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

Condensed Interim Financial Statements
For the six months ended 30 June 2026

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Condensed Interim Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2026

	Note	6 months ended 30 Jun 26 $'000	6 months ended 30 Jun 25 $'000	+/- %
Revenue	4	**26,183**	30,107	(13%)
Cost of sales		**(14,230)**	(15,537)	(8%)
Gross profit		**11,953**	14,570	(18%)
Other income				
- Interest income		**293**	307	(5%)
- Others		**175**	183	(4%)
		468	490	(4%)
Other gains and losses				
- Exclusive territory business sales	6.2	**-**	2,076	N.M.
- Gain from corporate transactions	14	**5,278**	2,904	82%
- Impairment loss on financial assets		**(21)**	(443)	(95%)
- Other gains / (losses) - net		**285**	(301)	N.M.
Expenses				
- Administrative		**(13,465)**	(14,712)	(8%)
- Finance		**(952)**	(1,095)	(13%)
- Marketing		**(784)**	(502)	56%
Share of losses from associates and joint ventures	12,13	**(563)**	(404)	39%
Profit before income tax	6	**2,199**	2,583	(15%)
Income tax (expense) / credit	7	**(524)**	15	N.M.
Net profit		**1,675**	2,598	(36%)
Other comprehensive income / (loss):				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences arising from consolidation – income / (loss)		**2,438**	(907)	N.M.
Total comprehensive income		**4,113**	1,691	N.M.
Profit / (Loss) attributable to:				
Equity holders of the Company		**1,688**	2,635	(36%)
Non-controlling interests		**(13)**	(37)	(65%)
		1,675	2,598	(36%)
Total comprehensive income / (loss) attributable to:				
Equity holders of the Company		**4,126**	1,728	N.M.
Non-controlling interests		**(13)**	(37)	(65%)
		4,113	1,691	N.M.
Earnings per share for net profit attributable to equity holders of the Company				
- Basic earnings per share (cents per share)		**0.70**	1.08	
- Diluted earnings per share (cents per share)		**0.70**	1.08	

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

COMMENTARY ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

6 months ended 30 June 2026 (“1H 2026”) and 30 June 2025 (“1H 2025”)

(1) For the 6 months ended 30 June 2026, the Group recorded a profit before tax of $2.2 million in 1H 2026, a decrease of approximately $0.4 million from a profit before tax of $2.6 million in 1H 2025, and a profit after tax of $1.7 million in 1H 2026, a decrease of approximately $0.9 million from a profit after tax of $2.6 million in 1H 2025.

(2) Revenue decreased by approximately $3.9 million or 13%, from $30.1 million in 1H 2025 to $26.2 million in 1H 2026. The decrease was primarily driven by a $3.5 million reduction in school fees revenue, comprising a $1.8 million decrease in Singapore following the disposal of a preschool centre business at the end of 1H 2025, and a $1.8 million decrease in Australia attributable to lower student enrolment amid rising cost of living pressures on families. Franchise income also declined by $0.8 million, mainly due to lower sales of franchise licences in Australia in 1H 2026. Collectively, these factors contributed to a decrease in the gross profit margin from 48% to 46%.

(3) Cost of sales decreased by approximately $1.3 million or 8%, from $15.5 million in 1H 2025 to $14.2 million in 1H 2026. The decrease was mainly attributable to a $1.0 million and $0.3 million decrease in centre teachers’ costs and commission expenses respectively.

(4) Exclusive territory business sales decreased by approximately $2.1 million from $2.1 million in 1H 2025 to $Nil in 1H 2026. There was no exclusive territory business sale in 1H 2026.

(5) Gain from corporate transactions increased by approximately $2.4 million or 82%, from $2.9 million in 1H 2025 to $5.3 million in 1H 2026. The gain in 1H 2026 arose from the divestment of a 50% equity interest in a subsidiary corporation, resulting in loss of control, while the gain in 1H 2025 was attributable to the disposal of a preschool centre business.

(6) Impairment of financial assets decreased by approximately $0.4 million or 95%, from $0.4 million in 1H 2025 to $21 thousand in 1H 2026. The decrease was attributable to lower specific provisions of doubtful debts required in 1H 2026, in line with the Group’s credit risk assessment.

(7) Other gains and losses recorded a shift from a net loss of $0.3 million in 1H 2025 to a net gain of $0.3 million in 1H 2026. The movement was mainly attributable to non-recurring gain recognised in 1H 2026, compared with unrealised foreign exchange losses recognised in 1H 2025.

