

**MindChamps PreSchool Limited  
and its Subsidiary Corporations**  
(Incorporated in Singapore)  
(Company Registration No: 200814577H)

**Condensed Interim Financial Statements  
For the six months and full year ended 31 December 2025**

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# **MindChamps PreSchool Limited and its Subsidiary Corporations**

*(Incorporated in Singapore)*

## **Condensed Interim Financial Statements**

*For the six months and full year ended 31 December 2025*

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**MindChamps PreSchool Limited and its Subsidiary Corporations**

**Condensed Interim Consolidated Statement of Comprehensive Income**

*For the six months and full year ended 31 December 2025*

	Note	6 months ended			+/- %	12 months ended			+/- %
		31 Dec 25	31 Dec 24			31 Dec 25	31 Dec 24		
		\$'000	\$'000			\$'000	\$'000		
Revenue	4	<b>30,246</b>	33,816	(11%)	<b>60,353</b>	62,958	(4%)		
Cost of sales		<b>(16,065)</b>	(16,819)	(4%)	<b>(31,602)</b>	(32,780)	(4%)		
<b>Gross profit</b>		<b>14,181</b>	16,997	(17%)	<b>28,751</b>	30,178	(5%)		
Other income									
- Interest income		<b>308</b>	599	(49%)	<b>615</b>	723	(15%)		
- Others		<b>146</b>	305	(52%)	<b>329</b>	520	(37%)		
		<b>454</b>	904	(50%)	<b>944</b>	1,243	(24%)		
Other gains and losses									
- Exclusive territory business sales	6.2	<b>2,287</b>	-	N.M.	<b>4,363</b>	4,934	(12%)		
- Gain from corporate transactions	14	-	884	N.M.	<b>2,904</b>	884	N.M.		
- Impairment loss on financial assets		<b>(648)</b>	(630)	3%	<b>(1,091)</b>	(718)	52%		
- Other gains / (losses) - net		<b>(6)</b>	208	N.M.	<b>(307)</b>	199	N.M.		
Expenses									
- Administrative		<b>(14,760)</b>	(16,831)	(12%)	<b>(29,472)</b>	(31,823)	(7%)		
- Finance		<b>(1,060)</b>	(1,362)	(22%)	<b>(2,155)</b>	(2,318)	(7%)		
- Marketing		<b>(627)</b>	(634)	(1%)	<b>(1,129)</b>	(1,331)	(15%)		
Share of losses from associates and joint ventures	12,13	<b>(287)</b>	(490)	(41%)	<b>(691)</b>	(700)	(1%)		
<b>(Loss) / Profit before income tax</b>	6	<b>(466)</b>	(954)	(51%)	<b>2,117</b>	548	N.M.		
Income tax credit / (expense)	7	<b>175</b>	(204)	N.M.	<b>190</b>	(311)	N.M.		
<b>Net (loss) / profit</b>		<b>(291)</b>	(1,158)	(75%)	<b>2,307</b>	237	N.M.		
<b>Other comprehensive income / (loss):</b>									
Items that may be reclassified subsequently to profit or loss:									
Currency translation differences arising from consolidation – income / (loss)		<b>2,152</b>	(4,564)	N.M.	<b>1,245</b>	(4,529)	N.M.		
<b>Total comprehensive income / (loss)</b>		<b>1,861</b>	(5,722)	N.M.	<b>3,552</b>	(4,292)	N.M.		
<b>(Loss) / Profit attributable to:</b>									
Equity holders of the Company		<b>(276)</b>	(1,348)	(80%)	<b>2,359</b>	12	N.M.		
Non-controlling interests		<b>(15)</b>	190	N.M.	<b>(52)</b>	225	N.M.		
		<b>(291)</b>	(1,158)	(75%)	<b>2,307</b>	237	N.M.		
<b>Total comprehensive income / (loss) attributable to:</b>									
Equity holders of the Company		<b>1,876</b>	(5,912)	N.M.	<b>3,604</b>	(4,517)	N.M.		
Non-controlling interests		<b>(15)</b>	190	N.M.	<b>(52)</b>	225	N.M.		
		<b>1,861</b>	(5,722)	N.M.	<b>3,552</b>	(4,292)	N.M.		
<b>Earnings per share for net (loss) / profit attributable to equity holders of the Company</b>									
- Basic earnings per share (cents per share)		<b>(0.11)</b>	(0.56)		<b>0.97</b>	N.M.			
- Diluted earnings per share (cents per share)		<b>(0.11)</b>	(0.56)		<b>0.97</b>	N.M.			

*The accompanying notes form an integral part of these financial statements.*

## MindChamps PreSchool Limited and its Subsidiary Corporations

### Condensed Interim Consolidated Statement of Comprehensive Income

For the six months and full year ended 31 December 2025

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#### **COMMENTARY ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*6 months ended 31 December 2025 ("2H 2025") and 31 December 2024 ("2H 2024")*

- (1) For the 6 months ended 31 December 2025, the Group recorded a loss before tax of \$0.5 million in 2H 2025, a decrease of approximately \$0.5 million from a loss before tax of \$1.0 million in 2H 2024 and a loss after tax of \$0.3 million in 2H 2025, a decrease of approximately \$0.9 million from loss after tax of \$1.2 million in 2H 2024.
- (2) Revenue decreased by approximately \$3.6 million, or 11%, from \$33.8 million in 2H 2024 to \$30.2 million in 2H 2025. The decline was primarily driven by a \$2.7 million reduction in school fees revenue, resulting from the disposal of a preschool centre business at the end of 1H 2025 and the divestment of a subsidiary at the end of 2H 2024. In addition, revenue from the Group's Australian operations was lower when translated into Singapore dollars due to the weaker average Australian dollar exchange rate compared with 2H 2024. Collectively, these factors contributed to a decrease in the gross profit margin from 50% to 47%.
- (3) Cost of sales decreased by approximately \$0.7 million or 4%, from \$16.8 million in 2H 2024 to \$16.1 million in 2H 2025. The decrease was mainly attributable to a decrease in centre teachers' costs.
- (4) Other income decreased by approximately \$0.4 million or 50%, from \$0.9 million in 2H 2024 to \$0.5 million in 2H 2025. The decrease was mainly attributable to a decrease in interest income and a decrease in government grants in 2H 2025.
- (5) Exclusive territory business sales increased by approximately \$2.3 million from \$Nil in 2H 2024 to \$2.3 million in 2H 2025. There was no exclusive territory business sale in 2H 2024.
- (6) Gain from corporate transactions decreased by approximately \$0.9 million from \$0.9 million in 2H 2024 to \$Nil in 2H 2025. There was no disposal in 2H 2025, while the gain in 2H 2024 was attributable to the divestment of a subsidiary corporation and the disposal of a preschool centre business in 2H 2024.
- (7) Other losses recorded a shift from a gain of approximately \$0.2 million in 2H 2024 to a loss of \$6 thousand in 2H 2025. The year-on-year movement was largely attributable to the lower unrealised foreign exchange gains in 2H 2025, as no similar gains were recognised during the period.
- (8) Administrative expenses decreased by approximately \$2.0 million or 12%, from \$16.8 million in 2H 2024 to \$14.8 million in 2H 2025. The decrease was attributable to:
  - a) the disposal of a preschool centre business at the end of 1H 2025 and divestment of a subsidiary corporation at the end of 2H 2024, which contributed to \$0.9 million in administrative expenses in 2H 2024;
  - b) a decrease of \$0.6 million in manpower expenses in 2H 2025; and
  - c) a decrease of \$0.5 million in depreciation and amortisation expenses in 2H 2025.
- (9) Finance expenses decreased by approximately \$0.3 million or 22%, from \$1.4 million in 2H 2024 to \$1.1 million in 2H 2025. The decrease was mainly attributable to a decrease in interest expenses from borrowings resulting from the repayment of existing borrowings in 2H 2025.
- (10) Share of losses from associates and joint ventures decreased by approximately \$0.2 million or 41%, from \$0.5 million in 2H 2024 to \$0.3 million in 2H 2025. The decrease was mainly attributable to lower losses incurred by joint ventures in 2H 2025.
- (11) Currency translation gain arising from consolidation increased by approximately \$6.8 million from a loss of \$4.6 million in 2H 2024 to a gain of \$2.2 million in 2H 2025. The exchange differences emerged from the translation of the financial statements of the Group's Australian operations, which have functional currencies that differ from the Group's presentation currency.

