**26,272**	**52,102,850**

Goodwill impairment testing

Goodwill is allocated to a single cash-generating unit (CGU), consistent with the Group's one operating segment. The recoverable amount of the CGU is based on value-in-use calculations using cash flow projections from financial forecasts approved by the Board for the 18 months immediately following the reporting date, and cash flows beyond that period extrapolated to a 5-year outlook.

The assumptions used for the current reporting period may differ from the assumptions in the past or next reporting period as internal and external circumstances and expectations change. The Group has made assumptions about current economic factors including in

Note 7. Non-current assets – Intangible assets (continued)

addition to assumptions around centre wages and childcare fees for the period beyond the Federal Government funded ECEC Worker Retention Payment grant – there is currently a two year grant period until 30 June 2028. Childcare fees are capped during the grant period and as such the Group has made assumptions factoring this over the forecast period.

The cash flow projections are highly sensitive to changes in forecast inputs. The calculation is most sensitive to the following assumptions:

- Childcare Fee growth in the outlook period of 5% – 8.25% (31 Dec 25: 5% to 7%)
- Occupancy growth in the post forecast outlook period -1.0% – 0.5% (31 Dec 25: 2%)
- Employee expenses growth over the outlook period of 4% - 8.26% (31 Dec 25: 3.3% to 5%)
- All other expenses growth over the outlook period of 3.25% – 4.5% (31 Dec 25: 3.25% - 4.5%)
- Discount rate (pre-tax) of 14.5% (31 Dec 25: 13.5%); and
- Terminal growth rate of 2.25% (31 Dec 25: 2.25%)

At reporting date, the Directors assessed the underlying performance of the CGU and gave consideration to against previous forecasts and assumptions for the Value in Use calculations for the reporting period ended 31 December 2025. Noting the challenges faced by the Group and the sector in general, the Directors have approved more conservative assumptions at 30 June 2026 as noted above and as a result, the Group recognised impairment losses of $10,916,106 at 30 June 2026.

Note 8. Non-Current assets – Deferred tax assets

	30 June 2026	*31 Dec 2025*
	$	*$*
Deferred tax comprises temporary differences attributable to:		
Property leases	**5,271,199**	4,528,253
Employee benefits and other expenses	**1,848,392**	1,927,582
Share issue costs	**52,452**	59,826
Impairment of receivables	**264,021**	273,807
Audit fee accrual	**24,000**	19,500
Expense deductible in future periods	**130,540**	115,103
Prepayments	**(25,932)**	(16,807)
Property, plant & equipment	**(149,903)**	(181,954)
	7,414,769	6,725,310

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. There is significant judgement required in determining the recoverability of deferred tax assets given the Group has recorded a statutory loss for the current period, however Management believes that forecast future taxable income will be sufficient to recover deferred tax assets recognised at 30 June 2026.

Note 9. Current liabilities - Trade and other payables

	30 June 2026	*31 Dec 2025*
	$	*$*
Trade payables	**1,040,104**	954,781
Accrued employee liabilities	**3,274,181**	2,093,648
Other payables	**923,540**	2,342,652
	5,237,825	5,391,081

Note 10. Current & Non-current liabilities – Borrowings

	30 June 2026 $	31 Dec 2025 $
Current	**5,546,000**	1,848,126
	5,546,000	1,848,126
Bank Loans		
Balance at beginning of half-year	**1,848,126**	
New facilities entered into	**393,941**	
Net drawdowns/(repayments)	**3,303,933**	
Balance at end of half-year	**5,546,000**	

Financing arrangements

Bank loans

The loans are secured on the assets and undertakings of the Group.

Facility at end of half-year		
Total bank loan facility	**8,764,000**	9,814,000
Less amount used	**(5,357,000)**	(1,750,000)
Unused loan facility	**3,407,000**	8,064,000

Included In the $5.5 million balance at reporting date was $189,000 of premium funding facilities relating to annual Directors & Officers Insurance and Early Learning Insurance policies.

The Group had up to $3.4 million at reporting date available to be drawn down from its lending facility for working capital requirements. The amount drawn down under the Facility ($5.4 million) has been classified as current as the loan facility was due to terminate on 31 August 2026.

During the period, the following adjustments to the facilities agreed during the period, effective 30 June 2026:

- Removal of the $357,000 monthly facility limit reductions
- Reduction of the commitment limit (and associated fees) on the Acquisition Facility to the $1.6m currently drawn.

Subsequent to the current reporting period, the Group notified its Lender that it was likely to be non-compliant with its financial covenants under its Finance Facility. The Group's covenant reporting is on a six-monthly basis for the previous rolling twelve months and thus reflects the challenging trading conditions primarily in the form of lower than forecast occupancy, capped fee increases as required under the ECEC Worker Retention Payment grant and inflationary cost pressures experienced through CY25 and continuing into CY26. The Lender has confirmed that it will not cancel or recall the facilities solely as a consequence of the non-compliance within a 12 month period from the signing of the 30 June 2026 half year Financial Report provided that there are no further breaches of covenants or undertakings by the Group, no events of default and that both parties work towards renewing the facility.

