Mothercare plc
Full Year Results 2026

Mothercare plc ("Mothercare", "the Company" or "the Group"), the highly trusted British heritage brand, that connects with the parents of newborn babies and children across multiple product categories throughout their early life as parents, today announces full year results for the 52-week period to 28 March 2026. Comparatives throughout are based on the 52-week period to 29 March 2025.

Key Highlights

- Worldwide retail sales by franchise partners of £180.0 million (2025: £280.8 million)
- Adjusted EBITDA of £1.3 million (2025: £3.5 million)
- Net borrowings of £5.7 million (2025: £3.7 million) at the year end

Current Trading & Outlook

- In the first nineteen weeks of FY27, the Group's Franchise Partners recorded total retail sales of £58.5 million (FY26: £68.8 million), largely reflecting the ongoing situation in the Middle East and the ending of our arrangement with Boots in the UK. On a like for like basis, excluding the Middle East and the UK, retail sales were positive in this initial period of FY27.
- In these circumstances the recent financial performance has been resilient and we are not planning for any material changes in market conditions as we look to FY27 as a whole, acknowledging the situation in the Middle East and in the UK alongside our progress in other markets.
- Our refinanced and enlarged £10.0 million debt facilities support our ongoing efforts to engineer a more comprehensive solution to harvest the significant operational gearing retained in the business, 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.
- Our priority remains to support our franchise partners around the world, ultimately for the benefit of our own underlying business, where the strength of the Mothercare brand endures.

Financial Highlights

- Statutory (loss) for the 52 weeks to 28 March 2026 of £5.0 million (2025: profit of £6.2 million)
- Net debt[3] at £6.4 million (2025: £4.5 million)

Our Group

	52 weeks to 28 Mar 2026 £million	52 weeks to 29 Mar 2025 £million	% change vs. last year
Revenue	22.4	38.9	(42)%
Adjusted EBITDA	1.3	3.5	(63)%
Adjusted operating (loss) / profit	(0.2)	2.0	(110)%
Group adjusted (loss) after taxation[2]	(3.3)	(2.5)	(32)%
Statutory (loss) / profit	(5.0)	6.2	(181)%

Our franchise partners

	52 weeks to 28 Mar 2026 £million	52 weeks to 29 Mar 2025 £million	% change vs. last year
Worldwide retail sales[1] £m	180.0	230.6	(22)%
Online retail sales £m	20.9	21.8	(4)%
Total number of stores	331	372	(11)%
Space (k) sq. ft.	842	915	(8)%

Clive Whiley, Chairman of Mothercare, commented:

"The recent financial performance has been resilient as we look to FY27, acknowledging the ongoing situation in the Middle East and the end of our arrangement with Boots in the UK alongside our progress in other markets. We remain in discussions to restore critical mass, a process greatly assisted by our successful refinancing and better alignment of the first-charge debt instrument with our equity."

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	

Notes

The directors believe that alternative performance measures ("APMs") assist in providing additional useful information on the performance and position of the Group and across the period because it is 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, 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. The key APMs that the Group has focused on in the period are as set out in the Annual Report.

1. Worldwide retail sales are total retail sales by franchise partners to end customers (which are estimated and unaudited).
2. Adjusted (loss)/profit after taxation is stated before the impact of the adjusting items set out in note 5.
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, expect 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

As detailed in the Preliminary Results section, full year results for the 52-week period to 28 March 2026 (“FY26”) were in line with the unaudited pre-close trading update issued in early April.

The Year under review

Worldwide retail sales by franchise partners for FY26 were £180.0 million, compared to £230.6 million for the previous financial year, a year-on-year decline of 22% on a reported basis (19% at constant currency exchange rates) with adjusted EBITDA of £1.3 million (FY25: £3.5 million) and an adjusted loss before taxation of £2.6 million (FY25: £1.7 million) notwithstanding a continued tight control of overheads delivering further cost savings of £2.1 million. Online retail sales participation for the period was slightly higher at 12% of total retail sales (FY25: 9%).

The performance reflects variously: the end of our exclusive distribution relationship with Boots at the end of 2025; foreign exchange rate impacts; the ongoing need for franchise partners to clear old inventory; and the longstanding uncertainty in our Middle Eastern markets, including the more recent impact of the Iran war in the last month of the period.

Net borrowings were £5.7 million at the year-end (March 2025: £3.7 million) and the pension scheme deficit remains at £35 million as at 30 June 2026, which is the latest available estimate (March 2025: £35 million) on a technical provisions basis.

Core Objectives

As highlighted in my previous Chairman’s statements, we have struggled to reverse the dis-economies of scale associated with the more than halving of our franchise partners’ store footprint over the last six years due to the pandemic, the Ukraine conflict and the uncertainty in the Middle East. This led to the transition of the business to an asset light global franchising business to focus upon our core international franchise and brand management competencies, as evidenced more recently by new agreements in both South Asia and Turkey.

The underlying strength of the business is nonetheless demonstrated by the fact that excluding the Middle East and the UK, our total retail sales on a like for like basis were positive for the full year to March 2026. We continue to believe that there remains a greater opportunity for the brand and a new partner in the UK, and negotiations with potential new partner continue.

We intend to utilise both the new South Asian region joint venture, and recent refinancing, alongside the new license agreement with ebebek (in Turkey) as a catalyst to redouble our efforts 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.

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.

Joint Venture

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

- underlined the inherent value of the Mothercare brand;
- created an invigorated partnership in the South Asian region with Reliance, one of the world's largest, leading and respected business groups which will bring symbiotic and synergistic benefits; and
- significantly de-leveraged the business to finally allow a concentration upon the Company's future development.

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.

Whilst we temporarily receive revenues at lower rates than previously, Reliance have 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.

Refinancing & Pension Schemes

On 20 February 2026, we announced the successful and timely refinancing of the Group's debt facilities and the deferral of contributions to the Group's pension schemes, both of which are detailed further in the Financial Review section.

More importantly this aligned the first-charge debt instrument more closely with our equity stakeholders, which is fundamental in the event of requiring further waivers to our covenant tests as we remain in discussions to restore and optimize critical mass.

Management & Board changes

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 appointment of a new Chief Executive Officer to be fulfilled as a natural consequence of the 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 is acutely aware of the funds dedicated to reducing the pensions deficit in the interim. 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

Our results for last year reflect the underlying profitability and cash generation of our asst-light franchise system and the impact of the continuing uncertainty on our franchise partners' operations in the Middle East, where any longer-term impact upon supply chains is still unclear at this stage.

The refinancing of our debt facilities in February 2026 bought additional time to engineer a more comprehensive solution to harvest the significant operational gearing retained in the business 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.