## MindChamps PreSchool Limited and its Subsidiary Corporations

### Condensed Interim Consolidated Statement of Comprehensive Income

For the six months and full year ended 31 December 2025

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#### **COMMENTARY ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME** (Continued)

*12 Months Ended 31 December 2025 ("2025") and 31 December 2024 ("2024")*

- (1) For the full year ended 31 December 2025, the Group recorded a profit before tax of \$2.1 million, an increase of approximately \$1.6 million from \$0.5 million in 2024 and a profit after tax of \$2.3 million, an increase of approximately \$2.1 million from \$0.2 million in 2024.
- (2) Revenue decreased by approximately \$2.6 million or 4%, from \$63.0 million in 2024 to \$60.4 million in 2025. The decrease was mainly attributable to a decrease of \$2.6 million in school fees revenue, mainly attributable to the disposal of a preschool centre business in 2025 and the divestment of a subsidiary corporation in 2024. Despite these changes, the Group's gross profit margin remained stable year-on-year.
- (3) Cost of sales decreased by approximately \$1.2 million or 4%, from \$32.8 million in 2024 to \$31.6 million in 2025. The decrease was mainly attributable to a decrease of \$1.7 million in centre teachers' costs, partially offset by a \$0.5 million increase in commission expense.
- (4) Other income decreased by approximately \$0.3 million or 24%, from \$1.2 million in 2024 to \$0.9 million in 2025. The decrease was mainly attributable to a decrease in government grants in 2025.
- (5) Exclusive territory business sales decreased by approximately \$0.5 million or 12%, from \$4.9 million in 2024 to \$4.4 million in 2025. The decrease was attributable to a decrease in exclusive territory business sales in 2025.
- (6) Gain from corporate transactions increased by approximately \$2.0 million, from \$0.9 million in 2024 to \$2.9 million in 2025. The increase was attributable to a higher selling price for the disposal of a preschool centre business in 2025.
- (7) Impairment of financial assets increased by approximately \$0.4 million or 52%, from \$0.7 million in 2024 to \$1.1 million in 2025. The increase was attributable to specific provisions of doubtful debts required to be made in 2025.
- (8) Other losses recorded a shift from a gain of approximately \$0.2 million in 2024 to a loss of \$0.3 million in 2025. This year-on-year variance was primarily due to unrealised foreign exchange gains recognised in 2024, compared with unrealised foreign exchange losses recorded in 2025.
- (9) Administrative expenses decreased by approximately \$2.3 million or 7%, from \$31.8 million in 2024 to \$29.5 million in 2025. The decrease was mainly attributable to:
  - a) the disposal of a preschool centre business at the end of 1H 2025 and divestment of a subsidiary corporation at the end of 2H 2024, which contributed to \$0.8 million of administrative expenses in 2024;
  - b) a decrease of \$1.0 million in manpower expenses and a reduction of \$0.4 million in depreciation and amortisation.
- (10) Finance expenses decreased by approximately \$0.1 million or 7%, from \$2.3 million in 2024 to \$2.2 million in 2025. The decrease was mainly attributable to lower interest expenses from borrowings resulting from the repayment of existing borrowings in 2025.
- (11) Marketing expenses decreased by approximately \$0.2 million or 15%, from \$1.3 million in 2024 to \$1.1 million in 2025. The decrease was mainly attributable to a decrease in marketing activities with better cost control in 2025.
- (12) Currency translation gain arising from consolidation increased by approximately \$5.7 million from a loss of \$4.5 million in 2024 to a gain of \$1.2 million in 2025. The exchange differences emerged from the translation of the financial statements of the Group's Australian operations, which have functional currencies that differ from the Group's presentation currency.

**MindChamps PreSchool Limited and its Subsidiary Corporations**

**Condensed Interim Consolidated Statement of Financial Position - Group**

*As at 31 December 2025*

	Note	31 Dec 2025 \$'000	31 Dec 2024 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and short-term deposits		3,862	4,524
Trade and other receivables		12,386	14,873
Inventories		473	444
Lease receivables		256	215
<b>Total current assets</b>		<b>16,977</b>	<b>20,056</b>
<b>Non-current assets</b>			
Property, plant and equipment		26,744	25,597
Intangible assets	9	69,913	68,251
Lease receivables		893	1,149
Trade and other receivables		4,255	3,841
Deferred income tax assets		2,030	1,630
Investments in associates	12	52	76
Investments in joint ventures	13	9,662	8,254
<b>Total non-current assets</b>		<b>113,549</b>	<b>108,798</b>
<b>Total assets</b>		<b>130,526</b>	<b>128,854</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		15,177	14,577
Contract liabilities		4,879	5,940
Borrowings	10	7,317	7,436
Lease liabilities		5,989	5,571
Current income tax liabilities		641	494
<b>Total current liabilities</b>		<b>34,003</b>	<b>34,018</b>
<b>Non-current liabilities</b>			
Borrowings	10	4,303	7,120
Lease liabilities		20,946	20,045
Provision for reinstatement costs		805	754
<b>Total non-current liabilities</b>		<b>26,054</b>	<b>27,919</b>
<b>Total liabilities</b>		<b>60,057</b>	<b>61,937</b>
<b>NET ASSETS</b>		<b>70,469</b>	<b>66,917</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital	11	49,530	49,530
Currency translation reserve		(11,110)	(12,355)
Other reserve		(1,449)	(1,449)
Retained profits		34,089	31,730
		71,060	67,456
<b>Non-controlling interests</b>		<b>(591)</b>	<b>(539)</b>
<b>TOTAL EQUITY</b>		<b>70,469</b>	<b>66,917</b>

*The accompanying notes form an integral part of these financial statements.*

**COMMENTARY ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**(1) Current assets**

The Group's current assets decreased by approximately \$3.1 million or 15%, from \$20.1 million as at 31 December 2024 to \$17.0 million as at 31 December 2025. The decrease was mainly attributable to:

- (a) a decrease in trade and other receivables of \$2.5 million, mainly attributable to collections from trade and other receivables; and
- (b) a decrease in cash and cash equivalents of \$0.6 million resulting from repayments of borrowings and lease liabilities.

**(2) Non-current assets**

The Group's non-current assets increased by approximately \$4.7 million or 4%, from \$108.8 million as at 31 December 2024 to \$113.9 million as at 31 December 2025. The increase was mainly attributable to:

- (a) an increase in investment in the joint venture of \$1.4 million, mainly attributable to investment in Victoria's joint venture;
- (b) an increase in intangible assets of \$1.6 million, mainly attributable to goodwill arising from the acquisition of a subsidiary corporation;
- (c) a net increase in property, plant and equipment of \$1.1 million, mainly attributable to the acquisition of a subsidiary corporation, offset by the disposal of a preschool centre business; and
- (d) an increase in non-current trade and other receivables of \$0.5 million.

**(3) Current liabilities**

The Group's current liabilities remained stable at approximately \$34.0 million as at 31 December 2025, consistent with the balance as at 31 December 2024. The movement in current liabilities was mainly attributable to:

- (a) an increase in trade and other payables of \$0.6 million;
- (b) an increase in lease liabilities of \$0.4 million arising from the acquisition of a subsidiary corporation; and
- (c) offset by a decrease in contract liabilities of \$1.0 million, mainly attributable to the revenue recognised from franchise licenses.

