MindChamps® preschool

FY2022
Annual General Meeting

28 April 2023

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Glossary

S/N	Acronyms	Definitions
1	**COCO**	Company-Owned-Company-Operated preschool centres
2	**FOFO**	Franchisee-Owned-Franchisee-Operated preschool centres
3	**N.M.**	Not meaningful



MindChamps® preschool

Business Updates

Presented by Mr. David Chiem Phu An
Founder Chief Executive Officer and Executive Chairman

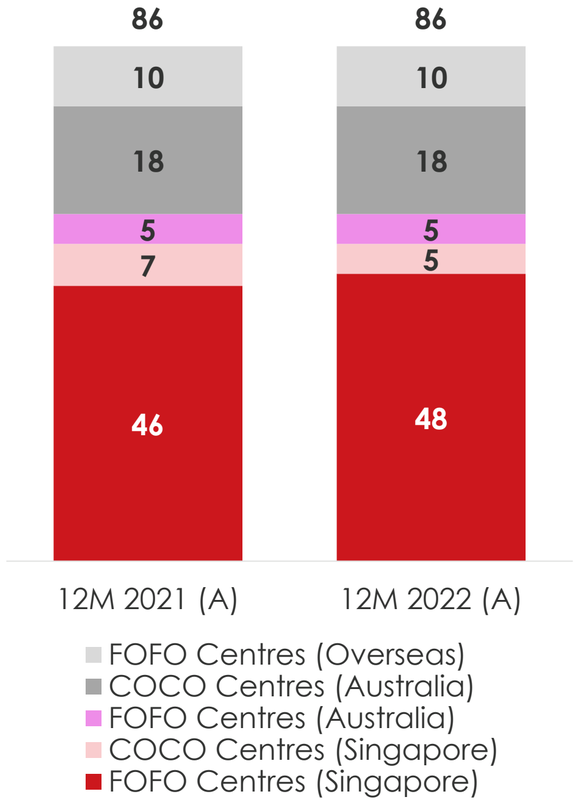
MindChamps® preschool

Performance Highlights

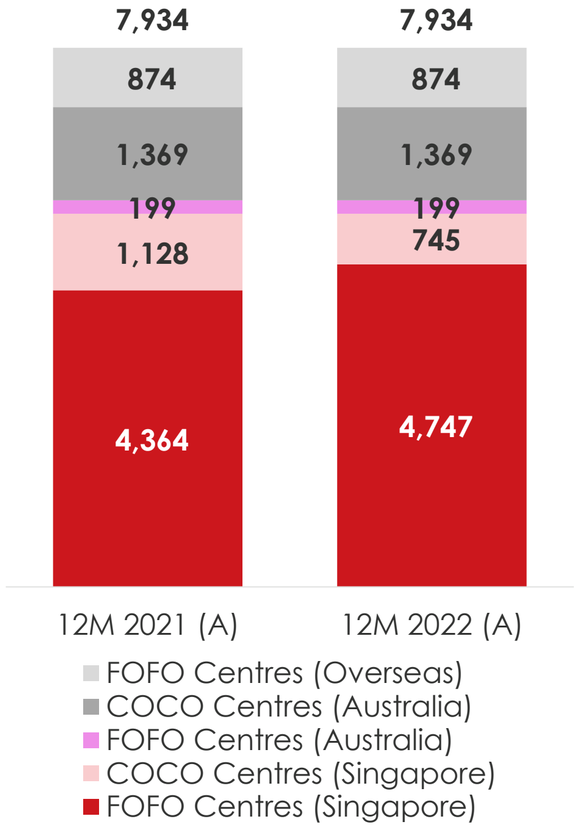
Presented by Mr. Teo Wee Jone
Chief Financial Officer

