RNS Number : 5624M
Mothercare PLC
23 December 2025

Mothercare plc

Interim results announcement

Mothercare plc ("Mothercare" "the Company" or "the Group"), the highly trusted British heritage international brand and franchise operator, that connects with the parents of newborn babies and children across multiple product categories, today announces unaudited half year results for the 26-week period to 27 September 2025 ("H1 FY26"). The comparative period was a 26-week period to 28 September 2024 ("H1 FY25").

Key Highlights

· Worldwide retail sales by franchise partners of £90.7 million (2024: £121.2 million), a decrease of 25% on last year (22% down at constant currency), with the decline largely resulting from the store closures in our Middle Eastern markets and the planned exit from Boots. On a like-for-like basis retail sales are down 6% on last year.

· Adjusted EBITDA of £0.8 million (H1 FY25: £1.7 million).

· Group adjusted loss from operations of £0.5 million (H1 FY25: £1.1 million profit).

· Group adjusted loss before taxation of £1.1 million (H1 FY25: £1.4 million).

· Net debt decreased to £5.8 million (£17.1 million at 28 September 2024).

Our Group

	26 weeks to 27 Sep 2025	26 weeks to 28 Sep 2024	26 weeks to 23 Sep 2023	26 weeks to 24 Sep 2022
Turnover £m	**11.6**	21.0	29.0	38.5
Adjusted EBITDA[2] £m	**0.8**	1.7	3.6	3.2
Adjusted (loss)/profit from operations [2] £m	**(0.5)**	1.1	3.4	2.9
Adjusted (loss)/profit before taxation[2] £m	**(1.1)**	(1.4)	1.8	1.7
(Loss)/profit for the period £m	**(1.7)**	(1.8)	1.7	0.4
Adjusted basic (loss)/earnings per share[2]	**(0.3)p**	(0.3)p	0.2p	0.2p
Basic (loss)/ earnings per share	**(0.3)p**	(0.3)p	0.3p	0.1p

Our Franchise partners

	26 weeks to 27 Sep 2025	**26 weeks to 28 Sep 2024**	26 weeks to 23 Sep 2023	26 weeks to 24 Sep 2022
Worldwide retail sales[1] £m	**90.7**	**121.2**	137.2	162.1
Online retail sales £m	**10.0**	**12.2**	13.7	13.1
Total number of stores	**344**	**440**	500	562

Space (k) sq. ft.	**858**	**1,100**	1,201	1,345

Clive Whiley, Chairman of Mothercare plc, commented:

"Mothercare is making good progress against our strategic priorities. After the strategic and operational challenges of the last few years, our performance in the first half shows that Mothercare has been stabilised as a smaller and cash generative business with greatly reduced debt. Our new partnerships with Reliance in South Asia and Ebebek in Turkey are now bearing fruit, underlining the intrinsic value of and opportunity for our brand.

From this position of relative strength our key focus for 2026 is to pursue options to rebuild our scale and operations both in the UK and globally, alongside pursuing the refinancing of our existing debt financing facilities. This is an exciting prospect for our partners, our colleagues and all our stakeholders as we look towards the new year and those opportunities ahead."

Investor and analyst enquiries to:
Mothercare plc
Email: investorrelations@mothercare.com
Clive Whiley, Chairman
Andrew Cook, Chief Financial Officer

Deutsche Numis **Tel:** 020 7260 1000
(NOMAD & Joint Corporate Broker)
Luke Bordewich

Cavendish Capital Markets Limited **Tel:** 020 7220 0500
(Joint Corporate Broker)
Matt Goode

Media enquiries to:
MHP **Email:** mothercare@mhpc.com
Rachel Farrington **Tel:** 07739 312199
Tim Rowntree

Notes

1 - Worldwide retail sales are total international retail franchise partner sales to end customers (which are estimated and unaudited).

2 - Adjusted profit after taxation is stated before the impact of the adjusting items set out in note 4.

3 - Net debt is defined as total borrowings, cash at bank and IFRS 16 lease liabilities.

4 - This announcement contains certain forward-looking statements concerning the Group. Although the Board believes its expectations are based on reasonable assumptions, the matters to which such statements refer may be influenced by factors that could cause actual outcomes and results to be materially different. The forward-looking statements speak only as at the date of this document and the Group does not undertake any obligation to announce any revisions to such statements, except as required by law or by any appropriate regulatory authority.

5 - The information contained within this announcement is deemed by the Company to constitute inside information for the purposes of the Market Abuse Regulation (EU) No 596/2014. Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

6 - The person responsible for the release of this announcement is Lynne Medini, Group Company Secretary at Mothercare plc, Westside 1, London Road, Hemel Hempstead, HP3 9TD.

7 - Mothercare plc's Legal Entity Identifier ("LEI") number is 213800ZL6RPV9Z9GFO74.

Chairman's Statement

My last Chairman's statement detailed how we had successfully protected the underlying Mothercare brand intellectual property ("IP") in a solvent business structure, for the benefit of all stakeholders, whilst overseeing an 83% reduction of the combined debt financing & pension schemes actuarial deficit since the year ended March 2018. Over the same period, worldwide retail sales fell by some 79% and the reported adjusted loss before tax fell by 96%.

Throughout, notwithstanding contending with the unprecedented Covid-19 led demand shock in 2020, the subsequent loss of retail sales of £88 million in Russia in 2022 due to sanctions from the Ukraine war and more recently the geopolitical impacts on our Middle Eastern business, we have strived to secure a sustainable business model. Mothercare now has the capacity to sponsor future growth in our franchise partners' retail sales and store footprint alongside exploring new territories and additional routes to market.