**(4) Non-current liabilities**

The Group's non-current liabilities decreased by approximately \$1.8 million or 7%, from \$27.9 million as at 31 December 2024 to \$26.1 million as at 31 December 2025. The decrease was mainly attributable to:

- (a) a decrease in non-current borrowings of approximately \$2.8 million resulting from the repayments of borrowings; and
- (b) a net increase in non-current lease liabilities of approximately \$0.9 million due to the acquisition of a subsidiary corporation, offset with repayments of lease liabilities.

**MindChamps PreSchool Limited and its Subsidiary Corporations**

**Condensed Interim Statement of Financial Position – Company**

*As at 31 December 2025*

	Note	31 Dec 2025 \$'000	31 Dec 2024 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and short-term deposits		2,616	2,320
Trade and other receivables		14,872	16,445
Lease receivables		769	645
		<u>18,257</u>	<u>19,410</u>
<b>Non-current assets</b>			
Property, plant and equipment		2,508	3,097
Intangible assets	9	443	865
Lease receivables		2,679	3,448
Trade and other receivables		1,734	1,683
Deferred income tax assets		113	113
Investments in subsidiary corporations		81,677	81,677
Investments in associates	12	52	76
		<u>89,206</u>	<u>90,959</u>
<b>Total assets</b>		<u><u>107,463</u></u>	<u><u>110,369</u></u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		16,079	11,310
Contract liabilities		30	200
Borrowings		6,846	6,846
Lease liabilities		1,281	1,075
		<u>24,236</u>	<u>19,431</u>
<b>Non-current liabilities</b>			
Borrowings		4,303	6,648
Lease liabilities		4,466	5,747
Provision for reinstatement costs		49	49
		<u>8,818</u>	<u>12,444</u>
<b>Total liabilities</b>		<u>33,054</u>	<u>31,875</u>
<b>NET ASSETS</b>		<u><u>74,409</u></u>	<u><u>78,494</u></u>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital		49,530	49,530
Retained profits		24,879	28,964
<b>TOTAL EQUITY</b>		<u><u>74,409</u></u>	<u><u>78,494</u></u>

*The accompanying notes form an integral part of these financial statements.*

MindChamps PreSchool Limited and its Subsidiary Corporations

Condensed Interim Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to equity holders of the Company				Non-controlling interests	Total
	Share capital	Currency translation reserve	Other reserve	Retained profits		
	\$'000	\$'000	\$'000	\$'000		
<b>31 December 2025</b>						
<b>As at 1 January 2025</b>	49,530	(12,355)	(1,449)	31,730	(539)	66,917
Total comprehensive profit / (loss) for the financial year	-	1,245	-	2,359	(52)	3,552
<b>As at 31 December 2025</b>	<b>49,530</b>	<b>(11,110)</b>	<b>(1,449)</b>	<b>34,089</b>	<b>(591)</b>	<b>70,469</b>
<b>31 December 2024</b>						
<b>As at 1 January 2024</b>	49,530	(7,913)	(950)	31,718	(250)	72,135
Total comprehensive (loss) / profit for the financial year	-	(4,529)	-	12	225	(4,292)
Divestment of a subsidiary corporation	-	-	-	-	(295)	(295)
Transfer of currency translation reserve upon divestment	-	87	(45)	-	(42)	-
Acquisition from non-controlling interests	-	-	(454)	-	*	(454)
Acquisition of a subsidiary corporation	-	-	-	-	(177)	(177)
<b>As at 31 December 2024</b>	<b>49,530</b>	<b>(12,355)</b>	<b>(1,449)</b>	<b>31,730</b>	<b>(539)</b>	<b>66,917</b>

\* Less than \$1,000

The accompanying notes form an integral part of these financial statements.

**MindChamps PreSchool Limited and its Subsidiary Corporations**

**Condensed Interim Statement of Changes in Equity - Company**

*For the year ended 31 December 2025*

	<b>Share capital</b>	<b>Retained profits</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>31 December 2025</b>			
<b>As at 1 January 2025</b>	49,530	28,964	78,494
Total comprehensive loss for the financial year	-	(4,085)	(4,085)
<b>As at 31 December 2025</b>	<b>49,530</b>	<b>24,879</b>	<b>74,409</b>
<b>31 December 2024</b>			
<b>As at 1 January 2024</b>	49,530	2,914	52,444
Total comprehensive income for the financial year	-	26,050	26,050
<b>As at 31 December 2024</b>	<b>49,530</b>	<b>28,964</b>	<b>78,494</b>

*The accompanying notes form an integral part of these financial statements.*

**MindChamps PreSchool Limited and its Subsidiary Corporations**

**Condensed Interim Consolidated Statement of Cash Flows**

*For the year ended 31 December 2025*

	Note	12 months ended	
		31 Dec 2025 \$'000	31 Dec 2024 \$'000
<b>Cash flows from operating activities</b>			
Net profit		2,307	237
Adjustments for:			
- Amortisation of intangible assets		1,698	2,067
- Depreciation of property, plant and equipment		6,924	6,875
- Gain from corporate transactions	14	(2,904)	(884)
- Gain from exclusive territory business sales		(4,363)	(4,934)
- (Gain) / Loss on disposal of property, plant and equipment		(2)	2
- Impairment of investment in joint venture		92	-
- Impairment of financial assets		1,091	718
- Interest expense		2,155	2,318
- Interest income		(615)	(723)
- Income and deferred tax expense	7	(190)	311
- Share of losses from associates and joint ventures	12,13	691	700
- Unrealised currency translation losses / (gains)		280	(32)
<b>Operating cash flows before movements in working capital</b>		<b>7,164</b>	<b>6,655</b>
<b>Changes in working capital:</b>			
- Contract liabilities		(795)	3,588
- Inventories		(39)	120
- Trade and other receivables		1,341	713
- Trade and other payables		786	(7,366)
<b>Cash generated from operations</b>		<b>8,457</b>	<b>3,710</b>
Income tax paid		(98)	(485)
<b>Net cash from operating activities</b>		<b>8,359</b>	<b>3,225</b>
<b>Cash flows from investing activities</b>			
Acquisition of subsidiary corporations, net of cash acquired	14(a)	(2,565)	62
Additions to intangible assets		(48)	(273)
Additions to property, plant and equipment		(238)	(371)
Proceeds from disposal of property, plant and equipment		-	11
Proceeds from exclusive territory business sales		4,363	4,934
Proceeds from divestment of subsidiary corporations		-	825
Proceeds from disposal of a preschool centre	14(b)	2,465	1,249
Interest received		115	565
Investment in associates	12	-	*
Investment in joint ventures	13	(2,276)	(2,835)
Sublease income received		201	159
<b>Net cash from investing activities</b>		<b>2,017</b>	<b>4,326</b>

\* Less than \$1,000

*The accompanying notes form an integral part of these financial statements.*

**MindChamps PreSchool Limited and its Subsidiary Corporations**

**Condensed Interim Consolidated Statement of Cash Flows**

*For the year ended 31 December 2025*

	<b>12 months ended</b>	
	<b>31 Dec 2025</b>	31 Dec 2024
	<b>\$'000</b>	\$'000
<b>Cash flows from financing activities</b>		
Interest paid for loans and leases	(2,155)	(2,318)
Proceeds from short-term borrowings	-	500
Repayments of borrowings	(2,936)	(3,419)
Repayment of principal amount of lease liabilities	(5,836)	(5,686)
<b>Net cash used in financing activities</b>	<b>(10,927)</b>	<b>(10,923)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(551)</b>	<b>(3,372)</b>
<b>Cash and cash equivalents</b>		
Beginning of financial year	2,524	5,731
Effects of currency translation on cash and cash equivalents	(111)	165
<b>End of financial year</b>	<b>1,862</b>	<b>2,524</b>
	<b>31 Dec 2025</b>	31 Dec 2024
	<b>\$'000</b>	\$'000
Cash and cash equivalents in the consolidated statement of financial position	3,862	4,524
Less: Fixed deposit pledged	(2,000)	(2,000)
<b>Cash and cash equivalents in the consolidated statement of cash flows</b>	<b>1,862</b>	<b>2,524</b>

*The accompanying notes form an integral part of these financial statements.*

**MindChamps PreSchool Limited and its Subsidiary Corporations**

**Condensed Interim Consolidated Statement of Cash Flows**

*For the year ended 31 December 2025*

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**COMMENTARY ON THE CONSOLIDATED STATEMENT OF CASH FLOWS**

*12 months ended 31 December 2025 ("2025")*

The Group's cash and cash equivalents in the consolidated statement of cash flows decreased by \$0.6 million from \$2.5 million as at 31 December 2024 to \$1.9 million as at 31 December 2025.

