

# REDEFINING HEALTHCARE IN ASIA WITH PRECISION

EMPOWERING PATIENT  
CARE WITH CLARITY



Q3 FY2020  
Financial and  
Business  
Update





# Important Notice

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As announced by the Company on 2 March 2020, following the amendments to the Catalist Rules, the Company will not be required to announce its financial statements on a quarterly basis. However, the Company will provide updates on its performance for the first and third quarter to supplement the half-year and full-year financial statements. This presentation is intended to be an update for the third quarter of FY2020 and comprises the key profit and loss items, key balance sheet items and key items from the cash flow statement as well as a business commentary.

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## Q3 FY2020 Financial Update - Unaudited Key Profit and Loss Items

	the 3 months period ended 30 September 2020 (Q3 FY2020) (S\$'000)	the 3 months period ended 30 September 2019 (Q3 FY2019) (S\$'000)	Increase/ (Decrease) %	9 months period ended 30 September 2020 (9M FY2020) (S\$'000)	9 months period ended 30 September 2019 (9M FY2019) (S\$'000)	Increase/ (Decrease) %
<b>Revenue</b>	<b>6,985</b>	<b>6,392</b>	<b>9.3</b>	<b>28,444</b>	<b>13,245</b>	<b>114.8</b>
Other income <sup>(1)</sup>	350	125	180.0	1,784	427	317.8
Expenses	(6,556)	(13,395)	(51.1)	(25,496)	(22,254)	14.6
Profit/(Loss) before taxation	779	(6,878)	n.m.	4,732	(8,582)	n.m.
Adjusted profit/(loss) before taxation <sup>(2)</sup>	(309)	(2,402)	(87.1)	583	(5,892)	n.m.
Profit/(Loss) after taxation	696	(6,890)	n.m.	4,470	(8,656)	n.m.
<b>Adjusted EBITDA</b>	<b>1,165</b>	<b>378</b>	<b>208.2</b>	<b>4,810</b>	<b>(1,658)</b>	<b>n.m.</b>

1) Includes mainly government grant income and interest income

2) Excludes other non-recurring expenses and fair value losses/gains on other investments, associate and other derivative financial instruments

### Revenue

- Revenue increased by 9.3% or S\$0.60 million from S\$6.39 million in Q3 FY2019 to S\$6.99 million in Q3 FY2020, mainly driven by the growth of the medical clinics/centres segment.
- Medical clinics/centres recorded a revenue of S\$3.68 million in Q3 FY2020, an increase of S\$2.23 million, from S\$1.45 million in Q3 FY2019. This was mainly due to contribution from the nine dental clinics which were acquired by the Group in late August 2019, provision of the COVID-19 testing related services in the Philippines and distribution of the COVID-19 Antibody test kits.

### Revenue (cont'd)

- Healthcare systems recorded a revenue of S\$3.31 million in Q3 FY2020 which decreased by S\$1.63 million, from S\$4.94 million in Q3 FY2019. The decrease is mainly due to the second partial lock-down in September 2020 in Indonesia to combat the recurring surge of COVID-19 cases.

## Q3 FY2020 Financial Update - Unaudited Key Profit and Loss Items (Cont'd)

	the 3 months period ended 30 September 2020 (Q3 FY2020) (S\$'000)	the 3 months period ended 30 September 2019 (Q3 FY2019) (S\$'000)	Increase/ (Decrease) %	9 months period ended 30 September 2020 (9M FY2020) (S\$'000)	9 months period ended 30 September 2019 (9M FY2019) (S\$'000)	Increase/ (Decrease) %
<b>Revenue</b>	<b>6,985</b>	<b>6,392</b>	<b>9.3</b>	<b>28,444</b>	<b>13,245</b>	<b>114.8</b>
Other income <sup>(1)</sup>	350	125	180.0	1,784	427	317.8
Expenses	(6,556)	(13,395)	(51.1)	(25,496)	(22,254)	14.6
Profit/(Loss) before taxation	779	(6,878)	n.m.	4,732	(8,582)	n.m.
Adjusted profit/(loss) before taxation <sup>(2)</sup>	(309)	(2,402)	(87.1)	583	(5,892)	n.m.
Profit/(Loss) after taxation	696	(6,890)	n.m.	4,470	(8,656)	n.m.
<b>Adjusted EBITDA</b>	<b>1,165</b>	<b>378</b>	<b>208.2</b>	<b>4,810</b>	<b>(1,658)</b>	<b>n.m.</b>

