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## Directors' Report

The Directors present their report on the consolidated entity (referred hereafter as the 'Group') consisting of Mayfield Childcare Limited ('Mayfield' or 'the Company') and the entity it controlled during, and at the end of, the year ended 31 December 2025.

### Directors

The following persons were Directors of Mayfield Childcare Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

- 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)
- Daniel Stone, CEO (appointed interim Managing Director 22 August 2025, reverted to CEO 29 August 2025)
- Ingrid Fraser-Williams, Independent Non-Executive Director (appointed 29 August 2025)
- Heidi Beck, Independent Non-Executive Director (resigned 23 January 2025)
- David Niall, Chair and Non-Executive Director (resigned 23 January 2025)
- Lubna Matta, Non-Executive Director (appointed Executive Director 23 January 2025, reverted to Non-Executive Director effective 1 July 2025 and resigned 22 August 2025)

### 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.

### Review of operations and financial performance

#### *Financial Performance*

Childcare Revenue for the consolidated Group increased by 3.7% to \$91.5 million (2024: \$88.3 million), driven primarily by the contribution of Precious Cargo group of centres acquired in the second half of the previous year.

The Group's Underlying EBITDA of \$2.3million (2024: \$5.8 million), reflected a softer first-half trading and margin compression due to rising input costs and abnormal costs outside the business forecasts related to corporate and other portfolio costs.

Underlying Centre EBITDA was \$9.6million (2024: \$11.9 million), materially impacted by lower occupancy, wage inflation, and the underperformance within the Precious Cargo portfolio that was acquired in August 2024

The Statutory NPAT loss of \$21.4 million (2024: \$0.2 million profit), included a non-cash goodwill impairment of \$19.4 million following revised value-in-use assumptions and more conservative forward forecasts being applied.

#### *Operations*

Group occupancy improved through the second half, with Year-to-Date occupancy of 54% (2024: 61%). While occupancy remains below prior corresponding period levels, momentum strengthened in the second half, reflecting improved enrolment conversion, marketing execution and centre-level accountability initiatives. While occupancy remains below prior period levels, it reflects relative improvement throughout the year and recent momentum with family engagement and conversions to enrolment provides greater confidence heading into FY26 with a continued focus on family engagement and local area activation that is expected to support further occupancy gains into FY26.

The Group also saw workforce efficiency gains driven by tighter roster management and workforce initiatives aimed at improving labour stability and reducing reliance on external staffing.

Following CEO Daniel Stone's commencement on 31 March 2025, management intensified its focus on:

- operational discipline;
- cost management particularly across key contracted suppliers; and
- centre-level accountability.



## Review of operations and financial performance (continued)

The second half of the year reflected improved execution, with month-on-month gains in centre performance, tighter labour control and stabilising margins at both centre and group levels.

The Group remains firmly focused on delivering meaningful new experiences, diversifying revenue opportunities, and driving innovation across child outcomes, safety and team capability.

The Group views current sector headwinds not as constraints, but as an opportunity to reset and refine our approach. Families are increasingly seeking more than standardised programs delivered by the same teams in newer buildings. They are looking for connection, support, and experiences that genuinely prepare their children for the future.

While sessional kindergarten models present competitive challenges, they also reinforce the need for innovation.

The Directors and management are committed to rebuilding momentum and positioning the business to exceed expectations across all key measures. Importantly, the Group is well underway in the turnaround.

### *Embark Early Education (ASX:EVO) (Embark) off-market Takeover Offer*

On 7 November 2025, the Group advised the ASX and ASIC 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).

On 7 November 2025, Mayfield shareholders were advised by the Directors 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. For further details in relation to the 'Takeover' Offer' refer to the Subsequent Events section of the Financial Report.

## Material risks

Mayfield identifies and manages risks in accordance with the Group's Risk Management Framework. The Group has, through the application of the Risk Management Framework, identified material strategic, operational and financial risks which could adversely affect achievement of the Group's strategic objectives.

| RISK                                                                                                                                                                                                                                                                                                                                | MITIGATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Child Protection Safety &amp; Compliance</b><br>The safeguarding and protection of children in care is a cornerstone principal of the Company. Failures may result in harm to children, staff, financial loss and reputational damage. Loss of childcare license and approvals would impact ability to continue service offering | <ul style="list-style-type: none"> <li>Changes to the regulatory environment have been introduced across the industry requiring the Group to adapt as required. As an approved childcare provider, the Department of Education keeps the Company and its National Quality and Compliance Manager apprised of upcoming regulatory changes and conducts regular training.</li> <li>The CEO ensures that any material regulatory changes are brought to the attention of the Board at the Company's monthly Board meeting.</li> <li>Centre managers lead by area managers, the quality and compliance team and senior management have a clear line of responsibility and reporting in the safeguarding and protection of children in care.</li> <li>Regular review of policies and procedures and periodic staff training to ensure compliance with regulatory requirements.</li> <li>Proactive reporting to the Department of Education to meet and exceed its compliance obligations.</li> <li>Appointment of a National Quality and Compliance Manager to further enhance its compliance focus.</li> </ul> |



**Material risks (continued)**

|                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Government Funding</b></p> <p>Reductions in Government funding could impact affordability and consequently, demand for childcare. Any adverse change to funding levels or eligibility settings could affect enrolments and profitability</p> | <ul style="list-style-type: none"> <li>• Government funding for the industry has bi-partisan support and is recognised as a key factor in driving female workforce participation and bolstering the broader economy.</li> <li>• Government continues to improve affordability by removing rebate caps and increasing rebates.</li> <li>• Government is funding a wage increase for the ECEC workforce through a worker retention payment.</li> <li>• The payment runs for 2 years commencing from December 2024 and will fund:             <ul style="list-style-type: none"> <li>◦ a wage increase of 15% above the modern award rates</li> <li>◦ a minimum additional 20% funding for eligible on-costs, (calculated against your base funding).</li> </ul> </li> <li>• Providers opt-in by applying for the payment. The payment will be issued to eligible providers through a grant agreement and delivered via the Child Care Subsidy System. Providers must pass the payment on to eligible ECEC workers. The Company has successfully applied for the Grant in the current reporting period.</li> </ul> |
| <p><b>Financial</b></p> <p>Loss of access to debt funding could impact growth opportunities.</p>                                                                                                                                                   | <ul style="list-style-type: none"> <li>• Strong banking relationships and access to capital markets as an alternate source of funding.</li> <li>• Whilst the Group has managed its debt well, it has notified its lender of instances on non-compliance with banking covenants in recent reporting periods. The Lender continues to offer its support under the Facility.</li> <li>• Ability to manage the Group's balance sheet stability through the issuance of scrip to vendors.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p><b>Leasehold</b></p> <p>Deterioration in leasehold terms could impact underlying business value.</p>                                                                                                                                            | <ul style="list-style-type: none"> <li>• Long term lease arrangements ensure stability of leasehold terms; the weighted average lease term for the Group is 11.3 years.</li> <li>• Diversification of landlords across both single property owners and sophisticated institutions.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p><b>Competition</b></p> <p>Increased competition could impact business performance.</p>                                                                                                                                                          | <ul style="list-style-type: none"> <li>• The Early Childhood Education &amp; Care industry is highly fragmented with no single operator able to stifle competition.</li> <li>• Local Supply growth has increased requiring concentration on workforce management and family engagement which the Company regularly reviews and manages.</li> <li>• Regular review of the portfolio of centres and establishment of a Portfolio Improvement program for centres deemed underperforming key performance indicators set by Management.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p><b>Management and Staffing</b></p> <p>Inability to retain and attract staff could impact business performance and level of activity.</p>                                                                                                        | <ul style="list-style-type: none"> <li>• Offering centre staff career pathways throughout the Group drives retention.</li> <li>• Geographic positioning allows centres to share staff and rely less on external casual recruitment to meet demand.</li> <li>• Centralised head office functions reduce centre level burden and allows further capacity at a centre.</li> <li>• Group pays above award salaries for critical roles.</li> <li>• Focus on reward and recognition programs and staff benefits continues to drive overall satisfaction and retention.</li> <li>• Group utilises referral programs and sign-on incentives to drive talent acquisition.</li> <li>• The Company has successfully applied for the ECEC worker retention Grant in the current reporting period. The Grant aims to fund a 10% (year 1) and subsequent 5% increase (year 2) above award wages. This is a Federal Government initiative to support the childcare industry through worker retention.</li> </ul>                                                                                                               |



**Material risks (continued)**

|                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Margins</b></p> <p>Increase to centre expenses, wages and lease costs could compress margins.</p>                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>• The Group reviews its pricing model annually and has the ability to raise its average daily fees to improve its margins subject to fee caps where applicable.</li> <li>• Scale of the Group drives cost efficiencies and ability to compete favourably with smaller operators.</li> <li>• Almost half of the Group's leaseholds stipulate fixed fee increases p.a. which provides a level of protection in an inflationary environment.</li> <li>• The Group actively manages its portfolio of centres and divests financially underperforming centres as required.</li> </ul> |
| <p><b>Acquisition Performance</b></p> <p>Underperformance of acquisitions could be earnings dilutive.</p>                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>• New acquisitions are assessed with a bottom-up forecast model which utilises the extensive data on file from the Group's existing centres and prior acquisitions.</li> <li>• As part of new acquisition due diligence, the Group verifies the integrity of the data provided by vendors using third-party sourced systems.</li> <li>• The Company regularly reviews its Acquisitions and Due Diligence process to ensure it remains fit for purpose and identifies and manages risks inherent in any acquisition.</li> </ul>                                                   |
| <p><b>Cyber Risks</b></p> <p>Cyber related attacks are an inherent risk faced by every organisation and the financial and operational impact that this can have on an organisation is very high. Accordingly, as a material business risk it requires constant management and risk mitigation.</p> | <ul style="list-style-type: none"> <li>• The Company implements access controls to limit user privileges. Only authorised personnel have access to critical systems and sensitive data.</li> <li>• Outsourcing critical systems security and management to professional managed IT service providers.</li> <li>• The Company utilises accredited third party providers for the provision of data management.</li> <li>• The Board has an active program to review all systems and business IT and Cyber security policies, procedures and risk management.</li> </ul>                                                   |

MAYFIELD CHILDCARE LIMITED (ABN: 53 604 970 390)

DIRECTORS' REPORT AND ANNUAL FINANCIAL STATEMENTS – 31 DECEMBER 2025

### Non-IFRS Financial Information

The following tables summarise the key financial metrics for the year ended 31 December 2025:

|                                        | 2025<br>\$'000 | 2024<br>\$'000 | Change<br>\$'000 |
|----------------------------------------|----------------|----------------|------------------|
| Childcare Services                     | 91,412         | 87,156         | 4,256            |
| Insurance and Other Income             | 140            | 1,152          | (1,012)          |
| Childcare Revenue                      | 91,522         | 88,308         | 3,244            |
| Labour Costs                           | 57,167         | 53,769         | 3,398            |
| Agency Costs                           | 336            | 474            | (138)            |
| Operating Expenses                     | 5,810          | 6,042          | (232)            |
| Rent & Outgoings                       | 16,109         | 13,893         | 2,216            |
| Other Facilities Costs                 | 2,538          | 2,196          | 342              |
| Centre EBITDA                          | 9,592          | 11,934         | (2,342)          |
| Head office staff & related costs      | 7,253          | 6,164          | 1,089            |
| EBITDA excluding the impact of AASB 16 | 2,339          | 5,770          | (3,431)          |

| <b>NPAT Adjusted for AASB16</b> | Statutory<br>Full Year 2025<br>\$'000 | Reversing<br>AASB 16<br>\$'000 | Adjusted for<br>AASB16<br>Full Year 2025<br>\$'000 | Statutory<br>Full Year 2024<br>\$'000 |
|---------------------------------|---------------------------------------|--------------------------------|----------------------------------------------------|---------------------------------------|
| EBITDA <sup>1</sup>             | 16,066                                | (13,726)                       | 2,340                                              | 17,536                                |
| Depreciation                    | (13,455)                              | 12,009                         | (1,446)                                            | (11,967)                              |
| Impairment loss                 | (19,368)                              | -                              | (19,368)                                           | -                                     |
| EBIT                            | (16,757)                              | (1,717)                        | (18,474)                                           | 5,569                                 |
| Finance costs                   | (5,511)                               | 5,024                          | (487)                                              | (5,276)                               |
| Tax                             | 890                                   | (992)                          | (102)                                              | (53)                                  |
| NPAT from Continuing Operations | (21,378)                              | 2,315                          | (19,063)                                           | 240                                   |
| NPAT                            | (21,378)                              | 2,315                          | (19,063)                                           | 240                                   |

1. Adjusted, NPAT, NPAT from Continuing Operations, 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. Material accounting policies on page 32 of the Annual Report for the year ended 31 December 2025.

After reversing the property leases impact of AASB 16 Leases<sup>2</sup>, 'adjusted' NPAT from Continuing Operations was down 859.8% on the previous corresponding reporting period as follows:



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### Non-IFRS Financial Information (continued)

After reversing the property leases impact of AASB 16 Leases, underlying Earnings Per Share (EPS) was down 29.13 cents per share or 758.6% as follows:

| Underlying EPS                                | Statutory<br>Full Year 2025<br>Cents | Reversing<br>AASB 16<br>Cents | Underlying<br>2025<br>Cents | Statutory<br>Full Year 2024<br>Cents |
|-----------------------------------------------|--------------------------------------|-------------------------------|-----------------------------|--------------------------------------|
| Basic and diluted (loss) / earnings per share | (28.36)                              | 3.07                          | <b>(25.29)</b>              | 0.37                                 |
|                                               |                                      |                               |                             | \$                                   |
| Earnings used in calculating EPS              | (21,378,041)                         | 2,314,912                     | <b>(19,063,129)</b>         | 239,643                              |
| Net Profit After Tax (NPAT)                   | (21,378,041)                         | 2,314,912                     | <b>(19,063,129)</b>         | 239,643                              |
|                                               |                                      |                               |                             | Number                               |
| Weighted average number of shares             | 75,370,702                           | -                             | <b>75,370,702</b>           | 65,586,617                           |

### Dividends

No dividend has been declared or paid for the year ended 31 December 2025. In the prior reporting period, on 30 August 2024 the Company declared an interim dividend for the half-year ended 30 June 2024 of 0.5 cents per ordinary share, fully franked, with a record date of 5 September 2024.

### Matters subsequent to the end of the year

*Embark Early Education (ASX:EVO) (Embark) off-market Takeover Offer*

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.