Y-o-Y Growth in PreSchool Students

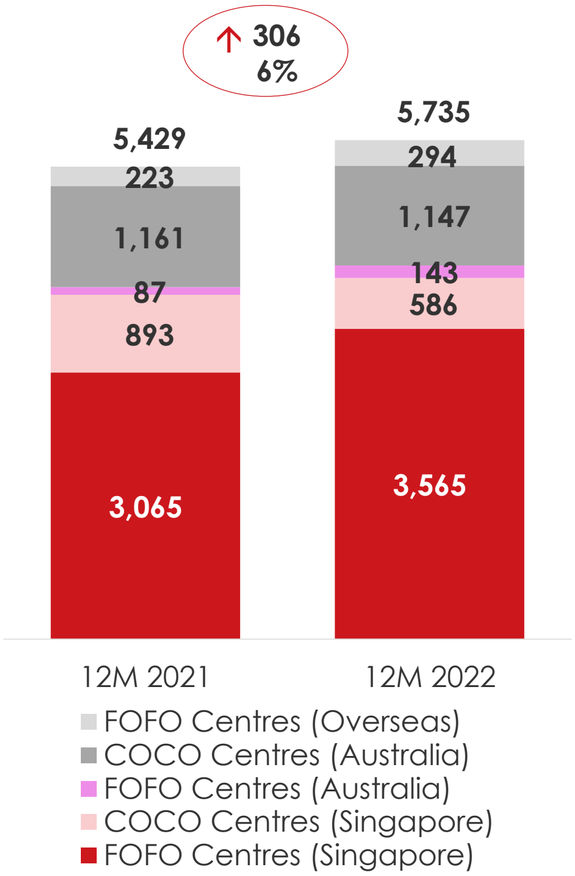
Total Number of MindChamps Centres



Total Maximum Capacity for PreSchool Centres*



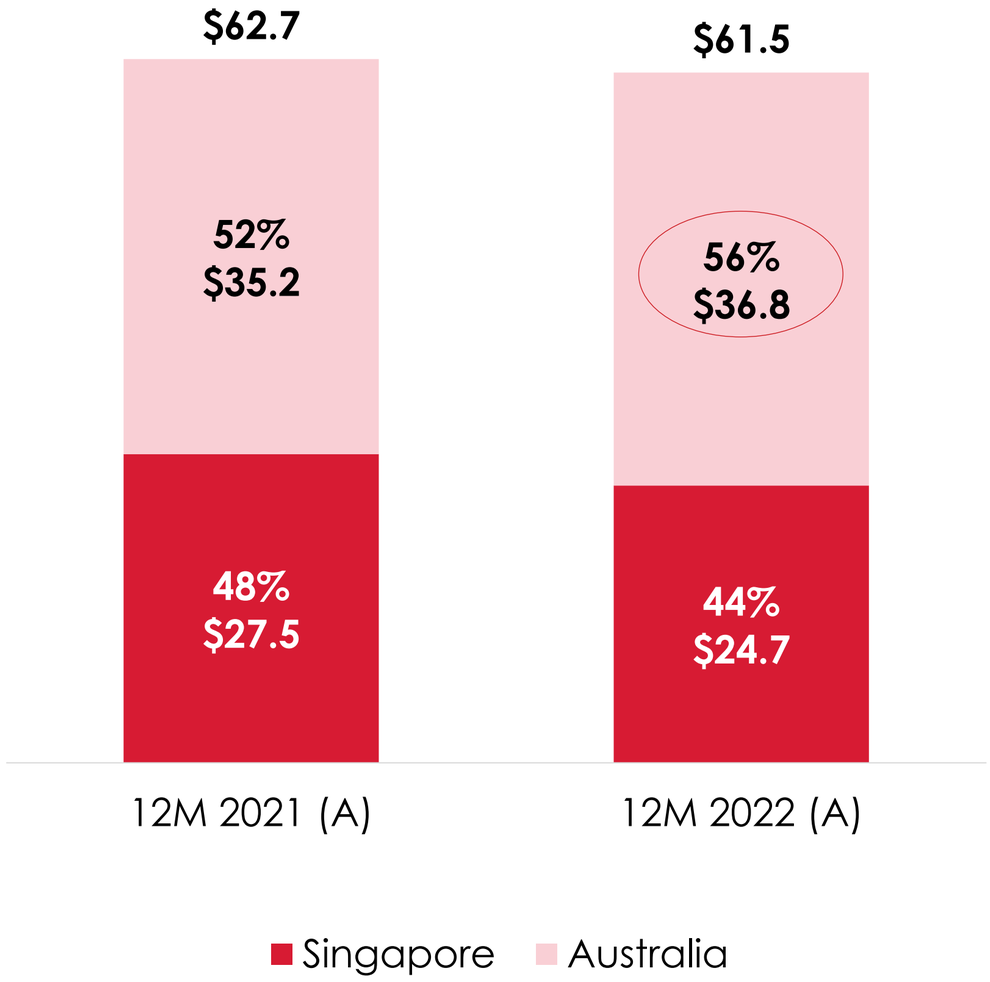
Total Number of PreSchool Students



** For FOFO Centres in countries where maximum capacity is not regulated, estimated