The arrangements detailed below underline the inherent strength and global appeal of the Mothercare brand and the value it can add with businesses that are already market leaders in their territory, alongside bringing symbiotic and synergistic benefits.

Progress with new Joint Venture & License Arrangements

We have made significant progress with both the joint venture with Reliance Brands Ltd ("Reliance") and the license agreement for Turkey, with Ebebek Mağazacılık A.Ş. ("Ebebek"):

South Asian Joint Venture

In October 2024 we announced a new joint venture with Reliance, a wholly owned subsidiary of Reliance Industries Ltd, a Fortune 500 company and the largest private sector corporation in India, with an entry valuation of c£30 million for the South Asian region.

We retain a residual 49% shareholding in a new joint venture company, JVCO 2024 Ltd ("JVCo"), covering Mothercare's franchise operations in India, Nepal, Sri Lanka, Bhutan and Bangladesh, which was granted perpetual rights for the use of the Mothercare brand and related intellectual property in those regions.

For FY25 our retail sales in India amounted to £18.6 million and contributed approximately £0.4 million to adjusted EBITDA (FY24: under the previous franchise arrangements approximately £24.0 million retail sales and £0.9 million adjusted EBITDA).

Whilst we now receive revenues at lower rates than previously, Reliance have recently confirmed their aspirations for the reinvigorated business to significantly grow revenue levels, and we believe it is possible for them to grow their retail sales to around £300 million in five years, supported by a store opening programme targeting fifty new stores in the region in 2026. We also expect to benefit from both sourcing fees (supplying the joint venture with product) together with the value creation accruing to our residual 49% equity stake in JVCo.

License Agreement

In June 2025 we announced a license agreement for Turkey, with Ebebek, the leading retailer in our sector in Turkey meeting all the needs of mother and baby from the prenatal period up to the age of four. Ebebek has some 280 stores and an online business producing revenues of around £400 million together with three stores recently opened in the UK. The license agreement gives Ebebek the exclusive right to use the Mothercare brand in Turkey on products either designed and sourced by Ebebek or Mothercare for a period of 10 years.

The agreement also allows Mothercare to purchase products Ebebek has sourced for itself, either under its own brands or Mothercare, for sale by our franchise partners outside of the territories where Ebebek trades and to re-brand these products with the Mothercare brand if relevant. The shares of Ebebek, which went public in 2023, are traded on Borsa Istanbul's Stars Market under the code EBEBK.

Ebebek are launching Mothercare products in store imminently, with the full range available in the Spring. Furthermore Ebebek have expressed interest in extending the relationship to other territories.

We look forward to working closely with Reliance and Ebebek to establish Mothercare as an important part of their business.

Trading Update

Worldwide retail sales by franchise partners of £90.7 million (2024: £121.2 million) reflect the full year impact of the reductions in the Middle East markets coupled the declining sales in the UK as our exclusive relationship with Boots in the UK ends imminently. Online retail sales for the period increased marginally to 11% of total retail sales (H1 FY25: 10%). The year-on-year decline in retail sales of 25% reduces to 22% at constant currency exchange rates. Online retail sales for the period remained at 10% of total retail sales (H1 FY24: 10%). The year-on-year decline in retail sales of 12% reduces to 9% at constant currency exchange rates. Like-for-like retail sales for the six months to September 2025 were down 6%.

In our Middle Eastern markets a net 50 stores were closed in the twelve months to 27 September 2025. These closures were as a result of the region wide reduction in footfall and resultant sales, driven by the continuing regional unrest and evolving consumer behaviour. However we do not expect any further significant store closures, as now that the majority of the old inventory has been cleared the profitability of our franchise partner is improving, despite the challenges currently facing retailers in the region.

Adjusted EBITDA for the period decreased to £0.8 million (2025: £1.7 million) leading to an adjusted loss before taxation of £1.1 million (2024: £1.4 million adjusted loss before taxation).

Growth Opportunities

Our primary goal for the current year is to capitalise upon the possibilities to grow the future global presence of the Mothercare brand through connections with other businesses, the development of our branded product ranges and licensing within and beyond our existing perimeters.

Accordingly, we have had discussions with several interested parties with the core focus being to:

- monetise the operational gearing in the business, by restoring critical mass to reinforce the efforts of our talented management team to drive our product offering to new heights;
- where the current business model could support much higher volumes, and would result in the vast majority of increased income falling straight to the bottom line; and
- demonstrate the latent value of our efforts to boost growth through the South Asian region joint venture and licensing agreement in Turkey.

These objectives are designed to rebalance the Mothercare brand IP value in a way that also promotes growth in our royalty income: ultimately improving profitability and the covenant of the underlying business for actuarial pension and stock market rating purposes alike.

Financing Arrangements with Gordon Brothers

Last year we refinanced the Company's existing debt facilities with GB Europe Management Services Ltd ("Gordon Brothers"), replacing the previous £19.5m term loan (which attracted interest at a rate of 13% per annum, plus SONIA, plus PIK interest of 1% per annum) with an £8m two year term loan facility, attracting interest at a rate of 4.8% per annum, plus SONIA (with a floor of 5.2%), plus PIK interest of 1% per annum, rising to 2% per annum through the term of the loan to October 2026.

In addition, with a view to aligning interests with the equity stakeholders, we granted Gordon Brothers warrants to subscribe for up to 43.4m new ordinary shares at a subscription price of 8.5p per share, (the "Warrants"), exercisable for five years from the date of issue representing approximately 7% of the Company's issued share capital (following exercise in full of the Warrants).

