

UNAUDITED INTERIM FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE 3 MONTHS FINANCIAL PERIOD (“4Q FY”) AND FINANCIAL YEAR (“FY”) ENDED 31 DECEMBER 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.

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

		Group			Group		
	Note	FY2022 S\$'000	FY2021 S\$'000	+/(-) %	4Q FY2022 S\$'000	4Q FY2021 S\$'000	+/(-) %
Revenue	4	2,489	2,314	7.6	1,039	608	70.9
Other income	5	305	378	(19.3)	-	142	n.m.
Changes in inventories		(216)	(35)	517.1	(87)	(245)	(64.5)
Purchases		(1,110)	(1,796)	(38.2)	(370)	(21)	n.m.
Employee benefits expense	6	(2,879)	(1,646)	74.9	(1,040)	(420)	147.6
Depreciation expense	8	(761)	(837)	(9.1)	(124)	(221)	(43.9)
Amortisation expense	8	(422)	(415)	1.7	(107)	(112)	(4.5)
Research and development expense	8	(227)	(1,091)	(79.2)	(31)	(441)	(93.0)
Other expenses	8	(6,861)	(2,704)	153.7	(5,888)	(1,011)	482.4
Finance costs	7	(168)	(208)	(19.2)	(39)	(49)	(20.4)
Loss before tax	8	(9,850)	(6,040)	63.1	(6,647)	(1,770)	275.5
Income tax credit	9	476	56	750.0	435	14	n.m.
Loss for the year/ period		(9,374)	(5,984)	56.7	(6,212)	(1,756)	253.8
Other comprehensive loss for the year/ period:							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Effects of translation of foreign operations		(54)	(62)	(12.9)	(76)	(4)	n.m.
Total comprehensive loss for the year/ period		(9,428)	(6,046)	55.9	(6,288)	(1,760)	257.3
Loss per share (cents)							
- Basic		(3.33)	(2.26)		(1.88)	(0.66)	
- Diluted		(3.33)	(2.26)		(1.88)	(0.66)	

n.m. – not meaningful

B. STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		As at 31/12/22 S\$'000	As at 31/12/21 S\$'000	As at 31/12/22 S\$'000	As at 31/12/21 S\$'000
Non-current assets					
Plant and equipment	11	61	803	1	427
Right-of-use assets	12	107	390	35	169
Intangible assets	13	-	3,495	-	693
Goodwill	14	-	626	-	-
Investment in subsidiaries		-	-	-	4,968
		<u>168</u>	<u>5,314</u>	<u>36</u>	<u>6,257</u>
Current assets					
Cash and cash equivalents		5,029	3,960	4,960	2,433
Trade receivables		515	127	48	91
Prepayments		182	294	168	119
Other receivables		167	221	567	1,961
Inventories	15	27	1,508	-	1,374
		<u>5,920</u>	<u>6,110</u>	<u>5,743</u>	<u>5,978</u>
Total assets		<u>6,088</u>	<u>11,424</u>	<u>5,779</u>	<u>12,235</u>
Current liabilities					
Trade payables		93	85	4	22
Other payables		1,211	929	1,125	797
Contract liabilities		200	129	200	129
Lease liabilities	16	210	253	117	135
Borrowings	16	1,050	1,021	1,050	1,021
Deferred consideration	17	3,244	-	3,244	-
		<u>6,008</u>	<u>2,417</u>	<u>5,740</u>	<u>2,104</u>
Net current (liabilities)/ assets		<u>(88)</u>	<u>3,693</u>	<u>3</u>	<u>3,874</u>
Non-current liabilities					
Lease liabilities	16	60	232	60	139
Borrowings	16	1,693	2,743	1,693	2,743
Provision for reinstatement cost		15	10	5	5
Deferred consideration	17	-	3,214	-	3,214
Deferred tax liabilities	18	-	476	-	-
		<u>1,768</u>	<u>6,675</u>	<u>1,758</u>	<u>6,101</u>
Total liabilities		<u>7,776</u>	<u>9,092</u>	<u>7,498</u>	<u>8,205</u>
Net (liabilities)/ assets		<u>(1,688)</u>	<u>2,332</u>	<u>(1,719)</u>	<u>4,030</u>
Equity attributable to owners of the Company					
Share capital	19	64,358	58,883	64,358	58,883
Foreign currency translation reserve		13	67	-	-
Share-based payment reserve	20	-	67	-	67
Accumulated losses		(66,059)	(56,685)	(66,077)	(54,920)
Total equity		<u>(1,688)</u>	<u>2,332</u>	<u>(1,719)</u>	<u>4,030</u>