The relevant ratios where the Company has reported to its Lender that was likely non-compliant is:

- The Group's Fixed Charge Cover Ratio (FCCR). The covenant requires the FCCR to be not less than 1.50 times. The FCCR is calculated as the sum of: EBITDA (where EBITDA is adjusted to exclude the application of AASB 16 Leases), plus operating lease expense, plus rent expense divided by the sum of: gross interest expense, plus operating lease expense, plus rent expense.
- The Group's Financial Debt to EBIT Ratio (FDER). The covenant requires the FDER to be less than 3.25 times. The FDER is calculated as the sum of: Business Loan facilities, Bank Guarantees issued and Insurance Premium Funding facilities divided by EBIT (where EBIT is adjusted to exclude the application of AASB 16 Leases) plus adjustments to annualised EBIT for any business acquired or disposed of.

There remains a risk that the Group may not comply with the FCCR covenant in its upcoming covenant reporting period ended 31 December 2026, in which case the liabilities could otherwise become repayable within twelve months after the reporting period. Should this eventuate, the Group will liaise with the lender accordingly.

Note 10. Current & Non-current liabilities – Borrowings (continued)

Facility Extension

Subsequent to the end of the current reporting period, the Lender has confirmed an extension of the Finance Facility until 3 September 2027 to allow sufficient time for the parties to work through the standard process of renewing the Facility. The Extension terms and conditions remain largely similar to the existing Facility Agreement, although the lender has agreed to update the covenants to better match the size and financial position of the Company. In particular, the FDER covenant has been removed and the occupancy covenant has been re-baselined to agree with Mayfield's most recent forecast to 31 December 2026. Should Mayfield fall 1% below the occupancy forecast for two consecutive periods, this would trigger a review by the bank.

There were no adjustments to the facility limit, interest rates or fees and no principal repayments are due in accordance with the Facility Agreement.

Assets pledged as security

The bank loan of $5.4 million (31 December 2025: $1.8 million) is secured by a first ranking security held by the Lender over the assets and undertakings of Mayfield Childcare Limited and its wholly owned subsidiaries.

Bank guarantee facility

The guarantees are secured on the assets and undertakings of the Group.

	30 June 2026	*31 Dec 2025*
	$	*$*
Facility at end of half-year		
Total bank guarantee facility	**4,500,000**	4,500,000
Less amount used	**(4,496,818)**	(4,393,434)
Unused guarantee facility	**3,182**	106,566

Note 11. Leases

	30 June 2026	*30 Jun 2025*
	$	*$*
A. Expenses		
Expenses from transactions not recognised as leases:		
Rental expense relating to leases of low-value assets	**31,114**	26,764
B. Cash flows		
Incentives received from lessors in relation to various lease renewals	**800,000**	-
Total cash outflow for leases	**(7,069,297)**	(6,886,446)
Net cash outflows for leases	**(6,269,297)**	(6,886,446)

	30 June 2026	*31 Dec 2025*
	$	*$*
C. Right-of-use assets		
Right-of-use assets	**185,915,469**	191,998,375
Less: Accumulated depreciation	**(57,682,278)**	(51,588,146)
Net book amount at end of half-year	**128,233,191**	140,410,229

Note 11. Leases (continued)

Reconciliation	
Opening net book amount at beginning of half-year	**140,410,229**
Increase due to addition of next further term	**11,695,006**
Increase due to remeasurement of lease liabilities upon increase of variable lease payments	**322,777**
Impairment losses	**(18,100,688)**
Depreciation charge	**(6,094,133)**
Closing net book amount at end of half-year	**128,233,191**

D. Lease liabilities		
Current	**9,327,018**	9,359,294
Non-current	**154,577,524**	146,145,111
Balance at end of half-year	**163,904,542**	155,504,405

Maturity of Cash Flows

The following table analyses the Group'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 2026	**Within 1 year $**	**Between 1 and 2 years $**	**Between 2 and 5 years $**	**Over 5 years $**	**Total contractual cash flows $**	**Carrying amount of lease liabilities $**
Property Leases	**14,321,611**	**14,601,898**	**42,691,807**	**131,886,534**	**203,501,850**	**163,904,542**

31 December 2025	Within 1 year $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Total contractual cash flows $	Carrying amount of lease liabilities $
Property Leases	14,008,950	14,207,483	39,231,828	126,083,118	193,531,379	155,504,405

Impairment of Right of Use Assets

The Group reviews at each reporting date whether any indicators of impairment exist. During the period, the Group tested the carrying value of the Right of Use Asset at a centre that has temporarily ceased operations, to measure recoverable Value in Use (VIU). The VIU was calculated using a forecast of cash flows including fee income, wages and other centre expenses. As a result, impairment losses of $18.1 million were recognised against Right of Use Assets during the current reporting period.