In these circumstances the recent financial performance has been resilient and we are not planning for any material changes in market conditions as we look to FY27 as a whole, acknowledging the potential impact of the continuing disruption from events in the Middle East.

Given the external factors influencing some of the Company's key operating markets, our immediate priority remains to support our franchise partners, ultimately for the benefit of our own underlying business, where the strength of the Mothercare brand endures.

Accordingly, we remain in discussions to restore critical mass, a process greatly assisted by the recent refinancing and alignment of the first-charge debt instrument with our equity.

I would like to thank all of our colleagues and stakeholders for their support and efforts, once again in difficult circumstances, and the board remains determined to optimise the brand IP for the benefit of all stakeholders.

Clive Whiley

Chairman

Mothercare plc

Preliminary Results

FINANCIAL AND OPERATIONAL REVIEW

Worldwide retail sales by our franchise partners were £180.0 million (2025: £230.6 million) a decline of 22% year on year, or 19% at constant currency. The decline largely resulted from the longstanding uncertainty in our Middle Eastern markets, including the more recent impact of the war in Iran, together with phasing out of the UK market as we ended our exclusive distribution relationship with Boots at the end of 2025.

The underlying strength of the business is demonstrated by the fact that excluding the Middle East and the UK, where we continue to believe that there remains a greater opportunity for the brand with a new partner in the UK, on a like for like basis our total retail sales were positive for the full year to March 2026.

The loss from operations in the year was £1.2 million (2025: £16.0 million profit). To better understand the underlying results, the Group uses a non- statutory reporting measure of adjusted profit, to show results before any one-off significant non- trading items. In the current year this primarily involves adjusting for restructuring and reorganisation costs which are non-recurring, resulting in £1.7 million added back. In prior year £13.6 million was subtracted predominantly related to the India sale of IP rights. These adjusting items, together with depreciation and amortisation of £1.5 million (2025: £1.5 million), result in an adjusted EBITDA for the year of £1.3 million (2025: £3.5 million).

The Group recorded a loss for the 52 weeks to 28 March 2026 of £5.0 million (2025: £6.2 million profit). The adjusted loss for the year was £3.3 million (2025: £2.5 million). The adjusting items are detailed in note 6.

Whilst revenues decreased by £16.5 million, adjusted cost of sales decreased by £11.5 million, resulting in an adjusted gross profit reduction of £5.3 million. This was primarily driven by the reduction of royalties by £3.5 million, as a result of the lower retail sales together with the impact of the India JV deal.

Administrative expenses before adjusted items were £10.4 million, a reduction of £2.1 million compared to the previous year. The largest reduction was IT costs of £1.4 million driven by continued savings generated by the new ERP system and reduced cost of IT support, with further savings driven by tight control of overheads, most notably across payroll, professional fees and pension costs.

Retail space at the end of the year was 0.8 million sq. ft. from 331 stores (2025: 0.9 million sq. ft. from 372 stores).

FINANCING

In February 2026, prior to the balance sheet date, the Group entered into a new financing arrangement with a consortium of investors through a special purpose vehicle, CTM Funding Ltd, to refinance and amend its existing debt facility. The previous £8.0 million Gordon Brothers facility was repaid and replaced with a new facility provided by CTM Funding Ltd.

Richard Griffiths, a substantial shareholder in Mothercare, is one of the consortium of investors, contributing £5.0 million to and the majority shareholder in CTM Funding. The Directors recognise the improved alignment between the Company’s secured creditors (including the pension and debt holders) and shareholders.

The new facility initially provided funding of £8.46 million. The maturity of the facility has been extended to 31 December 2027, providing the Group with greater medium-term funding comfort. After the year end additional funding of £1.54 million has been raised via the same special purpose vehicle.

The amended facility carries a total coupon of 25% per annum, comprising a 10% cash coupon, consistent with the previous facility, together with an additional 15% payment in-kind (PIK) coupon, which accrues to the loan balance and is non-cash in nature.

At the year-end Mothercare had total cash of £ 2.8 million (March 2025: £4.3 million), against the £8.5 million

(March 2025: £8.0 million) of the Group's revised loan facility. The facility was fully drawn up to the new financing agreement in February 2026 and remained fully drawn to year end.

The facility is in default as a result of breaching financial covenants, which cannot be remedied, and so is repayable on demand. However, the facility is controlled by shareholders and additional funding of £1.54 million has been raised post year end, which demonstrates the ongoing support provided to the business.

PENSION SCHEME CONTRIBUTIONS

At 28 March 2026, there were two defined benefit schemes, both of which have been closed to new members, the Staff Scheme and the Executive Scheme. Following the full actuarial triennial valuation at 31 March 2023, the deficit on the Staff Scheme was £35.0 million, resulting from assets of £197.6 million and liabilities of £232.6 million, the Executive Scheme was in surplus, with assets of £81.2 million and liabilities of £80.5 million. The schemes are independent and so the small surplus on the Executive Scheme cannot be used to set off the deficit on the Staff Scheme.

After the reporting date, the Group completed a full buy-out of the liabilities of the Executive Scheme with an insurance company. As a result of this transaction, all obligations relating to the Executive Scheme have been irrevocably transferred to the insurer, together with the scheme assets, and the Group has no further legal or constructive obligation in respect of this scheme. The buy-out was completed on 31 March 2026. Accordingly, the Executive Scheme will be derecognised from the Group's statement of financial position in the financial year ending 27 March 2027.

The deficit on the Staff Scheme to be funded at 31 March 2023 of £35.0 million was a significant reduction from the total deficit of £124.6 million at 31 March 2020: the Staff Scheme deficit of £101.7 million, from assets of £278.0 million and liabilities of £379.7 million and the Executive Scheme deficit of £22.9 million, from assets of £105.7 million and liabilities of £128.6 million. The 31 March 2026 valuation will take place over the coming year.

These deficits are on an actuarial technical provisions basis, which is used to determine the contributions required and produces different figures from those included in the balance sheet, which are required to be from applying IAS 19 and resulted in the £20.1 million liability on the balance sheet in relation to the pension schemes as at 28 March 2026 (£21.1 million as at 29 March 2025)

The annual contributions previously agreed for the Staff Scheme in the year to March 2026 and March 2027 were £3 million in each year, a total of £6 million. However, in order to support the Company's cash flows whilst it is exploring growth opportunities, the Trustee agreed to defer these contributions to March 2027, with a revised schedule of contributions to be agreed by 31 March 2027. This will include a resumption of contributions from 19 April 2027 at a level that the Trustee considers to be affordable to the Group.