C. CONSOLIDATED STATEMENTS OF CASH FLOWS

	Group	
	FY2022 S\$'000	FY2021 S\$'000
Operating activities		
Loss before income tax	(9,850)	(6,040)
Adjustments for:		
Expenses relating to short-term leases	15	19
Amortisation expense	422	415
Depreciation of plant and equipment	443	467
Depreciation of right-of-use assets	318	370
Inventories written off	40	359
Allowance for inventories	1,298	67
Allowance for doubtful debts	81	-
Impairment of intangible assets	3,133	-
Impairment of goodwill	626	-
Impairment of plant and equipment	255	-
Impairment of right-of-use assets	28	-
Gain from remeasurement of deferred consideration	(30)	(60)
Loss on disposal of plant and equipment	6	-
Interest expense on lease liabilities	16	23
Interest expense on borrowings	92	119
Accretion of interest on deferred consideration	60	66
Interest income from fixed deposits	-	(2)
Provision for reinstatement cost	(5)	-
Employee share-based payment – equity settled	(35)	44
Professional fees – equity settled	(32)	62
Operating cash flows before movement in working capital	(3,119)	(4,091)
Trade receivables	(469)	75
Prepayments	112	(27)
Other receivables	54	(24)
Inventories (Note A)	115	(394)
Trade payables	8	(58)
Other payables	287	143
Contract liabilities	71	(56)
Deferred grant income	-	(48)
Cash flows used in operations	(2,941)	(4,480)
Interest received	-	1
Interest paid	(107)	(142)
Net cash used in operating activities	(3,048)	(4,621)
Investing activities		
Additions to plant and equipment (Note A)	(33)	(428)
Additions to intangible assets	(60)	(134)
Proceeds from disposal of plant and equipment	-	1
Partial payment of deferred consideration	-	(300)
Receipt of government grants	98	-
Net cash generated from/ (used in) investing activities	5	(861)
Financing activities		
Proceeds from share issuance	5,698	-
Share issuance expenses	(223)	-
Payment of principal portion of borrowings	(1,021)	(869)
Payment of principal portion of lease liabilities	(288)	(296)
Net cash generated from/ (used in) financing activities	4,166	(1,165)
Net increase/ (decrease) in cash and cash equivalents	1,123	(6,647)
Cash and cash equivalents at beginning of year	3,960	10,669
Exchange effects on cash and cash equivalents	(54)	(62)
Cash and cash equivalents at end of year	5,029	3,960

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

	FY2022 S\$'000	FY2021 S\$'000
Transfer of inventories to plant and equipment	28	70

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 year</u>					
Loss for the year	-	-	-	(9,374)	(9,374)
Other comprehensive loss for the year	-	(54)	-	-	(54)
Total	-	(54)	-	(9,374)	(9,428)
<u>Transactions with owners, recognised directly in equity</u>					
Issue of new shares	5,475	-	-	-	5,475
Employee share-based payment – equity settled	-	-	(35)	-	(35)
Professional fees – equity settled	-	-	(32)	-	(32)
Total	5,475	-	(67)	-	5,408
Balance as at 31 December 2022	64,358	13	-	(66,059)	(1,688)
Balance as at 1 January 2021	58,335	129	509	(50,701)	8,272
<u>Total comprehensive loss for the year</u>					
Loss for the year	-	-	-	(5,984)	(5,984)
Other comprehensive loss for the year	-	(62)	-	-	(62)
Total	-	(62)	-	(5,984)	(6,046)
<u>Transactions with owners, recognised directly in equity</u>					
Employee share-based payment – equity settled	-	-	44	-	44
Professional fees – equity settled	-	-	62	-	62
Reclassification upon issuance of shares	548	-	(548)	-	-
Total	548	-	(442)	-	106
Balance as at 31 December 2021	58,883	67	67	(56,685)	2,332