1) Includes mainly government grant income and interest income

2) Excludes other non-recurring expenses and fair value losses/gains on other investments, associate and other derivative financial instruments

### Expenses

- Expenses comprise mainly purchases, employee benefits expense, depreciation and amortization expenses, other operating expenses, fair value losses/gains on associate and derivative financial instruments. The decrease in expenses was mainly due to the fair value gain on associate and derivative financial instrument compared to the loss recorded in Q3 FY2019, the decrease in other operating expenses and the decrease in finance cost due to repayment of loans and the conversion of convertible bonds by certain subscribers during the period. The decrease in expenses was partially offset by increase in purchases which is in line with growth in revenue.

### Adjusted EBITDA

- Excluding the non-recurring items such as fair value losses/gains on other investments, associate and other derivative financial instruments, fair value adjustments on contingent consideration, non-recurring expenses, share-based payment as well as foreign exchange loss/gain, the Group has recorded positive adjusted EBITDA of S\$1.17 million in Q3 FY2020 as compared to the adjusted EBITDA of S\$0.38 million in Q3 FY2019.

## Q3 FY2020 Financial Update - Unaudited Key Financial Position Items

	As at 30/09/20 (\$'000)	As at 31/12/19 (\$'000)	Increase/ (Decrease) %
Non-current assets	67,703	66,680	1.5
Current assets	31,350	30,239	3.7
<b>Total assets</b>	<b>99,053</b>	<b>96,919</b>	<b>2.2</b>
Current liabilities	19,800	24,196	(18.2)
Non-current liabilities	19,618	23,336	(15.9)
<b>Total liabilities</b>	<b>39,418</b>	<b>47,532</b>	<b>(17.1)</b>
<b>Net assets</b>	<b>59,635</b>	<b>49,387</b>	<b>20.8</b>
Equity attributable to owners of the Company	62,855	50,293	25.0
Non-controlling interest	(3,220)	(906)	255.4
<b>Total equity</b>	<b>59,635</b>	<b>49,387</b>	<b>20.8</b>

### Non-current assets

- The Group's non-current assets increased by 1.5% or S\$1.02 million, from S\$66.68 million as at 31 December 2019 to S\$67.70 million as at 30 September 2020. This was mainly due to:
  - increase in fair value of investment in an associate, Biolidics Limited of S\$4.21 million; and
  - increase in other receivables of S\$2.81 million due to the contingent consideration receivables from disposal of shares in Biomedics Laboratory Pte Ltd to Biolidics Limited in May 2020,

The increase was partially offset by a decrease in (a) property, plant and equipment, intangible assets and right-of use assets of S\$3.05 million mainly due to the depreciation and amortization charged during the period and (b) derivative financial instruments of S\$2.86 million which was reclassified to current assets in FY2020.

### Current assets

- The Group's current assets increased by 3.7% or S\$1.11 million, from S\$30.24 million as at 31 December 2019 to S\$31.35 million as at 30 September 2020. This was mainly due to:
  - increase in cash and bank balances of S\$2.14 million due to better collections, drawdown of loan facilities and offset by repayment of loans and borrowings; and
  - reclassification of derivative financial instruments of S\$2.86 million from non-current assets.

The increase was partially offset by a decrease in trade and other receivables and inventories of S\$3.87 million due to better collections and lower inventories held in Indonesia.