maximum capacity is proxied by Singapore's ECDA regulations.*

Revenue Trend, Australia is Main Contributor (S$Mil)

Total Revenue



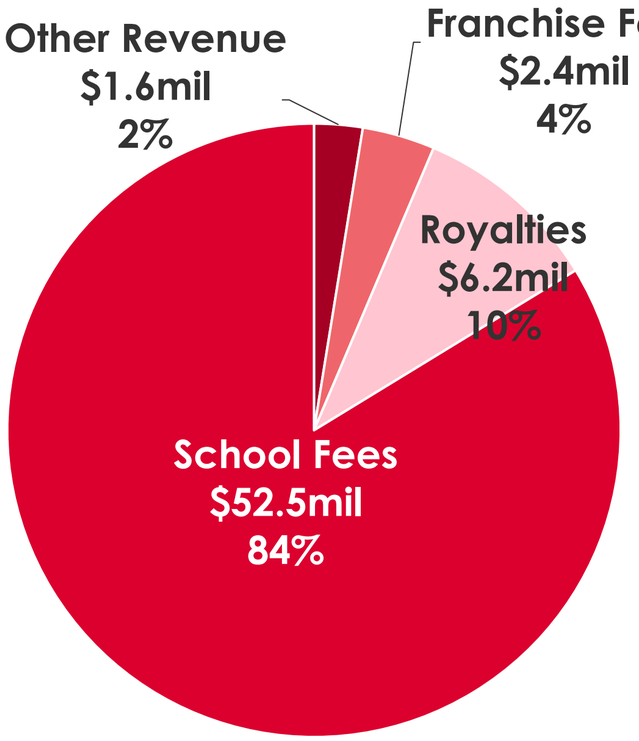

MindChamps Early Learning @ Mascot 2


MindChamps PreSchool @ Punggol Northshore

Revenue Mix, School Fees is Main Contributor (S$Mil)