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 year, representing total comprehensive loss for the year	-	-	(11,157)	(11,157)
Total	-	-	(11,157)	(11,157)
<u>Transactions with owners, recognised directly in equity</u>				
Issue of new shares	5,475	-	-	5,475
Employee share-based payment – equity settled	-	(35)	-	(35)
Professional fees – equity settled	-	(32)	-	(32)
Total	5,475	(67)	-	5,408
Balance as at 31 December 2022	64,358	-	(66,077)	(1,719)
Balance as at 1 January 2021	58,335	509	(50,056)	8,788
Loss for the year, representing total comprehensive loss for the year	-	-	(4,864)	(4,864)
Total	-	-	(4,864)	(4,864)
<u>Transactions with owners, recognised directly in equity</u>				
Employee share-based payment – equity settled	-	44	-	44
Professional fees – equity settled	-	62	-	62
Reclassification upon issuance of shares	548	(548)	-	-
Total	548	(442)	-	106
Balance as at 31 December 2021	58,883	67	(54,920)	4,030

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 4Q FY2022 and 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 4Q FY2022 and 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\$9.37 million and a net operating cash outflow of approximately S\$3.05 million for FY2022. As at 31 December 2022, the Group’s current liabilities exceeded its current assets by approximately S\$0.09 million and the Group was in a net equity deficit position of approximately S\$1.69 million. As at 31 December 2022, the Company was in a net deficit equity position of approximately S\$1.72 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 has completed a renounceable non-underwritten rights issue of new ordinary shares in the issued share capital of the Company (“**Rights Shares**”) in December 2022 (“**Rights Issue**”) pursuant to which the Company has raised net proceeds of approximately S\$5.42 million. As at 31 December 2022, the Group had cash of S\$5.03 million.

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 16-month period from 1 January

2023 to 30 April 2024 (“**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 of its SARS-CoV-2 polymerase chain reaction (“**PCR**”) testing for COVID-19; and
- the cost cutting measures that the Group has put in place to manage costs.

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 FY2022 is appropriate.

Due to the rapidly evolving nature of the COVID-19 pandemic, the demand for COVID-19 PCR tests 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. 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 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 and laboratory services business as the 2 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:

- 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 and laboratory services CGUs based on the higher of fair value less cost to sell (“**FVLCTS**”) and value-in-use (“**VIU**”). The VIU calculations are based on cash flow projections covering a five-year period. The key assumptions for the VIU calculations are those regarding the discount rates, revenue growth rates, terminal growth rate and gross profit margin for the projection periods. Accordingly, the Group has made impairment on these assets in FY2022 based on the higher of FVLCTS and VIU.

- Impairment assessment of goodwill on consolidation

The recoverable amount of the laboratory services business’ 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. The estimated recoverable amounts of the CGU is lower than the carrying amount of the CGU. Accordingly, the Group has made impairment on goodwill in FY2022.

- Share-based compensation

The Group measured the cost of equity-settled transactions with a director and employees of the Group 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.

- Expected credit losses (“**ECLs**”)

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every

reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. As at 31 December 2022, the carrying amount of the Group's trade receivables was S\$0.52 million (31 December 2021: S\$0.13 million).

In determining the loss allowance for amount due from subsidiaries, when measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and future conditions. As at 31 December 2022, the carrying amount of the Company's receivables due from subsidiaries was S\$0.42 million (31 December 2021: S\$1.77 million)

- Impairment assessment of investment in subsidiaries

The recoverable amounts of the investment in subsidiaries are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss (if any). The Company has estimated the recoverable amounts for its investment in subsidiaries based on the income method. The recoverable amounts are most sensitive to discount rate, estimated revenue growth rate, estimated gross profit margin and profitability of the subsidiaries. As at 31 December 2022, the carrying amount of the Company's investment in subsidiaries was nil (31 December 2021: S\$4.97 million).

3. Seasonal operations

The Group's businesses were not affected significantly by seasonal or cyclical factors during the financial period/year.

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 23).

Disaggregation of revenue

	Group		Group	
	FY2022	FY2021	4Q FY2022	4Q FY2021
	S\$'000	S\$'000	S\$'000	S\$'000
Sale of COVID-19 products	344	1,813	-	489
Sale of devices and consumables	183	301	81	76
Sale of extended warranty services	25	36	-	-
Rendering of laboratory services	1,937	164	958	43
	2,489	2,314	1,039	608
Timing of transfer of goods or services				
At point in time	2,464	2,278	1,039	608
Over time	25	36	-	-
	2,489	2,314	1,039	608