Prior to the contributions deferral the following annual contributions for the Staff Scheme and the costs for both schemes, which had been agreed with the Trustee, for the years ending in March are as follows: 2026 and 2027 - £3.0 million: 2028 and 2029 - £4.0 million; 2030 and 2031 £5.0 million; 2032 - £6.0 million and 2033 £0.5 million.

OPERATING MODEL

The Group continues to work towards its goal of becoming an asset light business. We continue to use our tripartite agreement ('TPA') process, whereby the franchise partners commit to paying the manufacturing partners for the product when due and in return the manufacturing partners are generally willing to offer improved credit terms.

We have subsequently further improved the TPA model whereby the franchise partner is invoiced directly by the manufacturing partner. This allows the manufacturing partners the opportunity to obtain credit insurance in relation to the franchise partners' debt, which due to MGB's limited trading history was sometimes difficult to obtain for invoices raised to MGB. Additionally, this model removes the Group's exposure to the debt and working capital requirement for these products. Where this is the case, under IFRS 15 the Group is the agent in the transaction – previously the Group was the principal. Hence for these products the creditors and stock are not recognised by the Group and whilst the associated revenue and cost of sales is excluded there is no material impact on the absolute margin earned. The responsibility for design, quality control and choice of manufacturing partner for these products are unchanged and remains with the Group. The impact in 2026 of partners newly adopting the direct invoice model versus prior year is reduced revenue of £1.9 million with a corresponding reduction in cost of sales of £1.9 million (£0.9 million impact in prior year).

For those orders where the franchise partner is not invoiced directly, the majority are covered by letters of credit, bank or other guarantees to reduce our bad debt exposure.

Additionally, for orders which are not invoiced directly, we have moved the currency of the payments from our franchise partners to match the currency paid to our manufacturing partners, hence removing a significant amount of foreign exchange exposure.

BALANCE SHEET

Net liabilities increased by £1.5 million during the year, reflecting the continued impact of challenging retail conditions, lower levels of trading activity and the effect of financing arrangements entered into prior to the year end.

	28 March 2026 £ million	29 March 2025 £ million n
Investment in associate	**10.8**	10.8
Intangible fixed assets	**6.7**	7.8
Retirement benefit obligations liability	**(20.1)**	(21.1)
Net borrowings (excluding IFRS 16 lease liabilities)	**(5.7)**	(3.7)
Trade and other receivables	**4.0**	4.1
Trade and other payables	**(5.0)**	(6.2)
Current tax liabilities	**(1.2)**	(1.3)
Other net liabilities	**(0.4)**	0.2
Net liabilities	**(10.9)**	**(9.4)**
Share capital and premium	**198.1**	198.1
Reserves	**(209.0)**	(207.5)
Total equity	**(10.9)**	**(9.4)**

NON-CURRENT ASSETS

Total non-current assets reduced during the year, principally as a result of depreciation and amortisation. Property, plant and equipment and right of use assets decreased by £0.3 million, primarily reflecting the depreciation of existing assets, while intangible assets reduced by £1.1 million following the normal annual amortisation charge.

TRADE AND OTHER RECEIVABLES

Trade and other receivables decreased by £0.1 million, largely due to timing of trade activity around the year end.

TRADE AND OTHER PAYABLES

Trade and other payables reduced by £1.2 million, reflecting both the lower level of trading during the year and timing of activity around year end. Accruals decreased by £0.4 million, trade payables reduced by £0.4 million, and advance receipts from customers and other payables decreased by £0.3 million. Tax liabilities remained broadly consistent with the prior year, decreasing marginally by £0.1 million.

INVENTORY

Year-on-year inventory levels decreased to nil, from £0.6 million in prior year, as the Group continued to benefit from its tripartite supply arrangement with suppliers and franchise partners. This model enables products to be shipped directly from suppliers to franchise partners, reducing working capital requirements and warehouse inventory while supporting efficient fulfilment. The reduced working capital requirement as a result of this model combined with favourable timing of shipments at year end resulted in a nil stock balance.

BORROWINGS AND CASH AND CASH EQUIVALENTS

Net borrowings increased by £2.0 million during the year to £5.7 million. This primarily reflected the refinancing of the Group's borrowing facilities together with lower cash generation from trading. Cash and cash equivalents of £2.8 million decreased by £1.5 million versus prior year, driven principally by the reduced level of trading activity. In addition, the Group incurred facility arrangement fees of £0.1 million associated with the new financing arrangements.

PENSION OBLIGATIONS

The Group's defined benefit pension deficit improved during the year, reducing from £21.1 million to £20.1 million.

Scheme liabilities decreased from £248.3 million to £239.7 million, principally reflecting favourable movements in financial assumptions, including an increase in the discount rate, which resulted in a gain on liabilities of £13.9 million.

Scheme assets decreased from £227.2 million to £219.6 million, primarily due to lower-than-expected investment returns, giving rise to an asset experience loss of £5.7 million. Overall, the schemes recorded an actuarial gain of £3.3 million during the year.

£ million	52 weeks ending 28 March 2026*	52 weeks ended 29 March 2025	53 weeks ended 30 March 2024
Income statement			
Running costs	(0.8)	(1.3)	(1.4)
Net (expense) / income for interest on liabilities / return on assets	(1.3)	(1.3)	(1.2)
Past service cost	–	–	(0.3)
Net charge	(2.1)	(2.6)	(2.9)
Cash funding			
Regular contributions	–	–	–
Deficit contributions	–	(0.3)	(2.1)
Total cash funding	–	(0.3)	(2.1)
Balance sheet**			
Fair value of schemes' assets	n/a	219.6	227.2
Present value of defined benefit obligations	n/a	(239.7)	(248.3)
Net deficit	n/a	(20.1)	(21.1)

*Forecast based on the Trustee's agreement to extend the deferral to March 2027.

**The forecast fair value of schemes' assets and present value of defined benefit obligations is dependent upon the movement in external market factors, which have not been forecast by the Group for 2026 and therefore have not been disclosed.

