

UNAUDITED INTERIM FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE 3 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER (“3Q FY”) 2022 AND 9 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER (“9M FY”) 2022

This announcement has been prepared by Biolidics Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) and has been reviewed by the Company’s sponsor, United Overseas Bank Limited (the “**Sponsor**”), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”). This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Mr. Lim Hoon Khiat, Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.

TABLE OF CONTENTS

	Page
A: Interim consolidated statement of profit or loss and other comprehensive income	2
B: Statements of financial position	3
C: Consolidated statement of cash flows	4
D: Statements of changes in equity	5
E: Selected notes to the financial statements	7
F: Other information required under the Catalist Rules	24

A. INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AN OTHER COMPREHENSIVE INCOME

		Group			Group		
	Note	9M FY2022 S\$'000	9M FY2021 S\$'000	+/(-) %	3Q FY2022 S\$'000	3Q FY2021 S\$'000	+/(-) %
Revenue	4	1,450	1,706	(15.0)	765	1,067	(28.3)
Other income	5	326	236	38.1	57	49	16.3
Changes in inventories		(129)	210	n.m.	(22)	48	n.m.
Purchases		(740)	(1,775)	(58.3)	(353)	(857)	(58.8)
Employee benefits expense	6	(1,839)	(1,226)	50.0	(607)	(392)	54.8
Depreciation expense	8	(637)	(616)	3.4	(207)	(189)	9.5
Amortisation expense	8	(315)	(303)	4.0	(106)	(103)	2.9
Research and development expense	8	(196)	(650)	(69.8)	(30)	(265)	(88.7)
Other expenses	8	(994)	(1,693)	(41.3)	(344)	(545)	(36.9)
Finance costs	7	(129)	(159)	(18.9)	(40)	(51)	(21.6)
Loss before tax	8	(3,203)	(4,270)	(25.0)	(887)	(1,238)	(28.4)
Income tax credit	9	41	42	(2.4)	14	14	-
Loss for the period		(3,162)	(4,228)	(25.2)	(873)	(1,224)	(28.7)
Other comprehensive income/(loss) for the period:							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Effects of translation of foreign operations		22	(58)	n.m.	17	(40)	n.m.
Total comprehensive loss for the period		(3,140)	(4,286)	(26.7)	(856)	(1,264)	(32.3)
Loss per share (cents)							
- Basic		(1.19)	(1.59)		(0.33)	(0.46)	
- Diluted		(1.19)	(1.59)		(0.33)	(0.46)	

n.m. – not meaningful

B. STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		As at 30/09/22 S\$'000	As at 31/12/21 S\$'000	As at 30/09/22 S\$'000	As at 31/12/21 S\$'000
Non-current assets					
Plant and equipment	11	463	803	187	427
Right-of-use assets	12	136	390	8	169
Intangible assets	13	3,225	3,495	673	693
Goodwill	14	626	626	-	-
Investment in subsidiaries		-	-	3,693	4,968
		<u>4,450</u>	<u>5,314</u>	<u>4,561</u>	<u>6,257</u>
Current assets					
Cash and cash equivalents		527	3,960	382	2,433
Trade receivables		434	127	66	91
Prepayments		132	294	117	119
Other receivables		70	221	2,643	1,961
Inventories	15	1,457	1,508	1,335	1,374
		<u>2,620</u>	<u>6,110</u>	<u>4,543</u>	<u>5,978</u>
Total assets		<u>7,070</u>	<u>11,424</u>	<u>9,104</u>	<u>12,235</u>
Current liabilities					
Trade payables		4	85	2	22
Other payables		838	929	679	797
Contract liabilities		126	129	126	129
Lease liabilities	16	208	253	86	135
Borrowings	16	1,043	1,021	1,043	1,021
		<u>2,219</u>	<u>2,417</u>	<u>1,936</u>	<u>2,104</u>
Net current assets		<u>401</u>	<u>3,693</u>	<u>2,607</u>	<u>3,874</u>
Non-current liabilities					
Lease liabilities	16	80	232	80	139
Borrowings	16	1,958	2,743	1,958	2,743
Provision for reinstatement cost		10	10	5	5
Deferred consideration	17	3,244	3,214	3,244	3,214
Deferred tax liabilities		434	476	-	-
		<u>5,726</u>	<u>6,675</u>	<u>5,287</u>	<u>6,101</u>
Total liabilities		<u>7,945</u>	<u>9,092</u>	<u>7,223</u>	<u>8,205</u>
Net (liabilities) / assets		<u>(875)</u>	<u>2,332</u>	<u>1,881</u>	<u>4,030</u>
Equity attributable to owners of the Company					
Share capital	18	58,883	58,883	58,883	58,883
Foreign currency translation reserve		89	67	-	-
Share-based payment reserve	19	-	67	-	67
Accumulated losses		(59,847)	(56,685)	(57,002)	(54,920)
Total equity		<u>(875)</u>	<u>2,332</u>	<u>1,881</u>	<u>4,030</u>

C. CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	9M FY2022 S\$'000	9M FY2021 S\$'000
Operating activities		
Loss before income tax	(3,203)	(4,270)
Adjustments for:		
Amortisation expense	315	303
Depreciation of plant and equipment	374	351
Depreciation of right-of-use assets	263	265
Inventories written off	27	48
(Writeback) / Allowance for inventories obsolescence	(68)	296
Gain from remeasurement of deferred consideration	(15)	-
Loss on disposal of plant and equipment	6	-
Interest expense on lease liabilities	12	17
Interest expense on borrowings	72	92
Accretion of interest on deferred consideration	45	50
Interest income from fixed deposits	-	(1)
Employee share-based payment – equity settled	(35)	9
Professional fees – equity settled	(32)	31
Operating cash flows before movement in working capital	(2,239)	(2,809)
Trade receivables	(307)	(12)
Prepayments	162	(18)
Other receivables	151	(28)
Inventories (Note A)	78	(301)
Trade payables	(80)	(12)
Other payables	(94)	(131)
Contract liabilities	(2)	(139)
Deferred grant income	-	(48)
Cash flows used in operations	(2,331)	(3,498)
Interest received	-	1
Interest paid	(84)	(109)
Net cash used in operating activities	(2,415)	(3,606)
Investing activities		
Additions to plant and equipment (Note A)	(26)	(123)
Additions to intangible assets	(45)	(122)
Proceeds from disposal of plant and equipment	-	1
Net cash used in investing activities	(71)	(244)
Financing activities		
Payment of principal portion of borrowings	(763)	(619)
Payment of principal portion of lease liabilities	(206)	(189)
Net cash used in financing activities	(969)	(808)
Net decrease in cash and cash equivalents	(3,455)	(4,658)
Cash and cash equivalents at beginning of period	3,960	10,669
Exchange effects on cash and cash equivalents	22	(58)
Cash and cash equivalents at end of period	527	5,953