(8) Administrative expenses decreased by approximately $1.2 million or 8%, from $14.7 million in 1H 2025 to $13.5 million in 1H 2026. The decrease was mainly attributable to:

a) a decrease of $1.0 million in manpower expenses in 1H 2026; and

b) a decrease of $0.2 million in amortisation of intangible assets.

(9) Finance expenses decreased by approximately $0.1 million or 13%, from $1.1 million in 1H 2025 to $1.0 million in 1H 2026. The decrease was mainly attributable to a decrease in interest expenses on term loans resulting from the repayment of existing borrowings.

COMMENTARY ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

6 months ended 30 June 2026 ("1H 2026") and 30 June 2025 ("1H 2025") (Continued)

(10) Marketing expenses increased by approximately $0.3 million or 56%, from $0.5 million in 1H 2025 to $0.8 million in 1H 2026. The increase was mainly attributable to an increase in marketing campaign activities in 1H 2026.

(11) Share of losses from associates and joint ventures increased by approximately $0.2 million or 39%, from $0.4 million in 1H 2025 to $0.6 million in 1H 2026. The increase was mainly attributable to higher losses incurred by the joint ventures, which are still in their start-up stage.

(12) Currency translation gain arising from consolidation increased by approximately $3.3 million, from a loss of $0.9 million in 1H 2025 to a gain of $2.4 million in 1H 2026. These exchange differences arose from the translation of financial statements of the Group's Australian operations, in which functional currencies are different from the Group's presentation currency.

Condensed Interim Consolidated Statement of Financial Position - Group
As at 30 June 2026

	Note	30 Jun 2026 $'000	31 Dec 2025 $'000
ASSETS			
Current assets			
Cash and short-term deposits		**3,333**	3,862
Trade and other receivables		**12,950**	12,386
Inventories		**462**	473
Lease receivables		**263**	256
Total current assets		**17,008**	16,977
Non-current assets			
Property, plant and equipment		**24,206**	26,744
Intangible assets	9	**71,664**	69,913
Lease receivables		**760**	893
Trade and other receivables		**7,166**	4,255
Deferred income tax assets		**2,348**	2,259
Investments in associates	12	**40**	52
Investments in joint ventures	13	**9,349**	9,662
Total non-current assets		**115,533**	113,778
Total assets		**132,541**	130,755
LIABILITIES AND EQUITIES			
Current liabilities			
Trade and other payables		**16,666**	15,178
Contract liabilities		**4,294**	4,879
Borrowings	10	**7,084**	7,317
Lease liabilities		**6,156**	5,989
Current income tax liabilities		**1,500**	1,110
Total current liabilities		**35,700**	34,473
Non-current liabilities			
Borrowings	10	**3,130**	4,303
Lease liabilities		**18,420**	20,946
Provision for reinstatement costs		**950**	805
Total non-current liabilities		**22,500**	26,054
Total liabilities		**58,200**	60,527
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	11	**49,530**	49,530
Currency translation reserve		**(8,677)**	(11,115)
Other reserve		**(1,449)**	(1,449)
Retained profits		**35,541**	33,853
		74,945	70,819
Non-controlling interests		**(604)**	(591)
Total equity		**74,341**	70,228
Total liabilities and equity		**132,541**	130,755

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 remained stable at approximately $17.0 million as at 30 June 2026, consistent with the balance as at 31 December 2025. The movement was mainly attributable to:

(a) an increase in trade and other receivables of $0.6 million; and

(b) a decrease in cash and short-term deposits of $0.5 million resulting from repayments of borrowings and lease liabilities.

(2) Non-current assets

The Group's non-current assets increased by approximately $1.7 million or 2%, from $113.8 million as at 31 December 2025 to $115.5 million as at 30 June 2026. The increase was mainly attributable to:

(a) an increase in non-current trade and other receivables of $2.9 million, mainly attributable to the deferred consideration receivable in relation to the partial divestment of a subsidiary corporation in 1H 2026; and

(b) an increase in intangible assets of $1.8 million arising from currency translation differences on goodwill, partially offset by a decrease in property, plant and equipment of $2.5 million, mainly attributable to the depreciation charged during the financial period; and

(c) a decrease in investments in joint ventures of $0.3 million mainly attributable to share of losses on joint ventures which are in their start-up stage.