INCOME STATEMENT

	52 weeks to 28 March 2026 £million	52 weeks to 29 March 2025 £million
Revenue	**22.4**	38.9
Adjusted EBITDA (EBITDA before exceptionals)	**1.3**	3.5
Depreciation and amortisation	**(1.5)**	(1.5)
Adjusted profit before interest and taxation	**(0.2)**	2.0
Adjusted net finance costs	**(2.4)**	(3.7)
Adjusted (loss) before taxation	**(2.6)**	(1.7)
Adjusted (costs) / income	**(1.7)**	13.6
(Loss) / profit before taxation	**(4.3)**	11.9
Taxation	**(0.7)**	(5.7)
Total (loss) / profit	**(5.0)**	6.2
Earnings per share - basic	**(0.9)p**	1.1p
Adjusted (loss)/earnings per share - basic	**(0.6)p**	(0.4)p

FOREIGN EXCHANGE

The main exchange rates used to translate International retail sales are set out below:

	52 weeks ended 28 March 2025	52 weeks ended 29 March 2025
Average:		
Saudi riyal	**5.02**	4.78
Emirati dirham	**4.92**	4.68
Kuwaiti dinar	**0.410**	0.391
Qatari riyal	**4.88**	4.65
Indonesian rupiah	**22,229**	20,415
Indian rupee	**118.2**	107.8
Euro	**1.16**	1.19
Closing:		
Saudi riyal	**4.97**	4.84
Emirati dirham	**4.90**	4.72
Kuwaiti dinar	**0.406**	0.398
Qatari riyal	**4.87**	4.72
Indonesian rupiah	**22,642**	21,345
Indian rupee	**125.3**	111.1
Euro	**1.15**	1.19

The principal currencies that impact the translation of International sales are shown below. The net effect of currency translation caused worldwide retail sales and profit to decrease by £7.9 million (2025: £10.6 million) and £0.4 million (2025: £0.5 million) respectively as shown below:

	Worldwide sales £ million	Adjusted loss £ million
Saudi riyal	(1.1)	(0.1)
Emirati dirham	(1.0)	(0.1)
Kuwaiti dinar	(0.7)	(0.1)
Qatari riyal	(0.6)	–
Indonesian rupiah	(2.2)	(0.1)
Indian rupee	(1.6)	–
Euro	0.6	–
Other currencies	(1.2)	-
	(7.9)	**(0.4)**

NET FINANCE COSTS

Net finance costs decreased by £1.0 million compared with the prior year, primarily reflecting a significant reduction in borrowing costs following the Group's refinancing activities. In the current year, interest was charged on a loan principal of £8.0 million at a reduced interest rate of 11.5% for 11 months of the year resulting in the loan interest expense decreasing by £1.3 million to £1.7 million. The loan principal increased in February 2026 to £8.46 million at an all-in rate of 25%. In prior year, the Group’s borrowings peaked at £19.9 million with associated interest rates reaching 19% resulting in a relatively higher interest of £3.0 million driven by both the quantum of debt and cost of funding. Part of the loan was repaid in October 2024 reducing the principal amount to £8.0 million.

Net interest on pension obligations increased by £0.2 million year on year, due to the interest cost on liabilities exceeding the return on assets.

PROFIT FOR THE PERIOD

For the current financial 52 week period ended 28 March 2026, the total statutory loss after tax for the Group is £5.0 million (2025: £6.2 million profit).

TAXATION

The tax charge on adjusted result/loss was £0.7 million (2025: £0.8 million), comprising primarily withholding taxes which arises on overseas royalty income notwithstanding the overall loss.

There was no tax charge relating to adjusted items in the current year. In the prior year, the tax charge on adjusted items was £4.9 million, comprising a current tax charge of £1.4 million arising on the disposal of intellectual property and a charge of £3.4 million relating to the utilisation of recognised tax losses against the gain arising on the transfer of intellectual property to the Group's Indian subsidiary.

The total statutory tax charge for the year was £0.7 million (2025: £5.7 million).

EARNINGS PER SHARE

Statutory loss per share was 0.9 pence (2025: earnings per share of 1.1 pence). Adjusted basic loss per share was 0.6 pence (2025: adjusted loss per share of 0.4 pence).

CASHFLOW

Operating cash flow improved by £1.6 million during the year, generating a net cash inflow of £0.1 million compared with a net cash outflow of £1.5 million in the prior year. This improvement was principally driven by stronger working capital performance, with a net working capital outflow of £0.4 million compared with £1.5 million in the prior year, reflecting continued cost management initiatives and tight control of debtors.

Net cash used in investing activities was £0.2 million (2025: net cash generated of £14.8 million). The prior year included proceeds of £16.0 million from the disposal of the Group's interest in JVCO 2024 Ltd, whereas current year investing activity primarily comprised capital expenditure on asset additions.

Net cash used in financing activities was £1.4 million (2025: £14.0 million). During the year, the Group completed the refinancing of its debt facilities, resulting in a net cash inflow of £0.3 million. In the prior year, financing cash flows were principally impacted by the part repayment of £11.9 million of the loan facility.

Overall, net cash inflows from operating activities of £0.1 million were more than offset by net cash outflows from investing activities of £0.2 million and financing activities of £1.4 million, resulting in a net decrease in cash and cash equivalents of £1.5 million during the year.

GOING CONCERN

The Group’s business activities and the factors likely to affect its future development are set out in the principal risks and uncertainties section of the Group financial statements. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are set out in the financial review.

The Group entered into financing arrangements during the year with a consortium of investors, the majority of which are current shareholders, to refinance and vary the existing facility via a special purpose vehicle (SPV). This included extending the facility’s term to 31 December 2027. The facility is in default as a result of breaching financial covenants, which cannot be remedied, and so is repayable on demand, however, the Directors recognise the improved alignment between the Company's secured creditors (including the pension and debt holders) and shareholders. £8.46 million was raised during the year with further funding of £1.54 million being raised after year end via the same SPV.

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 Base Case forecast is based on current retail trends and, as such, already includes the impact of the conflict in the Middle East on retail sales. The Sensitised forecast shows a further decrease in worldwide retail sales of 10%, as compared to the Base Case, in the remainder of the financial year to March 2027 and for the year to March 2028, 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:

- The Group’s ability to renegotiate its Defined Benefit Pension Deficit Repayment plan with the Pension Trustee. The Trustee has currently agreed to defer the payment of pension contributions due to March 2027, with a new schedule of contributions to be put in place no later than 31 March 2027 at a time and level that the Trustee considers to be affordable to the Group; and
- The loan facility of £8.46 million at year end was extended to 31 December 2027 during the year, however, the facility is in default as a result of breaching financial covenants, which cannot be remedied, and so is repayable on demand. The facility is controlled by shareholders and further funding of £1.54 million has been provided post year end, demonstrating the ongoing support of the business. Management remains in continual dialogue with the current lender and the lender has not indicated that it intends to demand immediate repayment.

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.

TREASURY POLICY AND FINANCIAL RISK MANAGEMENT

The Board approves the Group's treasury policies, with day-to-day treasury activities managed by senior management within the limits of those approved policies.

The principal financial risks to which the Group is exposed are foreign currency risk, interest rate risk and credit risk. Where appropriate, cost-effective and practicable, the Group uses financial instruments, including derivative instruments, to manage these risks. However, the Group's primary approach is to minimise exposures through natural hedging wherever possible. The Group does not undertake speculative transactions in derivatives, foreign currencies or other financial instruments.