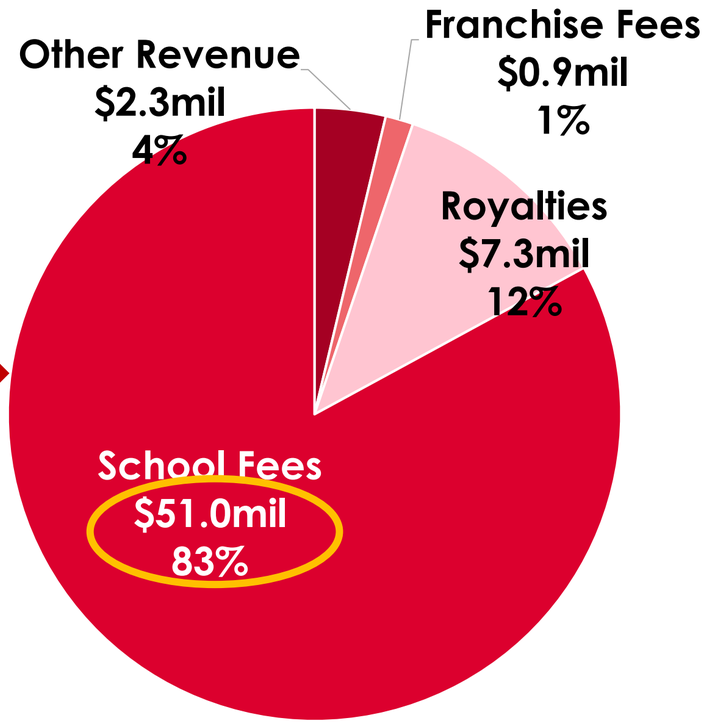
12M 2021

Total: $62.7



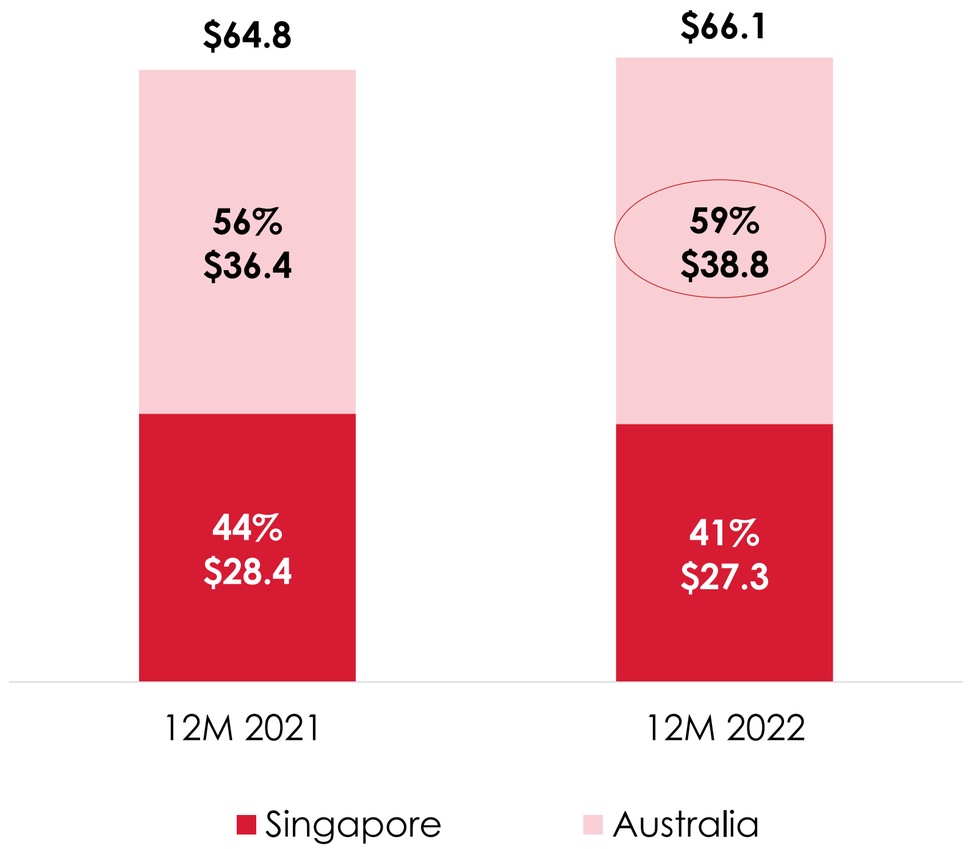
12M 2022

Total: $61.5



Total Cost Trend, Australia is Main Contributor (S$Mil)

Total Costs (COS + OPEX)



