



## ASX Announcement

Mayfield Childcare Limited (ASX:MFD)

1 December 2022

# NON-BINDING, INDICATIVE PROPOSAL FROM GENIUS AT \$1.28 PER SHARE CASH

Mayfield Childcare Limited (ASX: MFD) (**Mayfield**) has received an unsolicited, indicative, conditional and non-binding proposal from Genius Education Holdings Pty Ltd (**Genius**), Mayfield's largest shareholder and innovative provider of premium, early education childcare centres in Australia, to acquire 100% of the shares in Mayfield by way of a Scheme of Arrangement for \$1.28 cash (**Indicative Offer Price**) per share (**Genius Proposal**).

### Overview of Discussions

As at the date of this announcement, Mayfield has received confidential approaches (**Proposals**) from multiple parties expressing interest in acquiring the Company and has been in discussions with these parties in the context of maximising shareholder value.

As part of this process, Mayfield carefully considered the Proposals, including a review of the Mayfield business with the assistance of its financial and legal advisers.

This included an evaluation of Mayfield's business plan and the various operational and execution risks inherent in achieving this business plan. Mayfield has also considered a number of other strategic business alternatives outside of the Genius proposal. These alternatives are considered to potentially have execution risks, given the economic context currently prevailing in the Childcare sector within Australia.

The Genius Proposal represented the highest offer price from the Proposals received and had the least conditions attached to completion. As such, the Mayfield Board determined that, given the current share price and market conditions, it is in the best interests of Mayfield shareholders to allow Genius to proceed with its due diligence investigations and for the Board to engage further with Genius on an exclusive basis to progress the Genius Proposal.

The Board of Mayfield has agreed to grant Genius the opportunity to conduct due diligence on an exclusive basis and to work cooperatively towards entry into a Scheme Implementation Agreement (**SIA**) with Genius according to the terms of the Genius Proposal.



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## Overview of Genius Proposal

Mayfield has received a non-binding indicative proposal from Genius to acquire 100% of the shares in Mayfield for \$1.28 cash per share via a court-approved scheme of arrangement.

The Indicative Offer Price per Mayfield share represents a:

- 32.6% premium to the last close of \$0.965 per share on 1 December 2022;
- 30.4% premium to the 10-day VWAP of \$0.98 per share; and
- 25.2% premium to the 3-month VWAP of \$1.02 per share

The Genius Proposal is currently non-binding and remains subject to several conditions (**Conditions**), being:

- satisfactory completion of due diligence by Genius; and
- the parties entering into a mutually acceptable, binding SIA subject to usual conditions including:
  - a recommendation from the Mayfield Board of Directors that shareholders vote in favour of the transaction in the absence of a superior proposal;
  - all Mayfield shareholder and Court approvals as required under section 411 of the *Corporations Act 2001 (Cth)*;
  - all other necessary regulatory and / or third-party approvals, consents and waivers;
  - there being no change to Mayfield's equity capital structure;
  - no distribution of profits or assets is made or proposed by Mayfield whether by way of dividend, return of capital, buy-back or otherwise; and
  - no event or circumstance occurring that affects or may adversely affect Mayfield, the value or market price of its shares or its assets, liabilities, financial position, or performance.

## Confidentiality and Exclusivity Deed

Mayfield has entered into a Confidentiality and Exclusivity Deed with Genius in relation to the Genius Proposal.

Under the Confidentiality and Exclusivity Deed, Mayfield has granted Genius 1 month to undertake exclusive confirmatory due diligence and negotiate a binding SIA with Mayfield reflecting the key terms of the Genius Proposal. Mayfield has agreed to customary no-shop, no-talk and no due diligence restrictions, subject to certain exceptions. The no-talk and no due diligence restrictions do not apply to the extent that they restrict Mayfield from taking any action with respect to a genuine competing proposal provided that the competing proposal is a superior proposal and failing to respond to it may constitute a breach of the Mayfield Board's fiduciary or other legal duties.





### Next Steps

Shareholders do not need to take any action in relation to the Genius Proposal at this stage and are cautioned there is no certainty that the Genius Proposal will result in a transaction.

Mayfield will continue to keep its shareholders and the market informed of developments in accordance with its continuous disclosure requirements.

The Board of Mayfield is being advised by Canaccord Genuity (Australia) Limited and Steinepreis Paganin as financial and legal advisers, respectively.

*This ASX announcement has been approved for release by the Board of Directors of Mayfield Childcare Limited.*

### For further information, please contact:

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