Major cash inflows in 2025 were:

- (a) net cash generated from operating activities of approximately \$8.4 million;
- (b) proceeds from the exclusive territory business sales of approximately \$4.4 million; and
- (c) proceeds from the disposal of a preschool centre business of approximately \$2.5 million.

Major cash outflows in 2025 were:

- (a) repayments of the principal element of borrowings of approximately \$2.9 million;
- (b) repayments of the principal element of lease liabilities in relation to the leasing of preschool centres and corporate offices of approximately \$5.8 million;
- (c) repayments of interests in relation to borrowings and lease liabilities of approximately \$2.2 million;
- (d) net cash outflows on acquisition of a subsidiary corporation of approximately \$2.6 million; and
- (e) investment in a joint venture of approximately \$2.3 million.

## MindChamps PreSchool Limited and its Subsidiary Corporations

### Notes to the condensed interim consolidated financial statements

For the six months and full year ended 31 December 2025

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#### 1 General information

MindChamps PreSchool Limited (the "Company") is incorporated and domiciled in Singapore, and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2025 comprise the Company and its subsidiaries (collectively, the Group).

The principal activities of the Company are those relating to childcare services and investment holding.

The principal activities of the Group are:

- (a) Provision of childcare services;
- (b) Franchising of childcare services for preschool children;
- (c) Commercial school offering higher education services;
- (d) Business and management consultancy services and investment holding;
- (e) Asset management;
- (f) Operation and management of preschool centres; and
- (g) Music, dancing, art, speech, and drama instruction.

#### 2 Basis of preparation

The condensed interim financial statements for the six months and full year ended 31 December 2025 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements for the year ended 31 December 2024.

The accounting policies and method of computation adopted are consistent with the most recently audited financial statements for the year ended 31 December 2024, which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollars (\$), which is the Company's functional currency.

##### *Going concern assumption*

As at 31 December 2025, the Group and the Company were in a net current liabilities position of \$17.0 million and \$6.0 million, respectively.

This represents the existence of conditions that may cast significant doubt about the Group's and the Company's ability to continue as a going concern. Nevertheless, the financial statements are prepared on a going concern basis, taking into consideration the following:

- (a) Excluding:
  - (i) the Group's current lease liabilities of \$6.0 million and the Company's current lease liabilities of \$1.3 million (the rent commitment for the next 12 months post statement of financial position date, which will be funded by the business performance or earned for the same period);
  - (ii) the Group's current contract liabilities of \$4.9 million and the Company's current contract liabilities of \$30 thousand (the deferred revenue for the next 12 months post statement of financial position date, which will be recognised by the business performance or earned for the same period);

**2 Basis of preparation** (continued)

*Going concern assumption* (continued)

(a) Excluding (continued):

- (iii) the Group's related party payables of \$1.5 million and the Company's related party payables of \$13.2 million within the Group (the treasury management function is centrally managed within the Group, where the related party repayments are at the Group's and the Company's sole discretion and assessment); and
- (iv) the Group's deposits received from customers of \$2.2 million and the Company's deposits received from customers of \$0.6 million, which are not expected to be refundable within the next 12 months; and
- (v) the Group's current non-financial assets (inventories and prepayments) of \$1.8 million and the Company's current non-financial assets (prepayments) of \$92 thousand,

the Group and the Company would have recorded an adjusted net current liabilities of \$4.2 million and adjusted net current assets of \$9.1 million, respectively.

- (b) The Board and the management have deliberated the Group's business plans and operational budgets and are of the view that the Group is able to generate positive operating cash flows at least for the next twelve months.

**2.1 New and amended standards adopted by the Group**

Certain amendments to standards have become applicable for the current reporting period. The Group did not change its accounting policies or make retrospective adjustments as a result of adopting those standards.

**2.2 Use of judgements and estimates**

In the process of applying the Group's accounting policies, there is no instance of application of judgement resulting in significant updates since the last audited financial statements as at 31 December 2024, which will result in significant effects to amounts recognised in the condensed consolidated financial statements.

Information about assumptions and estimation uncertainties that have a significant risk or result in a material adjustment to the carrying amounts of assets and liabilities within the next interim period is included in Note 9(a) – impairment of goodwill.

**3 Seasonal operations**

We have experienced, and expect to continue to experience, seasonal fluctuations in our results of operations, primarily due to seasonal changes in student enrolments. The number of students at our preschool centres in Singapore and Australia is typically the lowest at the start of each calendar year, due to the graduation of kindergarten 2 students at the end of the preceding year, before gradually being replaced over the course of the year by new enrolments. As our revenue is directly affected by the headcount of students at our preschool centres, such seasonal fluctuations in student enrolments generally give rise to a corresponding seasonal fluctuation in our revenue over the course of a year.

**4 Segment and revenue information**

The Key Management ("KM") is the Group's chief decision-maker. The KM comprises the Founder Chief Executive Officer & Executive Chairman, the Chief Financial Officer, and the Global Chief Brand Officer and Chief Operating Officer.

The KM considers the business from both a geographic and business segment perspective. Geographically, the KM manages and monitors the business in the two primary geographic areas, namely, Singapore and Australia. From a business segment perspective, the KM separately considers the education and franchise activities in these geographic areas.

Operating segments that have similar economic characteristics and identical products and services are aggregated into a single reportable segment. The following summary describes the operations in each of the Group's reportable segments:

*(i) Education*

Provision of childcare, education and learning-related services for preschool children.

*(ii) Franchise*

Franchising of childcare services, enrichment classes and provision of administrative support services.

*(iii) Corporate*

Corporate office and exclusive territory business sales.

*(iv) Others*

Provision of commercial schools offering higher education programmes, business and management consulting services and asset management.