On 5 February 2026 Embark gave Mayfield notice under section 650F(1) of the Corporations Act declaring the offer free from the following conditions:

- (a) the minimum acceptance condition set out in clause 9.1(a) of Appendix 1 of the Bidder's Statement; and
- (b) the satisfaction of all ASX Listing Rule requirements condition set out in clause 9.1(d) of Appendix 1 of the Bidder's Statement.

On 25 February 2026, Embark gave Mayfield notice under section 650F(1) of the Corporations Act declaring the offer free from the following condition:

- (a) the no prescribed occurrence condition set out in clause 9.1(b) of Appendix 1 of the Bidder's Statement.

On 26 February 2026, Embark gave Mayfield notice under section 630(3) of the Corporations Act regarding the status of defeating conditions of the offer. Embark notified that:

- (a) all defeating conditions have been fulfilled or waived under section 650F(1) of the Corporations Act, and the offer is unconditional, except for the quotation condition set out in clause 9.1(c) of Appendix 1 to the Bidder's Statement, which cannot be waived pursuant to section 625(3)(d) of the Corporations Act and is not a defeating condition in accordance with section 625(3) of the Corporations Act (as modified by ASIC Corporations (Takeover Bids) Instrument 2023/683).
- (b) Embark's voting power in Mayfield is 20.45%.

Embark's offer for Mayfield is scheduled to close on 5 March 2026 at 7:00pm (Sydney) time, unless extended or withdrawn.

On 27 February 2026, Embark notified the ASX via a 'Notice of change in substantial holder' that it had increased its voting power in Mayfield to 23.35%.

#### Other matters

Subsequent to the end of the reporting period, the Board has approved a strategic plan to actively seek divestment of several underperforming centres.



MAYFIELD CHILDCARE LIMITED (ABN: 53 604 970 390)

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## **Matters subsequent to the end of the year (continued)**

No other matter or circumstance has arisen since 31 December 2025 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.

## **Likely developments and expected results of operations**

The Group expects to continue to execute its business plan, in line with its strategic objectives, which includes both organic growth and the acquisition of additional childcare centres.



## Director's Details

Further information regarding the Directors of Mayfield Childcare Limited, during the whole of the financial year and up to the date of this report is as follows:

| Roseanne Healy,<br>GAICD (International)<br>(appointed Chair 23 January 2025)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Greg Johnson,<br>GAICD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Ingrid Fraser-Williams,<br>GAICD, INSEAD<br>(appointed 29 August 2025)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Independent Non-Executive Director<br>Chair of the Board                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Independent Non-Executive Director<br>Chair of the Audit & Risk Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Independent Non-Executive Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Bachelor of Economics/Arts and<br>Bachelor of Laws (University of<br>Adelaide); Master of Business Research<br>(Commerce); Master of Business<br>Administration (University of Adelaide);<br>and GAICD, International.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Bachelor of Educational Studies (Monash<br>University); Master of Health<br>Administration (University of New South<br>Wales); and international governance<br>directors programme (INSEAD).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Experience and expertise                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Experience and expertise                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Experience and expertise                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <p>Roseanne Healy has over 20 years of experience in corporate advisory and investment banking. She began her career at JBWere in the resources and IPO divisions, contributing commercial, legal, and risk expertise to support investment strategy. She has since held CEO, executive, and advisory roles across public and private companies, with deep capability in corporate transactions, operational discipline, and performance.</p> <p>Roseanne is currently the Managing Director of Enterprise Corporation, a boutique advisory and private equity firm. She is also an experienced Chair and Non-Executive Director, with board roles spanning ASX-listed, private, and statutory organisations across infrastructure, banking, resources, and funds management.</p> <p>Roseanne presently serves as Chair of Money Management Group and as a Non-Executive Director of the CMV Group, the Murray Darling Basin Authority, and Australian Grain Technologies Pty Ltd.</p> | <p>Greg Johnson has more than 30 years' experience in the funds management industry. He has held senior capital raising and client relationship roles at Macquarie, Perpetual, and Dimensional and has led Operations and Client Service teams at Deutsche Bank, Credit Suisse and Macquarie Funds Management. His last fulltime role was as a partner and Executive Board member of Apostle Funds Management.</p> <p>Greg is an experienced director and former Chair of an ASX-listed company. He is currently a Non-Executive Director of the South Sydney Rabbitohs MemberCo and of Greyhound Racing New South Wales.</p> <p>Greg is an active member of the Australian Institute of Company Directors (AICD) and has received directorship qualifications.</p> | <p>Ingrid Fraser-Williams is an experienced CEO and Chair with more than 20 years' experience as a Non-Executive Director within health, community services, aged care, disability, including large Not-For-Profit organisations. Ingrid has held senior management roles and directorships in ASX listed companies, Not-For-Profit and private businesses, as well as membership-based organisations, and government business enterprises at both state and federal levels. Ingrid's work has taken her from the coal face of local operations through to the boardrooms of national peak bodies. Working in both regional and capital city geographies.</p> <p>Ingrid has focused on turning around underperforming businesses, improving operating efficiency and asset management, and balancing the demands of regulatory compliance, investor aspirations and community and consumer expectations.</p> <p>Ingrid is currently Chair of genU, a large national organisation providing disability, aged, employment and training services. She also sits on the board of a private dental aggregator business.</p> |
| Current directorships of other listed companies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Current directorships of other listed companies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Current directorships of other listed companies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Former directorships of other listed companies (last 3 years)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Former directorships of other listed companies (last 3 years)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Former directorships of other listed companies (last 3 years)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Gladiator Resources Limited (ASX: GLA) – resigned with effect 31 March 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Interests in Company shares and options                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Interests in Company shares and options                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Interests in Company shares and options                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 50,000 Fully Paid Ordinary Shares (Shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 50,000 Fully Paid Ordinary Shares (Shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |



MAYFIELD CHILDCARE LIMITED (ABN: 53 604 970 390)

DIRECTORS' REPORT AND ANNUAL FINANCIAL STATEMENTS – 31 DECEMBER 2025

## Director's Details (continued)

Further information regarding the Directors of Mayfield Childcare Limited, during the whole of the financial year and up to the date of this report is as follows:

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Daniel Stone</b><br><b>Chief Executive Officer and Interim Managing Director</b><br><b>(Appointed Interim Managing Director 22 August 2025, resigned 29 August 2025, reverted to CEO)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Lubna Matta</b><br><b>Non-Executive Director</b><br><b>(appointed Executive Director 23 January 2025; reverted to Non-Executive Director 1 July 2025; resigned 22 August 2025)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>David Niall</b><br><b>Non-Executive Director</b><br><b>(resigned 23 January 2025)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Chief Executive Officer and Interim Managing Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Non-Executive Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Non-Executive Director and Chair                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Bachelor of Business in Marketing and Finance (Bond University)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Bachelor of Laws (LLB) (Monash University)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Bachelor of Science (Hons.) (University of Melbourne); Master Business Administration (Harvard Business School) and GAICD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Experience and expertise</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Experience and expertise</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Experience and expertise</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <p>Daniel Stone brings extensive senior leadership experience within the childcare and OSHC sectors. He has held a number of senior roles, most recently as Chief Operating Officer and Deputy CEO at TheirCare Pty Ltd, a provider of Outside School Hours Care (OSHC) at 497 locations with a team of over 3,600 employees. In this position, Daniel played a key role in supporting the growth of the business from 220 locations at the start of his tenure in 2022, leading change and operational activities to support significant growth, while delivering enhanced operational efficiency and driving commercial growth.</p> <p>Prior to joining TheirCare, Daniel worked in finance and operations leadership roles within KidsCo Australia as General Manager OSHC, Junior Adventures Group as General Manager Partnerships and Camp Australia as General Manager Operations.</p> <p>Daniel is a purposeful leader who balances commercial imperatives with core strengths in leading large, geographically dispersed teams, and engaging successfully across diverse stakeholder groups.</p> | <p>Lubna holds a Bachelor of Laws degree from Monash University and is a highly accomplished entrepreneur and corporate advisor with extensive experience in business acquisitions, divestments, and greenfield site development. As the founder and owner of a successful chain of independently operated supermarkets and liquor stores, Lubna has played a key role in shaping the independent grocery sector.</p> <p>She has served on multiple Metcash Limited Committees and the Victorian Retailer State Board, contributing to strategic industry discussions and policy development. With a deep understanding of market trends and consumer behaviour, Lubna has been instrumental in forging partnerships with online logistics providers to revolutionise on-demand grocery fulfillment—a model now widely adopted across the supermarket and liquor industries.</p> <p>With over 15 years of expertise in legal, corporate advisory, and business growth, Lubna specialises in developing and scaling businesses that cater to local community needs, driving innovation, and delivering sustainable commercial success.</p> | <p>David is an experienced executive and company Director.</p> <p>David brings over 30 years of experience in developing and implementing strategy with a focus on growth and value creation.</p> <p>David brings strategic knowledge and skillsets across risk management and governance, people and culture and building successful teams.</p> <p>David has a deep knowledge of high growth and early-stage companies with extensive experience in developing and launching innovative products.</p> <p>David has been responsible for establishing and driving implementation of complex strategic programs across the telecommunications, technology, childcare and management consulting industries.</p> |
| <b>Current directorships of other listed companies</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Current directorships of other listed companies</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Current directorships of other listed companies</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Non-Executive Director of Rewardle Holdings Limited (ASX: RXH)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Former directorships of other listed companies (last 3 years)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Former directorships of other listed companies (last 3 years)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Former directorships of other listed companies (last 3 years)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Mayfield Childcare Limited (ASX: MFD) – resigned with effect 8 November 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Interests in Company shares and options</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Interests in Company shares and options</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Interests in Company shares and options</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |



## Director's Details (continued)

Further information regarding the Directors of Mayfield Childcare Limited, during the whole of the financial year and up to the date of this report is as follows:

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Heidi Beck</b><br><b>Non-Executive Director</b><br><b>(resigned 23 January 2025)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Independent Non-Executive Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Bachelor of Business (Hons.), Bachelor of Arts (Hons.) (Southern Methodist University); Master of Business Administration (Harvard Business School); and GAICD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Experience and expertise</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p>Heidi is an accomplished Non-Executive Director, advisor, and executive leader. Heidi has extensive experience in private, and non-profit boards, including most recently at a notable NSW based early childhood and care provider since 2021, where Heidi was also Chair of the People and Nominations Committee since 2023.</p> <p>Heidi's professional career includes executive positions at Team Global Express and Pacific National Railway as Chief People Officer and at Westpac Banking Corporation as a Senior Director in Group Strategy, Mergers &amp; Acquisitions. Prior to this, Heidi gained 10 years' experience as a consultant at McKinsey &amp; Company.</p> |
| <b>Current directorships of other listed companies</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Former directorships of other listed companies (last 3 years)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Interests in Company shares and options</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |



## Company Secretary

**Tamara Barr, GIA (Fellow)** (appointed 6 December 2023)

### Experience and Expertise

Tamara brings over 20 years' experience practicing as a Company Secretary and Corporate Governance Advisor across a variety of corporate sectors and industries. She has worked predominantly in Australia, as well as in the UK and Europe, providing service to ASX listed, Public and NFP companies.

Tamara is a Fellow Company Secretary with Governance Institute of Australia (GIA).

## Significant changes in the state of affairs

In the opinion of the Directors there were no other significant changes in the state of affairs of the Group that occurred during the year not otherwise disclosed in this report or in the accompanying financial statements.

## Directors' Meetings

The number of meetings of the Board of Directors of Mayfield, held during the year ended 31 December 2025, were as follows:

| Name of Director                                                  | Full Board Meetings |    | Audit & Risk Committee <sup>1</sup> |   |
|-------------------------------------------------------------------|---------------------|----|-------------------------------------|---|
|                                                                   | A                   | B  | A                                   | B |
| <i>Current Directors</i>                                          |                     |    |                                     |   |
| Roseanne Healy (Chair)                                            | 21                  | 21 | 1                                   | 1 |
| Greg Johnson                                                      | 21                  | 21 | 1                                   | 1 |
| Ingrid Fraser-Williams<br>(appointed 29/08/2025)                  | 7                   | 7  | 1                                   | 1 |
| Daniel Stone<br>(appointed 22/08/2025 and resigned<br>29/08/2025) | 2                   | 2  | -                                   | - |
| Lubna Matta<br>(appointed 23/01/2025 and resigned<br>22/08/2025)  | 12                  | 12 | -                                   | - |
| Heidi Beck (resigned 23/01/2025)                                  | -                   | -  | -                                   | - |
| David Niall (resigned 23/01/2025)                                 | -                   | -  | -                                   | - |

A = Number of meetings attended by Director.

B = Number of meetings held during the time the Director was in office.

1 = The Audit & Risk Committee was formally established on 01/10/2025.



## Remuneration Report

This audited remuneration report sets out remuneration information for Mayfield's Non-Executive Directors, Executive Directors and other Key Management Personnel (KMP).

KMP are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, either directly or indirectly.

### A. Principles used to determine the nature and amount of remuneration

#### Non-Executive Directors

The fees paid to Non-Executive Directors, including the Chair, reflect the demands which are made on, and the responsibilities of, the Directors. Directors' remuneration consists of an annual fee plus statutory superannuation.

Directors are also entitled to reimbursement of reasonable expenses incurred on Group business. Whilst Directors do not receive additional 'per meeting' fees, they may be paid for additional hours worked over and above their contracted obligations.

The current annual fees for the Company's Non-Executive Directors are:

| <i>Current Directors</i>                      | <i>Director's Fee</i>             | <i>Board Role</i>                                              |
|-----------------------------------------------|-----------------------------------|----------------------------------------------------------------|
| Roseanne Healy                                | \$73,000 p.a. plus superannuation | Non-Executive Director and Chair of the Board                  |
| Greg Johnson                                  | \$60,000 p.a. plus superannuation | Non-Executive Director and Chair of the Audit & Risk Committee |
| Ingrid Fraser-Williams (appointed 29/08/2025) | \$60,000 p.a. plus superannuation | Non-Executive Director                                         |
| Heidi Beck (resigned 23/01/2025)              | \$60,000 p.a. plus superannuation | Non-Executive Director                                         |
| David Niall (resigned 23/01/2025)             | \$73,000 p.a. plus superannuation | Non-Executive Director and Chair of the Board                  |

The Board may adjust the remuneration of Non-Executive Directors from time to time, up to an aggregate amount of \$300,000 p.a. in accordance with the Company's Constitution as approved by shareholders on 29 August 2025. Any increase in the remuneration pool will require shareholder approval. Non-Executive Directors are currently ineligible to receive benefits under the Employee Securities Incentive Plan (ESIP) adopted by the Company.