Note A: During 9M FY2021 and 9M FY2022, the Group transferred inventories to plant and equipment that were loaned out to collaboration partners and customers: -

	9M FY2022 S\$'000	9M FY2021 S\$'000
Transfer of inventories to plant and equipment	14	42

D. STATEMENTS OF CHANGES IN EQUITY

(In S\$'000)

	Share capital	Foreign currency translation reserve	Share-based payment reserve	Accumulated losses	Total equity
Group					
Balance as at 1 January 2022	58,883	67	67	(56,685)	2,332
<u>Total comprehensive loss for the period</u>					
Loss for the period	-	-	-	(3,162)	(3,162)
Other comprehensive income for the period	-	22	-	-	22
Total	-	22	-	(3,162)	(3,140)
<u>Transactions with owners, recognised directly in equity</u>					
Employee share-based payment – equity settled	-	-	(35)	-	(35)
Professional fees – equity settled	-	-	(32)	-	(32)
Total	-	-	(67)	-	(67)
Balance as at 30 September 2022	58,883	89	-	(59,847)	(875)
Balance as at 1 January 2021	58,335	129	508	(50,700)	8,272
<u>Total comprehensive loss for the period</u>					
Loss for the period	-	-	-	(4,228)	(4,228)
Other comprehensive loss for the period	-	(58)	-	-	(58)
Total	-	(58)	-	(4,228)	(4,286)
<u>Transactions with owners, recognised directly in equity</u>					
Employee share-based payment – equity settled	-	-	9	-	9
Professional fees – equity settled	-	-	31	-	31
Reclassification upon issuance of shares	548	-	(548)	-	-
Total	548	-	(508)	-	40
Balance as at 30 September 2021	58,883	71	-	(54,928)	4,026

D. STATEMENTS OF CHANGES IN EQUITY (cont'd)

(In S\$'000)	Share capital	Share-based payment reserve	Accumulated losses	Total equity
Company				
Balance as at 1 January 2022	58,883	67	(54,920)	4,030
Loss for the period, representing total comprehensive loss for the period	-	-	(2,082)	(2,082)
Total	-	-	(2,082)	(2,082)
<u>Transactions with owners, recognised directly in equity</u>				
Employee share-based payment – equity settled	-	(35)	-	(35)
Professional fees – equity settled	-	(32)	-	(32)
Total	-	(67)	-	(67)
Balance as at 30 September 2022	58,883	-	(57,002)	1,881
Balance as at 1 January 2021	58,335	508	(50,055)	8,788
Loss for the period, representing total comprehensive loss for the period	-	-	(3,222)	(3,222)
Total	-	-	(3,222)	(3,222)
<u>Transactions with owners, recognised directly in equity</u>				
Employee share-based payment – equity settled	-	9	-	9
Professional fees – equity settled	-	31	-	31
Reclassification upon issuance of shares	548	(548)	-	-
Total	548	(508)	-	40
Balance as at 30 September 2021	58,883	-	(53,277)	5,606

E. SELECTED NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

Biolidics Limited (Registration No. 200913076M) is a limited liability company incorporated and domiciled in Singapore. The Company is listed on the Catalist of SGX-ST.

The condensed interim financial statements for 3Q FY2022 and 9M FY2022 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activities of the Group and the Company are those relating to:

- (a) technology development, technology transfer, marketing, sale and distribution of biomedical technology, life and medicine science related products and services;
- (b) provision of laboratory services; and
- (c) investment holding.

2. Basis of preparation

The condensed interim financial statements for 3Q FY2022 and 9M FY2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last audited financial statements for the year ended 31 December 2021 (“**FY2021**”).

The condensed interim financial statements are presented in Singapore Dollars which is the Company’s functional currency. All financial information presented in Singapore Dollars have been rounded to the nearest thousand, unless otherwise stated.

Material Uncertainty Related to Going Concern

The Group had recorded a net loss of approximately S\$3.16 million and a net operating cash outflow of approximately S\$2.42 million for 9M FY2022, and as at 30 September 2022, was in a net equity deficit position of approximately S\$0.88 million. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. To improve the financial health and working capital position of the Group, the Company intends to undertake a renounceable non-underwritten rights issue of new ordinary shares in the issued share capital of the Company (“**Rights Issue**”). Please refer to announcements made by the Company on 12 August 2022 and 29 September 2022 for further details in relation to the Rights Issue.

To support that the financial statements of the Group have been prepared on a going concern basis and to ensure the adequacy of funds required to meet its obligations, working capital and capital commitment needs, the Group has prepared a consolidated cash flow forecast for a 12-month period from 1 October 2022 to 30 September 2023 (“**Cash Flow Forecast**”). In preparing the Cash Flow Forecast, management has taken the following into consideration:

- the challenges faced by the cancer business during the current COVID-19 pandemic and the impact of the emergence of competing and newer technologies on the sales of COVID-19 related products in the infectious diseases business;
- the forecasted cash flow from the laboratory services business which is mainly dependent on the projected sales uptake of its SARS-CoV-2 polymerase chain reaction (“**PCR**”) testing for COVID-19;
- the cost cutting measures that the Group has planned to streamline its businesses and manage costs; and
- the estimated net proceeds to be raised from the Rights Issue.

After taking into consideration the Cash Flow Forecast, the board of directors of the Company (“**Board**”) is of the opinion that the Group and the Company will be able to operate as a going concern and that the use of the going concern assumption in the preparation of the consolidated financial statements of the Group for 9M FY2022 is appropriate. The ability of the Group to fulfil its obligations will be dependent on the Group generating sufficient cash flows from its COVID-19 PCR testing services, and the ability to raise new funding, including from the Rights Issue.

In addition, due to the rapidly evolving nature of the COVID-19 pandemic, the COVID-19 PCR testing services is exposed to various uncertainties and challenges such as, among others, changes to regulation framework, and international travel policies and requirements, which could affect the sales uptake of the Group’s COVID-19 PCR testing services. The Group is closely monitoring the developments of the situation and the impact on its COVID-19 PCR testing services.

If the going concern assumption is no longer appropriate, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which may differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities, respectively. Such adjustments have not been made to these financial statements.