(3) Current liabilities

The Group's current liabilities increased by approximately $1.2 million or 4%, from $34.5 million as at 31 December 2025 to $35.7 million as at 30 June 2026. The increase was mainly attributable to:

(a) an increase in trade and other payables of $1.5 million;

(b) an increase in current income tax liabilities of $0.4 million; and

(c) a decrease in contract liabilities of $0.6 million.

(4) Non-current liabilities

The Group's non-current liabilities decreased by approximately $3.6 million or 14%, from $26.1 million as at 31 December 2025 to $22.5 million as at 30 June 2026. The decrease was mainly attributable to a decrease in non-current lease liabilities of approximately $2.5 million and non-current borrowings of approximately $1.2 million, resulting from the repayments.

Condensed Interim Statement of Financial Position – Company
As at 30 June 2026

	Note	30 Jun 2026 $'000	31 Dec 2025 $'000
ASSETS			
Current assets			
Cash and short-term deposits		**2,489**	2,616
Trade and other receivables		**17,886**	14,872
Lease receivables		**789**	769
Total current assets		**21,164**	18,257
Non-current assets			
Property, plant and equipment		**2,231**	2,508
Intangible assets	9	**291**	443
Lease receivables		**2,280**	2,679
Trade and other receivables		**5,439**	1,734
Deferred income tax assets		**113**	113
Investments in subsidiary corporations		**81,679**	81,677
Investments in associates	12	**40**	52
Total non-current assets		**92,073**	89,206
Total assets		**113,237**	107,463
LIABILITIES			
Current liabilities			
Trade and other payables		**19,054**	16,079
Contract liabilities		**30**	30
Borrowings		**6,846**	6,846
Lease liabilities		**1,315**	1,281
Total current liabilities		**27,245**	24,236
Non-current liabilities			
Borrowings		**3,130**	4,303
Lease liabilities		**3,799**	4,466
Provision for reinstatement costs		**92**	49
Total non-current liabilities		**7,021**	8,818
Total liabilities		**34,266**	33,054
EQUITY			
Share capital		**49,530**	49,530
Retained profits		**29,441**	24,879
Total equity		**78,971**	74,409
Total liabilities and equity		**113,237**	**107,463**

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

Condensed Interim Consolidated Statement of Changes in Equity
For the six months ended 30 June 2026

	Attributable to equity holders of the Company						
	Share capital	Currency translation reserve	Other reserve	Retained profits	Total	Non-controlling interests	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
30 June 2026							
As at 1 January 2026	49,530	(11,115)	(1,449)	33,853	70,819	(591)	70,228
Total comprehensive income / (loss) for the financial period	-	2,438	-	1,688	4,126	(13)	4,113
As at 30 June 2026	**49,530**	**(8,677)**	**(1,449)**	**35,541**	**74,945**	**(604)**	**74,341**
30 June 2025							
As at 1 January 2025	49,530	(12,355)	(1,449)	31,730	67,456	(539)	66,917
Total comprehensive (loss) / income for the financial period	-	(907)	-	2,635	1,728	(37)	1,691
As at 30 June 2025	**49,530**	**(13,262)**	**(1,449)**	**34,365**	**69,184**	**(576)**	**68,608**

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 six months ended 30 June 2026

	Share capital	Retained profits	Total
	$'000	$'000	$'000
30 June 2026			
As at 1 January 2026	49,530	24,879	74,409
Total comprehensive income for the financial period	-	4,562	4,562
As at 30 June 2026	**49,530**	**29,441**	**78,971**
30 June 2025			
As at 1 January 2025	49,530	28,964	78,494
Total comprehensive loss for the financial period	-	(2,461)	(2,461)
As at 30 June 2025	**49,530**	**26,503**	**76,033**