#### Executive Directors (excluding the Managing Director)

The remuneration of Directors employed in executive roles is set by the Board, taking into account the demands which are made on, and the responsibilities of, directors. Executive Directors are also entitled to reimbursement of reasonable expenses incurred on Group business. Executive Directors are eligible to receive benefits under the ESIP adopted by the Company.

The current annual fees for the Company's Executive Directors during the period are:

| <i>Current Directors</i>                                   | <i>Director's Fee</i>                                                                                                                               | <i>Board Role</i>                                                                |
|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Lubna Matta (appointed 23/01/2025 and resigned 22/08/2025) | \$60,000 p.a. plus superannuation as Director Fee and an additional \$60,000 p.a. plus superannuation whilst in the capacity as Executive Director. | Executive Director and reverted to Non-executive Director effective 1 July 2025. |

#### Executive Director (Managing Director) and other KMP Executives

The Group enters into individual employment agreements with each of its executives, including the Managing Director / Chief Executive Officer (CEO) and Chief Financial Officer (CFO). For the year ended 31 December 2025, contracted executive pay was comprised of cash salary, superannuation and non-monetary benefits – both the CEO and CFO had an 'at risk' component of remuneration.



MAYFIELD CHILDCARE LIMITED (ABN: 53 604 970 390)

DIRECTORS' REPORT AND ANNUAL FINANCIAL STATEMENTS – 31 DECEMBER 2025

## A. Principles used to determine the nature and amount of remuneration (continued)

### Executive Director (Managing Director) and other KMP Executives (continued)

Each executive's annual remuneration is based upon market rates for that person's role and responsibilities within the Group as determined by the Board. During the period where a Managing Director was appointed, he excluded himself from Board discussions and any decisions made in relation to his remuneration.

The Board reviews and approves the remuneration, including any non-contracted bonuses, of the CEO and all other KMP. The CEO will review the remuneration of each KMP executive at least annually against previously agreed key performance indicators (KPI's) and set KPI's for the next performance period. In recommending KMP remuneration changes, including any bonuses, to the Board, the CEO's review will take into account such factors as increases in the cost of living and market parity.

Apart from the annual review process, the Board may also approve remuneration increases based upon changes in individual KMP roles which increase an individual's level of responsibility or recognise an increased level of skill necessary to perform a role, as recommended by the CEO.

In the current reporting period, the Board conducted a remuneration bench-marking exercise as part of the recruitment for the new CEO (Daniel Stone). This was guided by an independently appointed external recruitment agency as part of the CEO recruitment.

Please refer to section **B. Remuneration details** below for further executive KMP remuneration information.

### Employee Securities and Incentive Plan (ESIP)

The Company has adopted an ESIP that would encourage executives and employees to have greater involvement in the achievement of the Group's objectives. The ESIP was approved by shareholders at the Company's Annual General Meeting on 30 May 2024.

Under the ESIP, eligible employees (including executives, officers, employees and directors) as defined by the ESS Regime within Division 1A of Part 7.12 of the Corporations Act and selected by the Board may be offered a Security including a Plan Share, Option, Performance Right or other Convertible Security. For the year ended 31 December 2025 and to the date of this report, no Performance Rights of Ordinary Shares have been granted as detailed in Section D below.



MAYFIELD CHILDCARE LIMITED (ABN: 53 604 970 390)  
DIRECTORS' REPORT AND ANNUAL FINANCIAL STATEMENTS – 31 DECEMBER 2025

## B. Remuneration details

The KMP of the Group during the year ended 31 December 2025 consisted of the Directors, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO). All Directors unless otherwise noted in the above table were in office for the full financial year.

Details of the remuneration of the KMP of the Company are as follows:

| 2025                                                | Short-term benefits |                       |                         | Post-employment benefits | Long-term Benefits |                      |                  |
|-----------------------------------------------------|---------------------|-----------------------|-------------------------|--------------------------|--------------------|----------------------|------------------|
| Name                                                | Cash salary & fees  | Non-monetary benefits | Cash bonus <sup>4</sup> | Superannuation           | Performance Rights | Termination benefits | Total            |
| <i>Non-Executive Directors</i>                      |                     |                       |                         |                          |                    |                      |                  |
| Roseanne Healy                                      | 72,267              | -                     | -                       | 8,493                    | -                  | -                    | 80,760           |
| Greg Johnson                                        | 60,000              | -                     | -                       | 7,050                    | -                  | -                    | 67,050           |
| Ingrid Fraser-Williams (appointed 29/8/2025)        | 20,238              | -                     | -                       | 2,429                    | -                  | -                    | 22,667           |
| Heidi Beck (resigned 23/1/2025)                     | 3,615               | -                     | -                       | 416                      | -                  | -                    | 4,031            |
| David Niall (resigned 23/1/2025)                    | 4,399               | -                     | -                       | 506                      | -                  | -                    | 4,905            |
| <i>Executive Director</i>                           |                     |                       |                         |                          |                    |                      |                  |
| Lubna Matta <sup>1</sup> (resigned 22/8/2025)       | 62,269              | -                     | -                       | 7,206                    | -                  | -                    | 69,475           |
| <i>Other KMP</i>                                    |                     |                       |                         |                          |                    |                      |                  |
| Daniel Stone <sup>2</sup> (appointed 31 March 2025) | 278,923             | -                     | -                       | 33,001                   | -                  | -                    | 311,924          |
| Ashok Naveinthiran <sup>3</sup>                     | 104,263             | -                     | 29,250                  | 15,354                   | -                  | -                    | 148,867          |
| Chris Hayes, CFO                                    | 275,000             | -                     | 16,500                  | 34,210                   | -                  | -                    | 325,710          |
| <b>Total</b>                                        | <b>880,974</b>      | <b>-</b>              | <b>45,750</b>           | <b>108,665</b>           | <b>-</b>           | <b>-</b>             | <b>1,035,389</b> |

1. Lubna Matta was appointed as Executive Director on 23/1/2025 and subsequently reverted to Non-Executive Director on 1/7/2025.

2. Daniel Stone was appointed interim Managing Director on 22/8/2025, reverted to CEO on 29/8/2025.

3. Ashok Naveinthiran ceased as CEO on 10/3/2025 following his resignation on 10/9/2024.

4. Cash bonuses approved and paid during the period related to the year ended **31 December 2024**. No cash bonuses have been approved or paid for the year ended 31 December 2025.

All Directors unless otherwise noted in the above table were in office for the full financial year.



MAYFIELD CHILDCARE LIMITED (ABN: 53 604 970 390)

DIRECTORS' REPORT AND ANNUAL FINANCIAL STATEMENTS – 31 DECEMBER 2025

**B. Remuneration details (continued)**

| <b>2024</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Short-term benefits |                       |            | Post-employment benefits | Long-term Benefits |                      |                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------|------------|--------------------------|--------------------|----------------------|----------------|
| Name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Cash salary & fees  | Non-monetary benefits | Cash bonus | Superannuation           | Performance Rights | Termination benefits | Total          |
| <i>Non-Executive Directors</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                     |                       |            |                          |                    |                      |                |
| David Niall<br>(resigned 23/1/2025)                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 73,005              | -                     | -          | 8,213                    | -                  | -                    | 81,218         |
| Roseanne Healy<br>(appointed Chair 23/1/2025)                                                                                                                                                                                                                                                                                                                                                                                                                                              | 60,000              | -                     | -          | 6,750                    | -                  | -                    | 66,750         |
| Greg Johnson                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 18,462              | -                     | -          | 2,123                    | -                  | -                    | 20,585         |
| Heidi Beck<br>(resigned 23/1/2025)                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 18,462              | -                     | -          | 2,123                    | -                  | -                    | 20,585         |
| <i>Executive Director</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                     |                       |            |                          |                    |                      |                |
| Ashok Naveinthiran <sup>1</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 325,000             | -                     | -          | 36,562                   | -                  | -                    | 361,562        |
| <i>Other KMP</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                     |                       |            |                          |                    |                      |                |
| Chris Hayes, CFO                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 275,000             | -                     | -          | 30,938                   | 3,696              | -                    | 309,634        |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>769,929</b>      | <b>-</b>              | <b>-</b>   | <b>86,709</b>            | <b>3,696</b>       |                      | <b>860,334</b> |
| <p>1. Ashok Naveinthiran resigned as CEO and Managing Director on 10/9/2024. His role as managing director ceased with effect on 13/9/2024. As Ashok had a 6 month notice period, his employment as a KMP in the role of CEO continued through the full period ended 31/12/2024 and subsequently until his termination date of 10/3/2025. The resignation resulted in the performance rights being forfeited and lapsing under the terms of the grant as such no expenses is reported.</p> |                     |                       |            |                          |                    |                      |                |



## B. Remuneration details (continued)

| Name                                            | Fixed Remuneration |      | At Risk – STI     |      | At risk – LTI     |      |
|-------------------------------------------------|--------------------|------|-------------------|------|-------------------|------|
|                                                 | 2025               | 2024 | 2025 <sup>1</sup> | 2024 | 2025 <sup>2</sup> | 2024 |
| <i>Non-Executive Directors:</i>                 |                    |      |                   |      |                   |      |
| Roseanne Healy                                  | 100%               | 100% | -                 | -    | -                 | -    |
| Greg Johnson                                    | 100%               | 100% | -                 | -    | -                 | -    |
| Ingrid Fraser-Williams<br>(appointed 29/8/2025) | 100%               | -    | -                 | -    | -                 | -    |
| Heidi Beck<br>(resigned 23/1/2025)              | 100%               | 100% | -                 | -    | -                 | -    |
| David Niall<br>(resigned 23/1/2025)             | 100%               | 100% | -                 | -    | -                 | -    |
| <i>Executive Director</i>                       |                    |      |                   |      |                   |      |
| Ashok Naveinthiran<br>(resigned 10/3/2025)      | 80.4%              | 100% | 19.6%             | -    | -                 | -    |
| Lubna Matta<br>(resigned 22/8/2025)             | 100%               | 100% | -                 | -    | -                 | -    |
| <i>Other KMP:</i>                               |                    |      |                   |      |                   |      |
| Daniel Stone<br>(appointed 31/3/2025)           | 100%               | -    | -                 | -    | -                 | -    |
| Chris Hayes                                     | 95%                | 99%  | 5%                | -    | -                 | 1%   |

1. Cash bonuses approved and paid during the period related to the year ended **31 December 2024**. No cash bonuses have been approved or paid for the year ended 31 December 2025.
2. No LTI's in the form of performance rights were issued or approved for issue in the year ended 31 December 2025.

## C. Service agreements

Remuneration and other terms of employment for KMP are formalised in written agreements, the key provisions of which are as follows as at 31 December 2025:

### Daniel Stone, Chief Executive Officer

- Employment contract: Permanent ongoing
- Commencement date: 31 March 2025
- Remuneration: \$370,000 p.a. plus superannuation, reviewable annually.
- Executive's (and Group's) notice period: 6 months

Daniel is eligible for a potential short-term incentive (STI) of up to \$111,000 per annum (plus superannuation), representing up to 30% of his total fixed remuneration (TFR), subject to achieving Key Performance Indicators (KPIs) to be determined by the Board.

Daniel is eligible for a potential long-term incentive (LTI) annual allocation of Performance Rights pursuant to the terms of the Company's ESIP, subject to achieving Key Performance Indicators (KPIs) to be determined by the Board.

An LTI entitlement of up to 35% of his TFR can be awarded to him commencing for the year ended 31 December 2025 (FY25). The LTI will be granted on an annual basis from FY25, and vesting will be contingent on the achievement of specific performance hurdles.



## C. Service agreements (continued)

### Ashok Naveinthiran, Chief Executive Officer

- Employment contract: Permanent ongoing
- Commencement date: 22 August 2022 (resigned 10 September 2024 with a termination date of 10 March 2025)
- Remuneration: \$320,000 p.a. plus superannuation, reviewable annually.
- Executive's (and Group's) notice period: 6 months

Ashok was entitled to a potential short-term incentive (STI) of up to \$96,000 per annum (plus superannuation) with effect from 1 January 2024, representing 30% of his annual base remuneration. The STI was subject to achievement of Key Performance Indicators (KPIs) to be determined from time to time by the Board.

Ashok was entitled to a potential long-term incentive (LTI) annual allocation of Performance Rights pursuant to the terms of the Company's ESIP. An LTI entitlement of 30% of annual base remuneration can be awarded to him commencing for the year ended 31 December 2024 (CY24). Subject to shareholder approval, the LTI will be granted on an annual basis from CY24, and vesting will be contingent on the achievement of specific performance hurdles.

### Chris Hayes, Chief Financial Officer

- Employment contract: Permanent ongoing
- Commencement date: 18 July 2023
- Remuneration: \$275,000 p.a. plus superannuation, reviewable annually
- Executive's (and Group's) notice period: 3 months

Chris is eligible for a potential short-term incentive (STI) of up to \$55,000 per annum (plus superannuation), representing up to 20% of his annual base remuneration. The STI is subject to achievement of KPIs to be determined from time to time by the Board.

Chris is eligible for a potential long-term incentive (LTI) annual allocation of Performance Rights pursuant to the terms of the Company's ESIP. An LTI entitlement of up to 20% of his annual base remuneration can be awarded to him commencing for the year ended 31 December 2025 (FY25). The LTI will be granted on an annual basis from FY25, and vesting will be contingent on the achievement of specific performance hurdles.

### Other Information

The Group has the option of paying out the employees' notice periods, either fully or in part. In the event of fraud or other serious misconduct the Group may terminate KMP employment agreements at any time without notice or payment in lieu of notice, and it reserves the right to attempt to recover any termination payments made prior to the discovery of such conduct.

## D. Share-based compensation

### Issue of Shares, Option and Performance Rights

There were no ordinary shares or options over ordinary shares issued to Directors and other KMP as part of compensation during the year ended 31 December 2025.



## D. Share-based compensation (continued)

### Performance Rights

The terms and conditions of each grant of Performance Rights over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

| KMP Name    | Number of Rights granted | Vesting date and exercisable date | Expiry date | EPS hurdle for vesting (cents per share) | Fair value per right |
|-------------|--------------------------|-----------------------------------|-------------|------------------------------------------|----------------------|
| Chris Hayes | 67,901                   | 31 December 2025                  | 31 May 2026 | 3.25 – 3.57                              | \$0.46               |

| Grant Date      | Vesting date and exercisable date | Expiry date | EPS hurdle for vesting (cents per share) | Fair value per right |
|-----------------|-----------------------------------|-------------|------------------------------------------|----------------------|
| 23 October 2024 | 31 December 2025 <sup>1</sup>     | 31 May 2026 | 3.25 – 3.57                              | \$0.46               |

1. As at the date of the report the vesting conditions have yet to be fully assessed by the Board.

Performance Rights granted carry no dividend or voting rights. The Performance Rights were issued for \$Nil consideration, and the vesting of the rights is contingent on the Company achieving certain hurdles over a two-year performance period.