2.1 New and amended standards adopted by the Group

The Group has applied the same accounting policies and methods of computation in the preparation of the condensed interim financial statements for 9M FY2022 as compared to those applied in the audited financial statements for FY2021 except for the adoption of new or revised SFRS(I) and Interpretations of Singapore Financial Reporting Standards (“**SFRS(I) INT**”) that are mandatory for financial years beginning on or after 1 January 2022. The Group has adopted all applicable SFRS(I) and SFRS(I) INT that are mandatory for financial years beginning on or after 1 January 2022. The adoption of these SFRS(I) and SFRS(I) INT has no significant impact on the Group’s consolidated financial statements.

2.2 Use of judgements and estimates

The preparation of the Group’s consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements for FY2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is as follows:

- Identification of a cash-generating unit (“CGU”) - Management identified the Group’s cancer business, infectious diseases business and laboratory services business as the 3 CGUs in the Group, having considered the products and services being sold by the Group and the inter-dependency of the cashflows arising from the products and services provided within a CGU.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are included in the following notes:

- Notes 11, 12 and 13 - Impairment assessment of plant and equipment, right-of-use assets and intangible assets.

Based on the review carried out by the Group, management determined that there are indicators of impairment for the Group’s plant and equipment, right-of-use assets and intangible assets. The Group determines the recoverable amounts of the cancer, infectious diseases and laboratory services CGUs based on the income method. The income method is based on cash flow projections covering a five-year period. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows. The post-tax discount rates used for the cancer, infectious diseases and laboratory services CGUs are 10%, 30% and 15% respectively while terminal growth rate is 1%. The estimated recoverable amounts of the CGUs are in excess of the carrying amount of the CGUs. Accordingly, the Group concluded that no impairment is required to be recognised as at 30 September 2022.

- Note 14 - Impairment assessment of goodwill on consolidation

The recoverable amount of the laboratory services CGU, which goodwill has been allocated to, is determined based on the income method. The income method is based on cash flow projections covering a five-year period. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows.

- Note 19 - Share-based compensation

The Group measured the cost of equity-settled transactions with a director, employees and third-party individuals by reference to the fair value of the equity instruments at the date at which they are granted and the probability of achieving the predetermined performance targets and service conditions. Significant judgement and estimation are involved in determining the probability of achieving the predetermined performance targets and service conditions in computing the number of shares that will eventually vest during the vesting period.

3. Seasonal operations

The Group’s businesses were not affected significantly by seasonal or cyclical factors during 3Q FY2022 and 9M FY2022.

4. Revenue

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major revenue streams. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 (see Note 22).

Disaggregation of revenue

	Group		Group	
	9M FY2022	9M FY2021	3Q FY2022	3Q FY2021
	S\$'000	S\$'000	S\$'000	S\$'000
Sale of COVID-19 products	344	1,324	-	894
Sale of devices and consumables	102	226	19	137
Sale of extended warranty services	25	36	-	-
Rendering of laboratory services	979	120	746	36
	1,450	1,706	765	1,067

Timing of transfer of goods or services

At point in time	1,425	1,670	765	1,067
Over time	25	36	-	-
	1,450	1,706	765	1,067

5. Other income

	Group		Group	
	9M FY2022	9M FY2021	3Q FY2022	3Q FY2021
	S\$'000	S\$'000	S\$'000	S\$'000
Government grants	211	105	64	21
Interest income from fixed deposits	1	2	-	1
Foreign exchange gains / (losses), net	97	93	(6)	22
Gain from remeasurement of deferred consideration	15	-	-	-
Reversal of provision for unconsumed leave	-	-	-	(12)
Others	2	36	(1)	17
	326	236	57	49

6. Employee benefits expense

	Group		Group	
	9M FY2022	9M FY2021	3Q FY2022	3Q FY2021
	S\$'000	S\$'000	S\$'000	S\$'000
Directors' remuneration	179	191	59	67
Salaries and bonuses	1,503	906	483	284
Employer's contribution to defined contribution plans	192	120	65	41
Share-based (reversal)/ payment – equity settled	(35)	9	-	-
	1,839	1,226	607	392

7. Finance costs

	Group		Group	
	9M FY2022	9M FY2021	3Q FY2022	3Q FY2021
	S\$'000	S\$'000	S\$'000	S\$'000
Interest expense on borrowings	72	92	22	29
Interest expense on lease liabilities	12	17	3	5
Accretion of interest on deferred consideration	45	50	15	17
	129	159	40	51

8. Loss before tax

The following items have been included in arriving at loss before tax:

	Group		Group	
	9M FY2022	9M FY2021	3Q FY2022	3Q FY2021
	S\$'000	S\$'000	S\$'000	S\$'000
Amortisation of intangible assets	315	303	106	103
Depreciation of plant and equipment	374	351	123	102
Depreciation of right-of-use assets	263	265	84	87
Loss on disposal of plant and equipment	6	-	-	-
Inventories written off	27	48	9	4
(Writeback) / Allowance for inventories	(68)	300	-	7
Provision for unconsumed leave	14	20	-	20
Rental expenses	7	30	2	19
Travelling expenses	30	19	13	4
Professional fees (cash-settled)	465	1,074	164	365
Professional fees (equity-settled)	(32)	31	-	(1)
Sales and marketing expenses	44	53	17	12
Repairs and maintenance	50	88	18	37
Staff training	29	(3)	1	(12)
Delivery charges	12	24	1	8

Research and development expense

Research and development expense are incurred for product and service development, research collaboration and testing purposes.

9. Income tax credit

	Group		Group	
	9M FY2022	9M FY2021	3Q FY2022	3Q FY2021
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax	-	-	-	-
Deferred income tax				
- Origination and reversal of temporary differences	(41)	(42)	(14)	(14)
Income tax credit recognised in profit or loss	(41)	(42)	(14)	(14)

10. Loss per share

Basic loss per share is calculated by dividing loss for the period, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted loss per share is calculated by dividing loss for the period, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	Group	
	9M FY2022	9M FY2021
Loss for the period, net of tax, attributable to owners of the Company used in the computations of basic and diluted loss per share (S\$'000)	(3,162)	(4,228)
Weighted average number of shares for basic loss per share computation ('000)	265,452	264,837
Effects of dilution:		
- Share awards pursuant to the Biolidics Performance Share Plan ('000)	-	910
- Share awards granted as consideration in lieu of fees for the services rendered by third party individuals ('000)	269	354
Weighted average number of shares for diluted loss per share computation ('000)	265,721	266,101
Basic loss per share (cents)	(1.19)	(1.59)
Diluted loss per share (cents)	(1.19)	(1.59)

11. Plant and equipment

During 9M FY2022, the Group acquired plant and equipment amounting to S\$26,000 (9M FY2021: S\$123,000) and transferred inventories amounting to S\$14,000 (9M FY2021: S\$42,000), that were loaned out to collaboration partners and customers, to plant and equipment.

