Disclaimer

This presentation and the discussion that follows may contain forward-looking statements that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of MindChamps PreSchool Limited (the “Company”) and its subsidiaries or related entities (the “Group”) to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. None of the Group, its advisers, or its representatives, is representing or warranting that the Group’s actual future results, performance or achievements will be as discussed in such forward-looking statements. Investors are advised that the actual performance, achievements, investment decisions and operations of the Group may vary significantly from such statements. This presentation is for information purposes only and does not constitute or form any part of an offer of, or invitation or solicitation to purchase or subscribe for, any shares or securities in any jurisdiction in the Company. None of the Group, its advisers, or its representatives, shall be liable whatsoever for any loss arising, whether directly or indirectly, from any use or distribution of this presentation or the contents herein.
Non-Financial and Financial Highlights

Presented by Mr. Yongky Widjaja
Senior Director, Finance
Y-o-Y Growth of MindChamps Centres and PreSchool Students

**Total Number of MindChamps Centres**

- 2019 (A): 82
- 2020 (A): 82

**Total Number of PreSchool Students**

- 2019: 5,004
  - FOFO Centres (Overseas): 332
  - COCO Centres (Australia): 1,210
  - FOFO Centres (Australia): 42
  - COCO Centres (Singapore): 889
  - FOFO Centres (Singapore): 2,531
- 2020: 5,145
  - FOFO Centres (Overseas): 332
  - COCO Centres (Australia): 1,216
  - FOFO Centres (Australia): 42
  - COCO Centres (Singapore): 879
  - FOFO Centres (Singapore): 2,546

Y-o-Y Growth: 141 students (3%)
Growth of MindChamps PreSchool Students Amid the COVID-19 Pandemic

Total Number of PreSchool Students

- Q4 2019: 5,052 (↑ 93, 2%)
  - FOFO Centres (Overseas): 2,490
  - COCO Centres (Australia): 1,113
  - FOFO Centres (Australia): 52
  - COCO Centres (Singapore): 1,025
  - FOFO Centres (Singapore): 474

- Q2 2020: 5,145
  - FOFO Centres (Overseas): 2,546
  - COCO Centres (Australia): 1,216
  - FOFO Centres (Australia): 30
  - COCO Centres (Singapore): 879

Note: The total number of pre-school students increased by 93 students (2%) from Q4 2019 to Q2 2020.
Group 1H 2020 Financial Highlights (S$Mil)

- **Revenue**: $21.6 (4% increase from $22.5)
- **Cost of Sales**: $10.7 (31% of Revenue)
- **Gross profit**: $7.5 (36% decrease from $11.1)
- **Other Income**: $8.4 (N.M.)
- **Operating Expenses**: $11.1 (22% increase from $11.1)
- **EBIT**: $2.4 (28% of Revenue)
  - 1H 2020 (A): $2.4
  - 1H 2019 (A): $1.9
- **Profit Before Tax**: $1.0 (3% of Revenue)
  - 1H 2020 (A): $1.0
  - 1H 2019 (A): $1.0
- **Net Profit/ (Loss)**: $0.8 (3% of Revenue)
  - 1H 2020 (A): $0.8
  - 1H 2019 (A): $0.7

Legend:
- 1H 2020 (A)
- 1H 2019 (A)

N.M. – Not meaningful
## Singapore Home Ground Operation
Remains Profitable Amid COVID-19 Pandemic (S$Mil)

<table>
<thead>
<tr>
<th>Category</th>
<th>1H 2020 (A)</th>
<th>1H 2019 (A)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$10.9</td>
<td>$12.1</td>
<td>$(10%)</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>$4.6</td>
<td>$4.0</td>
<td>15%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>$6.3</td>
<td>$8.1</td>
<td>(22%)</td>
</tr>
<tr>
<td>Other Income</td>
<td>$3.5</td>
<td>$1.6</td>
<td>N.M.</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$7.3</td>
<td>$6.9</td>
<td>6%</td>
</tr>
<tr>
<td>EBIT</td>
<td>$2.6</td>
<td>$2.8</td>
<td>(7%)</td>
</tr>
<tr>
<td>Profit/(Loss) Before Tax</td>
<td>$1.6</td>
<td>$2.0</td>
<td>(20%)</td>
</tr>
<tr>
<td>Net Profit/(Loss)</td>
<td>$1.4</td>
<td>$2.0</td>
<td>(30%)</td>
</tr>
</tbody>
</table>

Legend
- N.M. – Not meaningful
## Improvement in Australia’s Performance (S$Mil)