The performance hurdles for the Performance Rights issued during the year are as follows:

- (a) continued service with the Company up to the relevant exercise date; and
- (b) achievement of compound annual growth rate (CAGR) of reported (audited) basic earnings per share (EPS) as set out in the table below, provided that the Board has retained the discretion to adjust for significant items that may arise over this uncertain vesting period to ensure the integrity of the performance hurdle is maintained:

| CAGR of EPS over the 2 financial years ended 31 December 2025 | Percentage (%) of Performance Rights that vest |
|---------------------------------------------------------------|------------------------------------------------|
| Below target CAGR of 10%                                      | 0%                                             |
| 10% to 15%                                                    | 50% - 100% (pro-rata)                          |
| Greater than 15%                                              | 100%                                           |

### Measurement:

The number of Performance Rights which vest is determined by assessing the performance of the Company, as measured by CAGR of EPS over the 2 financial years ended 31 December 2025. The CAGR of EPS incorporates capital returns as well as dividends notionally reinvested and is considered the most appropriate means of measuring the Company's performance.

## E. Additional information

### Earnings of the Consolidated Entity

The earnings of the Consolidated Entity for the five years to 31 December 2025 are summarised below:

|                              | 2025<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 | 2022<br>\$'000 | 2021<br>\$'000 |
|------------------------------|----------------|----------------|----------------|----------------|----------------|
| Revenue and other income     | 91,552         | 88,308         | 77,199         | 70,481         | 40,062         |
| Net profit/(loss) before tax | (22,268)       | 293            | (2,231)        | 6,509          | 4,015          |
| Net profit/(loss) after tax  | (21,378)       | 240            | (1,435)        | 4,877          | 2,571          |
| Share price                  | \$0.49         | \$0.49         | \$0.73         | \$1.39         | \$1.16         |



## E. Additional information (continued)

### Shareholding

The number of Shares in the Company held by KMP during the year ended 31 December 2025, including their personally related parties, is set out below:

| Name                                            | Balance at the start of the year | Acquired during the year | Dividend Reinvestment Plan | Disposals / Other | Balance at the end of the year |
|-------------------------------------------------|----------------------------------|--------------------------|----------------------------|-------------------|--------------------------------|
| <i>Directors</i>                                |                                  |                          |                            |                   |                                |
| Roseanne Healy                                  | -                                | 50,000                   | -                          | -                 | 50,000                         |
| Greg Johnson                                    | -                                | 50,000                   | -                          | -                 | 50,000                         |
| Ingrid Fraser-Williams<br>(appointed 29/8/2025) | -                                | -                        | -                          | -                 | -                              |
| Lubna Matta<br>(resigned 22/8/2025)             | -                                | 251,707                  | -                          | (251,707)         | -                              |
| David Niall (resigned<br>23/1/2025)             | 23,191                           | -                        | -                          | (23,191)          | -                              |
| Heidi Beck (resigned<br>23/1/2025)              | -                                | -                        | -                          | -                 | -                              |
| <i>Other KMP</i>                                |                                  |                          |                            |                   |                                |
| Daniel Stone (appointed<br>31/3/2025)           | -                                | -                        | -                          | -                 | -                              |
| Ashok Naveinthiran (resigned<br>10/3/2025)      | -                                | -                        | -                          | -                 | -                              |
| Chris Hayes                                     | -                                | -                        | -                          | -                 | -                              |
|                                                 | <b>23,191</b>                    | <b>351,707</b>           | <b>-</b>                   | <b>(274,898)</b>  | <b>100,000</b>                 |

### Performance Rights

The number of Performance Rights in the Company held by KMP during the year ended 31 December 2025, including their personally related parties, is set out below:

| Name        | Balance at the start of the year | Balance on date becoming KMP | Additions | Disposals / Other | Balance at the end of the year |
|-------------|----------------------------------|------------------------------|-----------|-------------------|--------------------------------|
| Chris Hayes | 67,901                           | -                            | -         | -                 | 67,901 <sup>1</sup>            |

1. As at the date of the report the vesting conditions have yet to be fully assessed by the Board and the Performance Rights remain on foot.

**This concludes the audited Remuneration Report.**



## Loans to directors & executives

No loans were made to Directors or to Executives during the year and to the date of this report.

## Shares under option

There were no unissued Shares of Mayfield under option at the date of this report.

## Shares issued on the exercise of options

There were no Shares of Mayfield issued on the exercise of options during the year and to the date of this report.

## Environmental regulation

The Group is not subject to any significant environmental regulation under a law of the Commonwealth, or of a State or Territory, of Australia.

## Proceedings on behalf of the group

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the Corporations Act 2001.

## Indemnity and insurance of officers

The Company has indemnified the Directors and Executives of the Company for costs incurred in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year the Company paid a premium in respect of a contract to insure the Directors, Officers and Executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

## Indemnity and insurance of auditor

The Company has not during or since the end of the financial year indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

## Non-audit services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and/or experience with the Group is important.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 and that it has not undermined the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

During the year the following fees were paid or payable to the auditor and its related entities for non-audit services:

|                                                       | 2025<br>\$ | 2024<br>\$ |
|-------------------------------------------------------|------------|------------|
| <b>Non-audit services</b>                             |            |            |
| Preparation of income tax returns and related matters | 25,000     | 25,250     |
| Total fees for non-audit services                     | 25,000     | 25,250     |



MAYFIELD CHILDCARE LIMITED (ABN: 53 604 970 390)  
DIRECTORS' REPORT AND ANNUAL FINANCIAL STATEMENTS – 31 DECEMBER 2025

## 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 23.

## Auditor

PKF Melbourne Audit & Assurance Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

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



Roseanne Healy  
Independent Non-Executive Chair

Date: 27 February 2026



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Melbourne, Victoria 3000

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pkf.com.au

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

In relation to our audit of the financial report of Mayfield Childcare Limited for the year ended 31 December 2025, 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, 27 February 2026

Kaitlynn Brady

Kaitlynn Brady  
Partner

# Financial Report

**For the year ended 31 December 2025**

## Financial Report

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These financial statements are the consolidated financial statements of the consolidated entity (referred hereafter as the 'Group') consisting of Mayfield Childcare Limited ('Mayfield' or 'Company') and its subsidiary.

The financial statements are presented in Australian dollars, which is the Group'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 (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 27 February 2026.

A copy of this financial report may be obtained from the websites of either the ASX ([www.asx.com.au](http://www.asx.com.au)) or Mayfield Childcare Limited ([www.investor.mayfield.com.au](http://www.investor.mayfield.com.au)).



MAYFIELD CHILDCARE LIMITED (ABN: 53 604 970 390)

DIRECTORS' REPORT AND ANNUAL FINANCIAL STATEMENTS – 31 DECEMBER 2025

## Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025

|                                                                                                                    | Note        | 2025<br>\$          | 2024<br>\$   |
|--------------------------------------------------------------------------------------------------------------------|-------------|---------------------|--------------|
| Revenue                                                                                                            | 5           | <b>91,412,054</b>   | 87,155,678   |
| Other Income                                                                                                       | 5           | <b>140,250</b>      | 1,152,162    |
| Employee costs                                                                                                     | 6           | <b>(61,878,344)</b> | (58,001,778) |
| Centre operations costs                                                                                            |             | <b>(6,263,342)</b>  | (6,516,414)  |
| Facilities costs                                                                                                   |             | <b>(4,920,027)</b>  | (4,322,505)  |
| Administration costs                                                                                               |             | <b>(2,424,204)</b>  | (1,930,960)  |
| Depreciation of plant and equipment                                                                                | 9           | <b>(1,446,067)</b>  | (1,461,555)  |
| Depreciation of right-of-use assets                                                                                | 14(c)       | <b>(12,009,022)</b> | (10,505,878) |
| Finance costs                                                                                                      |             | <b>(5,511,397)</b>  | (5,275,964)  |
| Impairment loss – goodwill                                                                                         | 10          | <b>(19,367,999)</b> | -            |
| (Loss) / Profit before income tax                                                                                  |             | <b>(22,268,098)</b> | 292,786      |
| Income tax benefit / (expense)                                                                                     | 7           | <b>890,057</b>      | (53,143)     |
| (Loss) / Profit after income tax for the year entirely attributable to the owners of Mayfield Childcare Limited    |             | <b>(21,378,041)</b> | 239,643      |
| Other comprehensive income for the year, net of tax                                                                |             | -                   | -            |
| Total comprehensive (loss) / income for the year entirely attributable to the owners of Mayfield Childcare Limited |             | <b>(21,378,041)</b> | 239,643      |
|                                                                                                                    | <b>Note</b> | <b>Cents</b>        | <b>Cents</b> |
| <b>Basic and diluted (loss) / earnings per share</b>                                                               | 25          | (28.36)             | 0.37         |

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



MAYFIELD CHILDCARE LIMITED (ABN: 53 604 970 390)

DIRECTORS' REPORT AND ANNUAL FINANCIAL STATEMENTS – 31 DECEMBER 2025

**Consolidated statement of financial position as at 31 December 2025**

|                                      | Notes | 31 December<br>2025 | 31 December<br>2024 |
|--------------------------------------|-------|---------------------|---------------------|
| <b>ASSETS</b>                        |       |                     |                     |
| <b>Current assets</b>                |       | \$                  | \$                  |
| Cash and cash equivalents            |       | 87,697              | 102,997             |
| Trade and other receivables          | 8     | 2,769,805           | 2,774,204           |
| Prepayments                          |       | 708,845             | 558,521             |
| <b>Total current assets</b>          |       | <b>3,566,347</b>    | <b>3,435,722</b>    |
| <b>Non-current assets</b>            |       |                     |                     |
| Plant and equipment                  | 9     | 4,292,953           | 4,219,824           |
| Intangibles                          | 10    | 63,018,956          | 82,386,955          |
| Right-of-use assets                  | 14(c) | 140,410,229         | 150,561,698         |
| Deferred tax                         | 11    | 6,725,310           | 5,495,022           |
| Other                                |       | 5,300               | 5,300               |
| <b>Total non-current assets</b>      |       | <b>214,452,748</b>  | <b>242,668,799</b>  |
| <b>Total assets</b>                  |       | <b>218,019,095</b>  | <b>246,104,521</b>  |
| <b>LIABILITIES</b>                   |       |                     |                     |
| <b>Current liabilities</b>           |       |                     |                     |
| Trade and other payables             | 12    | 5,391,081           | 4,672,329           |
| Contract liabilities                 |       | 1,506,406           | 1,470,194           |
| Borrowings                           | 13    | 1,848,126           | 6,279,826           |
| Lease liabilities                    | 14(d) | 9,359,294           | 8,546,463           |
| Current tax liabilities              |       | 144,528             | 831,487             |
| Provisions                           | 15    | 4,984,566           | 4,882,028           |
| <b>Total current liabilities</b>     |       | <b>23,234,001</b>   | <b>26,682,327</b>   |
| <b>Non-current liabilities</b>       |       |                     |                     |
| Lease liabilities                    | 14(d) | 146,145,111         | 153,802,394         |
| Provisions                           | 15    | 242,079             | 159,975             |
| <b>Total non-current liabilities</b> |       | <b>146,387,190</b>  | <b>153,962,369</b>  |
| <b>Total liabilities</b>             |       | <b>169,621,191</b>  | <b>180,644,696</b>  |
| <b>Net assets</b>                    |       | <b>48,397,904</b>   | <b>65,459,825</b>   |
| <b>EQUITY</b>                        |       |                     |                     |
| Contributed equity                   | 16(b) | 65,098,216          | 60,774,016          |
| Equity reserves                      | 16(e) | -                   | 8,080               |
| Retained earnings                    |       | (16,700,312)        | 4,677,729           |
| <b>Total equity</b>                  |       | <b>48,397,904</b>   | <b>65,459,825</b>   |

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



MAYFIELD CHILDCARE LIMITED (ABN: 53 604 970 390)

DIRECTORS' REPORT AND ANNUAL FINANCIAL STATEMENTS – 31 DECEMBER 2025

## Consolidated statement of changes in equity for the year ended 31 December 2025

|                                                                   | <b>Share<br/>Capital</b> | <b>Retained<br/>Earnings</b> | <b>Equity<br/>Reserves</b> | <b>Total</b>      |
|-------------------------------------------------------------------|--------------------------|------------------------------|----------------------------|-------------------|
|                                                                   | <b>\$</b>                | <b>\$</b>                    | <b>\$</b>                  | <b>\$</b>         |
| <b>2024</b>                                                       |                          |                              |                            |                   |
| Balance as at 1 January 2024                                      | 60,618,740               | 4,764,651                    | -                          | 65,383,391        |
| Profit after income tax expense for the year                      | -                        | 239,643                      | -                          | 239,643           |
| Total comprehensive income for the year                           | -                        | 239,643                      | -                          | 239,643           |
| Transactions with owners in their capacity as owners              |                          |                              |                            |                   |
| Performance rights issued to employees<br>(Note 16(e))            | -                        | -                            | 8,080                      | 8,080             |
| Contributions of equity, net of transaction costs<br>(Note 16(b)) | 155,276                  | -                            | -                          | 155,276           |
| Dividends paid                                                    | -                        | (326,565)                    | -                          | (326,565)         |
| <b>Balance as at 31 December 2024</b>                             | <b>60,774,016</b>        | <b>4,677,729</b>             | <b>8,080</b>               | <b>65,459,825</b> |
| <b>2025</b>                                                       |                          |                              |                            |                   |
| Balance as at 1 January 2025                                      | <b>60,774,016</b>        | <b>4,677,729</b>             | <b>8,080</b>               | <b>65,459,825</b> |
| (Loss) after income tax expense for the half-year                 | -                        | (21,378,041)                 | -                          | (21,378,041)      |
| Total comprehensive income for the half-year                      | -                        | (21,378,041)                 | -                          | (21,378,041)      |
| Transactions with owners in their capacity as owners:             |                          |                              |                            |                   |
| Contributions of equity, net of transaction costs (Note 16(b))    | <b>4,324,200</b>         | -                            | -                          | <b>4,324,200</b>  |
| Performance rights forfeited by employees                         | -                        | -                            | (8,080)                    | (8,080)           |
| Dividends paid                                                    | -                        | -                            | -                          | -                 |
| <b>Balance as at 31 December 2025</b>                             | <b>65,098,216</b>        | <b>(16,700,312)</b>          | <b>-</b>                   | <b>48,397,904</b> |