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

Condensed Interim Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Note	6 months ended 30 Jun 2026 $'000	6 months ended 30 Jun 2025 $'000
Cash flows from operating activities			
Net profit		**1,675**	2,598
Adjustments for:			
- Amortisation of intangible assets		**575**	764
- Depreciation of property, plant and equipment		**3,574**	3,476
- Gain from corporate transactions		**-**	(2,904)
- Gain from divestment of subsidiary corporation	14(a)	**(5,278)**	-
- Gain from exclusive territory business sales	6.2	**-**	(2,076)
- Interest expense		**952**	1,095
- Impairment of financial assets		**21**	443
- Interest income		**(293)**	(307)
- Income and deferred tax expense / (credit)	7	**524**	(15)
- Share of losses from associates and joint ventures	12,13	**563**	404
- Unrealised currency translation (gains) / losses		**(38)**	306
Operating cash flows before movements in working capital		**2,275**	**3,784**
Change in working capital:			
- Contract liabilities		**(585)**	(1,831)
- Inventories		**11**	27
- Trade and other receivables		**2,071**	(3,387)
- Trade and other payables		**1,633**	5,058
Cash generated from operations		**5,405**	3,651
Income tax paid		**(151)**	(73)
Net cash from operating activities		**5,254**	3,578
Cash flows from investing activities			
Acquisition of subsidiary corporation, net of cash acquired		**-**	(2,564)
Additions to property, plant and equipment		**(381)**	(97)
Proceeds from exclusive territory business sales		**-**	2,076
Proceeds from the disposal of a preschool centre		**-**	2,464
Interest received		**46**	59
Sublease income received		**86**	105
Net cash (used in) / from investing activities		**(249)**	2,043
Cash flows from financing activities			
Interest paid for loans and leases		**(952)**	(1,095)
Repayments of short-term borrowings		**-**	(400)
Repayments of borrowings		**(1,406)**	(1,536)
Repayment of principal amount of lease liabilities		**(3,103)**	(2,936)
Net cash used in financing activities		**(5,461)**	(5,967)

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

Condensed Interim Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	6 months ended	
	30 Jun 2026	30 Jun 2025
	$'000	$'000
Net decrease in cash and cash equivalents	**(456)**	(346)
Cash and cash equivalents		
Beginning of financial period	**1,862**	2,524
Effects of currency translation on cash and cash equivalents	**(73)**	4
End of financial period	**1,333**	2,182

	30 Jun 2026	30 Jun 2025
	$'000	$'000
Cash and cash equivalents in the consolidated statement of financial position	**3,333**	4,182
Less: Fixed deposit pledged	**(2,000)**	(2,000)
Cash and cash equivalents in the consolidated statement of cash flows	**1,333**	2,182

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

COMMENTARY ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

6 months ended 30 June 2026 ("1H 2026")

The Group's cash and cash equivalents in the consolidated statement of cash flows decreased by $0.5 million from $1.8 million as at 31 December 2025 to $1.3 million as at 30 June 2026.

Major cash inflow in 1H 2026 was:

(a) net cash generated from operating activities of approximately $5.3 million.

Major cash outflows in 1H 2026 were:

(a) repayments of the principal element of borrowings of approximately $1.4 million;

(b) repayments of the principal element of lease liabilities in relation to the leasing of preschool centres and corporate offices of approximately $3.1 million;

(c) repayments of interests in relation to borrowings and lease liabilities of approximately $1.0 million; and

(d) additions to property, plant and equipment of approximately $0.4 million.

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 ended 30 June 2026 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 ended 30 June 2026 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 2025.

The accounting policies and method of computation adopted are consistent with the most recently audited financial statements for the year ended 31 December 2025, 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 30 June 2026, the Group and the Company were in a net current liabilities position of $18.7 million and $6.1 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 $6.2 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 $4.3 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 $2.2 million and the Company's related party payables of $17.1 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 $2.0 million and the Company's deposits received from customers of $0.7 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 $1.1 million and the Company's current non-financial assets (prepayments) of $0.1 million,

the Group and the Company would have recorded adjusted net current liabilities of $5.1 million and net current assets of $12.9 million, respectively.

(b) The Board and the management have deliberated the Group's business plans and operation 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.

The comparative figures of the gains from the exclusive territory business sales of $2.1 million have been reclassified from "revenue" to "other gains and losses – exclusive territory business sales" to reflect the transactions as disposal of businesses instead of revenue.

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 2025, 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 similar nature of 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.