5. Other income

	Group		Group	
	FY2022	FY2021	4Q FY2022	4Q FY2021
	S\$'000	S\$'000	S\$'000	S\$'000
Government grants	172	194	-	89
Interest income from fixed deposits	-	2	-	-
Foreign exchange gain/ (loss), net	91	81	(6)	(12)
Gain from remeasurement of deferred consideration	30	60	15	60
Reversal of provision for unconsumed leave	9	18	9	18
Others	3	23	(18)	(13)
	305	378	-	142

6. Employee benefits expense

	Group		Group	
	FY2022	FY2021	4Q FY2022	4Q FY2021
	S\$'000	S\$'000	S\$'000	S\$'000
Directors' remuneration	227	260	48	69
Salaries and bonuses	1,923	1,184	420	278
Employer's contribution to defined contribution plans	244	158	52	38
Allowance for performance bonus	520	-	520	-
Share-based (reversal)/ payment– equity settled				
- Director	-	25	-	25
- Employee	(35)	19	-	10
	2,879	1,646	1,040	420

7. Finance costs

	Group		Group	
	FY2022	FY2021	4Q FY2022	4Q FY2021
	S\$'000	S\$'000	S\$'000	S\$'000
Interest expense on borrowings	92	119	20	27
Interest expense on lease liabilities	16	23	4	6
Accretion of interest on deferred consideration	60	66	15	16
	168	208	39	49

8. Loss before tax

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

	Group		Group	
	FY2022	FY2021	4Q FY2022	4Q FY2021
	S\$'000	S\$'000	S\$'000	S\$'000
Amortisation of intangible assets	422	415	107	112
Depreciation of plant and equipment	443	467	69	116
Depreciation of right-of-use assets	318	370	55	105
Impairment of intangibles	3,133	-	3,133	-
Impairment of goodwill	626	-	626	-
Impairment of plant and equipment	255	-	255	-
Impairment of right-of-use assets	28	-	28	-
Loss/ (Gain) on disposal of plant and equipment	6	(1)	-	(1)
Inventories written off	40	359	13	311
Allowance/ (Writeback) for inventories	1,298	67	1,298	(233)
Allowance for doubtful debts	81	-	81	-
Reversal for unconsumed leave	(9)	(18)	(23)	(20)
Rental expenses	15	19	8	7
Travelling expenses	40	51	10	32
Professional fees (cash-settled)	724	1,523	259	448
Professional fees (equity-settled)	(32)	62	-	31
Sales and marketing expenses	51	65	7	12
Repairs and maintenance	62	110	12	22
Staff training	31	-	2	-
Delivery charges	13	36	1	12

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	
	FY2022	FY2021	4Q FY2022	4Q FY2021
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax	-	-	-	-
Deferred income tax				
- Reversal arising from fair value of intangibles	(420)	-	(420)	-
- Origination and reversal of temporary differences	(56)	(56)	(15)	(14)
Income tax credit recognised in profit or loss	(476)	(56)	(435)	(14)

10. Loss per share

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

Diluted loss per share is calculated by dividing loss for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year 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	
	FY2022	FY2021
Loss for the year, net of tax, attributable to owners of the Company used in the computations of basic and diluted loss per share (S\$'000)	(9,374)	(5,984)
Weighted average number of shares for basic loss per share computation ('000)	281,687	264,992
Effects of dilution:		
- Share awards pursuant to the Biolidics Performance Share Plan ('000)	-	112
- Share awards granted as consideration in lieu of fees for the services rendered by third party individuals ('000)	-	103
Weighted average number of shares for diluted loss per share computation ('000)	281,687	265,207
Basic loss per share (cents)	(3.33)	(2.26)
Diluted loss per share (cents)	(3.33)	(2.26)

11. Plant and equipment

During FY2022, the Group acquired plant and equipment amounting to S\$33,000 (FY2021: S\$428,000) and transferred inventories amounting to S\$28,000 (FY2021: S\$70,000), 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. During FY2022, the Group recognised an impairment charge amounting to S\$0.26 million (FY2021: Nil) on plant and equipment, resulting in the carrying amount of plant and equipment to decrease to S\$0.06 million as at 31 December 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 of 1 year or less, 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\$63,000 during FY2022 (FY2021: S\$125,000).