FOREIGN CURRENCY RISK

The Group operates internationally and is exposed to foreign currency risk, principally in relation to the US dollar. Foreign exchange risk arises on future commercial transactions and recognised monetary assets and liabilities denominated in currencies other than the Group's functional currency, which is pounds sterling.

International sales to franchisees are invoiced principally in Pounds sterling or US dollars. US dollar sales provide a partial natural hedge against the Group's US dollar-denominated product purchases, reducing the overall net currency exposure. The tripartite purchasing arrangements has increased the level of currency matching between purchases and sales, further enhancing the Group's natural hedge and reducing exposure to foreign exchange volatility.

INTEREST RATE RISK

The Group's principal exposure to interest rate risk relates to its £8.5 million term loan. The facility carries a cash interest coupon of 10% per annum together with a 15% payment-in-kind ("PIK") coupon. The PIK interest accrues monthly, is capitalised into the outstanding principal balance and becomes payable on repayment of the facility. Accordingly, increases in the outstanding loan balance resulting from the PIK coupon give rise to additional financing costs and future cash flow obligations, which is the key exposure rather than variability in market interest rates.

CREDIT RISK

Credit risk arises from cash and cash equivalents and credit exposures to customers including outstanding receivables.

The Group has no significant concentrations of credit risk.

Credit risk is managed on a Group basis. For banks and financial institutions, only independently rated parties with a minimum, rating of 'A' are accepted.

Trade credit risk is managed through established credit control procedures. Credit assessments are performed for new customers using external credit reference agencies where appropriate, and individual credit limits are established and monitored on an ongoing basis. The Group applies the IFRS 9 simplified approach to measuring expected credit losses, recognising a lifetime expected credit loss allowance for trade receivables. Expected credit losses are measured using provision matrices based on shared credit risk characteristics and the ageing of receivables. Trade receivables are written off when there is no reasonable expectation of recovery, for example where a customer has failed to engage with the Group regarding repayment or where all appropriate recovery actions have been exhausted.

SHAREHOLDERS' FUNDS

At 28 March 2026, the Group reported a net liabilities position of £10.9 million (2025: £9.4 million), reflecting a £1.5 million increase in the deficit during the year. The movement principally reflects the loss for the year of £5.0 million, partially offset by an actuarial gain of £3.3 million recognised in respect of the Group's defined benefit pension scheme. The reduction in shareholders' funds also reflects the impact of challenging trading conditions during the year, especially in the Middle East arising from regional geopolitical instability.

DIRECTORS' RESPONSIBILITIES STATEMENT

The 2026 Annual Report and Accounts, which will be issued in August 2026, contains a responsibility statement which sets out that as at the date of approval of the Annual Report on 13 August 2026, in the case of each director in office at the date the Directors' report is approved:

- so far as the director is aware, there is no relevant information of which the Group's and parent Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group's and parent Company's auditors are aware of that information.

Consolidated income statement

For the 52 weeks ended 28 March 2026

		52 weeks ended 28 March 2026			52 weeks ended 29 March 2025		
	Note	**Before adjusted items £ million**	**Adjusted items[1] £ million**	**Total £ million**	Before Adjusted items £million	Adjusted items[1] £million	Total £ million
Revenue	4	**22.4**	**–**	**22.4**	38.9	–	38.9
Cost of sales		**(12.6)**	**(0.2)**	**(12.8)**	(24.1)	(0.6)	(24.7)
Gross profit		**9.8**	**(0.2)**	**9.6**	14.8	(0.6)	14.2
Share of profit from associate		**0.1**	**–**	**0.1**			
Administrative (expense)/income		**(10.4)**	**(0.8)**	**(11.2)**	(12.5)	14.6	2.1
Impairment gain/(loss) on receivables		**0.3**	**–**	**0.3**	(0.3)	–	(0.3)
(Loss) / profit from operations		**(0.2)**	**(1.0)**	**(1.2)**	2.0	14.0	16.0
Finance costs	6	**(2.4)**	**(0.7)**	**(3.1)**	(3.7)	(0.4)	(4.1)
(Loss) / profit before taxation		**(2.6)**	**(1.7)**	**(4.3)**	(1.7)	13.6	11.9
Taxation	7	**(0.7)**	**–**	**(0.7)**	(0.8)	(4.9)	(5.7)
(Loss) / profit for the period		**(3.3)**	**(1.7)**	**(5.0)**	(2.5)	8.7	6.2
(Loss) / profit for the period attributable to equity holders of the parent		**(3.3)**	**(1.7)**	**(5.0)**	(2.5)	8.7	6.2
Earnings per share							
Basic	8			**(0.9)p**			1.1p
Diluted	8			**(0.9)p**			1.1p

1. Adjusted items are considered to be one-off or significant in nature and /or value. Excluding these items from 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.

Consolidated statement of comprehensive income

For the 52 weeks ended 28 March 2026

	Note	**52 weeks ended 28 March 2026 £ million**	52 weeks ended 29 March 2025 £ million
Profit for the period		**(5.0)**	6.2
Items that will not be reclassified subsequently to the income statement:			
Remeasurement of net defined benefit liability:			
Actuarial gain on defined benefit pension schemes		**3.3**	3.7
Fair value gain on intellectual property	9	**–**	10.7
Deferred tax relating to items not reclassified		**–**	–
		3.3	14.4
Items that may subsequently be reclassified to the Group income statement:			
Retranslation of net assets of overseas subsidiaries			(0.1)
Total other comprehensive income for the year		**3.3**	14.3
Total comprehensive (expense) / income for the period wholly attributable to equity holders of the parent		**(1.7)**	20.5

Consolidated balance sheet

As at 28 March 2026

	Note	**28 March 2026 £ million**	29 March 2025 £ million
Non-current assets			
Investment in associate	9	**10.8**	10.8
Intangible assets		**6.7**	7.8
Property, plant and equipment		**0.1**	0.2
Right-of-use leasehold assets		**0.6**	0.8
Deferred tax assets		**0.1**	0.1
		18.3	19.7
Current assets			
Inventories		**–**	0.6
Trade and other receivables		**4.0**	4.1
Current tax assets		**–**	–
Cash and cash equivalents		**2.8**	4.3
		6.8	9.0
Total assets		**25.1**	28.7
Current liabilities			
Trade and other payables		**(5.0)**	(6.2)
Lease liabilities		**(0.2)**	(0.1)
Current tax liabilities		**(1.2)**	(1.3)
Provisions		**(0.4)**	(0.6)
Borrowings	11	**(8.5)**	–
		(15.3)	(8.2)
Non-current liabilities			
Borrowings	11	**–**	(8.0)
Lease liabilities		**(0.5)**	(0.7)
Provisions		**(0.1)**	(0.1)
Retirement benefit obligations		**(20.1)**	(21.1)
		(20.7)	(29.9)
Total liabilities		**(36.0)**	(38.1)
Net liabilities		**(10.9)**	(9.4)
Equity attributable to equity holders of the parent			
Share capital	10	**89.3**	89.3
Share premium account	10	**108.8**	108.8
Own shares		**(0.2)**	(0.2)
Translation reserve		**(3.8)**	(3.8)
Revaluation reserve	9	**10.7**	10.7
Retained loss		**(215.7)**	(214.2)
Total equity		**(10.9)**	(9.4)