Impairment assessment of plant and equipment

The Group has carried out impairment assessment for plant and equipment by estimating the recoverable amounts of the respective CGUs of the Group as disclosed in Note 2.2 under Section E - Selected notes to the financial statements of this announcement. Included in the CGUs are plant and equipment, intangible assets and right-of-use assets. Based on the impairment assessment, no impairment was required as at 30 September 2022.

12. Right-of-use assets

The Group has lease contracts for office and warehouse premises, laboratory space, and office and laboratory equipment used in its operations. Leases of office premise, laboratory space and warehouse premise generally have lease terms between 2 and 3 years, while office and laboratory equipment generally have lease terms of 3 to 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are no lease contracts that include extension or termination options and variable lease payments.

There were additions of right-of-use assets of S\$9,000 during 9M FY2022 (9M FY2021: S\$nil).

Impairment assessment of right-of-use assets

The Group has carried out impairment assessment for right-of-use assets by estimating the recoverable amounts of the respective CGUs of the Group as disclosed in Note 2.2 under Section E - Selected notes to the financial statements of this announcement. Included in the CGUs are plant and equipment, intangible assets and right-of-use assets. Based on the impairment assessment, no impairment was required as at 30 September 2022.

13. Intangible assets

Group	Accreditation	Patent rights	Trademark	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Cost:				
At 31 December 2021	3,329	859	86	4,274
Additions	-	41	4	45
At 30 September 2022	3,329	900	90	4,319
Accumulated amortisation:				
At 31 December 2021	527	207	45	779
Charge for the period	249	59	7	315
At 30 September 2022	776	266	52	1,094
Carrying amount:				
At 31 December 2021	2,802	652	41	3,495
At 30 September 2022	2,553	634	38	3,225
Company				
	Patent rights	Trademark	Total	
	S\$'000	S\$'000	S\$'000	
Cost:				
At 31 December 2021	859	86	945	
Additions	41	4	45	
At 30 September 2022	900	90	990	
Accumulated amortisation:				
At 31 December 2021	207	45	252	
Charge for the period	59	6	65	
At 30 September 2022	266	51	317	
Carrying amount:				
At 31 December 2021	652	41	693	
At 30 September 2022	634	39	673	

Impairment assessment of intangible assets

The Group has carried out impairment assessment for intangible assets by estimating the recoverable amounts of the respective CGUs of the Group as disclosed in Note 2.2 under Section E - Selected notes to the financial statements of this announcement. Included in the CGUs are plant and equipment, intangible assets and right-of-use assets. Based on the impairment assessment, no impairment was required as at 30 September 2022.

14. Goodwill

Goodwill arising from the acquisition of Biomedics Laboratory Pte. Ltd. represents the excess over fair value of assets and liabilities acquired.

Impairment assessment of goodwill

Goodwill that has an indefinite useful life is not subject to amortisation and is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. The Group has carried out impairment assessment for goodwill by estimating the recoverable amounts of the respective CGUs of the Group as disclosed in Note 2.2 under Section E - Selected notes to the financial statements of this announcement. Based on the impairment assessment, no impairment was required as at 30 September 2022.

15. Inventories

	Group		Company	
	As at 30/09/22 S\$'000	As at 31/12/21 S\$'000	As at 30/09/22 S\$'000	As at 31/12/21 S\$'000
Balance sheet:				
Finished goods	1,157	1,214	1,035	1,080
Spare parts	300	294	300	294
	<u>1,457</u>	<u>1,508</u>	<u>1,335</u>	<u>1,374</u>

	Group	
	9M FY2022 S\$'000	9M FY2021 S\$'000
Income statement:		
Inventories recognised as an expense in cost of sales	869	1,565
Inclusive of the following charge:		
- (Writeback) / Allowance for inventories ⁽¹⁾	(68)	300
Inventories recognised as an expense in other expenses		
- Inventories written off	27	48
	<u>27</u>	<u>48</u>

⁽¹⁾ During 9M FY2021, the Group assessed that COVID-19 related products, amounting to S\$300,000, which are due to expire in FY2021, are unsellable due to the proximity of their expiry dates. Accordingly, the Group made full provision for these inventories. During 9M FY2022, there were sales in COVID-19 related products which resulted in writeback in the allowances for inventories.

16. Loans classified as Lease liabilities and Borrowings

	Group		Company	
	As at 30/09/22 S\$'000	As at 31/12/21 S\$'000	As at 30/09/22 S\$'000	As at 31/12/21 S\$'000
Amount repayable within one year or on demand				
Secured (Note A)	131	138	78	76
Unsecured	1,043	1,021	1,043	1,021
Amount repayable after one year:				
Secured (Note A)	80	177	80	139
Unsecured	1,958	2,743	1,958	2,743

Note A: Assets pledged as security

The Group's hire purchase loans classified as lease liabilities, which amounted to S\$211,000 as at 30 September 2022 (31 December 2021: S\$315,000), are secured as collateral against the Group's right-of-use assets which have a net carrying amount of S\$61,000 as at 30 September 2022 (31 December 2021: S\$223,000).

17. Deferred consideration

On 23 September 2022, the Company and SAM Laboratory Pte. Ltd. ("**SAM**") entered into a deed of amendment ("**Third Amendment Deed**") to modify, amend and vary the terms of the sales and purchase agreement entered into between the Company and SAM in connection with the acquisition of the entire issued and paid-up ordinary shares in the capital of Biomedics Laboratory Pte. Ltd. ("**Acquisition**"). Pursuant to the Third Amendment Deed, the remaining S\$3,300,000 of the deferred consideration ("**Remaining Deferred Consideration**") shall be payable no later than 25 November 2023, being 42 months from the date of completion of the Acquisition.

On 28 September 2022, the Company, SAM and Clearbridge BSA Pte. Ltd. ("**CBSA**") entered into a deed of assignment ("**Assignment Deed**") pursuant to which SAM assigns absolutely and without recourse to CBSA, *inter alia*, the right to receive the Remaining Deferred Consideration, with the acknowledgement and consent of the Company.