In our full year 2025 results announcement we noted that the Group expected to breach the liquidity financial covenant of our £8 million debt facility and we have subsequently breached this covenant, which means the facility is now repayable on demand. The Group continues to benefit from the ongoing support of its lender and we have regular and positive discussions with them. We continue to have sufficient cash to trade for the foreseeable future.

Pension Schemes

We also highlighted in our full year 2025 results announcement that the Group's Pension Trustee had agreed to defer the first six months' payments of pension contributions due in the year to March 2026 and that we had requested a further deferral of such payments for the remainder of this financial year to support the Company's cash flows whilst we are exploring growth opportunities. On 20 October we announced that the Trustee had agreed to extend the deferral of contributions to March 2026.

The total contributions due in the year to March 2026 that are deferred amount to £3.0 million. This sum together with the remaining contributions due, will be paid in accordance with a new schedule of contributions to be put in place no later than 31 March 2026 and which will include a resumption of contributions from 19 April 2026 at a level that the Trustee considers to be affordable.

Mind the Gap

The Board of Mothercare is very grateful for the significant support that both the Group's Pension Trustee and our primary lender have provided. This deferral and forbearance is critical to allow the Company to focus upon, evaluate and conclude the ongoing strategic discussions with greater flexibility as we seek to restore critical mass for the benefit of all stakeholders.

However, whilst Gordon Brothers has not indicated that they require immediate repayment of the facility, they would clearly prefer earlier repayment than the current facility expiration date of October 2026. In this context, we have written to the Group's Pension Trustee (as the secondary charge holder) requesting that they consider a loan or investment in the Company which we are exploring alongside other stakeholder and alternative financing proposals. We also continue to explore other options to mitigate the pension scheme deficit.

Our forecasts show the Group to be trading in a generally cash neutral position across the next twelve months, with retail sales and income growing above FY26 levels, particularly in Turkey & India.

Management

We have a PLC Board that we believe is appropriate for a company of our size, nature and circumstances. Our Non-Executive Directors have relevant skills, continue to directly contribute to the ongoing change process, are regularly appraised and are encouraged to interface with the Operating Board.

The day-to-day management of the Group continues to be run by the Chief Financial Officer and the Operating Board, with oversight from me as Chairman. We continue to anticipate the search for a new Chief Executive Officer to be fulfilled as a natural consequence of the multiple strategic discussions currently in train.

Dividend Policy

The Company has not paid a dividend since February 2012. The Directors understand the importance of optimising value for shareholders and it is the Directors' intention to return to paying a dividend when it is financially prudent for the Group to do so.

Summary and Outlook

On behalf of the Board, I would once again like to thank our colleagues across the business, together with our pension trustees and all other stakeholders for their unfailing support throughout the challenges of the last seven years.

As detailed, we are making significant progress with the new South Asian joint venture & Turkish licensing agreement where we also expect to benefit from both sourcing fees and buying benefits. The latter are designed to reinforce our cooperation with our franchise partners by potentially significantly improving their profitability, particularly for home and travel products, to encourage further investment in their store estate.

However, notwithstanding the close working relationship established with both the pension trustee and Gordon Brothers the unintended consequences of the UK Listing Rules changes last year, which removed the previously sacrosanct requirement for shareholder approval for material transactions, has tilted the balance towards debt providers, to the detriment of equity.

Notwithstanding this potentially places us at a material disadvantage, we are determined to ensure that management remain unfettered as we drive towards optimising a transaction to restore critical mass for the benefit of all stakeholders.

Clive Whiley

Chairman

Condensed consolidated income statement

Condensed consolidated income statement

For the 26 weeks ended 27 September 2025

	Note	26 weeks ended 27 September 2025 (Unaudited) Before adjusted items £ million	Adjusted items[1] £ million	Total £ million	26 weeks ended 28 September 2024 (Unaudited) Before adjusted items £ million	Adjusted items [1] £ million	Total £ million	52 weeks ended 29 March 2025 (Audited) Total £ million
Revenue		**11.6**	**-**	**11.6**	21.0	-	21.0	38.9
Cost of sales		**(6.6)**	**-**	**(6.6)**	(13.0)	-	(13.0)	(24.7)
Gross profit		**5.0**	**-**	**5.0**	8.0	-	8.0	14.2
Administrative expenses		**(5.3)**	**(0.3)**	**(5.6)**	(6.9)	(0.4)	(7.3)	2.1
Impairment gain / (loss) on receivables		**0.3**	**-**	**0.3**	-	-	-	(0.3)
(Loss)/profit from operations		**-**	**(0.3)**	**(0.3)**	1.1	(0.4)	0.7	16.0
Net finance costs	5	**(1.1)**	**-**	**(1.1)**	(2.5)	-	(2.5)	(4.1)
(Loss)/profit before taxation		**(1.1)**	**(0.3)**	**(1.4)**	(1.4)	(0.4)	(1.8)	11.9
Taxation	6	**(0.3)**	**-**	**(0.3)**	(0.0)	-	(0.0)	(5.7)
(Loss)/profit for the period		**(1.4)**	**(0.3)**	**(1.7)**	(1.4)	(0.4)	(1.8)	6.2
(Loss)/profit for the period attributable to equity holders of the parent		**(1.4)**	**(0.3)**	**(1.7)**	(1.4)	(0.4)	(1.8)	6.2
Earnings per share								
Basic	7	(0.3)p		(0.3)p	(0.3)p		(0.3)p	1.1p
Diluted	7	(0.3 p		(0.3)p	(0.3 p		(0.3 p	1.1p

(1) Adjusted items are one-off or significant in nature and or /value. Excluding these items from the profit metrics provides readers with helpful additional information on the performance of the business across the periods because it is consistent with how business performance is reviewed by the Board and Operating Board.