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 11.7 years. Including all further terms, the weighted average term increases to 24.4 years.

Note 12. Contributed equity

(a) Share capital

The share capital account of the Company consists of 75,424,609 fully paid up, ordinary shares as at 30 June 2026.

Ordinary shares entitle the holder to participate in dividends, and the proceeds on winding up of the Company, in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting of the Company, either personally or by duly authorised representative, proxy or attorney, is entitled to one vote and, upon a poll, each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(b) Movements in ordinary share capital

Movements in the ordinary share capital of the Company during the current reporting period were as follows:

Date	Details	**Number of shares**	Amount $
1 Jan 2026	Opening balance	**75,424,609**	65,098,216
	No movement during the period	-	-
30 Jun 2026	Closing balance	**75,424,609**	65,098,216

Subsequent to the current Reporting Period, the Company completed a $3.0 million (before fees) capital raising via a non-renounceable rights issue of 7,365,301 fully paid ordinary shares to existing shareholders ("rights issue"). Net proceeds of $2.8 million were received from the rights issue, significantly strengthening the Company's financial position.

(c) Dividend Reinvestment Plan (DRP)

The Company has established a Dividend Reinvestment Plan (DRP) under which holders of ordinary shares may elect to have all or part of their dividend entitlement satisfied by the issue of new ordinary shares, rather than by being paid in cash. Whether or not the DRP is offered to shareholders in relation to a declared dividend is at the discretion of the Board.

(d) Dividends

No dividend has been declared, recommended or paid for the reporting period ended 30 June 2026.

(e) Share options

There were no unissued ordinary shares of Mayfield under option at 30 June 2026.

There were no ordinary shares of Mayfield issued on the exercise of options during the half-year.

(f) Performance rights

During the period, 67,901 Performance Rights previously granted by the Company to Chris Hayes (former Chief Financial Officer) lapsed at the time of his resignation (effective 17 April 2026) as a result of the condition of continued service having not been met. The Performance Rights were previously recognised at $nil value due to the improbable likelihood of meeting all performance conditions attached to the Performance Rights.

No other performance rights were granted during the period.

Note 13. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(b) of the Notes to the Consolidated Financial Statements of the Group for the year ended 31 December 2025:

Name of entity	Country of incorporation	Class of shares	June 2026 %
Mayfield Early Education Pty Ltd	Australia	Ordinary	100
Mayfield Childcare 360 Pty Ltd[1]	Australia	Ordinary	100

1.Mayfield Childcare 360 Pty Ltd was incorporated on 26 March 2026

Note 14. Related party transactions

Parent entity
The parent entity of the Group is Mayfield Childcare Limited.

Subsidiaries
Please refer to Note 13 for details of the Company's interests in subsidiaries.

Transactions with related parties
No other related party centre service agreements were entered into during the year.

Other Significant Related Party Matters

Embark Early Education takeover bid

On 7 November 2025, Embark Early Education Limited (Embark) announced its intention to make an off-market takeover offer for all of the ordinary shares in Mayfield Childcare Limited (Mayfield) that it did not already own.

Embark subsequently lodged a replacement Bidder's Statement and opened the offer on 5 January 2026. At the commencement of the offer, Embark held approximately 19.9% of Mayfield's issued ordinary shares.

On 20 January 2026, Mayfield issued its Target's Statement. The independent directors unanimously recommended that shareholders reject the offer, having concluded that the offer did not adequately reflect the value and prospects of Mayfield.

During the offer period, Embark waived the minimum acceptance condition and certain other conditions attaching to the offer. The offer closed at 7.00 pm AEDT on 5 March 2026 and was not extended.

Following completion of the share-registry reconciliation process, Embark reported that it had received acceptances in respect of 22,555,015 Mayfield shares. Together with the shares already held by Embark, this resulted in Embark having a relevant interest in 49.80% of Mayfield's issued ordinary shares at the end of the offer period.

As Embark did not acquire more than 50% of Mayfield's issued shares and did not reach the threshold required to compulsorily acquire the remaining shares, Mayfield remains a separately listed entity following the close of the offer. The change in Mayfield's share ownership did not itself result in the recognition or derecognition of any assets or liabilities in the consolidated financial statements.

Following the close of the offer, Embark nominated Gary Scott, an employee of Embark, for election to Mayfield's Board. Mr Scott was elected as a non-executive director at Mayfield's annual general meeting held on 26 May 2026. The Board determined that Mr Scott was not independent because of his employment by, and nomination by, Embark.