The movement of Remaining Deferred Consideration during the year is as follows:

	Group and Company S\$'000
Balance as at 1 January 2022	3,214
Gain from remeasurement of deferred consideration	15
Balance as at 30 September 2022	3,229

18. Share capital

	Number of shares	Issued and paid-up share capital S\$'000
As at 31 December 2021 and 30 June 2022	265,451,700	58,883
Issuance of shares	-	-
As at 30 September 2022	<u>265,451,700</u>	<u>58,883</u>

As at 30 September 2021, the Company had:

- (i) Up to 2,005,000 new ordinary shares in the capital of the Company (“**Award Shares**”) to be issued to certain employees and a director of the Company subject to the vesting of outstanding awards (“**Awards**”) granted under the Biolidics Performance Share Plan (“**Plan**”) upon the achievement of predetermined performance targets, of which (a) up to 1,333,000 Awards will vest within 4 months from 1 January 2022; and (b) up to 1,333,000 Awards will vest within 4 months from 1 January 2023, and
- (ii) Up to 1,037,000 new ordinary shares in the capital of the Company (“**New Shares**”) to be issued to third party individuals which were awarded to them in part as consideration in lieu of fees for the services rendered and in part as performance based incentives for future performance of such service, and will vest upon the achievement of predetermined performance targets over a predetermined performance period, out of which (a) up to 518,500 New Shares will vest within 4 months from 1 January 2022; and (b) up to 518,500 New Shares will vest within 4 months from 1 January 2023.

The outstanding Award Shares and New Shares, which amounted to 3,042,000 shares in aggregate as at 30 September 2021, represent approximately 1.15% of the total number of issued shares of the Company (excluding treasury shares) as at 30 September 2021.

As at 30 September 2022, the Company had up to 269,500 New Shares to be issued to third party individuals which were awarded to them in part as consideration in lieu of fees for the services rendered and in part as performance-based incentives for future performance of such service, and will vest within 4 months from 1 January 2023 upon the achievement of predetermined performance targets over a predetermined performance period. The outstanding New Shares represent approximately 0.10% of the total number of issued shares of the Company (excluding treasury shares) as at 30 September 2022.

Summarised information regarding the number of shares to be granted as at 30 September 2022 is as follows:

	As at the beginning of the financial period	Granted during the financial period	Vested during the financial period	Lapsed/ Forfeited during the financial period	As at end of the financial period
To certain employees					
Number of Award Shares	<u>1,135,000</u>	-	-	1,135,000	-

To third party individuals

Number of New Shares	1,037,000	-	-	767,500	269,500
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There were no treasury shares and subsidiary holdings held by the Company as at 30 September 2022 and 30 September 2021.

19. Share-based payment reserve

Share-based payment reserve represents the equity-settled performance shares granted to directors and employees pursuant to the Plan, and equity-settled shares granted to third party individuals as consideration in lieu of fees for their services rendered and in part as performance-based incentives for future performance of such service.

The share-based payment expense is recorded over the requisite service period, which is the vesting period.

The carrying amounts of share-based payment reserve and the movements during the period are set out below:

	Group and Company S\$'000
Balance as at 1 January 2022	67
Reversal of Employee share-based payment – equity settled recognised in profit or loss	(35)
Reversal of Professional fees – equity settled recognised in profit or loss	(32)
Balance as at 30 September 2022	-

20. Net asset value per share

	Group		Company	
	As at 30/09/22	As at 31/12/21	As at 30/09/22	As at 31/12/21
Net (liability) / asset value (S\$'000)	(875)	2,332	1,881	4,030
Number of shares ('000)	265,452	265,452	265,452	265,452
Net (liability) / asset value per share (cents)	(0.330)	0.879	0.708	1.518

21. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

22. Segment information

For management purposes and resource allocation, the Group is organised into business operating units based on reports reviewed by the management team that are used to make strategic decisions.

(a) ***Cancer***

The cancer segment involves the identifying and assessing potential collaboration partners, technology, products and services, product development, innovation and improvement and the management of global distributorship network and direct customers in the cancer field.

(b) ***Infectious diseases***

The infectious diseases segment involves the identifying and assessing potential collaboration partners, technology, products and services, product development, innovation and improvement and the management of global distributorship network and direct customers in the infectious diseases field.

(c) ***Laboratory services***

The laboratory services segment involves the business, operation and provision of laboratory services to customers.

(d) ***Corporate segment***

The corporate segment involves the corporate functions in supporting the operations of the entire Group.

Segment profit represents the profit earned by each segment without allocation of other gains and losses, distribution and selling expenses, administrative expenses, finance income and finance cost. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

9M FY2022	Cancer S\$'000	Infectious diseases S\$'000	Laboratory services S\$'000	Corporate segment S\$'000	Total S\$'000
Revenue:					
External customers	127	344	979	-	1,450
Inter-segment	-	-	-	-	-
Total revenue	127	344	979	-	1,450
Segment results:					
Other income	-	-	77	249	326
Employee benefits expense	(77)	(51)	(567)	(1,144)	(1,839)
Depreciation expense	(298)	-	(215)	(124)	(637)
Amortisation expense	(65)	-	(250)	-	(315)
Research and development expense	(90)	(106)	-	-	(196)
Other expenses	(98)	(54)	(467)	(375)	(994)
Finance costs	-	-	(5)	(124)	(129)
Segment loss before tax	(465)	(224)	(995)	(1,519)	(3,203)
Income tax credit	-	-	41	-	41
Segment loss after tax	(465)	(224)	(954)	(1,519)	(3,162)
Assets:					
Additions to non-current assets	45	-	22	4	71

9M FY2021	Cancer S\$'000	Infectious diseases S\$'000	Laboratory services S\$'000	Corporate segment S\$'000	Total S\$'000
Revenue:					
External customers	262	1,324	120	-	1,706
Inter-segment	-	-	-	-	-
Total revenue	262	1,324	120	-	1,706
Segment results:					
Other income	-	-	-	236	236
Employee benefits expense	(103)	(110)	(195)	(818)	(1,226)
Depreciation expense	(347)	-	(148)	(121)	(616)
Amortisation expense	(53)	-	(250)	-	(303)
Research and development expense	(486)	(164)	-	-	(650)
Other expenses	(158)	(187)	(376)	(972)	(1,693)
Finance costs	-	-	(5)	(154)	(159)
Segment loss before tax	(1,294)	(257)	(888)	(1,831)	(4,270)
Income tax expense	-	-	42	-	42
Segment loss after tax	(1,294)	(257)	(846)	(1,831)	(4,228)
Assets:					
Additions to non-current assets	123	-	107	14	244

Geographical information

Revenue information based on the geographical location of customers are as follows:

	Cancer		Infectious diseases		Laboratory services	
	9M FY2022 S\$'000	9M FY2021 S\$'000	9M FY2022 S\$'000	9M FY2021 S\$'000	9M FY2022 S\$'000	9M FY2021 S\$'000
Segment revenue						
Singapore	14	18	298	18	898	27
Japan	32	95	-	-	-	-
China	1	-	-	-	-	-
Europe	10	42	-	1,236	2	47
Hong Kong	66	104	-	-	-	-
Taiwan	-	2	-	-	57	-
Philippines	-	-	-	-	16	20
Indonesia	-	-	46	63	-	-
Others	4	1	-	7	6	26
	127	262	344	1,324	979	120

Information about major customers

Revenue from one (9M FY2021: one) major customer amounted to S\$0.57 million in 9M FY2022 (9M FY2021: S\$1.23 million), arising from sales from the laboratory services segments (9M FY2021: Infectious diseases segment).