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



MAYFIELD CHILDCARE LIMITED (ABN: 53 604 970 390)

DIRECTORS' REPORT AND ANNUAL FINANCIAL STATEMENTS – 31 DECEMBER 2025

## Consolidated statement of cash flows for the year ended 31 December 2025

|                                                               | Note | 2025<br>\$          | 2024<br>\$   |
|---------------------------------------------------------------|------|---------------------|--------------|
| <b>Cash flows from operating activities</b>                   |      |                     |              |
| Receipts from customers, including government funding         |      | <b>97,372,158</b>   | 85,951,418   |
| Payments to suppliers and employees                           |      | <b>(80,672,637)</b> | (69,325,334) |
|                                                               |      | <b>16,699,521</b>   | 16,626,084   |
| Other receipts                                                |      | <b>101,393</b>      | 516,314      |
| Interest paid on lease liabilities                            | 14   | <b>(5,024,053)</b>  | (4,501,223)  |
| Net interest paid on borrowings                               |      | <b>(483,628)</b>    | (774,050)    |
| Net income tax paid                                           |      | <b>(979,831)</b>    | (61,580)     |
| <b>Net cash inflow from operating activities</b>              | 23   | <b>10,313,402</b>   | 11,805,545   |
| <b>Cash flows from investing activities</b>                   |      |                     |              |
| Proceeds from the disposal of plant and equipment             |      | -                   | 18,543       |
| Payments for plant and equipment                              |      | <b>(1,519,196)</b>  | (1,245,746)  |
| Payments for purchases of businesses plus associated costs    | 17   | -                   | (2,594,285)  |
| <b>Net cash (outflow) from investing activities</b>           |      | <b>(1,519,196)</b>  | (3,821,488)  |
| <b>Cash flows from financing activities</b>                   |      |                     |              |
| Proceeds from the issue of shares                             | 16   | <b>4,324,200</b>    | -            |
| Repayment of lease liabilities                                | 14   | <b>(8,702,006)</b>  | (7,265,040)  |
| Proceeds from repayment of loans by related parties           |      | -                   | 459,378      |
| Net (Repayment) of borrowings                                 | 13   | <b>(4,431,700)</b>  | (1,266,774)  |
| Dividends paid                                                |      | -                   | (171,289)    |
| <b>Net cash (outflow) from financing activities</b>           |      | <b>(8,809,506)</b>  | (8,243,725)  |
| <b>Net (decrease) / increase in cash and cash equivalents</b> |      | <b>(15,300)</b>     | (259,668)    |
| Cash and cash equivalents at the beginning of the year        |      | <b>102,997</b>      | 362,665      |
| Cash and cash equivalents at the end of the year              |      | <b>87,697</b>       | 102,997      |

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



## Notes to the consolidated financial statements for the year ended 31 December 2025

### Note 1. Material accounting policy information

The material accounting policy information adopted in the preparation of these consolidated financial statements are set out below. The financial statements are for the consolidated entity ('Group') consisting of Mayfield Childcare Limited ('Mayfield', 'Company') and its subsidiary.

The preparation of current financial information, and the presentation of any prior reporting period comparatives, is consistent from one reporting period to the next.

#### (a) Basis of preparation

These general purpose consolidated financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The Group is a for-profit entity for the purpose of preparing the financial statements.

#### Compliance with IFRS

The consolidated financial statements of Mayfield Childcare Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention.

#### Going concern

The Group recorded a statutory Net Loss After Tax (NPAT) of \$21.4 million for the period inclusive of a \$19.4 million non-cash impairment expense. The statutory Loss for the period excluding the impairment expense was loss of \$2.0 million (31 December 2024: NPAT of \$0.2 million). The Group's current liabilities exceed current assets at reporting date by \$19.7 million (31 December 2024: \$23.2 million). This included \$9.4 million of lease liabilities which are expected to be settled through operating cash flows earned in the next twelve months.

The Current Liabilities include \$1.8 million (31 December 2024: \$6.3 million) of borrowings classified as Current at balance date as the loan facility is due to terminate on 31 August 2026. In the current reporting period, the Lender confirmed an extension of the finance Facility until 31 August 2026 as the parties work collaboratively through the standard process of establishing a new Facility.

As disclosed in Note 13, 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 31 December 2025. 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 and inflationary cost pressures experienced through CY24 and continuing into the CY25 year. 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 full year financial 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: improved occupancy rates, fee increases, managing centre staff 'wage to revenue' ratios via rostering initiatives already implemented and managing Head Office costs, in addition to other Board approved strategic initiatives.
- In the current Reporting Period, the Company completed a \$4.3 million (net of costs) capital raising via an institutional placement of 9,837,992 fully paid ordinary shares to new professional and sophisticated investors ("Placement"), utilising its existing placement capacity under ASX Listing Rule 7.1. The funds received from the placement, significantly strengthened the Company's financial position as noted above.
- The Company continues to have the support of shareholders and institutions to raise capital to fund the business strategic plans and initiatives.



## Note 1. Material accounting policy information (continued)

### Going Concern (continued)

- As detailed in Note 13, subsequent to the end of the current reporting period, the Lender has confirmed that (whilst reserving all its rights under the Facility) it will not cancel or recall the facilities prior to the Facility renewal date of 31 August 2026 solely as a consequence of the non-compliance provided that there are no further breaches of covenants or undertakings by the Group and no events of default.
- In the current reporting period, the Lender has confirmed an extension of the finance Facility until 31 August 2026 as the parties work collaboratively through the standard process of establishing a new Facility. The Extension terms and conditions remained substantially the same as per existing Facility Agreement (subject to the risk margin increasing from 0.58% to 1.45% charged on drawn amounts, the line fee increasing from 0.75% to 1.75% charged on Facility limits and no further drawdown on the Acquisition Facility).

The Company has a strong and well-established relationship with its Lender and expects to finalise the new Facility during the extension period. Whilst the loan facility reduces monthly until maturity, no principal repayments are due in accordance with the Facility Agreement. The Group had up to \$8.1 million (as at the date of this reporting date) available to be drawn down from its Business Loan facility for working capital requirements.

- 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 the capacity to raise capital from existing shareholders or new investors, access alternate Lenders given the Group's 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 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 full year financial report. The full year financial 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.

In consideration of the above, the Directors have prepared 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 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. There were no material changes as a result of accounting standards and interpretations 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.

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

### (b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of the subsidiary of Mayfield Childcare Limited ('Company' or 'Parent') as at 31 December 2025 and the results of its subsidiary for the year then ended. Mayfield Childcare Limited and its subsidiary together are referred to in this financial report as the Group or the consolidated entity.

### (c) Business combinations

Business combinations are initially accounted for on a provisional basis. The Group will retrospectively adjust the provisional amounts recognised and also recognise any additional assets or liabilities identified during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition date. The measurement period ends on the earlier of either (i) 12 months from the date of acquisition; or (ii) when the Group receives all the information possible to determine fair value.



## Note 1. Material accounting policy information (continued)

### (d) Revenue recognition

The Group provides long day childcare and educational services to its customers. Fees are generally billed weekly and, in the usual course of business, payment is received within one week of billing. Revenue is recognised once the contracted service has been provided. Payments for services provided are usually sourced from both the federal and state governments and private individuals, else solely from the latter if ineligible for funding support.

#### (i) Contracts with customers

##### Contract balances

The closing balance of contract liabilities as at reporting date is expected to fully flow through and be recognised as revenue within twelve months from reporting date. Contract liabilities arise when payment is received in advance of the provision of the service. Thus, with the exception of refunds to those parents who terminate their contracts whilst in credit (which are not material), the closing balance of contract liabilities from the prior reporting period has been fully recognised within the current reporting period.

##### Performance obligations

###### *Provision of childcare services*

Fees paid by families and/or the Australian Government (Child Care Subsidy) are recognised as and when a child is booked to attend a child care service, as under AASB 15 Revenue from Contracts with Customers this is when the customer has consumed the benefits of this service (satisfies its performance obligation).

###### *Kinder and Inclusion Support funding and other grants*

Grants from the Commonwealth, State or Local Governments are recognised as revenue once the amount of the grant can be reliably measured and all performance obligations, including compliance with the associated grant terms and conditions, have been fully performed.

##### Transaction price allocated to the remaining performance obligations

Weekly billing of customers is based on the duration of care for which the child has been enrolled, with some centres offering discounts for full-time bookings (Monday to Friday inclusive), as distinct from part-time or casual bookings. At reporting date the Group calculates the amount earned from each customer to the end of that day and, if this is less than the amount billed to the customer, the excess is recognised as a contract liability for performance obligations unfulfilled.

#### (ii) Significant judgements in applying the standard

Determining the transaction price and the amounts allocated to performance obligations. There is no variable consideration, nor post-billing discounts, to be taken into account in determining the transaction price. Any non-refundable enrolment and waiting list fees are not material and are recognised as revenue when received.

Other than those disclosed above, there are no significant judgements made in applying the standard.

### (e) Income tax

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amounts of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amounts to be recovered.

Mayfield Childcare Limited and its wholly owned subsidiary have elected to be a tax consolidated group. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

### (f) Plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives, being 4 to 10 years.



## Note 1. Material accounting policy information (continued)

### (g) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days, and predominantly within 7 days. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly.

The Group applies the AASB 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade and other receivables. The expected loss rates are based on the payment profiles of sales (predominantly the provision of childcare services) to reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors expected to potentially affect the ability of customers to settle the receivables. Other receivables are recognised at amortised cost, less any provision for impairment.

### (h) Intangible assets

Goodwill is recognised and measured as described in Note 1(c) above. Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. Non-financial assets, other than goodwill, which suffer an impairment are reviewed for possible reversal of the impairment at the end of each subsequent reporting period.

### (j) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the reporting period and which are unpaid. The amounts are unsecured and are usually due for settlement no more than 30 days from the date of recognition. Due to their short-term nature the amounts recognised are deemed to reflect fair value.

### (k) Leases

The Group, as lessee, is required to recognise its leases in the statement of financial position. The only exceptions are short-term (less than 12 months) leases and leases of low-value assets. The lease liability is measured as the present value of the unavoidable future lease payments to be made over the lease term (refer Note 14(d)).

The Group records a non-current Right of Use Asset (ROUA) and both a current and non-current liability for every applicable lease upon inception. The ROUA is depreciated on a straight-line basis over the life of the lease and the interest on the liability is recorded using the effective interest rate method. Within the statement of cash flows, the interest component of lease payments is recognised as an operating cash flow and the principal component of lease payments is recognised as a financing cash flow.

In calculating the value of each property lease liability, future lease payments include known fixed percentage increases but exclude variable consumer price index (CPI) increases, as estimations of future increases are prohibited by the standard (CPI lease payment increases are taken into account via a re-measurement of the lease liability as and when the increase occurs). The net present value of the unavoidable future lease payments are discounted using the Group's incremental borrowing rate, as none of the property leases have an implicit interest rate. 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.



## Note 1. Material accounting policy information (continued)

### (l) Borrowings

Loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

Borrowings are derecognised when the contractual obligations are discharged, cancelled or expired.

### (m) Finance costs

All finance costs are expensed in the period in which they are incurred, including interest on any short-term and long-term borrowings.

### (n) Employee benefits

#### **Short-term employee benefits**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be wholly settled within 12 months of the reporting date, are measured at the amounts expected to be paid when the liabilities are settled.

#### **Other long-term employee benefits**

The liability for employee benefits not expected to be wholly settled within 12 months of the reporting date is measured as the estimated present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on corporate bonds with terms to maturity and currency which match, as closely as possible, the estimated future cash outflows.

### (o) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares and options are shown in equity as a deduction, net of tax, from the proceeds.

### (p) Earnings per share

#### **Basic earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for any bonus elements in ordinary shares issued during the reporting period.

#### **Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.



## Note 2. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise any potentially adverse effects upon the performance of the Group. To date, the Group has not used derivative financial instruments to hedge its risk exposures.

Financial risk management is the responsibility of the Chief Financial Officer, acting within guidelines approved by the Board of Directors. The Group's risk exposures are identified and analysed using different methods, such as sensitivity analysis for interest rate risk and debtor ageing for credit risk.

The Group holds the following financial instruments:

|                              | Note  | 31 Dec 2025<br>\$  | 31 Dec 2024<br>\$ |
|------------------------------|-------|--------------------|-------------------|
| <b>Financial assets</b>      |       |                    |                   |
| Cash and cash equivalents    |       | 87,697             | 102,997           |
| Trade and other receivables  | 8     | 2,769,805          | 2,774,204         |
|                              |       | <b>2,857,502</b>   | 2,877,201         |
| <b>Financial liabilities</b> |       |                    |                   |
| Trade and other payables     | 12    | 5,391,081          | 4,672,329         |
| Borrowings                   | 13    | 1,848,126          | 6,279,826         |
| Lease liabilities            | 14(d) | 155,504,405        | 162,348,857       |
|                              |       | <b>162,743,612</b> | 173,301,012       |

### (a) Market Risk

#### Foreign exchange risk

The Group has not undertaken any foreign currency denominated transactions, hence it is not exposed to foreign currency risk through foreign currency exchange rate fluctuations.

#### Price risk

The Group is not exposed to any material price risk.

#### Interest rate risk

The Group's predominant interest rate risk arises from its long-term borrowings. Borrowings undertaken at variable rates expose the Group to interest rate risk, whereas borrowings undertaken at fixed rates expose the Group to fair value interest rate risk.

At 31 December 2025 the interest rates on the Group's loan facilities were as follows:

- \$8,244,000 facility at 1.75% line fee plus 5.3412% variable on \$180,000 drawn; and
- \$1,570,000 facility at 1.75% plus 5.2633% variable on \$1,570,000 drawn

Including the line fee of 1.75% p.a. on the full amount of each facility, the average interest rate for the year was 6.80% (2024: 7.08%).

Any reasonably possible movement in interest rates is not expected to cause a material impact upon profit or equity.

