

## PRESS RELEASE

### Cordlife looking forward to more in-person marketing activities in 2H2022

- Revenue for the six months ended 30 June 2022 ("1H2022") decreased 4.0% year-on-year ("yoy") to S\$26.2 million due to decrease in samples stored. This was offset by 20% yoy growth for its diagnostics business.
- Gross profit margin decreased from 68.8% in the six months ended 30 June 2021 ("1H2021") to 67.0% due to increase in contribution from the lower-margin diagnostics business segment as well as inflationary pressures affecting cost of service delivery.
- The Group will look to offer more bundle deals to provide more services per client and also participate in more large scale events like the baby fair that took place in Singapore in early July 2022.

**Singapore, 11 August 2022** – Cordlife Group Limited ("Cordlife" and together with its subsidiaries, the "Group"), provided its half-yearly business updates for 1H2022.

#### Financial Highlights

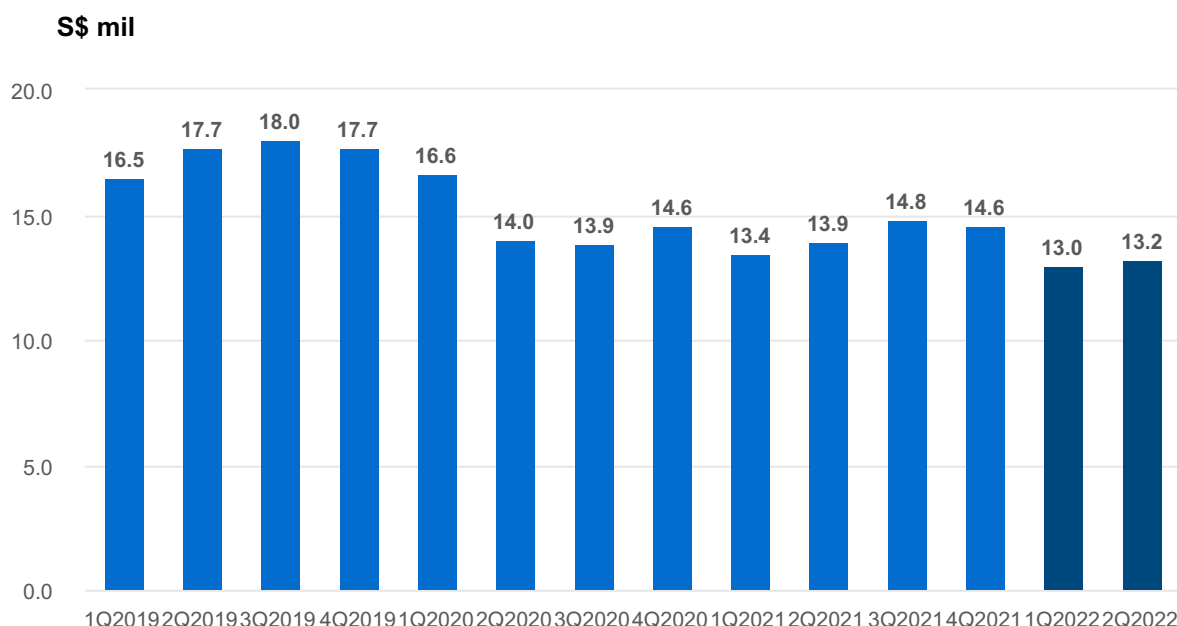
S\$'000	1H2022	1H2021	Change (%)
Revenue	26,238	27,319	(4.0)
Gross profit	17,578	18,801	(6.5)
Profit before income tax from operations	1,977	2,440	(19.0)
Profit before tax	2,237	2,727	(18.0)
Income tax expense	(343)	(233)	47.2
Net profit	1,894	2,494	(24.1)
Gross profit margin (%)	67.0	68.8	(1.8)pp
Net profit margin (%)	7.2	9.1	(1.9)pp

The Group recorded a revenue of S\$26.2 million in 1H2022, a 4.0% decrease yoy from S\$27.3 million in 1H2021. The decrease was due to a 4.5% decrease in new samples processed, mainly due to restrictions on client acquisitions at hospital and clinics in Singapore as a result of a spike in COVID-19 cases in the first five months of 2022. The decline was mitigated by the Group's continued growth in its diagnostic services, which increased by 20.5% yoy to S\$2.1 million.

Gross profit decreased by 6.5% yoy to S\$17.6 million, compared to S\$18.8 million in 1H2021, while gross profit margin decreased by 1.8% from 68.8% in 1H2021 to 67.0% in 1H2022. Gross profit margin was affected due to an increase in contribution from the lower-margin diagnostics business segment as well as inflationary pressures affecting the cost of service delivery. Selling and marketing expenses and administrative expenses were tightly controlled to maintain the profitability of the Group. As such, the Group achieved a S\$1.9 million net profit for 1H2022.

Net cash flow from operations for 1H2022 remained strong at S\$4.1 million, bringing the Group's net cash position to S\$78.8 million as at 30 June 2022.