3Q FY2022	Cancer S\$'000	Infectious diseases S\$'000	Laboratory services S\$'000	Corporate segment S\$'000	Total S\$'000
Revenue:					
External customers	19	-	746	-	765
Inter-segment	-	-	-	-	-
Total revenue	19	-	746	-	765
Segment results:					
Other income	-	-	8	49	57
Employee benefits expense	(15)	(16)	(243)	(333)	(607)
Depreciation expense	(94)	-	(72)	(41)	(207)
Amortisation expense	(22)	-	(84)	-	(106)
Research and development expense	(20)	(10)	-	-	(30)
Other expenses	(34)	(7)	(161)	(142)	(344)
Finance costs	-	-	(1)	(39)	(40)
Segment loss before tax	(168)	(32)	(180)	(507)	(887)
Income tax credit	-	-	14	-	14
Segment loss after tax	(168)	(32)	(166)	(507)	(873)
Assets:					
Additions to non-current assets	12	-	12	-	24

3Q FY2021	Cancer S\$'000	Infectious diseases S\$'000	Laboratory services S\$'000	Corporate segment S\$'000	Total S\$'000
Revenue:					
External customers	137	894	36	-	1,067
Inter-segment	-	-	-	-	-
Total revenue	137	894	36	-	1,067
Segment results:					
Other income	-	-	-	49	49
Employee benefits expense	(33)	(35)	(102)	(222)	(392)
Depreciation expense	(115)	-	(33)	(41)	(189)
Amortisation expense	(19)	-	(84)	-	(103)
Research and development expense	(208)	(57)	-	-	(265)
Other expenses	(41)	(62)	(258)	(184)	(545)
Finance costs	-	-	(1)	(50)	(51)
Segment loss before tax	(316)	(10)	(461)	(451)	(1,238)
Income tax expense	-	-	14	-	14
Segment loss after tax	(316)	(10)	(447)	(451)	(1,224)
Assets:					
Additions to non-current assets	31	-	85	7	123

Geographical information

Revenue information based on the geographical location of customers are as follows:

	Cancer		Infectious diseases		Laboratory services	
	3Q FY2022 S\$'000	3Q FY2021 S\$'000	3Q FY2022 S\$'000	3Q FY2021 S\$'000	3Q FY2022 S\$'000	3Q FY2021 S\$'000
Segment revenue						
Singapore	8	3	-	6	710	13
Japan	1	73	-	-	-	-
China	-	-	-	-	-	-
Europe	9	30	-	874	-	-
Hong Kong	-	31	-	-	-	-
Taiwan	-	-	-	-	23	-
Philippines	-	-	-	-	10	5
Indonesia	-	-	-	12	-	-
Others	1	-	-	2	3	18
	19	137	-	894	746	36

Information about major customers

Revenue from one (3Q FY2021: one) major customer amounted to S\$0.54 million in 3Q FY2022 (3Q FY2021: S\$0.87 million), arising from sales from the laboratory services segments (3Q FY2021: Infectious diseases segment).

F. OTHER INFORMATION REQUIRED UNDER THE CATALIST RULES

PART I - INFORMATION REQUIRED FOR QUARTERLY, HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Please refer to Section A – Interim consolidated statement of profit or loss and other comprehensive income of this announcement.

1(a)(ii) Notes to statement of comprehensive income

Please refer to Notes 4 to 9 under Section E - Selected notes to the financial statements of this announcement.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Please refer to Section B - Statements of financial position of this announcement.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Please refer to Note 16 under Section E - Selected notes to the financial statements of this announcement.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Please refer to Section C - Consolidated statement of cash flows of this announcement.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period.

Please refer to Section D - Statements of changes in equity of this announcement.

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any,

against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Please refer to Note 18 under Section E - Selected notes to the financial statements of this announcement.

1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Please refer to Note 18 under Section E - Selected notes to the financial statements of this announcement.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors of the Company.

3 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

The Company's independent auditors, Ernst & Young LLP, had issued a disclaimer of opinion (the "**Disclaimer of Opinion**") in their independent auditor's report dated 11 April 2022 on the audited consolidated financial statements of the Group and the Company for FY2021. The basis for the Disclaimer of Opinion is in relation to (i) the use of the Group's going concern assumption and (ii) the impairment assessment of the Group's plant and equipment, right-of-use assets, intangible assets and goodwill, and the Company's investments in subsidiaries and other receivable due from a subsidiary.

(i) Use of the Group's going concern assumption

The Group had recorded a net loss of approximately S\$3.16 million and a net operating cash outflow of approximately S\$2.42 million for 9M FY2022, and as at 30 September 2022, was in a net equity deficit position of approximately S\$0.88m. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and Company's ability to continue as a going concern.

As disclosed under Note 2 under Section E - Selected notes to the financial statements of this announcement, management has prepared the Group's and the Company's financial statements for 9M FY2022 on the basis that the Group and the Company will be able to carry on as a going concern for at least twelve months from the end of 9M FY2022 based on factors disclosed in that note.

In the event the going concern assumption is no longer appropriate, the financial effects of adjustments to the carrying amounts, and the current and non-current classification of the Group's and Company's assets and liabilities as at 30 September 2022 could be material and pervasive and the Company is unable to determine the extent of the adjustments that may be required.

As announced by the Company on 23 September 2022, SAM Laboratory Pte. Ltd. ("**Vendor**") had entered into a deed of amendment with the Company to extend the payment date by the Company to the Vendor of the deferred consideration of S\$3.3 million in connection with the acquisition of the entire issued and paid-up ordinary shares in the capital of Biomedics Laboratory Pte. Ltd. from 25 August 2023 to 25 November 2023.

To improve the financial health and working capital position of the Group, the Company intends to undertake a renounceable non-underwritten rights issue of new ordinary shares in the issued share capital of the Company ("**Rights Issue**"). Please refer to the announcements made by the Company on 12 August 2022 and 29 September 2022 for further details in relation to the Rights Issue.