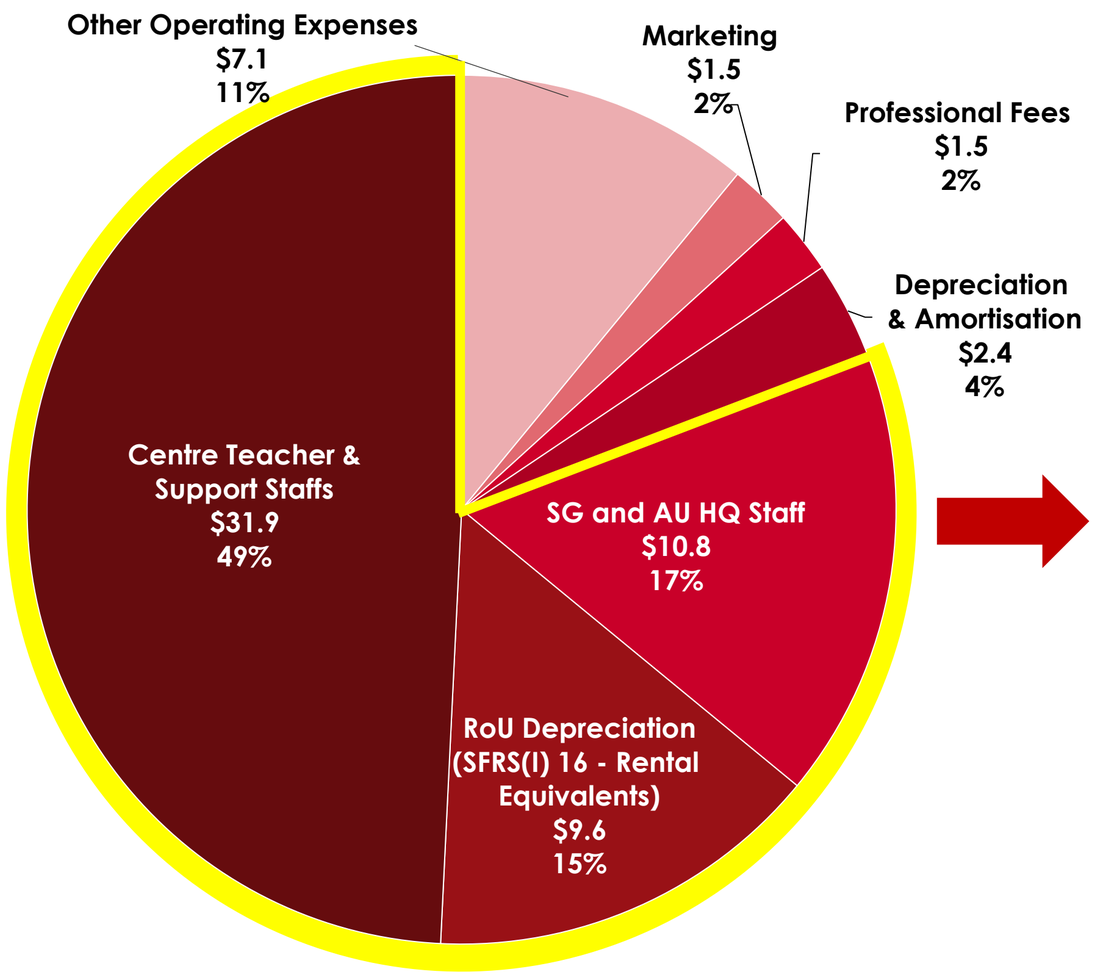

MindChamps Early Learning Centre @ Albion Park


MindChamps Early Learning Centre @ Kemps Creek

Cost Mix, Teacher's Cost & Rental are Main Cost Drivers (S$Mil)