**MindChamps PreSchool Limited and its Subsidiary Corporations**

**Notes to the condensed interim consolidated financial statements**

For the six months and full year ended 31 December 2025

**4 Segment and revenue information (Continued)**

**4.1 Reportable segments**

The segment information provided to the KM for the reportable segments is as follows:

	Singapore				Australia				Group
	Education \$'000	Franchise \$'000	Corporate \$'000	Others \$'000	Education \$'000	Franchise \$'000	Corporate \$'000	Others \$'000	Total \$'000
<b>6 months ended 31 Dec 2025</b>									
<b>Sales</b>									
Total segment sales	1,316	8,653	-	-	20,602	2,196	-	-	32,767
Inter-segment sales	(40)	(419)	-	-	-	(2,062)	-	-	(2,521)
Sales to external parties	<b>1,276</b>	<b>8,234</b>	-	-	<b>20,602</b>	<b>134</b>	-	-	<b>30,246</b>
<b>EBITDA</b>	<b>416</b>	<b>1,854</b>	-	<b>(9)</b>	<b>2,630</b>	<b>(2,510)</b>	<b>2,287</b>	-	<b>4,668</b>
<b>As at 31 Dec 2025</b>									
<b>Segment assets</b>	<b>5,057</b>	<b>3,411</b>	<b>16,024</b>	<b>364</b>	<b>57,653</b>	<b>47,221</b>	-	<b>796</b>	<b>130,526</b>
<b>Segment liabilities</b>	<b>(649)</b>	-	<b>(24,411)</b>	<b>(24)</b>	<b>(30,083)</b>	<b>(4,314)</b>	-	<b>(576)</b>	<b>(60,057)</b>
<b>6 months ended 31 Dec 2024</b>									
<b>Sales</b>									
Total segment sales	4,349	7,923	-	-	21,901	2,481	-	515	37,169
Inter-segment sales	(122)	(813)	-	-	-	(2,151)	-	(267)	(3,353)
Sales to external parties	<b>4,227</b>	<b>7,110</b>	-	-	<b>21,901</b>	<b>330</b>	-	<b>248</b>	<b>33,816</b>
<b>EBITDA</b>	<b>1,479</b>	<b>162</b>	<b>884</b>	<b>(14)</b>	<b>4,770</b>	<b>(2,594)</b>	-	<b>(42)</b>	<b>4,645</b>
<b>As at 31 Dec 2024</b>									
<b>Segment assets</b>	<b>6,826</b>	<b>4,049</b>	<b>17,049</b>	<b>577</b>	<b>55,953</b>	<b>43,318</b>	-	<b>1,082</b>	<b>128,854</b>
<b>Segment liabilities</b>	<b>(3,273)</b>	-	<b>(27,909)</b>	<b>(18)</b>	<b>(17,432)</b>	<b>(12,820)</b>	-	<b>(485)</b>	<b>(61,937)</b>

**MindChamps PreSchool Limited and its Subsidiary Corporations**

**Notes to the condensed interim consolidated financial statements**

For the six months and full year ended 31 December 2025

**4 Segment and revenue information** (Continued)

**4.1 Reportable segments** (Continued)

	Singapore				Australia				Group
	Education \$'000	Franchise \$'000	Corporate \$'000	Others \$'000	Education \$'000	Franchise \$'000	Corporate \$'000	Others \$'000	Total \$'000
<b>12 months ended 31 Dec 2025</b>									
<b>Sales</b>									
Total segment sales	4,141	16,284	-	-	39,590	5,462	-	-	65,477
Inter-segment sales	(81)	(1,061)	-	-	-	(3,982)	-	-	(5,124)
Sales to external parties	<b>4,060</b>	<b>15,223</b>	-	-	<b>39,590</b>	<b>1,480</b>	-	-	<b>60,353</b>
<b>EBITDA</b>	<b>1,451</b>	<b>1,944</b>	<b>2,904</b>	<b>(28)</b>	<b>5,145</b>	<b>(3,499)</b>	<b>4,363</b>	<b>(1)</b>	<b>12,279</b>
<b>As at 31 Dec 2025</b>									
<b>Segment assets</b>	<b>5,057</b>	<b>3,411</b>	<b>16,024</b>	<b>364</b>	<b>57,653</b>	<b>47,221</b>	-	<b>796</b>	<b>130,526</b>
<b>Segment liabilities</b>	<b>(649)</b>	-	<b>(24,411)</b>	<b>(24)</b>	<b>(30,083)</b>	<b>(4,314)</b>	-	<b>(576)</b>	<b>(60,057)</b>
<b>12 months ended 31 Dec 2024</b>									
<b>Sales</b>									
Total segment sales	7,149	14,257	-	-	41,406	4,698	-	1,783	69,293
Inter-segment sales	(121)	(1,197)	-	-	-	(4,110)	-	(907)	(6,335)
Sales to external parties	<b>7,028</b>	<b>13,060</b>	-	-	<b>41,406</b>	<b>588</b>	-	<b>876</b>	<b>62,958</b>
<b>EBITDA</b>	<b>2,597</b>	<b>(503)</b>	<b>884</b>	<b>(12)</b>	<b>7,394</b>	<b>(3,734)</b>	<b>4,934</b>	<b>(475)</b>	<b>11,085</b>
<b>As at 31 Dec 2024</b>									
<b>Segment assets</b>	<b>6,826</b>	<b>4,049</b>	<b>17,049</b>	<b>577</b>	<b>55,953</b>	<b>43,318</b>	-	<b>1,082</b>	<b>128,854</b>
<b>Segment liabilities</b>	<b>(3,273)</b>	-	<b>(27,909)</b>	<b>(18)</b>	<b>(17,432)</b>	<b>(12,820)</b>	-	<b>(485)</b>	<b>(61,937)</b>

## MindChamps PreSchool Limited and its Subsidiary Corporations

### Notes to the condensed interim consolidated financial statements

For the six months and full year ended 31 December 2025

#### 4 Segment and revenue information (Continued)

##### 4.1 Reportable segments (Continued)

In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

	Sales		EBITDA	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
<b>By business segment</b>				
Education				
- Singapore	7%	11%	12%	23%
- Australia	66%	66%	41%	67%
Franchise				
- Singapore	25%	21%	16%	(5%)
- Australia	2%	*	(29%)	(34%)
Corporate				
- Singapore	*	*	24%	8%
- Australia	*	*	36%	45%
Other				
- Singapore	*	*	*	*
- Australia	*	2%	*	(4%)
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\* Less than 1%

By business segment, the Education segment remained the largest contributor to the Group's turnover in 2025 and 2024. The Corporate segment was the largest contributor to the Group's earnings in 2025, while the Education segment was the largest contributor to the Group's earnings in 2024.

	12 months ended			
	Sales		EBITDA	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
<b>By geographical segment</b>				
- Singapore	32%	32%	52%	27%
- Australia	68%	68%	48%	73%
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

By geographical segment, the Australia segment remained the largest contributor to the Group's turnover in 2025 and 2024. The Singapore segment was the largest contributor to the Group's earnings in 2025, while the Australia segment was the largest contributor to the Group's earnings in 2024.

**MindChamps PreSchool Limited and its Subsidiary Corporations**

**Notes to the condensed interim consolidated financial statements**

*For the six months and full year ended 31 December 2025*

**4 Segment and revenue information (Continued)**

**4.1 Reportable segments (Continued)**

(a) *Reconciliation*

*Segment profit*

A reconciliation of EBITDA to profit before income tax is as follows:

	<b>6 months ended</b>		<b>12 months ended</b>	
	<b>31 Dec 2025</b>	31 Dec 2024	<b>31 Dec 2025</b>	31 Dec 2024
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
EBITDA for reportable segments	<b>4,677</b>	4,701	<b>12,308</b>	11,572
EBITDA for other segments	<b>(9)</b>	(56)	<b>(29)</b>	(487)
Depreciation of property, plant and equipment	<b>(3,448)</b>	(3,720)	<b>(6,924)</b>	(6,875)
Amortisation of intangible assets	<b>(934)</b>	(1,116)	<b>(1,698)</b>	(2,067)
Interest expense	<b>(1,060)</b>	(1,362)	<b>(2,155)</b>	(2,318)
Interest income	<b>308</b>	599	<b>615</b>	723
<b>(Loss) / Profit before income tax</b>	<b>(466)</b>	(954)	<b>2,117</b>	548

(b) *Revenue from major services*

Revenues from external customers are mainly school fees, royalty fees and franchise income. The breakdown of the revenue from the respective segment is as follows:

	<b>6 months ended</b>		<b>12 months ended</b>	
	<b>31 Dec 2025</b>	31 Dec 2024	<b>31 Dec 2025</b>	31 Dec 2024
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Revenue				
Education	<b>21,878</b>	26,128	<b>43,650</b>	48,434
Franchise	<b>8,368</b>	7,440	<b>16,703</b>	13,648
Others	-	248	-	876
	<b>30,246</b>	33,816	<b>60,353</b>	62,958

## MindChamps PreSchool Limited and its Subsidiary Corporations

### Notes to the condensed interim consolidated financial statements

For the six months and full year ended 31 December 2025

#### 4 Segment and revenue information (Continued)

##### 4.2 Disaggregation of Revenue

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major revenue streams and geographical regions. Revenue is attributed to countries by source of revenue generation.