(ii) Impairment assessment of the Group's plant and equipment, right-of-use assets, intangible assets and goodwill, and the Company's investments in subsidiaries and other receivable due from a subsidiary

The Group's plant and equipment, right-of-use assets, intangible assets and goodwill (collectively, "**long-lived assets**"), amounted to approximately S\$0.46 million, S\$0.13 million, S\$3.22 million and S\$0.63 million as at 30 September 2022, respectively. These long-lived assets belong mainly to two of the Group's cash-generating units ("**CGUs**")

that represent the Group's Cancer and Laboratory Services business segments. Additionally, the Company's statement of financial position as at 30 September 2022 included an investment in Biomedics Laboratory Pte. Ltd. ("**BML**") of approximately S\$3.57 million and a receivable due from BML of approximately S\$2.57 million. BML carries on the Group's Laboratory Services business segment.

Management has assessed that there exists an indication that the Group's long-lived assets and the Company's investment in BML may be impaired. Accordingly, management has determined that the recoverable amounts based on their value-in-use calculated using discounted cash flow projections, exceed their carrying amounts. Consequently, no impairment loss was recognised in relation to these assets as at 30 September 2022. Similarly, management has also determined that there was no expected credit loss in relation to the receivable due from BML as at 30 September 2022.

The Board confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Please refer to Note 2.1 under Section E - Selected notes to the financial statements of this announcement.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to Note 2.1 under Section E - Selected notes to the financial statements of this announcement.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Please refer to Note 10 under Section E - Selected notes to the financial statements of this announcement.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares, excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

Please refer to Note 20 under Section E - Selected notes to the financial statements of this announcement.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF THE GROUP'S PERFORMANCE

Revenue

Revenue decreased by 15.0% or S\$0.26 million, from S\$1.71 million in 9M FY2021 to S\$1.45 million in 9M FY2022, due mainly to a decrease in sales of our COVID-19 related products which amounted to S\$0.34 million in 9M FY2022, as compared to S\$1.32 million in 9M FY2021, arising from a growing supply of antigen and antibody test kits which led to a highly competitive market under the constraints of intense price competition. Revenue from the sales of our ClearCell® FX1 system, our CTChip® FR1 biochip and other related services and consumables also decreased from S\$0.26 million in 9M FY2021 to S\$0.13 million in 9M FY2022.

These decreases were partially offset by an increase in revenue from rendering of laboratory services from S\$0.12 million in 9M FY2021 to S\$0.98 million in 9M FY2022. The significant increase in revenue from rendering of laboratory services was due to an increase in PCR test services as we transformed our business model into provision of PCR test services on a 24/7 basis. The increase in demand for PCR test services was due mainly to the increase in the number of travelers from China.

Revenue decreased by 28.3% or S\$0.30 million, from S\$1.07 million in 3Q FY2021 to S\$0.77 million in 3Q FY2022, as there were no sales of COVID-19 related products in 3Q FY2022 as compared to sales of S\$0.89 million in 3Q FY2021. Revenue from the sales of our ClearCell® FX1 system, our CTChip® FR1 biochip and other related services and consumables also decreased from S\$0.14 million in 3Q FY2021 to S\$0.02 million in 3Q FY2022.

The decrease was partially offset by an increase in revenue from rendering of laboratory services from S\$0.03 million in 3Q FY2021 to S\$0.75 million in 3Q FY2022 for the reasons as mentioned above.

Other income

Other income increased by 38.1% or S\$0.09 million, from S\$0.24 million in 9M FY2021 to S\$0.33 million in 9M FY2022, due mainly to an increase of S\$0.11 million in government grant income.

Other income remained relatively unchanged at S\$0.05 million in 3Q FY2022 as compared to 3Q FY2021.

Changes in inventories

We recorded a decrease of S\$0.13 million and S\$0.22 million in the closing balance of our inventories in 9M FY2022 and 3Q FY2022 respectively, as compared to an increase of S\$0.21

million and S\$0.05 million in 9M FY2021 and 3Q FY2021 respectively. The fluctuations in the balance of our inventories were due mainly to the timing of purchase and sale of inventories.

Purchases

Our purchases decreased by S\$1.04 million or 58.3%, from S\$1.78 million in 9M FY2021 to S\$0.74 million in 9M FY2022, and by S\$0.51 million or 58.8%, from S\$0.86 million in 3Q FY2021 to S\$0.35 million in 3Q FY2022, in line with the decrease in sales of our COVID-19 related products during the respective financial periods.

Employee benefits expense

Employee benefits expense increased by S\$0.61 million or 50.0%, from S\$1.23 million in 9M FY2021 to S\$1.84 million in 9M FY2022, and by \$0.22 million or 54.8%, from S\$0.39 million in 3Q FY2021 to S\$0.61 million 3Q FY2022, due mainly to increased hiring to support the growth of our laboratory services business.

Depreciation expense

Depreciation expense remained relatively unchanged at S\$0.62 million and S\$0.64 million in 9M FY2021 and 9M FY2022 respectively, and at S\$0.19 million and S\$0.21 million in 3Q FY2021 and 3Q FY2022 respectively.

Amortisation expense

Amortisation expense remained relatively unchanged at S\$0.31 million and S\$0.32 million in 9M FY2021 and 9M FY2022 respectively, and at S\$0.10 million in each of 3Q FY2021 and 3Q FY2022.

Research and development ("R&D") expense

R&D expense decreased by 69.8% or S\$0.45 million, from S\$0.65 million in 9M FY2021 to S\$0.20 million in 9M FY2022, and by 88.7% or S\$0.24 million, from S\$0.27 million in 3Q FY2021 to S\$0.03 million in 3Q FY2022, due mainly to the reduction in R&D activities during the respective financial periods.

Other expenses

Other expenses decreased by 41.3% or S\$0.70 million, from S\$1.69 million in 9M FY2021 to S\$0.99 million in 9M FY2022, and by 36.9% or S\$0.21 million, from S\$0.55 million in 3Q FY2021 to S\$0.34 million in 3Q FY2022, due mainly to a decrease in professional fees (cash-settled).

Finance costs

Finance costs decreased by S\$0.03 million, from S\$0.16 million in 9M FY2021 to S\$0.13 million in 9M FY2022, and by S\$0.01 million, from S\$0.05 million in 3Q FY2021 to S\$0.04 million in 3Q FY2022, due mainly to the reducing balances of the term loans.