### (b) Credit Risk

The Group is exposed to credit risk arising from the potential of a counterparty to fail to fulfil their financial obligations, thereby exposing the Group to financial loss. Throughout the year ended 31 December 2025 the Group's exposure to credit risk lay predominantly with its trade receivables. The Group utilises a three-tiered approach to managing its trade receivables: firstly, at the centre manager level, then, at the area manager level and, finally, at



## Note 2. Financial risk management (continued)

### (b) Credit Risk (continued)

the corporate executive level. Despite the relatively small individual trade receivable balances, the Group uses an external debt collection agency on a 'no collect-no fee' basis in certain circumstances.

At 31 December 2025 the maximum exposure to credit risk of recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

### (c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, cash equivalents and readily marketable investments to enable the Group to meet its debts as and when they become due and payable. The Group manages liquidity by continuously monitoring forecast and actual cash flows, ensuring it holds adequate cash reserves and has sufficient borrowing capacity to meet its future funding requirements.

### Financing arrangements

Unused borrowing facilities are as follows:

|                                                                                                  | Note | 31 Dec 2025<br>\$ | 31 Dec 2024<br>\$ |
|--------------------------------------------------------------------------------------------------|------|-------------------|-------------------|
| <b>Westpac Banking Corporation</b>                                                               |      |                   |                   |
| Variable rate loan/s (available for working capital requirements)                                |      | <b>8,064,000</b>  | 4,146,400         |
| Variable rate loan (available only for centre acquisitions, subject to meeting lending criteria) |      | -                 | 9,704,000         |
|                                                                                                  | 13   | <b>8,064,000</b>  | 13,850,400        |

### Maturity of Financial Liabilities (excluding Leases)

The following table analyses the Group's financial liabilities, excluding leases (refer Note 14(d)), into 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. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

|                                                                      | Within<br>1 year | Between<br>1 and 2 years | Between<br>2 and 5 years | Total<br>contractual<br>cash flows | Carrying<br>amount of<br>liabilities |
|----------------------------------------------------------------------|------------------|--------------------------|--------------------------|------------------------------------|--------------------------------------|
| 31 December 2025                                                     |                  |                          |                          |                                    |                                      |
| <b>Trade &amp; other payables</b>                                    | 5,391,081        | -                        | -                        | 5,391,081                          | 5,391,081                            |
| <b>Borrowings<sup>1</sup></b>                                        | 1,848,126        | -                        | -                        | 1,848,126                          | 1,848,126                            |
| <b>Total financial liabilities<br/>(excluding Lease liabilities)</b> | 7,239,207        | -                        | -                        | 7,239,207                          | 7,239,207                            |

Note 1: the Finance Facility with Westpac is due for renewal 31 August 2026 (Note 13)

|                                                                      | Within<br>1 year | Between<br>1 and 2 years | Between<br>2 and 5 years | Total<br>contractual<br>cash flows | Carrying<br>amount of<br>liabilities |
|----------------------------------------------------------------------|------------------|--------------------------|--------------------------|------------------------------------|--------------------------------------|
| 31 December 2024                                                     |                  |                          |                          |                                    |                                      |
| <b>Trade &amp; other payables</b>                                    | 4,672,329        | -                        | -                        | 4,672,329                          | 4,672,329                            |
| <b>Borrowings<sup>1</sup></b>                                        | 6,663,040        | 105,994                  | -                        | 6,769,034                          | 6,279,826                            |
| <b>Total financial liabilities<br/>(excluding Lease liabilities)</b> | 11,335,369       | 105,994                  | -                        | 11,441,363                         | 10,952,155                           |



### Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions which affect the amounts reported in those statements. Management regularly evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on various other factors, including expectations of future events, which management believes to be reasonable under the circumstances.

The resulting accounting judgements and estimates will seldom equal the related actual, eventual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next 12 months are as follows:

#### **Goodwill**

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether or not goodwill has suffered an impairment, in accordance with the accounting policy stated in Note 1 above. The recoverable amounts of cash-generating units (CGU's) are determined based on value-in-use calculations, which require the use of assumptions, including estimated discount rates, based on the current cost of capital, and the growth rates of the estimated future cash flows (Note 10).

Each childcare centre is an identifiable operation within a single CGU. Therefore, when a childcare centre is disposed, the goodwill associated with that centre must be included in the carrying amount of the disposed operation for the purpose of determining the loss or gain on disposal. The goodwill is measured on the basis of the relative values of the operation disposed and the portion of the CGU retained, which means maintaining forecast discounted cash flow (DCF) calculations to support each centre's contribution to the value in use of the Group's single CGU, as represented by the resultant net present value (NPV). However, when a centre is in a loss-making position, its NPV is negative, meaning that it is making no contribution to goodwill. This requires management to exercise judgement in determining the amount of goodwill to be disposed based upon the size (in terms of the number of licensed places) of the loss-making centre.

#### **Property Leases**

Important factors in calculating the value of property lease liabilities and right-of-use assets (ROUAs) as reported in the consolidated statement of financial position, along with the associated finance costs and depreciation charge on ROUA's reported in the consolidated statement of profit or loss, include the determination of the:

**Non-cancellable lease term:** The Group has exercised judgement in determining that unavoidable future lease payments include only the current lease term, 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.

**Incremental borrowing rate:** The Group has exercised judgement in estimating the rate of interest it would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to each right-of-use asset in a similar economic environment.

#### **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.

### Note 4. 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 year ended 31 December 2025, as it earns the majority of its revenue from childcare provided to individual families.



## Note 5. Revenue and other income

|                                              | 31 Dec 2025<br>\$ | 31 Dec 2024<br>\$ |
|----------------------------------------------|-------------------|-------------------|
| <b>Revenue from contracts with customers</b> |                   |                   |
| Childcare services                           | <b>91,412,053</b> | 87,155,678        |
| Other revenue                                | <b>140,250</b>    | 1,152,162         |
| <i>Other revenue includes:</i>               |                   |                   |
| Business interruption insurance claim income | -                 | 655,942           |

## Note 6. Employee Costs

Included within Employee Costs are defined contribution plan expenses of \$5,931,380 (2024: \$5,407,977).

## Note 7. Income tax expense

|                                                                                            | 31 Dec 2025<br>\$   | 31 Dec 2024<br>\$ |
|--------------------------------------------------------------------------------------------|---------------------|-------------------|
| <b>Numerical reconciliation of income tax expense to prima facie tax payable</b>           |                     |                   |
| Profit/(Loss) before income tax                                                            | <b>(22,268,098)</b> | 292,786           |
| Tax expense at the statutory rate of 30.0%                                                 | <b>6,680,429</b>    | (87,836)          |
| <b>Tax effect of amounts which are not taxable/(taxable) in calculating taxable income</b> |                     |                   |
| Non-deductible revenue/(expenses)                                                          | <b>(12,321)</b>     | (85,257)          |
| Prior period adjustment                                                                    | <b>(15,733)</b>     | 119,950           |
| Acquisition costs                                                                          | <b>(19,296)</b>     | -                 |
| Impairment of goodwill                                                                     | <b>(5,816,762)</b>  | -                 |
| Share issue costs                                                                          | <b>73,740</b>       | -                 |
| Income tax (expense)/benefit                                                               | <b>890,057</b>      | (53,143)          |
| Weighted average tax rate                                                                  | <b>4.0%</b>         | 18.2%             |

The decrease in the Group's average tax rate is due to non-taxable goodwill impairment expenses recognised during the period (note 10).

## Note 8. Current assets – Trade and other receivables

|                                                     | 31 Dec 2025<br>\$ | 31 Dec 2024<br>\$ |
|-----------------------------------------------------|-------------------|-------------------|
| Trade receivables                                   | <b>2,433,051</b>  | 2,784,203         |
| Less: Provision for impairment of trade receivables | <b>(912,690)</b>  | (841,015)         |
|                                                     | <b>1,520,361</b>  | 1,943,188         |
| GST receivable (net)                                | <b>195,775</b>    | 159,227           |
| Other receivables                                   | <b>1,053,669</b>  | 671,789           |
|                                                     | <b>2,769,805</b>  | 2,774,204         |

### Impaired trade receivables

Trade receivables were assessed for impairment as at reporting date. The allowance for expected credit losses recognised during the year was \$96,022 (2024: \$496,462). Movements in the allowance for expected credit losses of trade receivables are as follows:

|                                                     |                 |         |
|-----------------------------------------------------|-----------------|---------|
| Opening balance                                     | <b>841,015</b>  | 344,553 |
| Allowance for impairment recognised during the year | <b>96,022</b>   | 496,462 |
| Bad debts written off during the year               | <b>(24,347)</b> | -       |
| Closing balance                                     | <b>912,690</b>  | 841,015 |



## Note 8. Current assets – Trade and other receivables (continued)

### Past due but not impaired

As at reporting date, customers with balances more than 30 days overdue but assessed as not being impaired totalled \$1,018,188 (2024: \$607,599). These relate to a number of customers for whom there is no recent history of default and for which full payment is expected. The ageing analysis of these trade receivables is as follows:

|                    | 31 Dec 2025      | 31 Dec 2024    |
|--------------------|------------------|----------------|
|                    | \$               | \$             |
| Up to 3 months     | 517,377          | 285,963        |
| 3 to 6 months      | 172,459          | 95,321         |
| More than 6 months | 328,352          | 226,315        |
|                    | <b>1,018,188</b> | <b>607,599</b> |

## Note 9. Non-current assets – Plant and equipment

|                                                       | 31 Dec 2025      | 31 Dec 2024      |
|-------------------------------------------------------|------------------|------------------|
|                                                       | \$               | \$               |
| <b>Plant and equipment</b>                            |                  |                  |
| Plant and equipment – at cost                         | 10,937,467       | 9,418,270        |
| Less: Accumulated depreciation                        | (6,644,514)      | (5,198,446)      |
| Net book amount                                       | <b>4,292,953</b> | <b>4,219,824</b> |
| <b>Reconciliation of plant and equipment</b>          |                  |                  |
| Opening net book amount at beginning of year          | 4,219,824        | 4,454,576        |
| Additions                                             | 1,519,196        | 1,224,178        |
| Net additions through business combinations (Note 17) | -                | 105,000          |
| Disposals                                             | -                | (102,375)        |
| Depreciation expense                                  | (1,446,067)      | (1,461,555)      |
| Closing net book amount at end of year                | <b>4,292,953</b> | <b>4,219,824</b> |

## Note 10. Non-current assets – Intangibles

|                                                   | 31 Dec 2025       | 31 Dec 2024       |
|---------------------------------------------------|-------------------|-------------------|
|                                                   | \$                | \$                |
| Goodwill – at cost                                | 62,992,684        | 82,360,683        |
| Other                                             | 26,272            | 26,272            |
|                                                   | <b>63,018,956</b> | <b>82,386,955</b> |
| <b>Reconciliation of goodwill movements</b>       |                   |                   |
| Balance at beginning of year                      | 82,360,683        | 78,682,929        |
| Additions through business combinations (Note 17) | -                 | 3,677,754         |
| Impairment                                        | (19,367,999)      | -                 |
| Balance at end of year                            | <b>62,992,684</b> | <b>82,360,683</b> |



## Note 10. Non-current assets – Intangibles (continued)

### 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 12 months immediately following the reporting date, and cash flows beyond that period extrapolated through 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 addition to assumptions around centre wages and child care fees for the period beyond the Federal Government funded ECEC Worker Retention Payment grant – the two year grant period ends 30 November 2026. Childcare fees are capped during the grant period and as such the Group has made assumptions factoring this over the forecast period. The Consolidated Entity has applied the below assumptions in the 31 December 2025 calculation of value-in-use.

The calculation of value-in-use is most sensitive to the following assumptions:

- Occupancy growth in the post forecast outlook period 2.0% (31 Dec 24: 2%)
- Employee expenses growth over the outlook period of 3.3% – 5.0% (31 Dec 24: 4.5%)
- Discount rate (pre-tax) of 13.5% (31 Dec 24: 13.5%); and
- Terminal growth rate of 2.25% (31 Dec 24: 2.25%)

Detailed sensitivity testing was performed on the CGU by increasing the pre-tax discount rate, reducing occupancy growth and reducing fee revenue. During the reporting date, the Group assessed the performance of the CGU against previously applied assumptions for the Value in Use calculations for the reporting period ended 31 December 2024. As a result, the Group recognised the following impairment loss of \$19,367,999.

## Note 11. Non-current assets – Deferred tax

|                                                                      | 31 Dec 2025      | 31 Dec 2024 |
|----------------------------------------------------------------------|------------------|-------------|
|                                                                      | \$               | \$          |
| <b>Deferred tax comprises temporary differences attributable to:</b> |                  |             |
| Amounts recognised in profit or loss:                                |                  |             |
| Property Leases                                                      | <b>4,528,253</b> | 3,536,148   |
| Employee benefits and other expenses                                 | <b>1,927,582</b> | 1,863,965   |
| Share issue costs                                                    | <b>59,826</b>    | 40,746      |
| Impairment of receivables                                            | <b>273,807</b>   | 252,304     |
| Audit fee accruals                                                   | <b>19,500</b>    | 18,000      |
| Expenses deductible in future periods                                | <b>115,103</b>   | 16,211      |
| Borrowing costs                                                      | -                | 657         |
| Prepayments                                                          | <b>(16,807)</b>  | -           |
| Plant and equipment                                                  | <b>(181,954)</b> | (233,009)   |
|                                                                      | <b>6,725,310</b> | 5,495,022   |

Management believes that forecast future profits will be sufficient to recover deferred tax assets recognised at 31 December 2025.

## Note 12. Current liabilities – Trade and other payables

|                              |                  |           |
|------------------------------|------------------|-----------|
| Trade payables               | <b>954,781</b>   | 757,287   |
| Accrued employee liabilities | <b>2,093,648</b> | 1,657,892 |
| Other payables               | <b>2,342,652</b> | 2,257,150 |
|                              | <b>5,391,081</b> | 4,672,329 |



### Note 13. Current liabilities – Borrowings

|                                                | 31 Dec 2025        | 31 Dec 2024      |
|------------------------------------------------|--------------------|------------------|
|                                                | \$                 | \$               |
| Current                                        | <b>1,848,126</b>   | <b>6,279,826</b> |
| <b>Bank loans and other finance facilities</b> |                    |                  |
| Balance at beginning of year                   | <b>6,279,826</b>   | 7,546,600        |
| New Facilities entered into <sup>1</sup>       | <b>112,064</b>     | 118,795          |
| Net drawdowns/(repayments)                     | <b>(4,543,764)</b> | (1,385,569)      |
| Balance at end of year                         | <b>1,848,126</b>   | 6,279,826        |

1. During the reporting period, the Group entered into a premium finance arrangement with its Lender in respect of its annual Directors & Officers Insurance Policy.