## Q3 FY2020 Financial Update – Unaudited Key Financial Position Items (Cont'd)

	As at 30/09/20 (S\$'000)	As at 31/12/19 (S\$'000)	Increase/ (Decrease) %
Non-current assets	67,703	66,680	1.5
Current assets	31,350	30,239	3.7
<b>Total assets</b>	<b>99,053</b>	<b>96,919</b>	<b>2.2</b>
Current liabilities	19,800	24,196	(18.2)
Non-current liabilities	19,618	23,336	(15.9)
<b>Total liabilities</b>	<b>39,418</b>	<b>47,532</b>	<b>(17.1)</b>
<b>Net assets</b>	<b>59,635</b>	<b>49,387</b>	<b>20.8</b>
Equity attributable to owners of the Company	62,855	50,293	25.0
Non-controlling interest	(3,220)	(906)	255.4
<b>Total equity</b>	<b>59,635</b>	<b>49,387</b>	<b>20.8</b>

### Current liabilities

- The Group's current liabilities decreased by 18.2% or S\$4.40 million, from S\$24.20 million as at 31 December 2019 to S\$19.80 million as at 30 September 2020. This was mainly due to:
  - decrease in borrowings of S\$0.44 million due to the repayments made in FY2020;
  - decrease in trade payables of S\$1.15 million mainly due to the lower purchases and payments by the Group's subsidiaries in Singapore and Indonesia;
  - decrease in lease liabilities of S\$0.33 million; and
  - decrease in other payables of S\$2.56 million mainly due to the de-recognition of amount payable in relation to the call options granted by Spring Seeds Capital Pte Ltd in respect of its interests in the Group's subsidiary, Clearbridge Biophotonics Pte Ltd ("CBBP") as the call options had expired on 28 February 2020. The Company had not exercised the call option as CBBP was incurring losses.

### Non-current liabilities

- The Group's non-current liabilities decreased by 15.9% or S\$3.72 million, from S\$23.34 million as at 31 December 2019 to S\$19.62 million as at 30 September 2020. This was mainly due to:
  - decrease in borrowings of S\$2.66 million due to the conversion of convertible bonds by certain subscribers in FY2020;
  - decrease in derivative financial instruments of S\$0.66 million in respect of the convertible bonds measured at fair value; and
  - decrease in other payables of S\$0.54 million mainly due to the contingent consideration payable reclassified from non-current liabilities to current liabilities.

This was partially offset by an increase in the non-current portion of lease liabilities of S\$0.16 million.

## Q3 FY2020 Financial Update – Unaudited Key Financial Position Items (Cont'd)

	As at 30/09/20 (S\$'000)	As at 31/12/19 (S\$'000)	Increase/(Decrease) %
Current borrowings	4,375	4,797	(8.8)
Non-current borrowings	14,187	16,850	(15.8)
<b>Total borrowings</b>	<b>18,562</b>	<b>21,647</b>	<b>(14.3)</b>
Cash at banks and short-term deposits	15,702	13,560	15.8
Net debt	2,860	8,087	(64.6)
<b>Total equity</b>	<b>59,635</b>	<b>49,387</b>	<b>20.7</b>
<b>Net debt/equity</b>	<b>4.8%</b>	<b>16.4%</b>	

## Q3 FY2020 Financial Update – Unaudited Key Cash Flows Items

	Q3 FY2020 (S\$'000)	Q3 FY2019 (S\$'000)	9M FY2020 (S\$'000)	9M FY2019 (S\$'000)
Net cash flows (used in)/generated from operating activities	(1,223)	(2,519)	3,292	(6,133)
Net cash flows used in investing activities	(179)	(3,780)	(354)	(14,952)
Net cash flows generated from financing activities	1,267	12,978	613	26,130
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(135)</b>	<b>6,679</b>	<b>3,551</b>	<b>5,045</b>
Cash and cash equivalents at beginning of the period	13,337	6,428	10,092	7,770
Effect of foreign exchange rate changes, net	(680)	(165)	(1,121)	127
<b>Cash and cash equivalents at end of the period</b>	<b>12,522</b>	<b>12,942</b>	<b>12,522</b>	<b>12,942</b>