Note 14. Related party transactions (continued)

Directors Assessment

The Directors have undertaken significant procedures to satisfy themselves to the above matters, and to the best of their knowledge are of the opinion that relevant matters have been disclosed in line with AASB 124 Related Party Disclosures. Notwithstanding this, the Directors acknowledge the inherent challenges in verifying the completeness and accuracy of these disclosures.

Note 15. Events occurring after the reporting period

Non-renounceable Rights Issue

Subsequent to the current Reporting Period, the Company completed a $3.0 million (before fees) capital raising via a non-renounceable rights issue of 7,365,301 fully paid ordinary shares to existing shareholders (“rights issue”). Net proceeds of $2.8 million were received from the issue, significantly strengthening the Company’s financial position.

Westpac Loan facility extension

Subsequent to the end of the current reporting period, the Lender has confirmed an extension of the finance Facility until 3 September 2027 as the parties work through the standard process of renewing the Facility. The Extension terms and conditions remain largely similar to the existing Facility Agreement, although the lender has agreed to update the covenants to better match the size and financial position of the Company. In particular, the occupancy covenant has been re-baselined to agree with Mayfield’s most recent forecast to 31 December 2026. Should Mayfield fall 1% below the occupancy forecast for two consecutive periods, this would trigger a review by the bank.

There were no adjustments to the facility limit, interest rates or fees and no principal repayments are due in accordance with the Facility Agreement.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect, the Group’s operations, the results of those operations or the Group’s state of affairs in future years.

Note 16. Earnings per share

	Half-year 2026 Cents	*Half-year 2025 Cents*
Basic and diluted earnings per share	**(42.24)**	(29.01)
	Number	*Number*
Weighted average number of shares		
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	**75,424,609**	75,424,609
Earnings used in calculating basic and diluted earnings per share		
(Loss) after tax attributable to the ordinary equity holders of the Group	**(31,860,452)**	(21,877,956)

Note 17. Contingencies

Other provisions include $401,484 (31 December 2025: $401,484) to reflect historical amounts received in funding that Mayfield may not have been entitled to receive, due to a non-compliant fee billing policy implemented in 2018. This amount has previously been recorded as a reduction to Childcare Services revenue. This policy has since been rectified. The Company has continued to work with the relevant Government Department to attempt to resolve the matter, although there had been no further updates as at 30 June 2026. Subsequent to the end of the half-year, the Department issued a debt notice to acknowledge an outstanding balance of $470,426 with no interest or penalties, however both the amount and payment terms are still being negotiated.

Other than the above, the Group has no contingent liabilities as at reporting date (31 December 2025: None).

Note 18. Economic Dependency

Mayfield Childcare Limited is economically dependent on funding received from the Australian Government through the Department of Education under the Child Care Subsidy (**CCS**) program. CCS funding represents a significant portion of the Group's cash inflows (FY26 HY: $26.4 million, HY25: $29.4 million) and is essential to the ongoing operations of the Group.

The Company manages its compliance and fit and proper requirements as required with relevant regulatory bodies to manage this dependency.

Directors’ Declaration

In the directors’ opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 ‘Interim Financial Reporting’, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- the attached financial statements and notes give a true and fair view of the Consolidated Entity’s financial position as at 30 June 2026 and of its performance for the half-year ended on that date; and
- there are reasonable grounds to believe that the Group 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.

Signed

Roseanne Healy
Independent Non-Executive Director and Chair

Date: 31 August 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MAYFLIED 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') and its controlled entities (collectively 'the Group'), which comprises the consolidated statement of financial position as at 30 June 2026, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the 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 does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the financial position of the Group as at 30 June 2026, and of its consolidated financial 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*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the half-year financial report, which indicates that the Group incurred a statutory loss of $31.9 million, including impairment expense of $29 million, for the period ended 30 June 2026 and, as at that date, the Group's current liabilities exceeded its current assets by $20.9 million. Subsequent to period end, the Group completed a rights issue, with net proceeds of $2.8 million received on 27 August 2026. In addition, the Group executed an extension of its existing banking facility, extending the expiry date to 3 September 2027. The revised facility includes amended covenant requirements, including the achievement of forecast occupancy targets that are monitored and reported monthly. Management has considered these events, together with the matters described in Note 1, in assessing the Group's ability to continue as a going concern. As disclosed in Note 1, these events and conditions, along with the other matters set out in that note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity.* Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half year Financial Report* section of our report.

We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ('the Code') that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Group, would be in the same terms if given to the Directors as at the time of this auditor's review report.

Responsibilities of the Directors 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 the Australian Accounting Standards and the *Corporations Regulations 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities 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. ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2026 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*.

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

Kaitlynn Brady

PKF

Melbourne, 31 August 2026

Kaitlynn Brady

Partner