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
6 months ended 30 Jun 2026									
Sales									
Total segment sales	892	8,234	-	-	17,222	2,081	-	-	28,429
Inter-segment sales	(19)	(370)	-	-	-	(1,857)	-	-	(2,246)
Sales to external parties	**873**	**7,864**	**-**	**-**	**17,222**	**224**	**-**	**-**	**26,183**
EBITDA	**281**	**2,572**	**5,278**	**(10)**	**1,640**	**(2,753)**	**-**	**(1)**	**7,007**
As at 30 Jun 2026									
Segment assets	**3,196**	**3,071**	**20,606**	**305**	**56,015**	**48,525**	**-**	**823**	**132,541**
Segment liabilities	**(679)**	**-**	**(22,399)**	**(28)**	**(29,255)**	**(5,242)**	**-**	**(597)**	**(58,200)**
6 months ended 30 Jun 2025									
Sales									
Total segment sales	2,825	7,631	-	-	18,988	3,266	-	-	32,710
Inter-segment sales	(41)	(642)	-	-	-	(1,920)	-	-	(2,603)
Sales to external parties	2,784	6,989	-	-	18,988	1,346	-	-	30,107
EBITDA	1,035	90	2,904	(19)	2,515	(989)	2,076	(1)	7,611
As at 30 Jun 2025									
Segment assets	7,092	3,575	20,898	434	50,592	45,063	-	1,066	128,720
Segment liabilities	(1,227)	-	(30,823)	(48)	(15,353)	(12,182)	-	(479)	(60,112)

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:

	6 months ended	
	30 Jun 2026 $'000	30 Jun 2025 $'000
EBITDA for reportable segments	**7,018**	7,631
EBITDA for other segments	**(11)**	(20)
Depreciation of property, plant and equipment	**(3,574)**	(3,476)
Amortisation of intangible assets	**(575)**	(764)
Interest expense	**(952)**	(1,095)
Interest income	**293**	307
Profit before income tax	**2,199**	2,583

(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:

	6 months ended	
	30 Jun 2026 $'000	30 Jun 2025 $'000
<u>Revenue</u>		
Education	**18,095**	21,772
Franchise	**8,088**	8,335
	26,183	30,107

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
6 months ended 30 Jun 2026			
Singapore			
- School fees	-	869	869
- Royalty fees	-	4,351	4,351
- Franchise income	600	-	600
- Sale of merchandise	994	-	994
- Management service income	1,519	-	1,519
- Others	404	-	404
Sales to external parties	3,517	5,220	8,737
Australia			
- School fees	-	17,185	17,185
- Royalty fees	-	19	19
- Franchise income	193	-	193
- Sale of merchandise	2	-	2
- Management service income	9	-	9
- Others	38	-	38
Sales to external parties	242	17,204	17,446
Total	3,759	22,424	26,183
6 months ended 30 Jun 2025			
Singapore			
- School fees	-	2,640	2,640
- Royalty fees	-	4,479	4,479
- Franchise income	315	-	315
- Sale of merchandise	665	-	665
- Management service income	1,415	-	1,415
- Others	259	-	259
Sales to external parties	2,654	7,119	9,773
Australia			
- School fees	-	18,956	18,956
- Royalty fees	-	79	79
- Franchise income	1,235	-	1,235
- Sale of merchandise	3	-	3
- Management service income	37	-	37
- Others	24	-	24
Sales to external parties	1,299	19,035	20,334
Total	3,953	26,154	30,107

5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2026 and 31 December 2025:

	Group		Company	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
	$'000	$'000	**$'000**	$'000
Financial assets, at amortised cost	23,854	20,308	28,796	22,578
Financial liabilities, at amortised cost	51,456	53,733	34,144	32,975

6 Profit before income tax

6.1 Significant items

	Group	
	6 months ended	
	30 Jun 2026	30 Jun 2025
	$'000	$'000
Income		
Government grants	**175**	183
Expenses		
Amortisation of intangible asset	**575**	764
Depreciation of property, plant and equipment	**3,574**	3,476
Employee compensation	**17,890**	19,844
Interest expenses:		
- Lease liabilities	**745**	713
- Term loans	**207**	356
- Miscellaneous	**-**	26

6.2 Related party transactions

	Group	
	6 months ended	
	30 Jun 2026	30 Jun 2025
	$'000	$'000
Exclusive territory business sales	**-**	2,076
Disposal of a preschool business	**-**	2,464

The exclusive territory business, which operates franchise services 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.

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 2025 financial statements.