	At a point in time \$'000	Over time \$'000	Total \$'000
<b>6 months ended 31 Dec 2025</b>			
<b>Singapore</b>			
- School fees	-	1,179	1,179
- Royalty fees	-	5,035	5,035
- Franchise income	545	-	545
- Sale of merchandise	853	-	853
- Management service income	1,706	-	1,706
- Others	192	-	192
Sales to external parties	<u>3,296</u>	<u>6,214</u>	<u>9,510</u>
<b>Australia</b>			
- School fees	-	20,572	20,572
- Royalty fees	-	8	8
- Franchise income	121	-	121
- Sale of merchandise	1	-	1
- Management service income	5	-	5
- Others	29	-	29
Sales to external parties	<u>156</u>	<u>20,580</u>	<u>20,736</u>
Total	<u>3,452</u>	<u>26,794</u>	<u>30,246</u>
<b>6 months ended 31 Dec 2024</b>			
<b>Singapore</b>			
- School fees	-	4,069	4,069
- Royalty fees	-	4,708	4,708
- Franchise income	428	-	428
- Sale of merchandise	538	-	538
- Management service income	1,497	-	1,497
- Others	97	-	97
Sales to external parties	<u>2,560</u>	<u>8,777</u>	<u>11,337</u>
<b>Australia</b>			
- School fees	-	21,861	21,861
- Royalty fees	-	271	271
- Franchise income	13	-	13
- Sale of merchandise	2	-	2
- Management service income	47	-	47
- Commission income	247	-	247
- Others	38	-	38
Sales to external parties	<u>347</u>	<u>22,132</u>	<u>22,479</u>
Total	<u>2,907</u>	<u>30,909</u>	<u>33,816</u>

**MindChamps PreSchool Limited and its Subsidiary Corporations**

**Notes to the condensed interim consolidated financial statements**

*For the six months and full year ended 31 December 2025*

**4 Segment and revenue information (Continued)**

**4.2 Disaggregation of Revenue (Continued)**

	<b>At a point in time \$'000</b>	<b>Over time \$'000</b>	<b>Total \$'000</b>
<b>12 months ended 31 Dec 2025</b>			
<b>Singapore</b>			
- School fees	-	3,819	3,819
- Royalty fees	-	9,514	9,514
- Franchise income	860	-	860
- Sale of merchandise	1,518	-	1,518
- Management service income	3,121	-	3,121
- Others	451	-	451
Sales to external parties	<u>5,950</u>	<u>13,333</u>	<u>19,283</u>
<b>Australia</b>			
- School fees	-	39,528	39,528
- Royalty fees	-	87	87
- Franchise income	1,356	-	1,356
- Sale of merchandise	4	-	4
- Management service income	42	-	42
- Others	53	-	53
Sales to external parties	<u>1,455</u>	<u>39,615</u>	<u>41,070</u>
Total	<u>7,405</u>	<u>52,948</u>	<u>60,353</u>
<b>12 months ended 31 Dec 2024</b>			
<b>Singapore</b>			
- School fees	-	6,713	6,713
- Royalty fees	-	9,215	9,215
- Franchise income	469	-	469
- Sale of merchandise	992	-	992
- Management service income	2,571	-	2,571
- Others	128	-	128
Sales to external parties	<u>4,160</u>	<u>15,928</u>	<u>20,088</u>
<b>Australia</b>			
- School fees	-	41,317	41,317
- Royalty fees	-	488	488
- Franchise income	13	-	13
- Sale of merchandise	3	-	3
- Management service income	102	-	102
- Commission income	876	-	876
- Others	71	-	71
Sales to external parties	<u>1,065</u>	<u>41,805</u>	<u>42,870</u>
Total	<u>5,225</u>	<u>57,733</u>	<u>62,958</u>

## MindChamps PreSchool Limited and its Subsidiary Corporations

### Notes to the condensed interim consolidated financial statements

For the six months and full year ended 31 December 2025

#### 5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2025 and 31 December 2024:

	Group		Company	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Financial assets, at amortised cost	20,308	23,286	22,578	24,443
Financial liabilities, at amortised cost	53,732	54,749	32,975	31,626

#### 6 (Loss) / Profit before income tax

##### 6.1 Significant items

	Group			
	6 months ended		12 months ended	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000	31 Dec 2025 \$'000	31 Dec 2024 \$'000
<b>Income</b>				
Government grants	146	305	329	520
<b>Expenses</b>				
Amortisation of intangible asset	934	1,116	1,698	2,067
Depreciation of property, plant and equipment	3,448	3,720	6,924	6,875
Employee compensation	20,691	21,976	40,535	43,224
Interest expenses:				
- Lease liabilities	739	930	1,452	1,411
- Term loans	246	386	602	823
- Miscellaneous	75	46	101	84

##### 6.2 Related party transactions

	Group and Company			
	6 months ended		12 months ended	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Exclusive territory business sales	2,287	-	4,363	4,934
Disposal of a preschool business	-	-	2,465	-

The exclusive territory business, which operates the franchise service business for preschoolers in a territory, is sold to a buyer upon execution of the exclusive territory business sales agreement. This constitutes a disposal of business, and the Group derecognises the assets and liabilities relating to the business, and recognises the gain or loss arising from the disposal, as well as a remeasurement gain or loss from recognising any retained interest in the business at its fair value.

## MindChamps PreSchool Limited and its Subsidiary Corporations

### Notes to the condensed interim consolidated financial statements

For the six months and full year ended 31 December 2025

#### 6.2 Related party transactions (Continued)

Gain from the exclusive territory business sale is recognised when the contractual rights and obligations stipulated in the exclusive territory business sale agreement are fulfilled, such as the buyer obtaining full control of the business. Control is considered transferred when the buyer has the ability to direct the use of and obtain substantially all of the remaining benefits from the business.

The Group had no material related party transactions apart from the above and those already disclosed in the audited 31 December 2024 financial statements.

#### 7 Income tax (credit) / expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	<b>Group and Company</b>			
	<b>6 months ended</b>		<b>12 months ended</b>	
	<b>31 Dec 2025</b>	31 Dec 2024	<b>31 Dec 2025</b>	31 Dec 2024
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Current income tax expense	<b>280</b>	239	<b>245</b>	381
Deferred income tax credit relating to origination and reversal of temporary differences	<b>(455)</b>	(35)	<b>(435)</b>	(70)
	<b>(175)</b>	204	<b>(190)</b>	311

#### 8 Net asset value

	<b>Group</b>		<b>Company</b>	
	<b>31 Dec 2025</b>	31 Dec 2024	<b>31 Dec 2025</b>	31 Dec 2024
Net asset value per ordinary share (cents per share)	<b>29</b>	28	<b>31</b>	32

#### 9 Intangible assets

	<b>Group</b>		<b>Company</b>	
	<b>31 Dec 2025</b>	31 Dec 2024	<b>31 Dec 2025</b>	31 Dec 2024
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<u>Composition</u>				
Goodwill arising on consolidation (Note (a))	<b>68,559</b>	65,471	-	-
Student base	<b>744</b>	1,243	-	-
Courseware development cost	<b>451</b>	1,334	<b>331</b>	663
Computer software licences	<b>112</b>	203	<b>112</b>	202
Copyrights	<b>47</b>	-	-	-
	<b>69,913</b>	68,251	<b>443</b>	865

## MindChamps PreSchool Limited and its Subsidiary Corporations

### Notes to the condensed interim consolidated financial statements

For the six months and full year ended 31 December 2025

#### 9 Intangible assets (Continued)

##### (a) Goodwill arising on consolidation

	Group	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000
<u>Cost</u>		
Beginning of financial year	66,064	71,833
Acquisition of subsidiary corporation (Note 14(a))	1,938	711
Divestment of subsidiary corporations	-	(1,410)
Disposal of business	-	(711)
Currency translation differences	1,159	(4,359)
End of financial year	69,161	66,064
<u>Accumulated impairment</u>		
Beginning of financial year	593	627
Currency translation differences	9	(34)
End of financial year	602	593
<b>Net book value</b>	<b>68,559</b>	<b>65,471</b>

##### Goodwill arising from the acquisition of a subsidiary corporation

The addition to goodwill arises from the acquisition of subsidiary corporation, MindChamps Frenchs Forest Pty. Ltd. ("MCFF"), acquired on 1 February 2025.