Consolidated statement of changes in equity

For the 52 weeks ended 28 March 2026

	Share capital £ million	Share premium account £ million	Own shares £ million	Translation reserve £ million	Revaluation reserve £ million	Retained earnings £ million	Total equity £ million
Balance at 29 March 2025	**89.3**	**108.8**	**(0.2)**	**(3.8)**	**10.7**	**(214.2)**	**(9.4)**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**(5.0)**	**(5.0)**
Other comprehensive income:							
Retranslation of net assets of overseas subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Remeasurement of defined benefit schemes	**–**	**–**	**–**	**–**	**–**	**3.3**	**3.3**
Total other comprehensive income	**–**	**–**	**–**	**–**	**–**	**3.3**	**3.3**
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**(1.7)**	**(1.7)**
Transactions with owners							
Share-based payments	**–**	**–**	**–**	**–**	**–**	**0.2**	**0.2**
Balance at 28 March 2026	**89.3**	**108.8**	**(0.2)**	**(3.8)**	**10.7**	**(215.7)**	**(10.9)**

For the 52 weeks ended 29 March 2025

	Share capital £ million	Share premium account £ million	Own shares £ million	Translation reserve £ million	Revaluation reserve £ million	Retained earnings £ million	Total equity £ million
Balance at 30 March 2024	89.3	108.8	(0.2)	(3.7)	–	(224.3)	(30.1)
Profit for the period	–	–	–	–	–	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
Transactions with owners							
Share-based payments	–	–	–	–	–	0.2	0.2
Balance at 29 March 2025	89.3	108.8	(0.2)	(3.7)	10.7	(214.2)	(9.4)

Consolidated cash flow statement

For the 52 weeks ended 28 March 2026

	Note	**52 weeks ended 28 March 2026 £ million**	52 weeks ended 29 March 2025 £ million
Net cash inflow/(outflow) from operating activities	11	**0.1**	(1.5)
Cash flows from investing activities:			
Investment in associate		**–**	(0.1)
Proceeds from sale of IP		**–**	16.0
Purchase of intangibles - software		**(0.2)**	(1.1)
Net cash inflow/(outflow) from investing activities		**(0.2)**	14.8
Cash flows from financing activities:			
Repayment of borrowings		**(8.1)**	(11.9)
Drawdown of new facility		**8.4**	
Proceeds from post administration distribution		**–**	1.2
Interest paid		**(0.8)**	(3.0)
Lease interest paid		**(0.1)**	–
Repayments of leases		**(0.1)**	(0.3)
Transaction costs paid on borrowings		**(0.6)**	–
Net cash outflow from financing activities		**(1.4)**	(14.0)
Net decrease in cash and cash equivalents		**(1.5)**	(0.7)
Cash and cash equivalents at beginning of period		**4.3**	5.0
Cash and cash equivalents at end of period		**2.8**	4.3

Notes

1. General information

The Group's business activities, together with factors likely to affect its future development, performance and position are set out in the Chairman's statement and the financial review, and include a summary of the Group's financial position, its cash flows and borrowing facilities and a discussion of why the directors consider that the going concern basis is appropriate.

Whilst the financial information included in this preliminary announcement has been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, this announcement does not itself contain sufficient information to comply with all the disclosure requirements of IFRS.

The financial information set out in this announcement does not constitute the Group's statutory accounts for the 52-week period ended 28 March 2026 or the 52-week period ended 29 March 2025, but it is derived from those accounts. Statutory accounts for 2025 have been delivered to the Registrar of Companies and those for 2026 will be delivered in August 2026. The auditor has reported on the 2026 accounts: their report includes a material uncertainty over going concern. The 2026 financial statements are available on the Group's website (www.mothercareplc.com).

2. Accounting Policies and Standards

Going concern

As stated in the strategic report, the Group's business activities and the factors likely to affect its future development are set out in the principal risks and uncertainties section of the Group financial statements. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are set out in the financial review.

The Group entered into financing arrangements during the year with a consortium of investors, the majority of which are current shareholders, to refinance and vary the existing facility via a special purpose vehicle (SPV). This included extending the facility's term to 31 December 2027. The facility is in default as a result of breaching financial covenants, which cannot be remedied, and so is repayable on demand, however, the Directors recognise the improved alignment between the Company's secured creditors (including the pension and debt holders) and shareholders. £8.46 million was raised during the year with further funding of £1.54 million being raised after year end via the same SPV.

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 Base Case forecast is based on current retail trends and, as such, already includes the impact of the conflict in the Middle East on retail sales. The Sensitised forecast shows a further decrease in worldwide retail sales of 10%, as compared to the Base Case, in the remainder of the financial year to March 2027 and for the year to March 2028, 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:

- The Group's ability to renegotiate its Defined Benefit Pension Deficit Repayment plan with the Pension Trustee. The Trustee has currently agreed to defer the payment of pension contributions due to March

2027, with a new schedule of contributions to be put in place no later than 31 March 2027 at a time and level that the Trustee considers to be affordable to the Group.

- The loan facility of £8.46 million at year end was extended to 31 December 2027 during the year, however, the facility is in default as a result of breaching financial covenants, which cannot be remedied, and so is repayable on demand. The facility is controlled by shareholders and further funding of £1.54 million has been provided post year end, demonstrating the ongoing support of the business. Management remains in continual dialogue with the current lender and the lender has not indicated that it intends to demand immediate repayment.

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.

New and amended standards adopted by the Group

The Group has applied the following amendment for the first time for its annual reporting period commencing on or after 1 January 2025:

Amendments to IAS 21 - Lack of Exchangeability

The amendment above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted

Certain amendments to accounting standards have been published that are not mandatory for 29 March 2026 reporting periods and have not been early adopted by the Group. These amendments are not expected to have a material impact on the entity in the current or future reporting periods or on foreseeable future transactions.

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). A full definition is shown in the annual report.