Condensed consolidated statement of comprehensive income

For the 26 weeks ended 27 September 2025

	26 weeks ended 27 September 2025 (Unaudited) £ million	26 weeks ended 28 September 2024 (Unaudited) £ million	52 weeks ended 29 March 2025 (Audited) £ million
(Loss)/profit for the period	**(1.7)**	(1.8)	6.2
Items that will not be reclassified subsequently to the income statement:			
Actuarial gain on defined benefit pension schemes	**1.2**	3.8	3.7
Fair value gain on intellectual property	**-**	-	10.7
Deferred tax relating to items not reclassified	**(0.3)**	(1.0)	-
	0.9	2.8	14.4
Items that may be reclassified subsequently to the income statement:			
Exchange differences on translation of overseas subsidiaries	**-**	-	(0.1)
Other comprehensive income for the period	**0.9**	2.8	14.3
Total comprehensive (expense)/income for the period wholly attributable to equity holders of the parent	**(0.8)**	1.0	20.5

Condensed consolidated balance sheet

As at 27 September 2025

	Note	27 September 2025 (Unaudited) £ million	28 September 2024 (Unaudited) £ million	29 March 2025 (Audited) £ million
Non-current assets				
Investment in associate	8	**10.8**	-	10.8
Intangible assets	9	**7.3**	8.4	7.8
Property, plant and equipment	9	**0.1**	0.2	0.2
Right-of-use assets		**0.7**	-	0.8
Deferred tax assets		-	3.5	0.1
		18.9	12.1	19.7
Current assets				
Inventories		**0.3**	0.7	0.6
Trade and other receivables		**4.1**	6.1	4.1
Derivative financial instruments	12	-	0.5	-
Cash and cash equivalents		**3.0**	2.8	4.3
		7.4	10.1	9.0
Total assets		**26.3**	20.2	28.7
Current liabilities				
Trade and other payables		**(5.1)**	(9.5)	(6.2)
Lease liabilities		**(0.1)**	-	(0.1)
Provisions		-	(0.1)	(0.6)
Current tax liabilities		**(1.1)**	(0.1)	(1.3)
Borrowings	10	-	(19.9)	-
		(6.3)	(29.6)	(8.2)

Non-current liabilities				
Borrowings	10	**(8.1)**	-	(8.0)
Lease liabilities		**(0.6)**	-	(0.7)
Retirement benefit obligations	11	**(21.1)**	(20.6)	(21.1)
Provisions		**(0.1)**	-	(0.1)
Deferred tax liabilities		**(0.2)**	(1.0)	-
		(30.1)	(21.6)	(29.9)
Total liabilities		**(36.4)**	(51.2)	(38.1)
Net liabilities		**(10.1)**	(29.0)	(9.4)
Equity attributable to equity holders of the parent				
Share capital		**89.3**	89.3	89.3
Share premium account		**108.8**	108.8	108.8
Own shares		**(0.2)**	(0.2)	(0.2)
Translation reserve		**(3.8)**	(3.7)	(3.8)
Revaluation reserve		**10.7**	-	10.7
Retained deficit		**(214.9)**	(223.2)	(214.2)
Total equity		**(10.1)**	(29.0)	(9.4)

Condensed consolidated statement of changes in equity

For the 26 weeks ended 27 September 2025 (unaudited)

	Share capital	**Share premium account**	**Own shares**	**Translation reserve**	**Revaluation reserve**	**Retained deficit**	**Total equity**
	£ million	**£ million**	**£ million**	**£ million**	**£ million**	**£ million**	**£ million**
Balance as at 29 March 2025	**89.3**	**108.8**	**(0.2)**	**(3.8)**	**10.7**	**(214.2)**	**(9.4)**
Loss for the period	**-**	**-**	**-**	**-**	**-**	**(1.7)**	**(1.7)**
Other comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**0.9**	**0.9**
Total comprehensive expense for the period	**-**	**-**	**-**	**-**	**-**	**(0.8)**	**(0.8)**
Adjustments to equity for equity-settled share-based payments	**-**	**-**	**-**	**-**	**-**	**0.1**	**0.1**
Balance at 27 September 2025	**89.3**	**108.8**	**(0.2)**	**(3.8)**	**10.7**	**(214.9)**	**(10.1)**

For the 26 weeks ended 28 September 2024 (unaudited)

	Share capital	Share premium account	Own shares	Translation reserve	Retained deficit	Total equity
	£ million	£ million	£ million	£ million	£ million	£ million
Balance as at 30 March 2024	89.3	108.8	(0.2)	(3.7)	(224.3)	(30.1)
Loss for the period	-	-	-	-	(1.8)	(1.8)
Other comprehensive income for the period	-	-	-	-	2.8	2.8
Total comprehensive income for the period	-	-	-	-	1.0	1.0
Adjustments to equity for equity-settled share-based payments	-	-	-	-	0.1	0.1
Balance at 28 September 2024	89.3	108.8	(0.2)	(3.7)	(223.2)	(29.0)

For the 52 weeks ended 29 March 2025 (audited)

	Share capital	Share premium account	Own shares	Translation reserve	Revaluation reserve	Retained deficit	Total equity
	£ million	£ million	£ million	£ million	£ million	£ million	£ million
Balance at 30 March 2024	89.3	108.8	(0.2)	(3.7)	-	(224.3)	(30.1)
Profit for the year	-	-	-	-	-	6.2	6.2
Other comprehensive income:	-	-	-	-	-	-	-
Retranslation of net assets of overseas subsidiaries	-	-	-	(0.1)	-	-	(0.1)
Remeasurement of defined benefit schemes	-	-	-	-	-	3.7	3.7
Fair value gain	-	-	-	-	10.7	-	10.7
Total other comprehensive income	-	-	-	(0.1)	10.7	3.7	14.3
Total comprehensive income	-	-	-	(0.1)	10.7	9.9	20.5
Adjustment to equity for equity-settled share-based payments	-	-	-	-		0.2	0.2
Balance at 29 March 2025	89.3	108.8	(0.2)	(3.8)	10.7	(214.2)	(9.4)

