

# REDEFINING HEALTHCARE IN ASIA WITH PRECISION

EMPOWERING PATIENT  
CARE WITH CLARITY



Q1 FY2020  
Financial and  
Business  
Update





# Important Notice

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# Q1 FY2020 Financial Update - Unaudited Key Profit and Loss Items

	Q1 FY2020 (S\$'000)	Q1 FY2019 (S\$'000)	Increase/ (Decrease) %
<b>Revenue</b>	<b>7,324</b>	<b>2,214</b>	<b>230.8</b>
Other income <sup>(1)</sup>	457	602	(24.1)
Expenses	(7,681)	(2,882)	166.5
Profit/(Loss) before taxation	100	(66)	n.m.
Adjusted loss before taxation <sup>(2)</sup>	(1,302)	(1,443)	(9.8)
Profit/(Loss) after taxation	2	(94)	n.m.
<b>Adjusted EBITDA</b>	<b>38</b>	<b>(1,152)</b>	<b>n.m.</b>

1) Includes mainly foreign exchange gain 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 230.8% or S\$5.11 million from S\$2.21 million in Q1 FY2019 to S\$7.32 million in Q1 FY2020, driven by growth across (i) medical clinics/centres; and (ii) healthcare systems (provision of clinical laboratory services and renal care services) segments.
- Healthcare systems recorded a revenue of S\$4.86 million in Q1 FY2020 which increased by S\$3.55 million, from S\$1.31 million in Q1 FY2019. The increase was mainly contributed by PT Indo Genesis Medika (“IGM Labs”) of S\$3.44 million. IGM Labs was acquired in May 2019.

## Revenue (cont'd)

- Medical clinics/centres recorded a revenue of S\$2.46 million in Q1 FY2020, an increase of S\$1.56 million, from S\$0.90 million in Q1 FY2019. This was mainly due to contributions of S\$1.62 million from nine dental clinics which were acquired by the Group in late August 2019 and the medical clinics/centres operations in Hong Kong and the Philippines from sales of medical supplies. However, the increase was partially offset by a decrease in revenue from the medical clinics/centres operations in Singapore which were affected by the COVID-19 pandemic since early March 2020.
- In comparison with the Group’s revenue in Q4 FY2019 of S\$8.28 million, the Group’s revenue in Q1 FY2020 decreased by 11.6% or S\$0.96 million to S\$7.32 million in Q1 FY2020, mainly due to decrease in revenue from IGM Labs and medical clinics/centres operations in Singapore and the Philippines. This was mainly due to deferment and restrictions of non-critical healthcare needs to contain the spread of COVID-19 pandemic.

## Expenses

- Expenses comprise mainly purchases, employee benefits expense, depreciation & amortization expenses, other operating expenses, fair value losses/gains on associate and derivative financial instruments. The increase in expenses was in line with the growth in revenue, acquisitions completed in Q2 FY2019 and Q3 FY2019 and loan financing taken in FY2019.

## Adjusted EBITDA

- Excluding the non-recurring item 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\$0.04 million in Q1 FY2020 as compared to adjusted EBITDA loss of S\$1.15 million in Q1 FY2019.

# Q1 FY2020 Financial Update - Unaudited Key Financial Position Items

	As at 31/03/20 (\$'000)	As at 31/12/19 (\$'000)	Increase/ (Decrease) %
Non-current assets	67,107	66,680	0.6
Current assets	24,952	30,239	(17.5)
<b>Total assets</b>	<b>92,059</b>	<b>96,919</b>	<b>(5.0)</b>
Current liabilities	16,863	24,196	(30.3)
Non-current liabilities	21,795	23,336	(6.6)
<b>Total liabilities</b>	<b>38,658</b>	<b>47,532</b>	<b>(18.7)</b>
<b>Net assets</b>	<b>53,401</b>	<b>49,387</b>	<b>8.1</b>
Equity attributable to owners of the Company	57,165	50,293	13.7
Non-controlling interest	(3,764)	(906)	315.5
<b>Total equity</b>	<b>53,401</b>	<b>49,387</b>	<b>8.1</b>

## Non-current assets

- The Group's non-current assets increased by 0.6% or S\$0.43 million, from S\$66.68 million as at 31 December 2019 to S\$67.11 million as at 31 March 2020. This was mainly due to:
  - increase in fair value of investment in an associate, Biolidics Limited of S\$1.50 million;
  - increase in fair value of derivative financial instruments of S\$0.10 million; and
  - increase in right-of-use assets of S\$0.07 million representing the Group's right to use the office premises, clinics and medical centres during the lease terms. This was partially offset by a decrease in property, plant and equipment and intangible assets of S\$1.25 million mainly due to depreciation and amortization charged during the period.

## Current assets

- The Group's current assets decreased by 17.5% or S\$5.29 million, from S\$30.24 million as at 31 December 2019 to S\$24.95 million as at 31 March 2020. This was mainly due to:
  - decrease in cash and bank balances of S\$2.34 million mainly due to repayment of loans and borrowings; and
  - decrease in trade receivables and inventories of S\$2.94 million due to better collections and lower inventories held in Indonesia.



