



IMMEDIATE RELEASE

Meta Health Limited Announces Financial Results for FY2022

- FY2022 reported an adjusted negative EBITDA of S\$2.5 million on lower revenue
- Cost savings measures implemented to improve operational efficiency
- FY2022 revenue from Healthcare segment jumped more than 4 times to S\$5.8 million
- Net gearing of 36.6% with a net asset value of S\$0.0254

Singapore, 28 February 2023 - Meta Health Limited (SGX: 5DX) (“META” or the “Company”, and together with its subsidiaries, the “Group”), is pleased to share its unaudited financial results for the six months (“2H”) and full year (“FY”) ended 31 December 2022.

The Group recorded a loss in 2H2022 on the back of a 17.4% y-o-y drop in revenue to S\$18.9 million. Excluding one off expenses and gains, the Group recorded an adjusted negative EBITDA and adjusted net loss of S\$1.1 million and S\$2.7 million, respectively, for the same period. Overall, for FY2022, the Group recorded a 12.7% y-o-y drop in revenue to S\$37.6 million, and a loss after tax of S\$6.9 million. Excluding one-off expenses and gains, the Group recorded an adjusted negative EBITDA and adjusted net loss of S\$2.5 million and S\$5.7 million, respectively in FY2022.

Financial Highlights

| S\$ million | 2H2022 | 2H2021 | % change | FY2022 | FY2021 | % change |
|--|---------------|---------------|-----------------|---------------|---------------|-----------------|
| Revenue | 18.9 | 22.9 | -17.4% | 37.6 | 43.0 | -12.7% |
| EBITDA | (2.5) | 9.7 | -125.7% | (3.8) | 11.6 | -132.3% |
| Adjusted EBITDA⁽¹⁾ | (1.1) | 0.1 | -964.6 | (2.5) | 2.2 | -216.6% |
| Net (Loss)/Profit | (4.1) | 8.3 | -149.6% | (6.9) | 8.3 | -183.1% |
| Adjusted Net Loss⁽²⁾ | (2.7) | (1.3) | 115.9% | (5.7) | (1.1) | 402.0% |

Notes:

- (1) *Adjusted EBITDA = Profit/(Loss) before tax + Depreciation + Amortisation + Finance Costs + Impairments + Provisions – Gain on disposals*
- (2) *Adjusted net profit = Net profit + Impairments + Provisions – Gain on disposals*



Revenue declined in FY2022 due to a lower sales contribution from the Group’s metal business, which was severely impacted by strict COVID-19 measures in China and prolonged global economic uncertainty. The decrease was partially offset by higher revenue from the Group’s healthcare business. Other income decreased by S\$9.9 million, from S\$10.1 million in FY2021 to S\$0.2 million in FY2022, as a result of the absence of an one-off gain from the disposal of its subsidiary, MCE Industries (Shanghai) Co., Ltd, in 2021. During FY2022, the Group also engaged in cost-cutting measures to improve operational efficiency, which helped curb employee benefits expenses by S\$1.3 million, from S\$12.6 million in FY2021 to S\$11.3 million in FY2022.

Despite these challenges, the Group managed to maintain a net gearing of 36.6%¹ and a net asset value of S\$0.0254 per share as of 31 December 2022.

Segmental Breakdown

| Revenue (S\$ million) | 2H2022 | 2H2021 | y-o-y change | FY2022 | FY2021 | y-o-y change |
|--------------------------|--------------|-------------|---------------|--------------|-------------|----------------|
| Metal | 15.4 | 21.6 | -28.7% | 31.8 | 41.7 | -23.9% |
| Healthcare | 3.5 | 1.3 | 167.1% | 5.8 | 1.3 | 343.2% |
| Total | 18.9 | 22.9 | -17.4% | 37.6 | 43.0 | -12.7% |
| | | | | | | |
| (Loss)/Profit before tax | 2H2022 | 2H2021 | y-o-y change | FY2022 | FY2021 | y-o-y change |
| Metal | (1.7) | 9.6 | n.m. | (3.4) | 10.2 | -133.4% |
| Healthcare | (1.4)* | 0.2 | n.m. | (1.2) | 0.2 | -578.7% |
| Total | (3.1) | 9.8 | n.m. | (4.6) | 10.5 | -143.8% |

*Healthcare segment recorded a loss before tax due mainly to one-off legal and professional fees for acquisitions.

The Group continues to invest in developing a strong platform and management team for its healthcare segment.

Executive Director and Chief Executive Officer of META, Dr Bernard Ng, said: ***“2022 has been a challenging year for the Group as our metal business was affected by supply chain disruptions and uncertainty in the macro environment. We have taken the necessary steps to reduce our costs and improve operational efficiency. Our gearing remains healthy, and we are confident that our metal business will improve in the year ahead. Our healthcare***

¹ Net gearing = (Borrowings + Lease liabilities – Cash and bank balances)/Total Equity



business has continued to gain traction since we started in 2H2021. Healthcare business' revenue has nearly tripled from S\$1.3 million to S\$3.5 million in 2H2022."

Looking Ahead

For the Metal business, China's zero-COVID policy forced many of the Group's key customers to shut their operations for an undisclosed period of time. This coupled with global micro-chip shortages and surging commodity prices, especially steel and aluminum, has had a profound impact on the Group's operations in Thailand and Malaysia. The Group expects the challenging operating environment to prevail in the first half of FY2023 and only anticipates seeing some stabilisation in customer demands in the third quarter of FY2023, following the opening of China's borders.

For the Healthcare business, the Group has witnessed an increase in demand for its primary care services following the launch of Healthier SG by the Ministry of Health in Singapore, which increases subsidies for preventive health programs. The Group has also made considerable progress in engaging relevant stakeholders to provide care for the elderly at their homes and in nursing homes, which is expected to strengthen the Group's financial performance, barring unforeseen circumstances. Going forward, the management will continue to review strategic options on improving shareholder's value in the coming months.

"Digitalisation has disrupted the healthcare sector through the collection of digital data and integrated information exchange to provide better patient care. Our launch of chronic disease monitoring with Internet of Things ("IoT") ready medical devices bundled with monthly Software as a Service fee has been well received. The increased pool of data from these digital offerings is being worked on to improve patient engagement and homecare services. Together with our traditional healthcare offerings, we believe we are on the right track to help healthcare professionals embrace the new digital healthcare model." Dr Bernard Ng added.

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About Meta Health Ltd.

Meta Health Limited (“**META**”), formerly known as Metal Component Engineering Limited, was founded in 1987 in Singapore. With consistent focus on quality and engineering innovation, META has expanded its customer base by serving MNC (multi-national corporation), EMS (electronic manufacturing services), and SME (small and medium-sized enterprise) globally. META has recently diversified into healthcare technology and services, with investment into Gainhealth Pte Ltd, a direct-to-consumer and high-growth omnichannel health and wellness platform. META is vertically integrated with licensed clinics with pharmacy, online self-branded ecommerce portals, and product placements on regional e-commerce portals.

For more information, visit <https://metahealth.sg>, www.5digital.com.sg, www.gainhealthclinic.com

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Disclaimer

*This press release has been prepared by Meta Health Limited (“**Company**”) and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (“**Sponsor**”), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst.*

This press release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release.

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