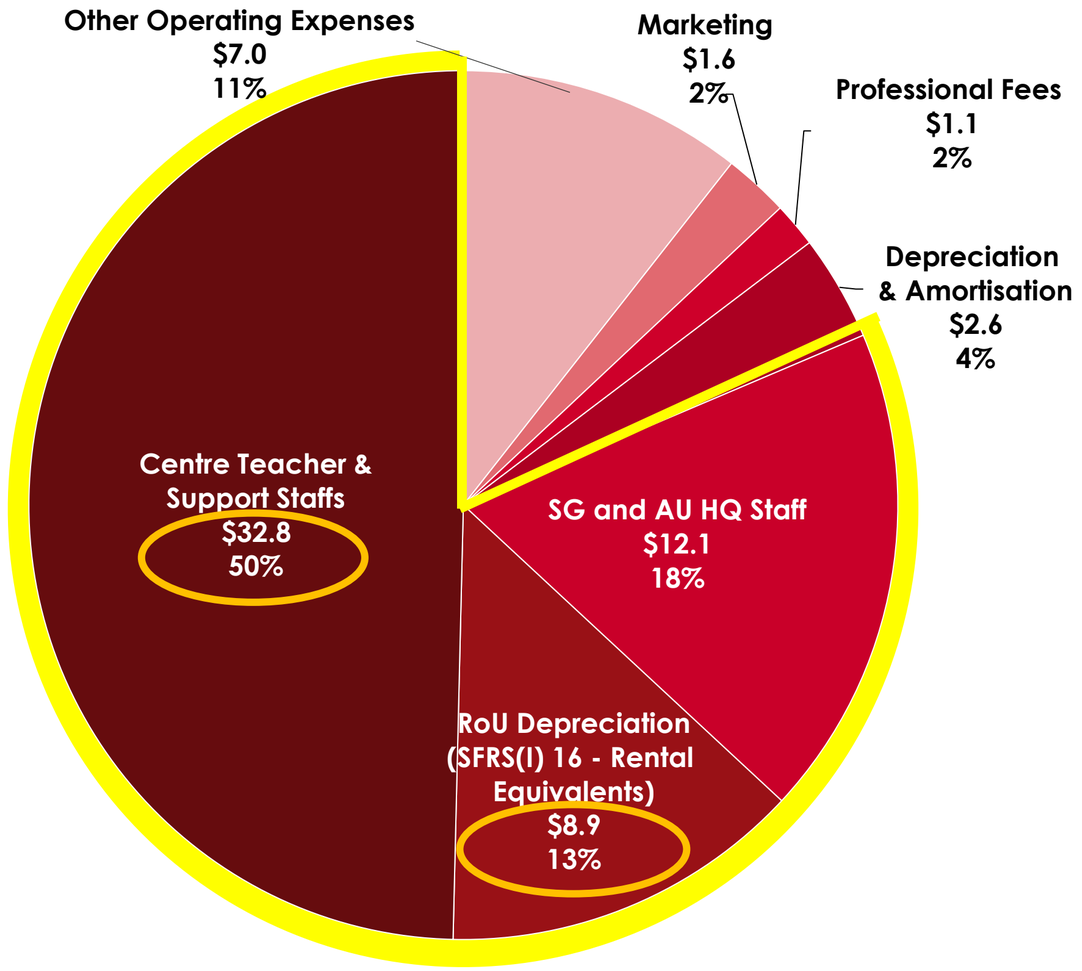
12M 2021

Total: $ 64.8



12M 2022

Total: $66.1



Consolidated P&L
(12M 2022 vs 12M 2021)

(S$'000)	12M 2022 Actual	12M 2021 Actual	Variance	Variance %
Revenue	61,546	62,709	(1,163)	(2%)
Cost of Sales	(33,076)	(32,415)	(661)	2%
Gross Profit	**28,470**	**30,294**	**(1,824)**	**(6%)**
GP Margin	*46%*	*48%*		*2%*
Other Income	4,271	6,257	(1,986)	(32%)
Other (Loss)/ Gain	(648)	(115)	(533)	N.M.
Expenses	(35,371)	(34,508)	(863)	3%
Gain on corporate transactions	5,110	258	4,852	N.M.
Share of Profit / (Losses) from Associates and Joint Ventures	1,010	(34)	1,044	*(N.M.)*
Profit Before Taxation	**2,842**	**2,152**	**690**	32%
PBT Margin	*5%*	*3%*		1%
Income Tax Credit / (Expense)	104	452	(348)	(77%)
Profit After Tax	**2,946**	**2,604**	**342**	13%
PAT Margin	*5%*	*4%*		-

Highlights:

- **Revenue maintained ~$62 mil.**
- **Profit After Tax increased by 13%.**

Some major changes during 2022 were:

- Gain from corporate transactions increased by approximately S$4.9 million resulted from divestment of preschool centres in Singapore.
- Share of Profit from JV increased by $1.1 million.