<table>
<thead>
<tr>
<th>Category</th>
<th>1H 2020 (A)</th>
<th>1H 2019 (A)</th>
<th>Improvement (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$10.7</td>
<td>$10.4</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Cost of Sales</strong></td>
<td>$9.5</td>
<td>$6.8</td>
<td>40%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>$1.2</td>
<td>$3.6 (N.M.)</td>
<td></td>
</tr>
<tr>
<td><strong>Other Income</strong></td>
<td>$4.9 N.M.</td>
<td>$0.0</td>
<td></td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td>$6.3</td>
<td>$4.2</td>
<td>50%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>-$0.2</td>
<td>-$0.6</td>
<td>66%</td>
</tr>
<tr>
<td><strong>Profit/ (Loss) Before Tax</strong></td>
<td>-$0.6</td>
<td>-$1.0</td>
<td>40%</td>
</tr>
<tr>
<td><strong>Net Profit/ (Loss)</strong></td>
<td>-$0.6</td>
<td>-$1.2</td>
<td>50%</td>
</tr>
</tbody>
</table>

N.M. – Not meaningful

Legend

- 1H 2020 (A)
- 1H 2019 (A)
Revenue Mix – Geographical SBUs (S$Mil)

1H 2019 Actual
Total: $22.5

- SG Education: $8.1 (36%)
- AU Education: $10.4 (46%)
- SG Franchise: $4.0 (18%)

1H 2020 Actual
Total: $21.6

- SG Education: $8.0 (37%)
- AU Education: $10.7 (50%)
- SG Franchise: $2.9 (13%)
Revenue – Services Mix (S$Mil)

1H 2019 Actual
Total: $22.5
- Other Revenue: $0.4mil (2%)
- Franchise Fees: $0.9mil (4%)
- Royalties: $2.9mil (13%)
- School Fees: $18.3mil (81%)
Total Cost Trend (S$Mil)

**Total Costs (COS + OPEX)**

- 1H 2019:
  - Singapore: $21.8
  - Australia: $10.8
  - Total: $32.6

- 1H 2020 Actual:
  - Singapore: $27.6
  - Australia: $11.9
  - Total: $39.5

Increase:
- $5.8 (26%)
- $15.7 (57%)

MindChamps Early Learning Centre © Alston Park
Teacher’s Cost and Rental are Main Cost Drivers (S$'Mil)

1H 2019
Total: $21.8

1H 2020
Total: $27.6

- Centre Teacher & Support Staffs: $10.7 (49%)
- SG and AU HQ Staff: $4.0 (18%)
- RoU Depreciation: $3.3 (15%)
- Other Operating Expenses: $1.9 (9%)
- Marketing: $0.4 (2%)
- Professional Fees: $0.4 (2%)
- Depreciation & Amortisation: $1.1 (5%)

Teacher’s Cost and Rental are Main Cost Drivers (S$'Mil)

1H 2019
Total: $21.8

1H 2020
Total: $27.6

- Centre Teacher & Support Staffs: $13.6 (49%)
- SG and AU HQ Staff: $4.0 (17%)
- RoU Depreciation: $4.8 (18%)
- Other Operating Expenses: $2.3 (8%)
- Marketing: $0.6 (2%)
- Professional Fees: $0.6 (2%)
- Depreciation & Amortisation: $1.0 (4%)
1H EBIT Trend (S$Mil)

Legend
N.M. – Not meaningful

|$0.5 |
28%

↑

$1.9
1H 2019 (A)

$2.4
1H 2020 (A)
1H Profit After Tax Trend (S$Mil)

Profit After Tax

↑ $0.1
3%

$0.7
1H 2019 (A)

$0.8
1H 2020 (A)

Legend
N.M. – Not meaningful
1H 2020 Consolidated P&L
(Actual vs Prior Year)

<table>
<thead>
<tr>
<th>(S$’000)</th>
<th>1H 2020 Actual</th>
<th>1H 2019 Actual</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>21,596</td>
<td>22,473</td>
<td>(877)</td>
<td>(4%)</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>(14,068)</td>
<td>(10,715)</td>
<td>(3,353)</td>
<td>31%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>7,528</td>
<td>11,758</td>
<td>(4,230)</td>
<td>(36%)</td>
</tr>
<tr>
<td>Gross Profit Margin</td>
<td>35%</td>
<td>52%</td>
<td>(17%)</td>
<td></td>
</tr>
<tr>
<td>Other Income</td>
<td>8,361</td>
<td>1,594</td>
<td>6,767</td>
<td>N.M.</td>
</tr>
<tr>
<td>Forex Translation Gain</td>
<td>186</td>
<td>-</td>
<td>186</td>
<td>N.M.</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>(14,982)</td>
<td>(12,401)</td>
<td>(2,581)</td>
<td>21%</td>
</tr>
<tr>
<td>Share of Loss of an Associated Company and Joint Ventures</td>
<td>(114)</td>
<td>-</td>
<td>(114)</td>
<td>N.M.</td>
</tr>
<tr>
<td>Profit Before Taxation</td>
<td>979</td>
<td>951</td>
<td>28</td>
<td>3%</td>
</tr>
<tr>
<td>PBT Margin</td>
<td>5%</td>
<td>4%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>Income Tax Expense</td>
<td>(214)</td>
<td>(206)</td>
<td>(8)</td>
<td>4%</td>
</tr>
<tr>
<td>Profit After Tax</td>
<td>765</td>
<td>745</td>
<td>20</td>
<td>3%</td>
</tr>
<tr>
<td>PAT Margin</td>
<td>4%</td>
<td>3%</td>
<td>1%</td>
<td></td>
</tr>
</tbody>
</table>

Highlights:

- Revenue decreased by 4% was mainly attributable to the 50% mandated school fee reductions during Q2 2020 as part of the local government COVID-19 initiatives in Singapore and Australia. This reduction was netted by the increased number of enrolled students following the acquisitions of preschool centres in 2019.