## Looking Forward



**Chart 1: Quarterly Revenue Trend**

The inflationary pressure witnessed across the global economy, driven largely by surging food and utilities prices, have led to tightening of consumer spending amid a backdrop of uncertainty in terms of job security and rising cost of living. This volatile economic environment has inadvertently resulted in lower number of new samples being stored and processed in 1H2022. However, the Group has learned from the past few years of uncertainty, by introducing new bundle plans and services to cater to more affluent families. This strategy, amongst others, is expected to help the Group overcome the challenges brought by the uncertain economic climate.

The COVID-19 situation has largely stabilised with most restrictions eased to allow business activities to return closer to pre-pandemic levels. The resumption of large scale in-person activities in Singapore as well as in some of the other countries that the Group operates in, is expected to bode well for the Group's operations, as seen by the recent participation in the Mummy's Market event held in Singapore, which is reportedly the biggest baby fair in Southeast Asia. Together with the Group's strong digital initiatives built up over the last two years, the Group will be able to adopt a hybrid model in its marketing efforts by relying on the tried-and-tested in-person client meetings to establish the personal touch, as well as digitally to reach an even wider audience.

The Group's diagnostics business segment continues to build on its promising growth, with a report stating that the global non-invasive prenatal testing ("NIPT") market could potentially grow at a compound annual growth rate of 15.2% during the forecast period of 2022 to 2027 to reach US\$ 6.65 Billion in 2027 from US\$ 2.85 Billion in 2021, as families increasingly recognise the benefits of NIPT.<sup>1</sup> Moving forward, the Group will continue to leverage on the growth in demand for such services by ramping up development for the range of products and services under the diagnostics business segment.

<sup>1</sup> Global Non-Invasive Prenatal Testing (NIPT) Market Report 2022-2027: Cell-Free DNA-Based NIPT Market Is Gauged to Generate the Highest Market Share (<https://www.globenewswire.com/en/news-release/2022/04/07/2418232/28124/en/Global-Non-Invasive-Prenatal-Testing-NIPT-Market-Report-2022-2027-Cell-Free-DNA-Based-NIPT-Market-Is-Gauged-to-Generate-the-Highest-Market-Share.html>)

Commenting on the Group's results, Ms Tan Poh Lan, Chief Executive Officer of Cordlife, said, "The restrictions at the beginning of the year due to Omicron's rapid spread, are increasingly becoming a distant memory as we embrace endemic living. We continue to see good progress with the resumption of in-person events, as seen from our Mummy's Market event in Singapore. Such events have contributed significantly to our business pre-pandemic, and together with the digital marketing initiatives we have built up over the past two years, they are expected to help us in our outreach with existing and potential clients.

However, inflationary pressures may affect the way new parents spend their money. To combat this and falling birth rates, we are offering more bundled deals to provide more services and greater value for each client.

Moving forward, we will continue to expand our network of medical professionals we work with. We will also continue to look for new and innovative products to better meet the needs of our families and expectant mothers."

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## ABOUT CORDLIFE GROUP LIMITED

Cordlife Group Limited (“Cordlife”, together with its subsidiaries, the “Group”), founded in 2001, is a leading company dedicated to safeguarding the well-being of mother and child. Listed on the Mainboard of the Singapore Exchange since 2012, the Group is a pioneer in private cord blood banking in Asia. Cordlife operates Asia’s largest network of cord blood banks. With full stem cell banking facilities in six key markets, Cordlife is an industry leader in Singapore, Hong Kong, Indonesia and the Philippines, and one of the top three market leaders in India and Malaysia. Through its majority-owned subsidiary in Malaysia, Stemlife Berhad, Cordlife has an indirect stake in Thailand’s largest private cord blood bank, Thai Stemlife. In addition to cord blood, cord lining, cord tissue and lenticule banking, Cordlife offers families a comprehensive suite of diagnostics services, including non-invasive prenatal testing, paediatric vision screening and newborn metabolic screening. Two of Cordlife’s primary focus areas are providing reliable quality and being customer-centric. All of the Group’s facilities are accredited by the Association for the Advancement of Blood & Biotherapies (“AABB”), an organisation dedicated to its mission of improving lives by making transfusion medicine and biotherapies safe, available and effective worldwide. Furthermore, Cordlife Singapore and Healthbaby Hong Kong are the only two full-fledged private cord blood banks in Asia and five worldwide to be accredited by both AABB and the Foundation for the Accreditation of Cellular Therapy (“FACT”), another world-class accreditation body for cord blood banks worldwide. In the area of clinical diagnostics, Cordlife India, Cordlife Hong Kong and Healthbaby Hong Kong are all accredited by the College of American Pathologists (“CAP”). This makes Healthbaby Hong Kong the only private cord blood bank in the world to be accredited by three international standard-setting bodies, and Cordlife India one of the only two medical laboratories in West Bengal to be holding accreditations from the National Accreditation Board for Testing and Calibration Laboratories (“NABL”) and CAP. These quality achievements reinforce the Group’s commitment to providing reliable healthcare solutions through innovation and technological advancement. For more information, visit <http://cordlife.listedcompany.com>.

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