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. During FY2022, the Group recognised an impairment charge amounting to S\$0.03 million (FY2021: Nil) on right-of-use assets, resulting in the carrying amount of right-of-use assets to decrease to S\$0.11 million as at 31 December 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	858	87	4,274
Additions	-	55	5	60
At 31 December 2022	3,329	913	92	4,334

Accumulated amortisation and impairment:

At 31 December 2021	527	207	45	779
Charge for the period				
- Amortisation	333	80	9	422
- Impairment	2,469	626	38	3,133
At 31 December 2022	3,329	913	92	4,334

Carrying amount:

At 31 December 2021	2,802	651	42	3,495
At 31 December 2022	-	-	-	-

Company	Patent rights S\$'000	Trademark S\$'000	Total S\$'000
Cost:			
At 31 December 2021	858	87	945
Additions	55	5	60
At 31 December 2022	913	92	1,005

Accumulated amortisation and impairment:

At 31 December 2021	207	45	252
Charge for the period			
- Amortisation	80	9	89
- Impairment	626	38	664
At 31 December 2022	913	92	1,005

Carrying amount:

At 31 December 2021	651	42	693
At 31 December 2022	-	-	-

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, During FY2022, the Group recognised an impairment charge amounting to S\$3.13 million (FY2021: Nil) on intangible assets, resulting in the carrying amount of intangible assets to decrease to nil as at 31 December 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, During FY2022, the Group recognised an impairment charge amounting to S\$0.63 million (FY2021: Nil) on goodwill resulting in the carrying amount of goodwill to decrease to nil as at 31 December 2022.

15. Inventories

	Group		Company	
	FY2022 S\$'000	FY2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
Balance sheet:				
Finished goods	27	1,214	-	1,080
Spare parts	-	294	-	294
	<u>27</u>	<u>1,508</u>	<u>-</u>	<u>1,374</u>

	Group	
	FY2022 S\$'000	FY2021 S\$'000
Income statement:		
Inventories recognised as an expense in cost of sales	1,326	1,831
Inclusive of the following charge:		
- Allowance for inventories	-	67
Inventories recognised as an expense in other expenses		
- Allowance for inventories	1,298	-
- Inventories written off	40	359

16. Loans classified as Lease liabilities and Borrowings

	Group		Company	
	As at 31/12/22 S\$'000	As at 31/12/21 S\$'000	As at 31/12/22 S\$'000	As at 31/12/21 S\$'000
Amount repayable within one year or on demand				
Secured (Note A)	116	138	79	76
Unsecured	1,050	1,021	1,050	1,021
Amount repayable after one year:				
Secured (Note A)	60	177	60	139
Unsecured	1,693	2,743	1,693	2,743

Note A: Assets pledged as security

The Group's hire purchase loans classified as lease liabilities, which amounted to S\$176,000 as at 31 December 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 nil as at 31 December 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 deferred consideration of S\$3,300,000 ("**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 the 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	(30)
Accreditation of interest	60
Balance as at 31 December 2022	3,244

18. Deferred tax liabilities

Deferred tax liabilities of the Group arose from fair value adjustment on acquisition of subsidiary:

	Group	
	FY2022 S\$'000	FY2021 S\$'000
Balance as at 1 January 2022	476	532
Reversal to profit and loss (See Note 9)	(56)	(56)
Reversal arising from fair value of intangibles	(420)	-
Balance as at 31 December 2022	-	476

19. Share capital

	Number of shares	Issued and paid-up share capital S\$'000
As at 30 September 2022	265,451,700	58,883
Issuance of shares pursuant to the Rights Issue	227,916,205	5,475
As at 31 December 2022	493,367,905	64,358

The Company had, on 2 December 2022, announced that an aggregate of 227,916,205 Rights Shares were allotted and issued by the Company on 2 December 2022 pursuant to the Rights Issue. Following the allotment and issuance of the Rights Shares, the number of issued and paid-up shares in the issued share capital of the Company ("**Shares**") increased from 265,451,700 Shares to 493,367,905 Shares.

As at 31 December 2022, the Company had no outstanding convertibles.

As at 31 December 2021, the Company had:

- (i) Up to 2,005,000 new Shares ("**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 1,002,500 Awards will vest within 4 months from 1 January 2022, and (b) up to 1,002,500 Awards will vest within 4 months from 1 January 2023, and
- (ii) Up to 1,037,000 new Shares ("**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 31 December 2021, represent approximately 1.15% of the total number of issued Shares (excluding treasury shares) as at 31 December 2021.