Income tax credit

Income tax credit pertains to the reversal of deferred tax liabilities arising from the CAP Accreditation of Biomedics Laboratory Pte. Ltd..

Loss for the period

As a result of the foregoing, loss for the period decreased by S\$1.07 million or 25.2%, from S\$4.23 million in 9M FY2021 to S\$3.16 million in 9M FY2022, and by S\$0.35 million or 28.7%, from S\$1.22 million in 3Q FY2021 to S\$0.87 million in 3Q FY2022.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-current assets

The Group's non-current assets decreased by 16.3% or S\$0.86 million, from S\$5.31 million as at 31 December 2021 to S\$4.45 million as at 30 September 2022. This was due mainly to a decrease in plant and equipment, right-of-use assets and intangible assets of S\$0.34 million, S\$0.25 million and S\$0.27 million, respectively, which arose mainly from the depreciation and amortisation charges during the financial period.

Current assets

The Group's current assets decreased by 57.1% or S\$3.49 million, from S\$6.11 million as at 31 December 2021 to S\$2.62 million as at 30 September 2022. This was due mainly to a decrease in (i) cash and cash equivalents of S\$3.43 million; (ii) prepayments of S\$0.16 million; (iii) other receivables of S\$0.15 million and (iv) inventories of S\$0.05 million, partially offset by an increase in trade receivables of S\$0.31 million.

Current liabilities

The Group's current liabilities decreased by 8.2% or S\$0.20 million, from S\$2.42 million as at 31 December 2021 to S\$2.22 million as at 30 September 2022. This was due mainly to a decrease in (i) other payables of S\$0.09 million, (ii) trade payables of S\$0.08 million and (iii) current portion of lease liabilities of S\$0.05 million, partially offset by an increase in current portion of borrowings of S\$0.02 million.

Non-current liabilities

The Group's non-current liabilities decreased by 14.2% or S\$0.95 million, from S\$6.68 million as at 31 December 2021 to S\$5.73 million as at 30 September 2022. This was due mainly to a decrease in (i) borrowings of S\$0.79 million comprising the non-current portion of working capital bank loans, (ii) non-current portion of lease liabilities of S\$0.15 million and (iii) deferred tax liabilities of S\$0.04 million, partially offset by an increase in deferred consideration of S\$0.03 million.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Operating cash outflow before movements in working capital amounted to S\$2.24 million in 9M FY2022. Net cash used for working capital amounted to S\$0.09 million due mainly to (i) a decrease in trade and other payables of S\$0.17 million, and (ii) an increase in trade receivables of S\$0.31 million, partially offset by (i) a decrease in other receivables of S\$0.15 million, (ii) a decrease in prepayments of S\$0.16 million, and (iii) a decrease in inventories of S\$0.08 million. As a result, net cash used in operating activities was S\$2.42 million in 9M FY2022.

Net cash used in investing activities for 9M FY2022 amounted to S\$0.07 million. This was due mainly to (i) additions to plant and equipment of S\$0.03 million and (ii) additions to intangible assets of S\$0.04 million.

Net cash used in financing activities for 9M FY2022 amounted to S\$0.97 million. This was due mainly to payment of S\$0.76 million and S\$0.21 million of the principal portion of borrowings and principal portion of lease liabilities, respectively in 9M FY2022.

As a result of the above, there was a net decrease in cash and cash equivalents by S\$3.46 million, from S\$3.96 million as at 31 December 2021 to S\$0.53 million as at 30 September 2022.

9 **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

10 **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Since the onset of the COVID-19 pandemic in 2020, in addition to its liquid biopsy products, the Group had broadened its product and service offerings through the development and commercialisation of its own COVID-19 related products, as well as the sale and distribution of third-party medical and healthcare-related products and other technologies within the diagnostic space. In FY2021, the Group's clinical laboratory in Singapore added medical microbiology (molecular microbiology) services, which includes COVID-19 PCR testing, as one of its service offerings which it will continue to offer in the current financial year ending 31 December 2022.

Nevertheless, due to the rapidly evolving nature of the COVID-19 pandemic, the Group continues to be exposed to various uncertainties and challenges such as the emergence of competing and newer technologies, product regulatory changes, and changes in travel policies and restrictions, which could affect the Group's commercialisation strategies and activities. The COVID-19 pandemic has also resulted in significant delays to the Group's development of its Cancer business segment. The Group will continue to review its product and service offerings in order to keep pace with the uncertainties and challenges and ensure that the Group's business remains relevant and sustainable. The Group will also continue to explore merger and acquisition opportunities to improve its financial performance.

In addition, to manage the challenges and uncertainties, including rising cost of conducting business, the Group has since June 2022 implemented cost rationalisation measures such as

streamlining of its manpower structure, scaling down of the R&D activities for its Cancer business segment, and reducing the engagement of external service providers.

To strengthen its financial position, the Group may explore opportunities to monetise its assets, including its intellectual properties which is encapsulated in the ClearCell® FX1 system as well as fund raising opportunities, such as the undertaking of the Rights Issue and, if opportunities arise, undertaking equity issuances in the future.

The Company will continue to provide timely updates to shareholders should there be any material development affecting the Group's business and operations.

11 Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

Nil

(b) (i) Amount per share

Nil

(ii) Previous corresponding period

Nil

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be shared).

Not applicable.

(d) Date the dividend is payable

Not applicable.

(e) Date on which Registrable Transfers received by the Company (up to 5pm) will be registered before entitlements to the dividend are determined

Not applicable.

12 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared by the Company as the Group had incurred losses for 9M FY2022.

13 If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has obtained a general mandate from shareholders for interested person transactions, which was renewed at the Company's annual general meeting held on 28 April 2022 ("**IPT Mandate**").

There were no interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under the IPT Mandate pursuant to Rule 920 of the Catalist Rules) and interested person transactions conducted under the IPT Mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) during 9M FY2022.

14 Negative confirmation by the board pursuant to Rule 705(5)

To the best of the knowledge of the board of directors of the Company ("**Board**"), nothing has come to the attention of the Board which may render the unaudited financial results for 9M FY2022 of the Group and the Company to be false or misleading in any material aspect.

15 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company confirms that it has procured the undertakings from all of its directors and executive officers as required under Rule 720(1) of Catalist Rules.

18 Disclosure pursuant to Rule 706A of the Catalist Rules

There was no acquisition or sale of shares by the Company during 3Q FY2022 which requires disclosure pursuant to Rule 706A of the Catalist Rules.

ON BEHALF OF THE BOARD

Song Tang Yih
Executive Director and Chief Executive Officer

31 October 2022