Condensed consolidated cash flow statement

For the 26 weeks ended 27 September 2025

	Note	**26 weeks ended 27 September 2025 (Unaudited) £ million**	26 weeks ended 28 September 2024 (Unaudited) £ million	52 weeks ended 29 March 2025 (Audited) £ million
Net cash flow from operating activities	14	**(0.7)**	-	(1.5)
Cash flows from investing activities:				
Investment in associate		-	-	(0.1)
Proceeds from IP sale		-	-	16.0
Purchase of intangibles - software		**(0.1)**	(0.8)	(1.1)
Net cash (outflow)/inflow from investing activities		**(0.1)**	(0.8)	14.8
Cash flows from financing activities:				
Repayment of borrowings		-	-	(11.9)
Proceeds from post administration distribution		-	0.2	1.2
Interest paid		**(0.4)**	(1.5)	(3.0)
Repayments of obligations under leases		**(0.1)**	(0.2)	(0.3)
Net cash outflow from financing activities		**(0.5)**	(1.5)	(14.0)
Net decrease in cash and cash equivalents		**(1.3)**	(2.3)	(0.7)
Cash and cash equivalents at beginning of period		**4.3**	5.0	5.0
Effect of foreign exchange rate changes		-	0.1	-
Cash and cash equivalents at end of period		**3.0**	2.8	4.3

Notes to the condensed consolidated financial statements

1 General information

The review of the Group's business activities, together with factors likely to affect its future development, performance and position are set out in the Financial Highlights and Chairman's Statement.

The results for the 26 weeks ended 27 September 2025 are unaudited.

These unaudited condensed consolidated interim financial statements for the current period and prior financial periods do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for the 2025 financial year has been filed with the Registrar of Companies. The 2025 financial statements are available on the Group's website (www.mothercareplc.com). The auditor has reported on these: their report was unqualified.

2 Accounting Policies and Standards

Basis of preparation

These unaudited condensed consolidated interim financial statements have been prepared in accordance with the Disclosure and Transparency Rules of the UK Financial Conduct Authority, and with IAS 34 'Interim Financial Reporting'. Unless otherwise stated, the accounting policies applied, and the judgements, estimates and assumptions made in applying these policies, are consistent with those described in the Annual Report and Financial Statements 2025. The financial period represents the 26 weeks ended 27 September 2025. The comparative periods are the 26 weeks ended 28 September 2024 and the 52 weeks ended 29 March 2025.

Going concern

At the half year reporting period end, we were forecasting to breach a financial covenant of our £8 million debt facility, which would result in the facility becoming repayable on demand rather than the term date of October 2026. The breach was expected to be of the liquidity financial covenant, which requires us to maintain cash balances above £2.6 million, other than for a period of no more than three days.

Subsequent to our half year reporting period end we have breached this covenant, which means the facility is now repayable on demand. The Group continues to benefit from the ongoing support of its lender and we continue to have regular and positive discussions with them. Our lender has not indicated that they require immediate repayment of the facility. Whilst during certain points of our working capital cycle we have not met the liquidity financial covenant, we continue to have sufficient cash to trade for the foreseeable future.

The consolidated financial statements have been prepared on a going concern basis. When considering the going concern assumption, the Directors of the Group have reviewed a number of factors, including the Group's trading results and its continued access to sufficient borrowing facilities against the Group's latest forecasts and projections, comprising:

• A Base Case forecast; and
• A Sensitised forecast, which applies sensitivities against the Base Case for reasonably possible adverse variations in performance, reflecting the ongoing volatility in our key markets.

The Sensitised forecast shows a decrease in worldwide retail sales of 10% as compared to the Base Case in the remainder of the financial year to March 2026 and for the year to March 2027, with the overhead costs assumed to remain constant.

In making the assessment on going concern the Directors have assumed that the Group is able to mitigate the material uncertainty surrounding the ongoing financial restructuring of the Group, which includes:

In making the assessment on going concern the Directors have assumed that the Group is able to mitigate the material uncertainty surrounding the ongoing financial restructuring of the Group, which includes:

Notes to the condensed consolidated financial statements

2 Accounting Policies and Standards (continued)

Going concern (continued)

• The Group's ability to successfully renegotiate its banking facilities, which have become repayable on demand after the half year reporting period, with either its existing lenders or to refinance with a third party, in order to secure ongoing funding for the Group; and

• The Group's ability to renegotiate its Defined Benefit Pension Deficit Repayment plan with the Pension Trustee. After the half year reporting period end the Pension Trustee agreed to defer contributions to March 2026 with a revision to the current schedule of contributions to be agreed by 31 March 2026, at a time and a level that the Trustee considers to be affordable to the Group.

The Board's confidence in the Group's Base Case forecast, which indicates the Group will operate with sufficient cash for at least the next 12 months, and the Group's proven cash management capability supports our preparation of the financial statements on a going concern basis and therefore financial statements do not include the adjustments that would be required if the Group were unable to continue as a going concern. However, if trading conditions were to deteriorate beyond the level of risks applied in the sensitised forecast, or the Group was unable to mitigate the material uncertainties assumed in the Base Case Forecast and the Group was not able to execute further cost or cash management programmes, the Group would at certain points of the working capital cycle have insufficient cash. If this scenario were to crystallise the Group would be unable to meet liabilities as they fall due and potentially need to secure additional funding. Therefore, we have concluded that, in this situation, there is a material uncertainty that casts significant doubt that the Group will be able to operate as a going concern without utilising uncommitted or new financing facilities.