#### Financing arrangements

##### Bank loans

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

##### Facility at end of year

|                          |                    |             |
|--------------------------|--------------------|-------------|
| Total bank loan facility | <b>9,814,000</b>   | 20,023,000  |
| Less amount used         | <b>(1,750,000)</b> | (6,172,600) |
| Unused loan facility     | <b>8,064,000</b>   | 13,850,400  |

During the current reporting period the Facility termination date was extended from 2 August 2025 to 31 August 2026. During the extension period, the terms and conditions remain substantially the same as per existing Facility Agreement (subject to the risk margin increasing from 0.58% to 1.45% charged on drawn amounts, the line fee increasing from 0.75% to 1.75% charged on Facility limits and no further drawdown on the Acquisition Facility).

The working capital requirements loan facility available reduces by \$182,000 on a monthly basis until the loan facility matures for renewal on 31 August 2026. The Group had up to \$8.1 million (at reporting date) available to be drawn down from its lending facility for working capital requirements. As at 31 December 2025, the Group has classified the amount drawn down under the Facility (\$1.8 million) as current as the loan facility is due to terminate on 31 August 2026, the Group has a strong relationship with its Lender and will be working collaboratively to renew the Facility.

During the current reporting period, the Group notified its Lender that it was likely to be non-compliant with two of 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 and inflationary cost pressures experienced through the CY25 year.

The relevant ratios where the Group has reported to its Lender that it will be non-compliant are:

- 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. The covenant requires Financial Debt to be less than 3.25 times EBIT (where EBIT is adjusted to exclude the application of AASB 16 Leases)

Noting that the Facility is due to terminate on 31 August 2026, subsequent to the end of the current reporting period, the Lender has confirmed (whilst reserving all its rights under the Facility Agreement) that it will not cancel the facilities solely as a consequence of the forecasted non-compliance, subject to the parties agreeing to an extension of the facilities that are due to expire on the 31st August 2026, and provided that you continue to have satisfactory financial performance, there are no further non-compliance of covenants or undertakings based on the existing terms and conditions of the Facility Agreement dated 24th August 2021 and no event of default occurs.



### Note 13. Current liabilities – Borrowings (continued)

There is a risk that the Group may not comply with these covenants in its upcoming covenant reporting period ending 30 June 2026. Should this eventuate, the Group will liaise with the lender accordingly. In the Directors opinion the Group has strong banking relationships and has received continued support from its Lender.

#### Assets pledged as security

The bank loan of \$1.8 million (2024: \$6.2 million) is secured by a first ranking security held by the Lender over the assets and undertakings of Mayfield Childcare Limited and its subsidiaries.

#### Bank guarantee facility

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

|                                     | 2025               | 2024        |
|-------------------------------------|--------------------|-------------|
|                                     | \$                 | \$          |
| <i>Facility at end of year</i>      |                    |             |
| Total bank guarantee facility limit | <b>4,500,000</b>   | 4,500,000   |
| Less amount used                    | <b>(4,393,434)</b> | (4,426,256) |
| Unused bank guarantee facility      | <b>106,566</b>     | 73,744      |

### Note 14. Current & Non-current liabilities – Lease liabilities

The Group has lease contracts for each of its childcare centres and its head office premises. These leases generally have lease terms between 5 and 30 years. Several lease contracts include extension and termination options. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 3).

Some lease contracts contain variable payments based on measures such as market reviews and annual CPI inflation while others contain fixed annual increases.

|                                                                     | 2025             | 2024      |
|---------------------------------------------------------------------|------------------|-----------|
|                                                                     | \$               | \$        |
| <b>(a) Expenses</b>                                                 |                  |           |
| Expenses from transactions not recognised as leases:                |                  |           |
| Rental expense relating to leases of short-term or low-value assets | <b>54,872</b>    | 50,231    |
| Interest expense on lease liabilities                               | <b>5,024,053</b> | 4,501,223 |

#### (b) Cash flows

|                               |                   |            |
|-------------------------------|-------------------|------------|
| Total cash outflow for leases | <b>13,775,467</b> | 11,766,263 |
|-------------------------------|-------------------|------------|

#### (c) Right-of-use assets

|                                |                     |              |
|--------------------------------|---------------------|--------------|
| Right-of-use assets            | <b>191,998,375</b>  | 190,140,822  |
| Less: Accumulated depreciation | <b>(51,588,146)</b> | (39,579,124) |
| Net book amount at end of year | <b>140,410,229</b>  | 150,561,698  |

#### Reconciliation

|                                                                                             |                     |              |
|---------------------------------------------------------------------------------------------|---------------------|--------------|
| Opening net book amount at beginning of year                                                | <b>150,561,698</b>  | 144,320,822  |
| Increase due to new leases entered into                                                     | -                   | 16,022,232   |
| Increase due to addition of next further term                                               | -                   | 205,579      |
| Increase due to remeasurement of lease liabilities upon increase of variable lease payments | <b>1,857,553</b>    | 1,270,840    |
| (Decrease) on disposal of lease                                                             | -                   | (751,897)    |
| Depreciation charge                                                                         | <b>(12,009,022)</b> | (10,505,878) |
| Closing net book amount at end of year                                                      | <b>140,410,229</b>  | 150,561,698  |



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**Note 14. Current & Non-current liabilities – Lease liabilities (continued)****(d) Maturity of Lease liabilities**

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.

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

| 31 December 2024 | Within 1 year<br>\$ | Between 1 and 2 years<br>\$ | Between 2 and 5 years<br>\$ | Over 5 years<br>\$ | Total contractual cash flows<br>\$ | Carrying amount of lease liabilities<br>\$ |
|------------------|---------------------|-----------------------------|-----------------------------|--------------------|------------------------------------|--------------------------------------------|
| Property Leases  | 13,505,417          | 13,715,007                  | 40,859,610                  | 136,327,779        | 204,407,813                        | 162,348,857                                |

**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 11.3 years (Dec 2024: 12.2 years).

Including all further terms, the weighted average term increases to 24.9 years (Dec 2024: 25.4 years)



## Note 15. Provisions

|                                                 | 2025             | 2024      |
|-------------------------------------------------|------------------|-----------|
|                                                 | \$               | \$        |
| Current                                         | <b>4,984,566</b> | 4,882,028 |
| Non-current                                     | <b>242,079</b>   | 159,975   |
|                                                 | <b>5,226,645</b> | 5,042,003 |
| <i>Consisting of:</i>                           |                  |           |
| <b>Employee entitlements</b>                    |                  |           |
| Balance at beginning of year                    | <b>4,516,377</b> | 3,197,135 |
| Acquired through business combination (note 17) | -                | 971,722   |
| Net increase                                    | <b>308,784</b>   | 347,520   |
| Balance at end of year                          | <b>4,825,161</b> | 4,516,377 |
| <b>Other Provisions</b>                         |                  |           |
| Balance at beginning of year                    | <b>525,626</b>   | 1,442,722 |
| Net (decrease)/increase                         | <b>(124,142)</b> | (917,096) |
| Balance at end of year                          | <b>401,484</b>   | 525,626   |

Other provisions include \$401,484 (2024: \$470,626) 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 policy has since been rectified. As at the date of this report, the Company continues to work with the relevant Department to resolve the matter.

## Note 16. Contributed equity

### (a) Share capital

The share capital account of Mayfield Childcare Limited (the Company) consists of 75,424,609 fully paid up, ordinary shares as at 31 December 2025.

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 past two years were as follows:

| Date        | Details                                     | Number of shares | Amount<br>\$ |
|-------------|---------------------------------------------|------------------|--------------|
| 1 Jan 2024  | Opening Balance                             | 65,312,704       | 60,618,740   |
| 26 Sep 2024 | Issued under Dividend Reinvestment Plan     | 273,913          | 155,276      |
| 31 Dec 2024 | Closing Balance                             | 65,586,617       | 60,774,016   |
| 1 Jan 2025  | Opening Balance                             | 65,586,617       | 60,774,016   |
| 3 Jan 2025  | Shares issued under institutional placement | 9,837,992        | 4,324,200    |
| 31 Dec 2025 | Closing balance                             | 75,424,609       | 65,098,216   |

During the Reporting Period, the Company completed a \$4.6 million capital raising via an institutional placement of 9,837,992 fully paid ordinary shares to new professional and sophisticated investors ("Placement"), utilising its existing placement capacity under ASX Listing Rule 7.1. Net proceeds of \$4.3 million was received from the placement.



## Note 16. Contributed equity (continued)

### (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. Shares are issued under the DRP at a 5% discount to the volume-weighted average price (VWAP) over the pricing period, as determined by the directors. Whether or not the DRP is offered to shareholders in relation to a declared dividend is at the discretion of the Board.

### (d) Share options

There were no unissued ordinary shares of Mayfield Childcare Limited under option at 31 December 2025. There were no ordinary shares of Mayfield Childcare Limited issued on the exercise of options during the year.

### (e) Performance Rights

During the previous period, 148,457 Performance Rights were granted by the Company to key management personnel other than the CEO. The Performance Rights are subject to vesting conditions including:

- continued service with the Company up to the relevant exercise date; and
- achievement of compound annual growth rate (CAGR) of reported (audited) basic earnings per share (EPS) with CAGR of EPS over the 2 financial years ended 31 December 2025.

The last date for exercise of the Performance Rights is 31 May 2026 (subject to satisfaction of vesting conditions).

The Performance Rights carry no dividend or voting rights.

| Grant date      | Expiry date | Balance at the start of the year | Granted | Exercised | Forfeited | Balance at the end of the year |
|-----------------|-------------|----------------------------------|---------|-----------|-----------|--------------------------------|
| 23 October 2024 | 31 May 2026 | 148,457                          | -       | -         | 54,630    | 93,827                         |

The weighted average remaining contractual life of Performance Rights outstanding at the end of the financial year was 0.42 years. For the Performance Rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

| Grant date      | Expiry date | Balance at the start of the year | Expected volatility | Dividend yield | Risk free interest rate | Fair value at grant date |
|-----------------|-------------|----------------------------------|---------------------|----------------|-------------------------|--------------------------|
| 23 October 2024 | 31 May 2026 | \$0.51                           | 40%                 | 5%             | 3.9%                    | \$0.4615                 |

|                                                        | 2025    | 2024  |
|--------------------------------------------------------|---------|-------|
|                                                        | \$      | \$    |
| Share based payment expense <sup>1</sup>               | (8,080) | 8,080 |
| Total share-based payment expense – Performance Rights | (8,080) | 8,080 |

1. Performance rights or 120,370 granted to the former CEO in prior reporting period lapsed upon his resignation on 10 September 2024 and subsequent termination on 10 March 2025 resulting in a reversal of the share based expense previously recognised. In the current reporting period, the expense reversed was \$8,080.

### (f) Capital management

#### Risk Management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders, benefits for other stakeholders and minimise the cost of capital by optimising its capital structure.

Future optimisation measures may include any or all of adjusting the amount of dividends it distributes and/or returning capital to its shareholders, raising capital by issuing new shares, selling assets to reduce debt and further bank borrowings. As a general principle, the Group will seek to utilise its borrowing capacity to fund the acquisition of new childcare businesses, whilst ensuring it adheres to the financial and operating covenants therein.



## Note 16. Contributed equity (continued)

### (f) Capital management (continued)

#### Dividends

On 30 August 2024 the Company was pleased to declare an interim dividend for the half-year ended 30 June 2024 of 0.5 cents per ordinary share, fully franked, with a record date of 5 September 2024. The dividend was paid on 26 September 2024.

**No dividend has been declared or paid for the year ended 31 December 2025.**

|                                                                                                    | 2025             | 2024      |
|----------------------------------------------------------------------------------------------------|------------------|-----------|
|                                                                                                    | \$               | \$        |
| Franking credits available for subsequent reporting periods based on a tax rate of 30% (2024: 30%) | <b>7,105,202</b> | 6,129,004 |

The above amount is calculated from the balance of the franking account as at the end of the reporting period.

## Note 17. Business combinations

There were no acquisitions or business combinations in the current reporting period.

In the prior reporting period the Group announced 19 August 2024 that it had completed the acquisition of seven operating centres and the business assets of the Precious Cargo group, an established early childhood education and care provider in South Australia.

| Location: South Australia                                       | Total          |
|-----------------------------------------------------------------|----------------|
| Number of Centres                                               | 7              |
| Licenced Places                                                 | 882            |
| Acquisition Date                                                | 19 August 2024 |
| Goodwill                                                        | 3,677,754      |
| Right-of-use assets                                             | 16,022,232     |
| Property lease liability                                        | (16,022,232)   |
| Plant and equipment                                             | 105,000        |
| Prepayments                                                     | 104,961        |
| Deferred Tax Assets                                             | 278,907        |
| Contract Liabilities                                            | (744,451)      |
| Provisions for employee benefits                                | (971,722)      |
| Acquisition-date fair value of total consideration paid in cash | 2,450,449      |

## Note 18. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in Note 1 (b):

| Name of entity                                                       | Country of incorporation | Class of shares | 2025 % | 2024 % |
|----------------------------------------------------------------------|--------------------------|-----------------|--------|--------|
| Mayfield Early Education Pty Ltd (formerly Genius Education Pty Ltd) | Australia                | Ordinary        | 100    | 100    |



## Note 19. Key management personnel (KMP) disclosures

|                                                                             | 2025<br>\$       | 2024<br>\$ |
|-----------------------------------------------------------------------------|------------------|------------|
| <i>Aggregate compensation made to directors and other KMP of the Group:</i> |                  |            |
| Short-term employee benefits                                                | <b>926,724</b>   | 769,929    |
| Long-term benefits                                                          | <b>108,665</b>   | 90,405     |
|                                                                             | <b>1,035,389</b> | 860,334    |

## Note 20. Remuneration of auditor

During the period the following fees were paid or payable for services provided by the auditor and its related practices:

### *Audit services*

|                                       |                |         |
|---------------------------------------|----------------|---------|
| Audit and review of financial reports | <b>142,444</b> | 123,161 |
|---------------------------------------|----------------|---------|

### *Non-audit services*

|                                                       |                |         |
|-------------------------------------------------------|----------------|---------|
| Preparation of income tax returns and related matters | <b>25,000</b>  | 25,250  |
| Total fees of PKF Melbourne and its related practices | <b>167,444</b> | 148,411 |

## Note 21. Related party transactions

### Parent entity

The parent entity of the Group is Mayfield Childcare Limited.

### Subsidiaries

Please refer to Note 18 for details of the Company's interests in subsidiaries.