7 Income tax expense / (credit)

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:

	Group	
	6 months ended	
	30 Jun 2026 $'000	30 Jun 2025 $'000
Current income tax expense / (credit)	**541**	(35)
Deferred income tax (credit) / expense relating to origination and reversal of temporary differences	**(17)**	20
	524	(15)

8 Net asset value

	Group		Company	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
Net asset value per ordinary share (cents per share)	**31**	29	**33**	31

9 Intangible assets

	Group		Company	
	30 Jun 2026 $'000	31 Dec 2025 $'000	**30 Jun 2026 $'000**	31 Dec 2025 $'000
<u>Composition</u>				
Goodwill arising on consolidation (Note (a))	**70,880**	68,559	**-**	-
Student base	**379**	744	**-**	-
Courseware development cost	**286**	451	**217**	331
Computer software licences	**74**	112	**74**	112
Copyrights	**45**	47	**-**	-
	71,664	69,913	**291**	443

9 Intangible assets (Continued)

(a) *Goodwill arising on consolidation*

	Group	
	30 Jun 2026 $'000	31 Dec 2025 $'000
Cost		
Beginning of financial period / year	**69,161**	66,064
Acquisition of subsidiary corporation	**-**	1,938
Currency translation differences	**2,338**	1,159
End of financial period / year	**71,499**	69,161
Accumulated impairment		
Beginning of financial period / year	**602**	593
Currency translation differences	**17**	9
End of financial period / year	**619**	602
Net book value	**70,880**	68,559

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 cash generating unit ("CGU") were disclosed in the annual consolidated financial statements for the year ended 31 December 2025. At 30 June 2026, management assessed whether there were any indicators that goodwill allocated to each cash-generating unit may be impaired. The assessment considered the performance of each cash-generating unit against budget, movements in enrolment and occupancy, changes in fee caps and subsidy arrangements in Singapore and Australia, and wage cost inflation. Based on this assessment, no indicators of impairment were identified. The key assumptions applied in the annual impairment test as at 31 December 2025 remain appropriate.

10 Borrowings

	Group	
	30 Jun 2026 $'000	31 Dec 2025 $'000
Secured		
Amount repayable in one year or less, or on demand		
- Revolving credit	**4,500**	4,500
- Term loan	**2,584**	2,817
	7,084	7,317
Amount repayable after one year		
- Term loan	**3,130**	4,303
	10,214	11,620

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			
	30 Jun 2026		31 Dec 2025	
	No. of ordinary shares issued ('000)	**Amount $'000**	No. of ordinary shares issued ('000)	$'000
Beginning / End of the financial period / 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 holders of ordinary shares are 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 30 June 2026 and 31 December 2025.

12 Investments in associates

	Group	
	30 Jun 2026 $'000	31 Dec 2025 $'000
Equity accounting		
Beginning of financial period / year	**52**	64
Share of losses	**(12)**	(12)
End of financial period / year	**40**	52

13 Investments in joint ventures

	Group	
	30 Jun 2026 $'000	31 Dec 2025 $'000
Equity accounting		
Beginning of financial period / year	**9,662**	8,254
Additions	**-**	2,276
Transfer from subsidiary corporation	*	**-**
Impairment	**-**	(92)
Share of losses	**(551)**	(667)
Currency translation differences	**238**	(109)
End of financial period / year	**9,349**	9,662

* Less than $1,000

Set out below are the new joint ventures of the Group as at 30 June 2026:

Name of entity	**Place of business / country of incorporation**	**% of effective ownership Interest 30 June 2026**	**% of effective ownership Interest 31 December 2025**
<u>Held by the Company</u>			
MC CA[(a)]	USA	50	-

13 Investments in joint ventures (Continued)

(a) On 30 June 2026, the Company divested 50% equity interest of its wholly owned subsidiary corporation, MC CA to Grandview Financial Corporation, Inc. Subsequent to the divestment, MC CA became a joint venture.

(b) There are no contingent liabilities relating to the Group and Company's interest in the above joint ventures.

14 Corporate transaction

(a) Divestment of subsidiary corporation

On 30 June 2026, the Company entered into a Share Sale and Purchase Agreement with Grandview Financial Corporation ("Grandview"), Inc to divest 50% equity interest of its wholly owned subsidiary corporation, MC CA to Grandview for a total consideration of US$5,000,000 (approximately S$6,471,500).

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

	MC CA
	$'000
Carrying amounts of assets as at the date of divestment:	
Trade and other receivables	*
Total assets	*
Net assets divested of	*
Discounting impact of significant financing component	1,194
Fair value of investment divested	*
Gain on divestments	5,278
Proceeds on divestment	6,472
Less: Deferred considerations^	(6,472)
Net cash inflow on divestment	-

* Less than $1,000
^ Expected to be payable in tranches within five years from the completion date.