Adoption of new IFRSs

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Standards issued but not yet effective

As at 27 September 2025, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 27 September 2025.

- On 30 May 2024, the IASB issued targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. The amendments to IFRS 9 and IFRS 7 will be only for financial institutions but also for corporate entities. The amendments to IFRS 9 and IFRS 7 will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted subject to any endorsement process.

- IFRS 18, 'Presentation and Disclosure in Financial Statements' - This is the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss.

Foreign currency adjustments

Foreign currency monetary assets and liabilities are revalued to the closing balance sheet rate under IAS21 "The Effects of Changes in Foreign Exchange Rates".

Notes to the condensed consolidated financial statements

2 Accounting Policies and Standards (continued)

Taxation

The taxation charge for the 26 week period is calculated by applying the best estimate of the average annual effective tax rate expected for the full year to the profit/loss for the period after adjusting for any significant one-off items, and a tax credit is recognised only to the extent that the resulting tax asset is more than likely not to reverse.

Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the period in which they occur. They are recognised outside of the income statement and presented in other comprehensive income.

Past service cost is recognised immediately to the extent that the benefits are already vested.
The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation less the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds.

The Group has an unconditional right to a refund of surplus under the rules.

In consultation with the independent actuaries to the schemes, the valuation of the pension obligation has been updated to reflect: current market discount rates; current market values of investments and actual investment returns; and also for any other events that would significantly affect the pension liabilities. The impact of these changes in assumptions and events has been estimated in arriving at the valuation of the pension obligation.

Alternative performance measures (APMs)

In the reporting of financial information, the Directors have adopted various APMs of historical or future financial performance, position or cash flows other than those defined or specified under International Financial Reporting Standards (IFRS).

These measures are not defined by IFRS and therefore may not be directly comparable with other companies' APMs, including those in the Group's industry.

APMs should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measures.

Purpose

The Directors believe that these APMs assist in providing additional useful information on the performance and position of the Group because they are consistent with how business performance is reported to the Board and Operating Board.

APMs are also used to enhance the comparability of information between reporting periods and geographical units (such as like-for-like sales), by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, to aid the user in understanding the Group's performance.

Consequently, APMs are used by the Directors and management for performance analysis, planning, reporting and incentive setting purposes and have remained consistent with prior year.

Notes to the condensed consolidated financial statements

2 Accounting Policies and Standards (continued)

The key APMs that the Group has focused on during the period are as follows:

Group worldwide sales

Group worldwide sales are total international retail franchise partner sales to end customers. Total Group revenue is a statutory number and is made up of receipts from international franchise partners, which includes royalty payments and the cost of goods dispatched to international franchise partners.

Constant currency sales

The Group reports some financial measures on both a reported and constant currency basis. Sales in constant currency exclude the impact of movements in foreign currency exchange translation.

Profit/(loss) before adjusted items

The Group's policy is to exclude items that are considered to be significant in both nature and/or quantum and where treatment as an adjusted item provides stakeholders with additional useful

information to assess the year-on-year trading performance of the Group.

3 Segmental information

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reported to the Group's executive decision makers (comprising the executive directors and operating board) in order to allocate resources to the segments and assess their performance. Under IFRS 8, the Group has not identified that its continuing operations represent more than one operating segment.

The results of franchise partners are not reported separately, nor are resources allocated on a franchise partner by franchise partner basis, and therefore have not been identified to constitute separate operating segments.

Notes to the condensed consolidated financial statements

4 Adjusted items

Due to their significance or one-off nature, certain items have been classified as adjusted items as follows:

	26 weeks ended 27 September 2025 (Unaudited)	26 weeks ended 28 September 2024 (Unaudited)	52 weeks ended 29 March 2025 (Audited)
	£ million	£ million	£ million
Adjusted (costs)/income:			
Onerous contract included in cost of sales	-	-	(0.6)
Sale of IP rights	**-**	-	15.2
Financial asset	**-**	-	0.5
Past service costs	**-**	-	(0.3)
Restructuring costs included in administrative expenses	**(0.3)**	(0.4)	(0.8)
Restructuring costs included in finance costs	-	-	(0.4)
Adjusted items before tax	**(0.3)**	(0.4)	13.6

Restructuring costs included in administrative expenses - £0.3 million (H1 FY25: £0.4 million)

The current year costs relates to redundancy payments made to certain staff during the period.

The prior year costs relates to:

- £0.2 million redundancy payments made to certain staff during the period.
- £0.2 million costs relating to implementation of new IT system.

5 Net finance costs

	26 weeks ended 27 September 2025 (Unaudited) £ million	26 weeks ended 28 September 2024 (Unaudited) £ million	52 weeks ended 29 March 2025 (Audited) £ million
Interest payable and finance charges	**0.4**	1.9	3.0
Net interest expense on liabilities/return on assets on pension	**0.7**	0.6	1.1
Net finance costs	**1.1**	2.5	4.1

Notes to the condensed consolidated financial statements

6 Taxation

	26 weeks ended 27 September 2025 (Unaudited) £ million	26 weeks ended 28 September 2024 (Unaudited) £ million	52 weeks ended 29 March 2025 (Audited) £ million
Current tax - Overseas tax and UK corporation tax	**0.3**	0.0	2.3
Deferred tax - UK tax charge for temporary differences	**-**	-	3.4
Total tax charge	**0.3**	0.0	5.7

In addition to the amount charged to the income statement, deferred tax charge relating to retirement benefit obligations amounting to £0.3 million has been charged directly to other comprehensive income (H1 FY25: £1.0 million).