The cash and cash equivalents comprise the following at end of reporting period:

	Q3 FY2020 (S\$'000)	Q3 FY2019 (S\$'000)	9M FY2020 (S\$'000)	9M FY2019 (S\$'000)
Cash at banks and short-term deposits	15,702	15,097	15,702	15,097
Less: Restricted deposits <sup>(1)</sup>	(3,180)	(2,155)	(3,180)	(2,155)
<b>Cash and cash equivalents</b>	<b>12,522</b>	<b>12,942</b>	<b>12,522</b>	<b>12,942</b>

(1) Represents bank balances of certain subsidiaries placed with banks to obtain credit facilities and loans.



# Q3 FY2020 Business Update

## Proposed acquisition of shares in PT Indo Genesis Medika (“IGM Labs”)

- **Supplemental deed to the sales and purchase agreement (the “Second Supplemental Deed to the SPA”)**
- **Redemption of redeemable exchangeable bond (the “REB”)**
- On 30 September 2020, the Company’s wholly-owned subsidiary, SAM Laboratory Pte. Ltd. (“SAM”) and PT Kreasi Putra Nusantara (“KPN”) have entered into the Second Supplemental Deed to the SPA in relation to the acquisition of IGM Labs.
- The Second Supplemental Deed to the SPA reduces the final tranche of the consideration from IDR11.9 billion (approximately S\$1.1 million) to IDR2.0 billion (approximately S\$0.2 million). On the same date, SAM and KPN have entered into a third supplemental deed to the redeemable exchangeable bond subscription agreement and a letter agreement.
- On 6 October 2020, KPN redeemed the REB at IDR22.0 billion (approximately S\$2.0 million) which is satisfied by (a) the payment in cash of IDR3.4 billion (approximately S\$0.3 million) and (b) the novation of an outstanding shareholders’ loan (“Shareholders Loan”) of IDR18.6 billion (approximately S\$1.7 million) which had been extended by KPN to IGM Labs. Also, the final tranche of the consideration being IDR2.0 billion (approximately S\$0.2 million) was paid to KPN on the same date.

## Conversion of Convertible Bonds

- On 19 August 2020, the Company announced that it had on 18 August 2020 allotted and issued 8,928,570 conversion shares to certain subscribers of the convertible bonds pursuant to the conversion of the convertible bonds.

## Extension on call options

- As disclosed in the Company’s offer document dated 11 December 2017, the Group has an option to purchase the interests held by SPRING Seeds Capital Pte. Ltd. (“SEEDS”) in Biolidics Limited (the “Biolidics Call Option”). Further to the Company’s Q1 FY2020 Financial and Business Update on 15 May 2020, the Company wishes to inform that SEEDS has agreed to a further extension for the expiry of the Biolidics Call Option of another 6 months from 28 November 2020 to 28 May 2021.

## Impact of COVID-19

- In view of the gradual easing of restrictions from June 2020 onwards in the countries in which the Group operates, the Group has resumed operations of healthcare services that were previously closed or operating under restricted conditions and has observed a gradual recovery of patient loads. However, with the recurring waves of the outbreak in some of the countries that the Group operates in, the Group expects to continue facing uncertainties arising from the COVID-19 pandemic in the coming months.
- Due to, amongst other factors, the uncertainty relating to the response of healthcare regulators and physicians to the COVID-19 pandemic and uncertainty in global supply chains, the Group is unable to forecast or determine the demand of the COVID-19 Antibody test kits within the territories.
- In view of the above, we will continue to monitor the situation and its financial impact for the financial year ending 31 December 2020 and will provide updates should there be material developments affecting to the Group.

Thank you

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