15 Contingent liabilities

There are no material contingent liabilities apart from those already disclosed in the audited 31 December 2025 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 30 June 2026 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 six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Please refer to the interim financial statements of the Group for the six months ended 30 June 2026 on pages 1 to 11.

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) 2026/2027's Outlook

The Group continues to operate in a dynamic and challenging macroeconomic environment, with ongoing pressures from workforce shortages, rising operational costs and wage inflation across its key markets of Singapore and Australia. In Australia, these pressures have been compounded by cost-of-living constraints on families, heightened public attention on the sector and an increase in the supply of early learning places in certain catchments, which together have weighed on occupancy and fee growth.

The longer-term outlook for the sector nonetheless remains positive. Research by The Business Research Company published in March 2026 projects the global ECE market to expand from \$337.40 billion in 2026 to \$482.07 billion in 2030, a compound annual growth rate ("CAGR") of 9.3%, underscoring the growing recognition of the importance of early education worldwide. Against this backdrop, the Group remains focused on prudent cost management, operational optimisation and enrolment growth to sustain financial health and support long-term expansion.

Singapore

The Group will continue to invest in quality enhancement and curriculum innovation while ensuring fee structures remain competitive and sustainable, particularly as the monthly fee caps at Anchor Operator and Partner Operator preschools were lowered again with effect from January 2026. Efforts are also underway to strengthen educator retention and recruitment, in line with government incentives aimed at bolstering the ECE workforce.

Australia

In Australia, the Group maintains a cautiously optimistic outlook. Rising wage costs, regulatory compliance and increased competition for enrolments continue to present operational challenges. Nevertheless, the 3 Day Guarantee, which took effect on 5 January 2026 and replaced the previous activity test, extends subsidised access to a further 100,000 families and is expected to support enrolment demand over time, particularly among dual-income families. MindChamps, with its premium positioning and commitment to educational excellence, is well-placed to capture this demand.

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) <u>2026/2027's Outlook</u> (Continued)

Australia (Continued)

The legislated wage increases for educators continue to add to the Group's cost base. This impact is partially mitigated by the Worker Retention Payment, which funds those increases and has recently been announced for extension to 30 June 2028. The conclusion of exclusive business sales across all major states in Australia during FY2024 and FY2025 has provided a solid platform for future franchise-led expansion, and the Group will continue to pursue growth opportunities in underserved markets, supported by ongoing optimisation of its franchise systems and fee models.

United States

The ECE landscape in the United States mirrors global trends, with staff shortages and cost escalations continuing to pressure operators. However, expanding federal and state-level funding, such as the Preschool Development Grants and universal Pre-K initiatives, offers promising opportunities for market entry and partnership. In 1H 2026, the Group divested a 50% equity interest in its United States subsidiary corporation, forming a joint venture with a local partner to support its entry into California market on a capital-light basis.

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. Particular attention is being given to scalable formats and market customisation, to ensure operational feasibility and educational excellence across diverse U.S. contexts.

Strategic Priorities for 2H2026 and FY2027

In the 2H2026 and into FY2027, the Group will continue to focus on the following key strategic priorities:

- **Workforce sustainability:** Strengthening talent acquisition, training, and retention, particularly in high-cost markets.
- **Operational efficiency and occupancy:** Streamlining centre operations and back-office functions, and rebuilding occupancy at underperforming centres, to maintain profitability despite 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.
- **Capital and resource allocation:** Ensuring a disciplined approach to investment while maintaining balance sheet strength.

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) <u>2026/2027's Outlook</u> (Continued)

Strategic Priorities for 2H2026 and FY2027 (Continued)

The Group acknowledges the continued public and regulatory attention on the early childhood education sector in Australia, including the introduction of mandatory national child safety training for all staff from February 2026 and the establishment of a national register of early childhood educators. MindChamps stands firm in our commitment to child safety, educator integrity, and regulatory compliance, setting us apart as a trusted leader in early childhood education.

The Group remains confident in its ability to navigate sector-wide challenges and capitalise on structural growth trends in the ECE industry. By leveraging its global brand equity, premium positioning, and proven curriculum, MindChamps is well-placed to deliver sustainable value to stakeholders in FY2026/2027 and beyond.

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 corresponding period of the immediate preceding 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.

OTHER INFORMATION (Continued)

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

Please refer to the interim financial statements of the Group for the six months ended 30 June 2026 on pages 1 to 11.

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.

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, nothing has come to the attention of the Board of Directors which may render the interim financial statements to be 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
13 August 2026