##### Impairment tests for goodwill

Goodwill that has an indefinite useful life is not subject to amortisation and is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. The Group performed its annual impairment test as at 31 December 2025. The key assumptions used to determine the recoverable amount for the CGU were disclosed in the annual consolidated financial statements for the year ended 31 December 2024. No impairment indicators were identified as at 31 December 2025 based on the allocated CGU's business performance.

#### 10 Borrowings

	Group	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000
<b>Secured</b>		
Amount repayable in one year or less, or on demand		
- Revolving credit	4,500	4,500
- Term loan	2,817	2,936
	7,317	7,436
Amount repayable after one year		
- Term loan	4,303	7,120
	11,620	14,556

## MindChamps PreSchool Limited and its Subsidiary Corporations

### Notes to the condensed interim consolidated financial statements

For the six months and full year ended 31 December 2025

#### 10 Borrowings (Continued)

##### Details of collaterals

The Group's borrowings consist of term loans and revolving credit and are secured by means of fixed deposit and corporate guarantee by the following subsidiary corporations:

- MindChamps Early Learning Australia Pty. Limited
- MindChamps Preschool Singapore Pte. Limited

#### 11 Share capital

	Group and Company			
	31 Dec 2025		31 Dec 2024	
	No. of ordinary shares issued ('000)	Amount \$'000	No. of ordinary shares issued ('000)	\$'000
Beginning / End of the financial year	242,871	49,530	242,871	49,530

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

The Company did not have any outstanding options, rights, subsidiary holdings, convertibles, or treasury shares as at 31 December 2025 and 31 December 2024.

#### 12 Investments in associates

	Group and Company			
	6 months ended		12 months ended	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000	31 Dec 2025 \$'000	31 Dec 2024 \$'000
<i>Equity accounting</i>				
Beginning of financial period / year	64	88	76	100
Addition	-	-	-	*
Share of losses	(12)	(12)	(24)	(24)
End of financial period / year	52	76	52	76

\* Less than \$1,000

**MindChamps PreSchool Limited and its Subsidiary Corporations**

**Notes to the condensed interim consolidated financial statements**

*For the six months and full year ended 31 December 2025*

**13 Investments in joint ventures**

	<b>Group</b>			
	<b>6 months ended</b>		<b>12 months ended</b>	
	<b>31 Dec 2025</b>	31 Dec 2024	<b>31 Dec 2025</b>	31 Dec 2024
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<i>Equity accounting</i>				
Beginning of financial period / year	<b>9,822</b>	9,001	<b>8,254</b>	6,238
Additions	-	-	<b>2,276</b>	2,835
Transfer	-	*	-	*
Impairment	<b>(92)</b>	-	<b>(92)</b>	-
Share of losses	<b>(275)</b>	(478)	<b>(667)</b>	(676)
Currency translation differences	<b>207</b>	(269)	<b>(109)</b>	(143)
End of financial period / year	<b>9,662</b>	8,254	<b>9,662</b>	8,254

\* Less than \$1,000

Set out below is the new joint venture of the Group as at 31 December 2025:

<b>Name of entity</b>	<b>Place of business / country of incorporation</b>	<b>% of effective ownership Interest 31 December 2025</b>	<b>% of effective ownership Interest 31 December 2024</b>
<b>Held by the Group</b>			
MC Victoria Pty. Ltd. <sup>(a)</sup>	Australia	50	-

**Addition of a joint venture**

- (a) On 28 February 2025, the Group, through its wholly owned subsidiary corporation, MindChamps Early Learning Australia Pty. Limited (“MCELA”) and together with JAGM Capital Pty. Ltd. (“JAGM”), incorporated a joint venture company, MC Victoria Pty. Ltd. (“McVic”) in Australia. The total issued share capital of McVic is AU\$5,400,000, of which the Group holds 50%, and JAGM holds 50% of the paid-up share capital, respectively. MCELA acquired 2,700,000 ordinary shares in McVic for a total consideration of AU\$2,700,000 (approximately S\$2,276,000). The principal activity of McVic is the franchising of MindChamps Early Learning & PreSchool centres in Victoria, Australia.
- (b) There are no contingent liabilities relating to the Group and Company’s interest in the above joint ventures.

**14 Corporate transactions**

**(a) Acquisition of subsidiary corporation**

On 14 May 2024, the Group's wholly owned subsidiary, MCELA, entered into a legally binding and enforceable term sheet with Dream Big Education Pty Ltd ("Dream Big"), where MCELA will acquire the business and assets of MindChamps Early Learning & PreSchool @ Frenchs Forest ("FFR"), a preschool centre wholly owned and operated by Dream Big.

On 22 November 2024, MCELA formalised the acquisition through a Share Purchase Agreement, with a total adjusted consideration of AU\$3,043,000 (approximately S\$2,565,000), offset against the receivable balance as of 31 December 2024. MCELA assumed operational control of MindChamps Frenchs Forest Pty. Ltd. ("MCFF") on 1 February 2025, and the transaction was completed on 1 February 2025. The principal activity of MCFF is the provision of childcare, education and learning related services for preschool children.

The effects of the acquisition on the cash flows of the Group were as follows:

	<b>MCFF</b> <b>\$'000</b>
<b>Fair value of identifiable assets acquired and liabilities assumed as at the date of acquisition:</b>	
Cash and cash equivalents	1
Property, plant and equipment	2,331
Intangible assets	223
Total assets	<u>2,555</u>
Trade and other payables	78
Contract liabilities	30
Lease liabilities	1,711
Provision for reinstatement costs	41
Deferred tax liabilities	67
Total liabilities	<u>1,927</u>
<b>Total identifiable net assets at fair value</b>	<b>628</b>
Goodwill (Note 9(a))	1,938
<b>Fair value of consideration for all interests acquired</b>	<u>2,566</u>
Add: Cash and cash equivalents in subsidiary corporation acquired	(1)
<b>Net cash outflow on acquisition</b>	<u><u>2,565</u></u>

No acquisition related cost was incurred, as due diligence was conducted internally.

The fair value of plant and equipment was \$2,331,000. The fair value was determined based on the depreciated replacement cost and reflects adjustments for physical deterioration as well as functional and economic obsolescence.

The fair value of intangible assets was \$223,000. The fair value was determined based on the estimated income from the student base, less the estimated cost of student transfer.

The fair value of trade and other payables was \$79,000. The gross contractual amount for trade and other payables due was \$79,000, and at the acquisition date, the entire contractual amount was expected to be settled.

## MindChamps PreSchool Limited and its Subsidiary Corporations

### Notes to the condensed interim consolidated financial statements

For the six months and full year ended 31 December 2025

#### 14 Corporate transactions (Continued)

##### (a) Acquisition of subsidiary corporations (Continued)

Contract liabilities refer to school fees collected in advance ahead of the provision of services. Lease liabilities represent obligations for leasing preschool premises, while provision for reinstatement costs represents an obligation to reinstate the leased premises to its original condition upon termination.