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 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 except where expressly stated.

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 sales. 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 exchange translation. The constant currency basis retranslates the previous year revenues at the average actual periodic exchange rates used in the current financial year. This measure is presented as a means of eliminating the effects of exchange rate fluctuations on the year-on-year reported results.

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. On this basis, the following items were included within adjusted items for the 52- week period ended 28 March 2026:

- costs associated with restructuring and redundancies;
- provisions related to onerous contracts;

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 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.

4. Revenue

Revenues are attributed to countries on the basis of the customer's location. During the year, the Group had three customers that individually represented more than 10% of Group revenue. Revenue from these customers amounted to £6.1 million, £2.4 million and £3.0 million respectively, representing 27%, 11% and 13% of total Group revenue.

	52 weeks ended 28 March 2026 £ million	52 weeks ended 29 March 2025 £ million
Sale of goods to franchise partners	**14.1**	27.1
Royalties income	**8.3**	11.8
Total revenue	**22.4**	38.9

	52 weeks ended 28 March 2026 £ million	52 weeks ended 29 March 2025 £ million
Turnover by destination:		
UK	**2.0**	9.9
Europe	**6.6**	8.8
Middle East	**6.4**	9.3
Asia	**7.4**	10.9
Total revenue	**22.4**	38.9

5.Adjusted items

The total adjusted items reported for the 52-week period ended 29 March 2025 is a net gain of £13.6 million (2024: £0.2 million loss). The adjustments made to reported profit before tax to arrive at adjusted profit are:

Adjusted items:	**52 weeks ended 28 March 2026 £ million**	52 weeks ended 29 March 2025 £ million
Cost of sales		
Onerous contract provision	**(0.2)**	(0.6)
Administrative expenses		
Sale of IP rights	**-**	15.2
Financial asset	**-**	0.5
Past service costs	**-**	(0.3)
Restructuring and reorganisation costs included in administrative expenses	**(0.8)**	(0.8)
	(0.8)	14.6
Finance costs		
Restructuring costs included in finance costs	**(0.7)**	(0.4)
Adjusted items before tax	**(1.7)**	13.6

Onerous contract provision – £(0.2) million (2025:£(0.6) million)

Onerous contract costs relating to lower contracted cost recoveries compared with the actual costs incurred.

Sale of IP rights   £Nil million (2025: £15.2 million)

In prior year Mothercare and Reliance (our Indian Franchise partner) created a new joint venture. Under the terms of arrangement, Reliance paid £16.0 million to acquire a 51% interest in a new joint venture Company JVCO 2024 Ltd which held the Mothercare Intellectual property (IP) for certain Asian countries, with Mothercare retaining a 49% residual shareholding. Mothercare earned a net income of £15.2 million from the arrangement as outlined below:

IP sale	**£ million**
Proceeds on the sale of 51% of JVCO Ltd	**16.0**
Royalty concessions given as a result of the deal	**(0.4)**
Professional fees incurred on the deal	**(0.4)**
Net proceeds	**15.2**

Financial asset – £Nil million (2025: £0.5 million)

The prior year amount relates to the true-up of the financial asset arising on the revolving capital facility, which was valued at the end of financial year 2025 based on the information available at the time, whilst assuming the worst-case scenario that no further distributions are to be received.

Past service costs – £Nil million (2025: £(0.3) million)

Past service cost in prior year was as a result of the Executive Pension Scheme equalising Guaranteed Minimum Pensions (GMPs) for all pensioner members.

Restructuring and reorganisation costs included in administrative expenses – £(0.8) million (2025: £(0.8) million)

- £(0.3) million redundancy payments made to certain staff during the year;
- £(0.3) million legal and professional fees incurred by the Pension trustee as a result of the refinancing of the Group's loan facility;
- £(0.2) million costs relating to legal fees incurred for a case against a former franchise partner and legal fees relating to redundancies.

The prior year costs related to:

- £(0.4) million redundancy payments made to certain staff during the year;
- £(0.2) million legal and professional fees incurred by the Pension trustee as a result of the refinancing of the Group's loan facility;
- £(0.3) million costs incurred in de-commissioning IT equipment due to the new ERP going live during the year; offset by
- £0.1 million credit received from our registrars relating to unclaimed dividend

Restructuring costs included in finance costs – £(0.7) million (2025: £(0.4) million)

Of the current year charge £(0.6) million relates to costs linked to refinancing of the Group's existing loan facility and £(0.1) million relates to certain interest charges on tax liabilities. The interest charged on tax liabilities has been treated as an adjusted item because it arises from tax liabilities relating to the IP sale transaction, which was itself treated as an adjusted item in the prior year. The prior year charge of £(0.4) million related to costs linked to refinancing of the Group's existing loan facility.

6. Net finance costs

	52 weeks ended 28 March 2026 £ million	52 weeks ended 29 March 2025 £ million
Other interest payable and finance charges	**1.7**	3.0
Net interest expense on liabilities/return on assets on pension	**1.3**	1.1
Interest on lease liabilities	**0.1**	-
Net finance costs	**3.1**	4.1

7.Taxation

The charge for taxation on profit for the period comprises:

	52 weeks ended 28 March 2026 £ million	52 weeks ended 29 March 2025 £ million
Current tax:		
UK tax	**-**	1.5
Foreign taxation	**0.7**	0.8
	0.7	2.3
Deferred tax:		
Origination and reversal of temporary differences	**-**	3.5
Adjustment in respect of prior periods	**-**	(0.1)
Charge for taxation on profit for the period	**0.7**	5.7

UK corporation tax is calculated at 25% (2025: 25%) of the estimated assessable profit for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The charge for the period can be reconciled to the profit for the period before taxation per the consolidated income statement as follows:

	52 weeks ended 28 March 2026 £ million	52 weeks ended 29 March 2025 £ million
Profit for the period before taxation	**(4.3)**	11.9
Profit for the period before taxation multiplied by the standard rate of corporation tax in the UK of 25.0% (2025: 25.0%)	**(1.1)**	3.0
Effects of:		
Expenses not deductible for tax purposes	**-**	(1.2)
Income not taxable	**0.2**	(4.2)
Foreign tax credits	**(0.1)**	0.7
Foreign tax	**0.5**	-
Adjustments in respect of prior years	**-**	(0.1)
Degrouping	**-**	6.7
Exempt distribution	**(0.1)**	-
Movement in deferred tax not recognised	**1.3**	0.8
Charge for taxation on profit for the period	**0.7**	5.7

No deferred tax was charged directly to other comprehensive income relating to retirement benefit obligations (2025: £Nil) (2024: £2.0 million).