# Q1 FY2020 Financial Update – Unaudited Key Financial Position Items (Cont'd)

	As at 31/03/20 (S\$'000)	As at 31/12/19 (S\$'000)	Increase/ (Decrease) %
Non-current assets	67,107	66,680	0.6
Current assets	24,952	30,239	(17.5)
<b>Total assets</b>	<b>92,059</b>	<b>96,919</b>	<b>(5.0)</b>
Current liabilities	16,863	24,196	(30.3)
Non-current liabilities	21,795	23,336	(6.6)
<b>Total liabilities</b>	<b>38,658</b>	<b>47,532</b>	<b>(18.7)</b>
<b>Net assets</b>	<b>53,401</b>	<b>49,387</b>	<b>8.1</b>
Equity attributable to owners of the Company	57,165	50,293	13.7
Non-controlling interest	(3,764)	(906)	315.5
<b>Total equity</b>	<b>53,401</b>	<b>49,387</b>	<b>8.1</b>

## Current liabilities

- The Group's current liabilities decreased by 30.3% or S\$7.34 million, from S\$24.20 million as at 31 December 2019 to S\$16.86 million as at 31 March 2020. This was mainly due to:
  - decrease in borrowings of S\$1.69 million comprising the current portion of bank loans and the convertible bonds issued in FY2019 ("Convertible Bonds");
  - decrease in trade payables of S\$0.57 million mainly due to lower purchases by the Group's subsidiaries in Singapore and Indonesia;
  - decrease in lease liabilities of S\$0.07 million; and
  - decrease in other payables of S\$4.95 million mainly due to 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 6.6% or S\$1.54 million, from S\$23.34 million as at 31 December 2019 to S\$21.80 million as at 31 March 2020. This was mainly due to:
  - decrease in borrowings of S\$0.21 million comprising the non-current portion of bank loans and the Convertible Bonds;
  - decrease in other payables of S\$0.98 million mainly due to contingent consideration payable reclassified from non-current liabilities to current liabilities; and
  - decrease in derivative financial instruments of S\$0.50 million in respect of the Convertible Bonds measured at fair value. This was partially offset by an increase in the non-current portion of lease liabilities of S\$0.16 million.

## Q1 FY2020 Financial Update – Unaudited Key Financial Position Items (Cont'd)

	As at 31/03/20 (S\$'000)	As at 31/12/19 (S\$'000)	Increase/(Decrease) %
Current borrowings	3,109	4,797	(35.2)
Non-current borrowings	16,641	16,850	(1.2)
<b>Total borrowings</b>	<b>19,750</b>	<b>21,647</b>	<b>(8.8)</b>
Cash at banks and short-term deposits	11,216	13,560	(17.3)
Net debt	8,534	8,087	5.5
<b>Total equity</b>	<b>53,401</b>	<b>49,387</b>	<b>8.1</b>
<b>Net debt/equity</b>	<b>16.0%</b>	<b>16.4%</b>	

## Q1 FY2020 Financial Update – Unaudited Key Cash Flows Items

	Q1 FY2020 (S\$'000)	Q1 FY2019 (S\$'000)
Net cash flows generated from/(used) in operating activities	948	(2,405)
Net cash flows used in investing activities	(40)	(2,664)
Net cash flows (used in)/generated from financing activities	(1,683)	10,576
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(775)</b>	<b>5,507</b>
Cash and cash equivalents at beginning of the period	10,092	7,770
Effect of foreign exchange rate changes, net	(1,273)	280
<b>Cash and cash equivalents at end of the period</b>	<b>8,044</b>	<b>13,557</b>

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

	Q1 FY2020 (S\$'000)	Q1 FY2019 (S\$'000)
Cash at banks and short-term deposits	11,216	14,597
Less: Restricted deposits <sup>(1)</sup>	(3,172)	(1,040)
<b>Cash and cash equivalents</b>	<b>8,044</b>	<b>13,557</b>

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

# Q1 FY2020 Business Update

## Extension on call option

- 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"). The expiry of the Biolidics Call Option has been extended from 28 February 2020 to 28 November 2020.

## Proposed disposal of shares in Biomedics Laboratory Pte Ltd ("Biomedics")

- On 27 March 2020, the Company's wholly-owned subsidiary, SAM Laboratory Pte Ltd ("SAM") entered into a conditional sale and purchase agreement with Biolidics Limited to dispose of the entire issued and paid-up capital of Biomedics Laboratory Pte. Ltd. ("Biomedics") held by SAM for a consideration of up to S\$3.7 million (the "Proposed Disposal").
- As set out in the Company's announcement dated 27 March 2020, the Proposed Disposal will enable the Group to, among others, better focus on distribution of clinical diagnostics tests by channelling resources to expanding its distribution capabilities across Asia. In addition, the Group will continue to have access to the services currently offered by Biomedics and other best-in-class technologies and workflows that Biomedics may offer while optimising its EBITDA-focused strategy to accelerate the adoption of precision medicine in the region.

## Impact of COVID-19

- The COVID-19 outbreak had evolved into a global pandemic. Most businesses, including the usually resilient healthcare sector, have been affected adversely to varying degrees. While our medical centres/clinics and laboratories remained opened during 1Q FY2020, majority of our operations has experienced a smaller patient load as the movement of people was curtailed. In some countries, foreign patients are prohibited from coming to seek medical care and non-critical healthcare services are deferred in effort to contain the spread of the COVID-19 pandemic.
- 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

The image features a solid blue background. In the lower-left quadrant, the text "Thank you" is written in a white, sans-serif font. The bottom half of the image is decorated with two thin, white, wavy lines that flow from left to right, creating a sense of movement and elegance.