The deferred tax liabilities were \$67,000 arising from the temporary differences in amortisation of intangible assets.

Goodwill recognised for MCFF of \$1,938,000 arising from the acquisition was attributable to the synergies of the business combination by leveraging MCFF's business to maximise occupancy rates in MindChamps Preschool businesses. It is not deductible for tax purposes.

The acquired subsidiary corporation contributed revenue of \$2,302,000 and a net profit of \$75,000 to the Group for the financial year ended 31 December 2025.

Had MCFF been acquired from 1 January 2025, there would be no significant impact on the consolidated revenue and consolidated net profit for the financial year ended 31 December 2025.

##### (b) Disposal of a preschool centre business

On 30 June 2025, the Group's wholly owned subsidiary corporation, BGK, through a Business and Asset Sale Agreement, disposed of its business of the preschool centre. The transaction was completed on 30 June 2025.

The effects of the disposal on the cash flows of the Group were as follows:

	<b>BGK</b> \$'000
<b>Carrying amounts of assets and liabilities as at the date of disposal:</b>	
Property, plant and equipment	1,147
Trade and other receivables	156
Inventories	10
Total assets	<u>1,313</u>
Trade and other payables	256
Contract liabilities	296
Lease liabilities	1,200
Total liabilities	<u>1,752</u>
<b>Net liabilities disposed off</b>	<b>(439)</b>
<b>Gain on disposal</b>	<b>2,904</b>
<b>Proceeds from disposal / Net cash inflow on disposal</b>	<b><u>2,465</u></b>

#### 15 Contingent liabilities

There are no material contingent liabilities apart from those already disclosed in the audited 31 December 2024 financial statements.

#### 16 Subsequent events

There are no other known subsequent events which led to adjustments to this set of interim financial statements.

## Other Information Required by Listing Rule Appendix 7.2

## OTHER INFORMATION

### 1. Review

The condensed consolidated statement of financial position of MindChamps PreSchool Limited and its subsidiary corporations as at 31 December 2025 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the twelve-month period then ended, and certain explanatory notes have not been audited or reviewed.

### 2. Review of the performance of the Group

Please refer to the interim financial statements of the Group for the six months and full year ended 31 December 2025 on pages 1 to 12.

### 3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. The Company did not issue any forecast or prospect statement to shareholders previously.

### 4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

#### (a) 2026's Outlook

The Group continues to navigate a dynamic and challenging macroeconomic landscape, marked by ongoing workforce shortages, rising operational costs, and wage inflation across its key markets: Singapore and Australia. These challenges reflect broader structural issues within the early childhood education ("ECE") sector globally. Consequently, the Group remains committed to prudent cost management, operational optimisation, and strategic enrolment growth to sustain financial health and support long-term expansion.

According to a report by **The Business Research Company**, the global ECE market is projected to expand from **\$308.26 billion in 2025 to \$337.4 billion in 2026**, reflecting a compound annual growth rate (CAGR) of **9.5%**. This growth underscores the heightened recognition of the critical importance of early education worldwide, bolstered by increasing government support and investment.

#### **Singapore**

In Singapore, the operating environment remains favourable, with strong government backing for early childhood development. Recent policy enhancements, including expanded parental leave and additional subsidies for families, are anticipated to positively influence national birth rates and, subsequently, the demand for early childhood education services. These initiatives reinforce MindChamps' strategic positioning as a premium provider for discerning parents seeking holistic and high-quality preschool education.

The Group will continue to invest in curriculum innovation and quality enhancement while ensuring that fee structures remain competitive and sustainable. Efforts are also being intensified to strengthen educator retention and recruitment, aligned with government incentives designed to enhance the ECE workforce.

#### **Australia**

In Australia, the Group maintains a cautiously optimistic outlook. Rising wage costs and regulatory compliance continue to present operational challenges. Nevertheless, recent government reforms aimed at enhancing funding for early education programs are likely to improve the operating landscape for early learning providers.

**OTHER INFORMATION** (Continued)

4. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.** (Continued)

(a) **2026's Outlook** (continued)

**Australia** (continued)

These reforms are expected to stimulate greater enrolment demand, particularly among dual-income families. MindChamps, with its premium positioning and commitment to educational excellence, is well-placed to capture this demand. The successful conclusion of exclusive business sales in all major states in Australia during FY2025 provides a strong foundation for future franchise-led expansion. The Group will continue to explore growth opportunities in underserved markets, supported by the ongoing optimisation of its franchise systems and fee models.

**United States**

The ECE landscape in the United States reflects global trends, with staff shortages and rising costs continuing to pressure operators. However, growing federal and state-level funding, including increased support for Pre-K initiatives, offers promising opportunities for market entry and partnership.

MindChamps' research-backed pedagogy and proprietary Champion Mindset curriculum have resonated well with early adopters, and the Group remains actively engaged in developing pilot models and franchise partnerships in key regions. In particular, we are focusing on scalable formats and market customisation to ensure operational feasibility and educational excellence across diverse U.S. contexts.

**Strategic Priorities for FY2026**

In the second half of FY2025 and into FY2026, the Group will focus on the following key strategic priorities:

- **Workforce Sustainability:** Strengthening talent acquisition, training, and retention in high-cost markets.
- **Operational Efficiency:** Streamlining centre operations and back-office functions to maintain profitability amid rising costs.
- **Franchise Network Growth:** Scaling the franchise model across domestic and international markets to achieve capital-light expansion.
- **Parent Engagement and Brand Differentiation:** Enhancing value propositions through digital platforms, community outreach, and curriculum innovation.
- **Service Quality Improvement:** Elevating service quality to a top-notch level comparable to that of Airlines, with the aim of being recognised for excellence in quality services across all aspects.
- **Capital and Resource Allocation:** Adopting a disciplined investment strategy while ensuring balance sheet strength.

MindChamps is committed to creating safe, nurturing and inspiring learning environments for every child and their family. Our values, Champion Mindset, and strict compliance to regulatory safeguards for children set us apart as a trusted provider in the early childhood sector.

The Group remains confident in its ability to navigate the challenges faced by the sector while capitalising on the structural growth trends within the ECE industry. Leveraging its global brand equity, premium positioning, and proven curriculum, MindChamps is well-positioned to deliver sustainable value to stakeholders in FY2026 and beyond.

**OTHER INFORMATION** (Continued)

**5. If a decision regarding dividends has been made:-**

**(a) Current Financial Period Reported on**

No dividends were recommended in the current reported financial period.

**(b) Corresponding Period of the Immediate Preceding Financial Year**

No dividends were recommended in the immediate preceding reported financial year.

**(c) The date the dividend is payable**

Not applicable.

**(d) Books Closure Date**

Not applicable.

**6. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared for the current reported financial period, as the Company intends to retain the profits generated in the current financial period for operational needs.

**7. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

**8. Confirmation that the Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual of the SGX-ST.

**9. Review of performance of the Group – turnover and earnings**

Please refer to the interim financial statements of the Group for the six months and full year ended 31 December 2025 on pages 1 to 12.

**10. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder**

Pursuant to Rule 704(13) of the Listing Manual, the Company confirms that there is no person occupying a managerial position in the Company or in any of its principal subsidiary corporations who is a relative of a director, chief executive officer or substantial shareholder of the Company.

**OTHER INFORMATION** (Continued)

**11. Negative confirmations pursuant to Rule 705(5).**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors which may render the interim financial statements false or misleading in any material aspect.

**On behalf of the Board of Directors**

**Mr. David Chiem Phu An**  
**Executive Chairman**

**BY ORDER OF THE BOARD**

**Yeo Hui Leng**  
**Company Secretary**  
**27 February 2026**