7 (Loss)/earnings per share

	26 weeks ended 27 September 2025 (Unaudited) million	26 weeks ended 28 September 2024 (Unaudited) million	52 weeks ended 29 March 2025 (Audited) million
Weighted average number of shares in issue for the purpose of basic earnings per share	**563.8**	**563.8**	563.8
Dilutive potential ordinary shares	**-**	**-**	11.5
Weighted average number of shares in issue for the purpose of diluted earnings per share	**563.8**	**563.8**	575.3
	£ million	£ million	£ million
(Loss)/profit for basic and diluted earnings per share	**(1.7)**	(1.8)	6.2
Adjusted items	**0.3**	0.4	(8.7)
Tax effect of adjusted items	**-**	-	-
Adjusted loss	**(1.4)**	(1.4)	(2.5)
	£ million	£ million	£ million
	Pence	Pence	Pence
Basic (loss)/earnings per share	**(0.3)**	(0.3)	1.1
Basic adjusted loss per share	**(0.3)**	(0.3)	(0.4)
Diluted (loss)/earnings per share	**(0.3)**	(0.3)	1.1
Diluted adjusted loss per share	**(0.3)**	(0.3)	(0.4)

The total dividend for the period is nil pence per share (H1 FY25: nil pence per share).
Where there is a loss per share, the calculation has been based on the weighted average number of shares in issue, as the loss renders all potentially dilutive shares anti-dilutive

8 Investment in associate

JVCO 2024 Ltd is engaged in retailing of clothing, equipment and other categories for parents and young children via a franchisee model in the territories of India, Bhutan, Sri Lanka, Nepal and Bangladesh.

At year end, the associate did not hold any contingent liabilities or commitments.

The tables below provide summarised financial information for JVCO 2024 Ltd. The information disclosed reflects the amounts presented in the financial statements of JVCO 2024 Ltd and not Mothercare Plc's share of those amounts.

Notes to the condensed consolidated financial statements

8 Investment in associate (continued)

Summarised Statement of Financial position	£ million
Intangible assets	33.3
Trade and other receivables	0.2
Total assets	33.5
Net assets	33.5

Summarised Income Statement	£ million
Revenue	0.1
Income tax	-
Profit for the period	0.1

Reconciliation to carrying amounts	£ million
Opening net assets at 29 March 2025	33.4
Profit for the period	0.1
Closing net assets	33.5
Group's share in %	49%
Groups share in £million	16.4
Fair value adjustments	(5.6)
Carrying amount	10.8

9 Tangible fixed assets and Software assets

There were no additions to Right-of-use assets in the period.

Capital additions of £0.1 million were made during the period (H1 FY26: £0.8 million). These are software assets of £0.1 million (H1 FY26: £0.8 million).

10 Borrowings

The carrying value of the Group's outstanding borrowings at 27 September 2026 was £8.1 million (30 March 2025: £8.0 million). The Group is required to achieve certain royalty, EBITDA and minimum liquidity targets under its loan's covenants.

The credit facility of £8.1 million (29 March 2025: £8.0 million) is secured on the shares of specified obligor subsidiaries and the assets of the Group not already pledged.

11 Retirement benefit schemes

The Group has calculated the value of its pension liability under IAS 19 as at 27 September 2025. The FY25 year end assumptions have been rolled forward and updated for changes in market rates over the current interim period.

For the two schemes, based on the actuarial assumptions from the actuarial valuations carried out as of March 2025 and using the rolled forward assumptions referred to above, a net obligation of £21.1 million (H1 FY25: £20.6 million) has been recognised.

has been recognised.

Notes to the condensed consolidated financial statements

12 Financial instruments: fair value disclosures (continued)

The Group held the following financial instruments at fair value at 27 September 2025.

	Fair value measurements at 27 September 2025 (Unaudited) £ million	Fair value measurements at 28 September 2024 (Unaudited) £ million	Fair value measurements at 29 March 2025 (Audited) £ million
Current financial assets:			
Derivative financial instruments:			
Financial asset	-	0.5	-
	-	0.5	-

The Group's financial asset (Level 3 within the IFRS 7 hierarchy) represents a right, arising under the sales purchase agreement with the administrators of MUK, to receive the proceeds of the wind-up of the UK retail store estate and website operations as repayment for the Group's secured borrowings. It has been estimated by the administrators that the Group will receive further proceeds of £Nil (H1 FY25: £0.5 million). Many of the outflows which would impact the valuation of this financial asset are finalised, with the final repayment being dependent on the amounts to be received back by the merchant acquirer and final settlement of VAT.

The Directors consider that the carrying value amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements are approximately equal to their fair values.

13 Share-based payments

A charge is recognised for share-based payments based on the fair value of the awards at the date of grant, the estimated number of shares that will vest and the vesting period of each award. The total net charge for share-based payments under IFRS 2 is £0.1 million (H1 FY25: £0.1 million).