Consolidated Balance Sheet

(S$'000)	As at 31.12.22	As at 31.12.21	Variance	Variance (%)
Current Assets	31,665	28,891	2,774	10%
Non-Current Assets	108,699	124,799	(16,100)	(13%)
Total Assets	**140,364**	**153,690**	(13,326)	(9%)
Current Liabilities	41,774	36,167	5,607	16%
Non-Current Liabilities	30,288	45,809	(15,521)	(34%)
Total Liabilities	**72,062**	**81,976**	(9,914)	(12%)
Net Assets	**68,302**	**71,714**	(3,412)	(5%)
Capital and Reserves Attributable to Equity Holders of the Company	68,812	71,316	(2,504)	(4%)
Non-Controlling Interests	(510)	398	(908)	(N.M.)
Total Equity	**68,302**	**71,714**	(3,412)	(5%)

Highlights:

- **Effect of deleveraging via divestment, net debts reduced by 30%, Y-o-Y from ~$27mil to ~$19mil.**

Some major changes in total assets during 2022 were:

- ✓ the decrease in intangible assets of approximately $14.5 million mainly attributable to the depreciation of the Australian dollar arising from the translation of financial statements of the Group's Australian operations; divestment of subsidiaries and offset by

Some major changes in total liabilities during 2022 were:

- ✓ the decrease in borrowings of approximately $11.9 million which resulted from the net movements of repayments of existing borrowings; and
- ✓ the increase in contract liabilities of $0.5 million pertains to the discounting effect applied on the non-current trade receivables with the settlement date agreed at more than 12 months from the current reporting date.

Consolidated Statement of Cash Flows (*12M 2022 vs 12M 2021*)

(S$'000)	12M 2022	12M 2021
Net Cash Provided by Operating Activities	11,596	12,530
Net Cash Provided by/(Used in) Investing Activities	4,657	(432)
Net Cash Used in Financing Activities	(19,509)	(17,340)
Net Decrease in Cash and Cash Equivalents	**(3,256)**	**(5,242)**
Cash and Cash Equivalents at Beginning of Financial Year	**5,875**	11,335
Effects of Currency Translation on Cash and Cash Equivalents	(248)	(218)
Cash and Cash Equivalents at End of Financial Year	**2,371**	**5,875**

Highlights:

- **Net cash provided by operating activities maintained at ~ $12 million.**

Some major cash inflows during 2022 were:

- net cash provided by operating activities of approximately $11.6 million; and
- divestment proceeds of subsidiary corporations of $7.0 million.

Some major cash outflows during 2022 were:

- repayments of principal element of borrowings amounting to approximately $9.2 million;
- repayments of principal element of lease payments in relation to the leasing of preschool centres and corporate offices of approximately $8.3 million; and
- repayments of interest in relation to existing borrowings and lease payments of $2.0 million; and
- payments in relation to the addition of property, plant and equipment of approximately $1.9 million for renovations and software.

Financial Highlights

- PAT improved by 13%.
- Net assets maintained at ~$70mil Y-o-Y.
- Net Debt reduced by 30%, Y-o-Y from ~$27mil to ~$19mil
- 12M net cash provided by operating activities at ~$12mil.

Operational Highlights

Consistency in MindChamps Centres and PreSchool Students:

- Number of MindChamps centres consistent at 86 centres.
- Number of PreSchool students grew by 6% to 5,735.

Future Plans

- Expansion of Franchise Segment in Australia, USA and new international markets.

MindChamps®
preschool

Thank you