8. (Losses) / earnings per share

	52 weeks ended 28 March 2026 million	52 weeks ended 29 March 2025 million
Weighted average number of shares in issue	**563.8**	563.8
Potential ordinary shares		11.5
Diluted weighted average number of shares	**563.8**	575.3
Number of shares at period end	**563.8**	563.8
	£ million	£ million
(Loss) / profit for basic and diluted earnings per share	**(5.0)**	6.2
Adjusted items	**(1.7)**	(8.7)
Tax effect of above items	**–**	–
Adjusted (loss)/profit	**(3.3)**	(2.5)

	Pence	Pence
Basic (losses)/earnings per share	**(0.9)**	1.1
Basic adjusted (losses) per share	**(0.6)**	(0.4)
Diluted (losses)/earnings per share	**(0.9)**	1.1
Diluted adjusted (losses) per share	**(0.6)**	(0.4)

Analysis of shares by class	28 March 2026 million	29 March 2025 million
Ordinary shares at period end date	**563.8**	563.8
Antidilutive/dilutive SAYE options	**–**	0.1
Antidilutive/dilutive LTIP options	**9.1**	11.4
Total	**572.9**	575.3

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.

9. Investment in associates

Set out below is the associate of the Group as at 28 March 2026 which in the opinion of the directors is material to the Group. It has share capital consisting solely of shares held directly by the Group’s subsidiary Mothercare Global Brand Limited.

	% ownership interest	Nature of relationship	Measurement method	Fair value £million	Carrying amount £million
JVCo 2024 Ltd	49%	Associate	Equity method	10.8	10.8

JVCO 2024 Ltd, a company incorporated in the UK 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. The fair value has been determined with reference to the most recent arm's length transaction, which occurred in the prior year. Management has assessed that there have been no significant changes in market conditions or the investee's circumstances since the transaction that would indicate the transaction price is no longer representative of fair value. The investment is subject to market, operational and country-specific risks associated with the investee's activities and the territories in which it operates. There were no significant changes in the nature of these risks during the reporting period.

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

10. Share Capital and Share Premium

The Company has one class of ordinary shares, which carry equal voting rights, rights to dividends when declared and rights to participate in the distribution of surplus assets on a winding up. The Company has no authorised share capital. Share premium represents amounts received from shareholders above the nominal value of shares issued and is subject to applicable legal restrictions. There was no movement in the stated share capital during the year.

11. Cashflow from operating activities

	52 weeks ended 28 March 2026 £ million	52 weeks ended 29 March 2025 £ million
(Loss) / profit from operations	**(1.2)**	16.0
Adjustments for:		
Depreciation of property, plant and equipment	**0.1**	0.1
Amortisation of right-of-use assets	**0.2**	0.2
Amortisation of intangible assets	**1.3**	1.2
Share of profit of associate	**(0.1)**	–
Gain on sale of subsidiary	**–**	(15.2)
Gain on adjusted foreign currency movements	**(0.2)**	(0.1)
Equity-settled share-based payments	**0.2**	0.2
Movement in provisions	**(0.2)**	0.4
Net gain on financial derivative instruments	**–**	(0.5)
Payments to retirement benefit schemes	**(0.3)**	(2.2)
Charge to profit from operations in respect of retirement benefit schemes	**1.3**	1.4
Operating cash inflow before movement in working capital	**1.1**	1.5
Decrease in inventories	**0.6**	–
Decrease in receivables	**0.1**	0.6
(Decrease) in payables	**(1.1)**	(2.1)
Net cash inflow from operating activities before tax	**0.7**	–
Income taxes paid	**(0.6)**	(1.5)
Net cash inflow/(outflow) from operating activities after tax	**0.1**	(1.5)

Analysis of net debt

	29 March 2025 £ million	Cash flow £ million	Other non–cash movements[1] £ million	**28 March 2026 £ million**
Term loan	(8.0)	(0.3)	(0.2)	**(8.5)**
Cash at bank	4.3	(1.5)	–	**2.8**
IFRS 16 lease liabilities	(0.8)	0.2	(0.1)	**(0.7)**
Net debt	(4.5)	(1.6)	(0.3)	**(6.4)**

[1] Non-cash movements represents payment in kind (PIK) interest on the Term Loan and interest on the right of use liabilities

The Group had outstanding borrowings at 28 March 2026 of £8.5 million (2024: £8.0 million).

During the year, the Group entered into new financing arrangements with CTM Funding Limited amending the existing facility with Gordon Brothers. Under the amended agreement the existing loan with Gordon Brothers was settled and a larger facility of £8.5 million was agreed. The facility's term has also been extended to 31 December 2027. The facility now carries a coupon of 25% per annum, comprising an unchanged 10% per annum cash pay coupon and an additional 15% per annum ‘payment in kind’ non-cash coupon. The loan is secured on the assets and shares of specific Group subsidiaries. The loan is subject to covenants which include minimum royalties, minimum EBITDA and minimum liquidity covenants.

12. Events after the balance sheet date

Management has assessed events occurring after the reporting date up to the date of authorisation of these financial statements and has concluded that, other than the events described below and any other matters disclosed in these financial statements, there are no additional material adjusting or non-adjusting events requiring recognition or disclosure.

Completion of Executive Defined Benefit Pension Scheme Buy-out

After the reporting date, the Group completed a full buy-out of the liabilities of the Executive Scheme with an insurance company. As a result of this transaction, all obligations relating to the Executive Scheme have been irrevocably transferred to the insurer, together with the scheme assets, and the Group has no further legal or constructive obligation in respect of this scheme.

The buy-out was completed on 31 March 2026. Accordingly, the Executive Scheme will be derecognised from the Group’s statement of financial position in the financial year ending 27 March 2027.

This transaction represents a non-adjusting event after the reporting period, as the buy-out occurred after the reporting date and does not provide evidence of conditions that existed at that date. Therefore, no adjustments have been made to the amounts recognised in respect of the Executive Scheme in these financial statements. At the reporting date, no binding agreement or contractual obligation to complete the buy-out existed, and the Group retained the risks and rewards associated with the Executive Scheme.

The buy-out is expected to result in a settlement gain in the subsequent reporting period, being the difference between:

- the defined benefit obligation of the executive Scheme at the date of settlement; and
- the premium paid to the insurer (including transaction costs).

An estimate of the financial effect of the transaction is estimated at £0.6 million, which will be recognised in the income statement in the period ending 27 March 2027.

Financing activities

Subsequent to the reporting date, the Group received additional funding of £1.54 million from CTM Funding Ltd under its existing lending facility. This represents the remaining available balance of the facility and increases the total amount drawn from £8.46 million, which was initially advanced in February, to the full facility limit of £10.0 million.