Summarised information regarding the number of Shares to be granted as at 31 December 2022 is as follows:

	As at the beginning of the financial year	Granted during the financial year	Vested during the financial year	Lapsed/ Forfeited during the financial year	As at end of the financial year
To certain employees					
Number of Award Shares	1,135,000	-	-	1,135,000	-
To third party individuals					
Number of New Shares	1,037,000	-	-	1,037,000	-

There were no treasury shares and subsidiary holdings held by the Company as at 31 December 2022 and 31 December 2021.

20. 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 31 December 2022	-

21. Net asset value per share

	Group		Company	
	As at 31/12/22	As at 31/12/21	As at 31/12/22	As at 31/12/21
Net (liability)/ asset value (S\$'000)	(1,688)	2,332	(1,719)	4,030
Number of shares ('000)	493,368	265,452	493,368	265,452
Net (liability)/ asset value per share (cents)	(0.34)	0.88	(0.35)	1.52

22. Related party transactions

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

23. 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:

FY2022	Cancer S\$'000	Infectious diseases S\$'000	Laboratory services S\$'000	Corporate segment S\$'000	Total S\$'000
Revenue:					
External customers	208	344	1,937	-	2,489
Inter-segment	-	-	-	-	-
Total revenue	208	344	1,937	-	2,489
Segment results:					
Other income	-	-	34	271	305
Employee benefits expense	(91)	(62)	(849)	(1,877)	(2,879)
Depreciation expense	(345)	-	(256)	(160)	(761)
Amortisation expense	(89)	-	(333)	-	(422)
Research and development expense	(121)	(106)	-	-	(227)
Other expenses	(2,153)	(59)	(853)	(3,796)	(6,861)
Finance costs	-	-	(7)	(161)	(168)
Segment loss before tax	(2,617)	(246)	(1,264)	(5,723)	(9,850)
Income tax credit	-	-	56	420	476
Segment loss after tax	(2,617)	(246)	(1,208)	(5,303)	(9,374)
Assets:					
Additions to non-current assets	60	-	22	11	93

FY2021	Cancer S\$'000	Infectious diseases S\$'000	Laboratory services S\$'000	Corporate segment S\$'000	Total S\$'000
Revenue:					
External customers	337	1,813	164	-	2,314
Inter-segment	-	-	-	-	-
Total revenue	337	1,813	164	-	2,314
Segment results:					
Other income	-	-	-	378	378
Employee benefits expense	(139)	(132)	(335)	(1,040)	(1,646)
Depreciation expense	(461)	-	(213)	(163)	(837)
Amortisation expense	(82)	-	(333)	-	(415)
Research and development expense	(874)	(217)	-	-	(1,091)
Other expenses	(196)	(288)	(548)	(1,672)	(2,704)
Finance costs	-	-	(7)	(201)	(208)
Segment loss before tax	(1,595)	(402)	(1,345)	(2,698)	(6,040)
Income tax expense	-	-	56	-	56
Segment loss after tax	(1,595)	(402)	(1,289)	(2,698)	(5,984)
Assets:					
Additions to non-current assets	137	-	397	28	562

Geographical information

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

	Cancer		Infectious diseases		Laboratory services	
	FY2022 S\$'000	FY2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
Segment revenue						
Singapore	14	33	298	507	1,857	27
Japan	32	108	-	-	-	-
China	11	-	-	-	-	-
Europe	18	46	-	1,236	2	47
Hong Kong	78	147	-	-	-	-
Taiwan	-	-	-	-	57	-
Philippines	-	-	-	-	14	24
Indonesia	-	-	46	63	-	-
Others	55	3	-	7	7	66
	208	337	344	1,813	1,937	164

Information about major customers

Revenue from one (FY2021: two) major customer amounted to S\$1.32 million in FY2022 (FY2021: S\$1.54 million), arising from sales from the laboratory services segment (FY2021: Infectious diseases segment).