### Transactions with related parties

#### *Incubator Agreement with Vertical 4 Pty Ltd (formerly Genius Learning Pty Ltd)*

During the current reporting period, there were no transactions in relation to the agreement. During the current reporting period, Vertical 4 Pty Ltd was placed into voluntary administration and subsequently into liquidation effective 1 December 2025 resulting in the automatic termination of the agreement.

#### *Incubator Agreement with Steps Learning Pty Ltd*

On 31 December 2024, the Company announced that it had secured an Incubator partnership with Steps Learning Pty Ltd ("Steps"). As part of the partnership, Mayfield acquired a 10% equity interest in the new incubator with Steps. The Incubator is to be led by Ashok Naveinthiran (the Company's former CEO). Under the terms of the Incubator agreement, Steps were to undertake to expand its portfolio in alignment with Mayfield's strategic growth objectives, guided by a mutually agreed development plan.

It was also announced that Steps had entered into a Management Agreement with the Company to provide services for the Steps portfolio. The management fees were to be agreed and set through an appropriate arms length process. During the current reporting period, there were no transactions in relation to the agreements.

On 30 September 2025, the Company announced that as of 30 September 2025, the Incubator Agreement between the Company and Steps has been mutually terminated and that Management has ceased all negotiations in respect of the proposed Divestment as outlined on 31 December 2024.

No other related party centre service agreements were entered into during the year. No related party revenue has been recognised during the reporting period in relation to the transaction with Steps.



## Note 21. Related party transactions (continued)

### Former Director Matters

On 15 August 2025 the Company announced that it had acknowledged previous media correspondence relating to Ms Lubna Matta, Non-Executive Director of the Company, who on 23 August 2024, appeared in the Melbourne Magistrates Court pertaining to matters in relation to Darren Misquitta, former director of Genius Education Holdings Pty Ltd (GEHL).

The Company advised that this matter regarding Ms Matta had not been disclosed to the Company. As a result, the Company had commenced an investigation into the matter. Ms Matta was nominated by Genius to the Board in December 2021 in connection with Mayfield acquiring 14 childcare centres from Genius. Ms Matta resigned as a Director in September 2023 due to other commitments. In January 2025 Ms Matta was re-appointed to the Board, and in accordance with prior advice to the market, the Independent Non-Executive Directors considered that Ms Matta was again nominated as a Director. Ms Matta resigned as a Director of the Company on 22 August 2025.

### Related Party – Director matters

#### Directors Assessment

During the reporting period, 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.

#### Significant Shareholder Matters – Genius Education Holdings Pty Ltd

Genius Education Holdings Pty Ltd (GEHL) held a relevant interest in a significant parcel of shares (30.43%) in the Company during the reporting period. The Directors are of the view that GEHL may be deemed to have held a significant influence by virtue of the quantum of the shareholding and are a related party in accordance with the Australian Accounting Standards. There were no transactions with GEHL during the period. During the period, it is the understanding of the Directors that the shares held by GEHL in the Company (Mayfield) were been treated as security for loans in default and therefore another party had the legal right to call on that security (being the Mayfield shares) in the event of default.

In addition, following the Company's share placement which completed on 3 January 2025, the Directors sought to investigate and confirm the existence of certain associations with GEHL as a substantial shareholder in the Company during the reporting period. This matter was referred to the Takeovers Panel in June 2025. On 26 June 2025, the Panel declined to make a declaration of unacceptable circumstances in relation to these affairs.

As at the date of this report, GEHL holding in Mayfield was 0.19%.

## Note 22. Capital commitments

The Group has no capital commitments as at reporting date (31 December 2024: None).



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## Note 23. Reconciliation of profit after income tax to net cash from operating activities

|                                                 | 2025<br>\$          | 2024<br>\$  |
|-------------------------------------------------|---------------------|-------------|
| Profit /(Loss) after income tax                 | <b>(21,378,041)</b> | 239,643     |
| Depreciation                                    | <b>13,455,089</b>   | 11,967,433  |
| Childcare business acquisition costs            | -                   | 143,835     |
| Impairment charge on trade receivables (note 8) | <b>96,022</b>       | 496,462     |
| Net loss on disposal of non-current assets      | -                   | 85,875      |
| Share-based payments                            | <b>(8,080)</b>      | 8,080       |
| Impairment charge on goodwill                   | <b>19,367,999</b>   | -           |
| Change in operating assets and liabilities:     |                     |             |
| (Increase) in trade and other receivables       | <b>(91,623)</b>     | (794,812)   |
| (Increase)/Decrease in other operating assets   | <b>(150,324)</b>    | 117,751     |
| (Increase) in deferred tax assets               | <b>(1,230,288)</b>  | (1,088,710) |
| Increase in trade and other payables            | <b>718,752</b>      | 512,212     |
| Increase/(Decrease) in contract liabilities     | <b>36,212</b>       | (144,135)   |
| (Decrease)/Increase in current tax liabilities  | <b>(686,959)</b>    | 831,487     |
| Increase/(Decrease) in provisions               | <b>184,642</b>      | (569,576)   |
| Net cash inflow from operating activities       | <b>10,313,402</b>   | 11,805,545  |

## Note 24. Events occurring after the reporting period

*Embark Early Education (ASX:EVO) (Embark) off-market Takeover Offer*

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.

On 5 February 2026 Embark gave Mayfield notice under section 650F(1) of the Corporations Act declaring the offer free from the following conditions:

- (c) the minimum acceptance condition set out in clause 9.1(a) of Appendix 1 of the Bidder's Statement; and
- (d) the satisfaction of all ASX Listing Rule requirements condition set out in clause 9.1(d) of Appendix 1 of the Bidder's Statement.

On 25 February 2026, Embark gave Mayfield notice under section 650F(1) of the Corporations Act declaring the offer free from the following condition:

- (b) the no prescribed occurrence condition set out in clause 9.1(b) of Appendix 1 of the Bidder's Statement.

On 26 February 2026, Embark gave Mayfield notice under section 630(3) of the Corporations Act regarding the status of defeating conditions of the offer. Embark notified that:

- (c) all defeating conditions have been fulfilled or waived under section 650F(1) of the Corporations Act, and the offer is unconditional, except for the quotation condition set out in clause 9.1(c) of Appendix 1 to the Bidder's Statement, which cannot be waived pursuant to section 625(3)(d) of the Corporations Act and is not a defeating condition in accordance with section 625(3) of the Corporations Act (as modified by ASIC Corporations (Takeover Bids) Instrument 2023/683).
- (d) Embark's voting power in Mayfield is 20.45%.

Embark's offer for Mayfield is scheduled to close on 5 March 2026 at 7:00pm (Sydney) time, unless extended or withdrawn.



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## Note 24. Events occurring after the reporting period (continued)

On 27 February 2026, Embark notified the ASX via a 'Notice of change in substantial holder' that it had increased its voting power in Mayfield to 23.35%.

### *Other matters*

Subsequent to the end of the reporting period, the Board has approved a strategic plan to actively seek divestment of several underperforming centres.

No other matter or circumstance has arisen since 31 December 2025 which has significantly affected, or may significantly affect:

- (d) the Group's operations in future financial years, or
- (e) the results of those operations in future financial years, or
- (f) the Group's state of affairs in future financial years.



## Note 25. Earnings / (loss) per share

|                                                                                                               | 2025<br>cents | 2024<br>cents |
|---------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Basic and diluted earnings /(losses) per share                                                                | (28.36)       | 0.37          |
|                                                                                                               | Number        | Number        |
| <b>Weighted average number of shares</b>                                                                      | 75,370,702    | 65,312,704    |
| Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share |               |               |
|                                                                                                               | \$            | \$            |
| <b>Earnings used in calculating basic and diluted earnings per share</b>                                      | (21,378,041)  | 239,643       |
| Profit / (Loss) after tax attributable to the ordinary equity holders of the Company                          |               |               |

## Note 26. Contingencies

In relation to the \$401,484 (2024: \$470,626) provision raised in **Note 15**, there remains the potential for the Group to be levied with fines and/or penalties, the likelihood and value of which are unable to be estimated at the date of this report.

Other than the above, the Group has no contingent liabilities as at reporting date (31 December 2024: None).

## Note 27. Parent entity financial information

|                                           | 2025<br>\$   | 2024<br>\$  |
|-------------------------------------------|--------------|-------------|
| <b>(a) Summary financial information</b>  |              |             |
| <b>Balance sheet</b>                      |              |             |
| Current assets                            | 98,897       | 1,916,712   |
| Total assets                              | 91,385,014   | 113,905,222 |
| Current liabilities                       | 12,270,851   | 15,841,581  |
| Total liabilities                         | 38,673,726   | 45,828,736  |
| <i>Shareholders' equity</i>               |              |             |
| Issued capital                            | 65,098,216   | 60,774,016  |
| Retained earnings                         | (12,386,928) | 7,294,390   |
|                                           | 52,711,288   | 68,068,406  |
| <b>(loss)/Profit for the year</b>         | (19,138,026) | 1,043,891   |
| <b>Total comprehensive (loss)/ income</b> | (19,138,026) | 1,043,891   |

### (b) Guarantees entered into by the parent entity

|           |           |
|-----------|-----------|
| 2,559,032 | 2,546,604 |
|-----------|-----------|

The parent entity (Mayfield Child Care Limited) has utilised its bank guarantee facility with Westpac (**Note 13**) to provide bank guarantees to its subsidiary's landlords.



## Consolidated entity disclosure statement

### For the year ended 31 December 2025

| Name of entity                                            | Type of entity | Trustee, partner or participant in joint venture | % of share capital held | Country of incorporation | Australian resident or foreign resident<br>(for tax purpose) |
|-----------------------------------------------------------|----------------|--------------------------------------------------|-------------------------|--------------------------|--------------------------------------------------------------|
| Mayfield Childcare Limited<br>(ABN: 53 604 970 390)       | Body corporate | n/a                                              | n/a                     | Australia                | Australian                                                   |
| Mayfield Early Education Pty Ltd<br>(ABN: 39 653 437 935) | Body corporate | n/a                                              | 100%                    | Australia                | Australian                                                   |



## Directors' Declaration

In the directors' opinion:

- a) the financial statements and notes set out on pages 25 to 51 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 consolidated entity's financial position as at 31 December 2025 and of its performance for the 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.
- c) The Consolidated Entity Disclosure Statement is true and correct.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have received a declaration from the CEO and CFO that the Consolidated Entity Disclosure Statement is true and correct for the year ended 31 December 2025 as required by section 295A of the Corporations Act 2001 (Cth).

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



Roseanne Healy

Non-Executive Chair

Date: 27 February 2026

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAYFIELD CHILDCARE LIMITED****Report on Audit of the Financial Report****Qualified Opinion**

We have audited the accompanying 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 31 December 2025, 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 year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement, and the Directors' Declaration of the Company and of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion, the accompanying financial report is, other than the matter described in the *Basis for Qualified Opinion* section of our report, in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the year then ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**Basis for Qualified Opinion**

In Note 21 Related Party Transactions, the group has have disclosed identified related party transactions and matters relevant that occurred during the year. As at the date of this report, the Directors, to the best of their knowledge, are of the opinion that all 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. As such, we have been unable to obtain sufficient appropriate audit evidence over the completeness and accuracy of related party disclosures required under AASB 124 *Related Party Disclosures*.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial report, which indicates that the Group incurred a net loss after tax of \$21.4m, inclusive of \$19.4m in impairment expense, during the year ended 31 December 2025 and, as of that date, the Group's current liabilities exceeded its current assets by \$19.8m. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | How our audit addressed this matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Valuation of goodwill</b></p> <p>As at 31 December 2025, the carrying value of goodwill totalled \$63m (2024: \$82.4m), as disclosed in note 10 of the financial report. The accounting policy in respect to these assets is outlined in note 1 (h) Intangible Assets.</p> <p>An annual impairment test for goodwill and other indefinite life intangible assets is required under AASB 136 <i>Impairment of Assets</i>.</p> <p>Management's testing has been performed using a discounted cash flow model (Impairment Model) to estimate the value-in-use of the Cash-Generating Unit (CGU) to which these intangible assets have been allocated.</p> <p>The evaluation of the recoverable amount required the Group to exercise significant judgement in determining key assumptions, which include:</p> <ul style="list-style-type: none"> <li>• Childcare fee and occupancy growth,</li> <li>• Employee and other expenses growth,</li> <li>• Discount rate, and</li> <li>• Terminal growth rate</li> </ul> <p>The outcome of this impairment assessment could vary if different assumptions were applied.</p> | <p>Our audit procedures included, but were not limited to, assessing and challenging the following:</p> <ul style="list-style-type: none"> <li>• Management's determination that a single CGU is appropriate,</li> <li>• The application of an indefinite useful life to these intangible assets,</li> <li>• The integrity and mathematical accuracy of the Impairment Model,</li> <li>• The reasonableness of the cash flow budget approved by the Directors, comparing to actual results, and considering trends, strategies, and outlooks,</li> <li>• The reasonableness of inputs into the Impairment Model,</li> <li>• The short and medium term growth rates applied in the forecast cash flow, considering historical results and available industry data,</li> <li>• Management's sensitivity analysis around the key assumptions within the cash-flow projections, to consider the likelihood of such movements occurring sufficient to give rise to impairment,</li> </ul> |



|                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| <p>An impairment expense of \$19.4m of goodwill was recognised during the financial year.</p> <p>The evaluation of the recoverable amount of the CGU to which the goodwill has been allocated is an area of significant Management estimation and judgement. Due to these factors, we consider the valuation of goodwill to be a Key Audit Matter.</p> | <ul style="list-style-type: none"><li>• The appropriateness of the disclosures in the financial report.</li></ul> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|

### Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2025 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon. We have issued a separate opinion on the Remuneration Report.

In connection with our audit of the financial report, our responsibility is to read the other information and in doing so, we consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

The Directors of the Group are responsible for the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- (b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the Directors determine is necessary to enable the preparation of:

- (i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue the auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and other related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



### **Auditor's Responsibilities for the Audit of the Financial Report (Cont'd)**

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **REPORT ON THE REMUNERATION REPORT**

#### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in the Directors' Report for the year ended 31 December 2025.

In our opinion, the Remuneration Report of the Company for the year ended 31 December 2025, complies with Section 300A of the *Corporations Act 2001*.

#### **Responsibilities**

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A stylized, handwritten-style logo for PKF, with the letters 'P', 'K', and 'F' in a bold, blue, sans-serif font.

PKF  
Melbourne, 27 February 2026

A handwritten signature in black ink that reads 'Kaitlynn Brady'.

Kaitlynn Brady  
Partner