- Cost of sales and operating expenses increased by 31% and 21% respectively, which resulted from the increased number in academic staff and higher daily costs (rent, utilities, etc) incurred by the acquired preschool centres from Q2 2019.

- Increased in other income by $6.8 mil mainly due to the local government COVID-19 relief measures extended to Group’s operations in Singapore and Australia during Q2 2020 in view of the 50% mandated school fee reductions during Q2 2020.

- Overall, the Group’s PBT and PAT improved by 3% compared to the same period of last year.

Legend
N.M. – Not meaningful
## Consolidated Balance Sheet

<table>
<thead>
<tr>
<th>(S$'000)</th>
<th>30.06.20</th>
<th>31.12.19</th>
<th>Variance</th>
<th>Variance (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td>24,791</td>
<td>27,260</td>
<td>(2,469)</td>
<td>(9%)</td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td>126,297</td>
<td>128,634</td>
<td>(2,337)</td>
<td>(2%)</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>151,088</td>
<td>155,894</td>
<td>(4,806)</td>
<td>(3%)</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td>35,359</td>
<td>35,374</td>
<td>15</td>
<td>N.M.</td>
</tr>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td>51,244</td>
<td>57,859</td>
<td>(6,615)</td>
<td>(11%)</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>86,603</td>
<td>93,233</td>
<td>(6,630)</td>
<td>(7%)</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td>64,485</td>
<td>62,661</td>
<td>1,824</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Capital and Reserves Attributable to Equity Holders of the Company</strong></td>
<td>64,794</td>
<td>62,883</td>
<td>1,911</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Non-Controlling Interests</strong></td>
<td>(309)</td>
<td>(222)</td>
<td>(87)</td>
<td>39%</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>64,485</td>
<td>62,661</td>
<td>1,824</td>
<td>3%</td>
</tr>
</tbody>
</table>

**Highlights:**

- Decrease in total assets of $4.8 mil mainly due to:
  - Recovery of trade receivables by approximately S$2.6 million as a result from the collections in 1H 2020; and
  - Reduction in property, plant and equipment by S$2.2 million due to depreciation of fixed assets (mainly from the Rights of Use assets).

- Decrease in total liabilities of $6.6 mil mainly due to the loan repayments made in 1H 2020.
## Consolidated Statement of Cash Flows
### 1H 2020 vs 1H 2019

<table>
<thead>
<tr>
<th>(S$’000)</th>
<th>1H 2020</th>
<th>1H 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash Provided by Operating Activities</td>
<td>4,832</td>
<td>5,106</td>
</tr>
<tr>
<td>Net Cash Provided by/ (Used in) Investing Activities</td>
<td>3,589</td>
<td>(43,036)</td>
</tr>
<tr>
<td>Net Cash (Used in) / Provided by Financing Activities</td>
<td>(8,448)</td>
<td>15,162</td>
</tr>
<tr>
<td><strong>Net Decrease in Cash and Cash Equivalents</strong></td>
<td>(27)</td>
<td>(22,768)</td>
</tr>
<tr>
<td>Cash and Cash Equivalents at Beginning of Financial Period</td>
<td>5,762</td>
<td>35,437</td>
</tr>
<tr>
<td>Effects of Currency Translation on Cash and Cash Equivalents</td>
<td>92</td>
<td>(76)</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents at End of Financial Period</strong></td>
<td>5,827</td>
<td>12,593</td>
</tr>
</tbody>
</table>

### Highlights:

Major cash inflows during 1H 2020 was:

- Net cash provided by operating activities of approx. S$4.8 million; and
- Receipt of purchase consideration of approx. S$4.8 million for a preschool centre divested in 2019.

Major cash outflows during 1H 2020 were:

- Repayment of principal element of borrowings of approx. S$5.4 million; and
- Repayment of principal element of lease payments of approx. S$3.0 million.
Operational Highlights

• Number of all MindChamps centres stabilised at 82 with zero centre closure amid the COVID-19 pandemic.

• PreSchool students grew by 2% amid the COVID-19 pandemic, from 5,052 as at Dec 2019 to 5,145 as at Jun 2020

Financial Highlights

• EBIT up by 28%, from $1.9mil to $2.4mil Y-o-Y.

• PBT up by 3% from $951k to $979k Y-o-Y.

• PAT up by 3% from $745k to $765k Y-o-Y.

Future Plans

• Proliferating the Australia Franchise Segment.
Thank You!