14 Notes to the cash flow statement

	26 weeks ended 27 September 2025 (Unaudited) £ million	26 weeks ended 28 September 2024 (Unaudited) £ million	52 weeks ended 29 March 2025 (Audited) £ million
(Loss)/profit from operations	**(0.3)**	0.7	16.0
Adjustments for:			
Depreciation of property, plant and equipment and right of use assets	**0.1**	0.1	0.3
Amortisation of intangible assets	**0.7**	0.5	1.2
Gain on sale of subsidiary	-	-	(15.2)
Loss on foreign currency adjustments	-	(0.1)	(0.1)
Share-based payments	**0.1**	0.1	0.2
Movement in provisions	**(0.5)**	(0.2)	0.4
Net gain on financial derivative instruments	-	-	(0.5)
Payments to retirement benefit schemes	**(0.2)**	(1.1)	(2.2)
Charge in respect of retirement benefit schemes	**0.6**	0.7	1.4
Operating cash flow before movement in working capital	**0.5**	0.7	1.5
Decrease in inventories	**0.3**	0.3	-
(Increase)/decrease in receivables	**(0.4)**	(1.9)	0.6
(Decrease)/increase in payables	**(0.7)**	1.0	(2.1)
Cash generated from operations	**(0.3)**	0.1	-
Income taxes paid	**(0.4)**	(0.1)	(1.5)
Net cash flow from operating activities	**(0.7)**	-	(1.5)

Notes to the condensed consolidated financial statements

14 Notes to the cash flow statement (continued)

Analysis of net debt

	29 March 2025 £ million	Cash flow £ million	Non-cash movements £ million	27 September 2025 **£ million**
Cash and cash equivalents	4.3	(1.3)	-	3.0
IFRS 16 lease liabilities	(0.8)	0.1	-	(0.7)
Term loan	(8.0)	-	(0.1)	(8.1)
Net debt	**(4.5)**	**(1.2)**	**(0.1)**	**(5.8)**

15 Related party transactions

Transactions between the Group and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. There was no revenue earned from related parties in the current or prior year.

16 Events after the balance sheet date

Subsequent to the period end, the Group's Pension Trustee has agreed to extend the deferral of pension contributions due in the financial year ending 31 March 2026. The deferral covers the full year's contributions, amounting to £3.0 million, which were originally scheduled to be paid during the year. The deferred contributions, together with any remaining amounts due, will be payable in accordance with a new schedule of contributions to be agreed with the Trustee no later than 31 March 2026. Under the revised arrangements, contributions are expected to resume from 19 April 2026 at a level deemed affordable by the Trustee.

In our full year 2025 results we reported that we expected to breach the liquidity financial covenant of our £8.0 million debt facility. Subsequent to our half year reporting period end we have breached this covenant, which means the facility is now repayable on demand. The Group continues to benefit from the ongoing support of its lender and we continue to have regular and positive discussions with them. Our lender has not indicated that they require immediate repayment of the facility. Whilst during certain points of our working capital cycle we have not met the liquidity financial covenant, we continue to have sufficient cash to trade for the foreseeable future.

Additional Disclosures

Risk management framework

A risk management framework is in place which is appropriate for the size and complexity of the business with consideration to its AIM listing, future partner and system developments and Brand promotion and evolution.

MGB maintains its risk management function in line with the Quoted Companies Alliance Corporate Governance Code (QCA Code) complying with AIM Rule 26. The Audit & Risk Committee provides oversight, as to the overall suitability and effectiveness of the risk management approach and is accountable and supported by the Board. The Operating Board formally reviews, discusses and documents the Principal Risks to the business at least annually. The Risk Committee, which is chaired by the CFO, sits quarterly to understand existing and developing issues, and MGB Senior Managers contribute to and update Operational Risk registers, as a minimum also quarterly. All colleagues recognise their responsibility to proactively identify and manage risk and opportunity in their daily activities and planning.

Principal risks and uncertainties

Reviewed, discussed and agreed by the Operating Board annually, MGB Principal Risks are designed to promote strategic success and improve future performance, the impact of operational risks on these determines the focus for senior management and their teams. The following risks have been agreed:

- Liquidity

- Dependency on a small number of partners
- Pension scheme funding
- Global economic and political conditions
- ERP system
- Regulatory and legal
- Brand, reputation and relationships
- Personnel and talent

Directors' Responsibility statement

The Directors are responsible for preparing the Interim Results for the 26-week period ended 27 September 2025 in accordance with applicable law, regulations and accounting standards. The Directors confirm that to the best of their knowledge the condensed consolidated interim financial statements have been prepared in accordance with IAS 34: 'Interim Financial Reporting', and that the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- an indication of the important events that have occurred during the first 26 weeks of the financial year and their impact on the condensed consolidated interim financial statements, and a description of the principal risks and uncertainties for the remaining 26 weeks of the financial year; and
- material related party transactions in the first 26 weeks of the year and any material changes in the related party transactions described in the last annual report.

The Directors of Mothercare plc are listed on page 48 of the Mothercare plc Annual Report and Financial Statements 2025. A list of directors is maintained on the Mothercare plc website at: www.mothercareplc.com. With the exception of today's announcement, there have been no changes since the publication of the Annual Report.

By order of the Board

Clive Whiley
Chairman

Andrew Cook
Chief Financial Officer

22 December 2025

Shareholder information

Financial calendar

	2026
Preliminary announcement of results for the 52 weeks ending 28 March 2026	September
Issue of report and accounts	September
Annual General Meeting	September
Announcement of interim results for the 26 weeks ending 26 September 2026	November

Registered office and head office

Westside 1, London Road, Hemel Hempstead, Hertfordshire HP3 9TD

www.mothercareplc.com

Registered number 1950509

Group Company Secretary

Lynne Medini

Registrars

Administrative enquiries concerning shareholders in Mothercare plc for such matters as the loss of a share certificate, dividend payments or a change of address should be directed, in the first instance, to the registrars:

Equiniti Limited

Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA

Telephone 0371 384 2013

Telephone 0371 384 2013

Overseas +44 (0)121 415 7042

www.shareview.co.uk

END

IR PKBBBKBDBFBB