4Q FY2022	Cancer S\$'000	Infectious diseases S\$'000	Laboratory services S\$'000	Corporate segment S\$'000	Total S\$'000
Revenue:					
External customers	81	-	958	-	1,039
Inter-segment	-	-	-	-	-
Total revenue	81	-	958	-	1,039
Segment results:					
Other income	-	-	(43)	43	-
Employee benefits expense	(14)	(11)	(282)	(733)	(1,040)
Depreciation expense	(47)	-	(41)	(36)	(124)
Amortisation expense	(24)	-	(83)	-	(107)
Research and development expense	(31)	-	-	-	(31)
Other expenses	(2,055)	(5)	(386)	(3,442)	(5,888)
Finance costs	-	-	(2)	(37)	(39)
Segment loss before tax	(2,152)	(22)	(269)	(4,204)	(6,647)
Income tax credit	-	-	15	420	435
Segment loss after tax	(2,152)	(22)	(254)	(3,784)	(6,212)
Assets:					
Additions to non-current assets	15	-	-	7	22

4Q FY2021	Cancer S\$'000	Infectious diseases S\$'000	Laboratory services S\$'000	Corporate segment S\$'000	Total S\$'000
Revenue:					
External customers	75	489	44	-	608
Inter-segment	-	-	-	-	-
Total revenue	75	489	44	-	608
Segment results:					
Other income	-	-	-	142	142
Employee benefits expense	(36)	(22)	(140)	(222)	(420)
Depreciation expense	(114)	-	(65)	(42)	(221)
Amortisation expense	(29)	-	(83)	-	(112)
Research and development expense	(388)	(53)	-	-	(441)
Other expenses	(38)	(101)	(172)	(700)	(1,011)
Finance costs	-	-	(2)	(47)	(49)
Segment loss before tax	(301)	(145)	(457)	(867)	(1,770)
Income tax expense	-	-	14	-	14
Segment loss after tax	(301)	(145)	(443)	(867)	(1,756)
Assets:					
Additions to non-current assets	14	-	290	14	318

Geographical information

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

	Cancer		Infectious diseases		Laboratory services	
	4Q FY2022 S\$'000	4Q FY2021 S\$'000	4Q FY2022 S\$'000	4Q FY2021 S\$'000	4Q FY2022 S\$'000	4Q FY2021 S\$'000
Segment revenue						
Singapore	-	15	-	489	958	-
Japan	-	13	-	-	-	-
China	10	-	-	-	-	-
Europe	8	4	-	-	-	-
Hong Kong	12	43	-	-	-	-
Philippines	-	-	-	-	-	4
Others	51	-	-	-	-	40
	81	75	-	489	958	44

Information about major customers

Revenue from one (4Q FY2021: one) major customer amounted to S\$0.54 million in 4Q FY2022 (4Q FY2021: S\$0.87 million), arising from sales from the laboratory services segment (4Q 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 statements 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 statements 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 19 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 19 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

To improve the financial health and working capital position of the Group, the Company has completed the Rights Issue in December 2022, raising net proceeds of approximately S\$5.42 million.

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 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 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 31 December 2022 could be material and pervasive and the Company is unable to determine the extent of the adjustments that may be required.

(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

Management has assessed that there exists an indication that the Group's long-lived assets and the Company's investment in Biomedics Laboratory Pte. Ltd. ("**BML**") and receivable from BML may be impaired. Accordingly, management has determined that the recoverable amounts and made the subsequent impairment losses. Please refer to Notes 2.2, 11, 12, 13 and 14 under Section E - Selected notes to the financial statements of this announcement for further details.

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 21 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 increased by 7.6% or S\$0.18 million, from S\$2.31 million in FY2021 to S\$2.49 million in FY2022, due mainly to an increase in revenue from rendering of laboratory services from S\$0.16 million in FY2021 to S\$1.94 million in FY2022. The significant increase in revenue from rendering of laboratory services was due to an increase in PCR test services as we began providing 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 the People's Republic of China.

The increase was offset by a decrease in sales of our COVID-19 related products which amounted to S\$0.34 million in FY2022, as compared to S\$1.81 million in 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\$0.34 million in FY2021 to S\$0.21 million in FY2022.

Revenue increased by 70.9% or S\$0.43 million, from S\$0.61 million in 4Q FY2021 to S\$1.04 million in 4Q FY2022 due to an increase in revenue from rendering of laboratory services from S\$0.04 million in 4Q FY2021 to S\$0.96 million in 4Q FY2022 for the same reasons as mentioned above.

The increase was partially offset by zero sales of COVID-19 related products in 4Q FY2022 as compared to sales of S\$0.49 million in 4Q FY2021. Revenue from the sales of our ClearCell® FX1 system, our CTChip® FR1 biochip and other related services and consumables was unchanged at S\$0.08 million in 4Q FY2021 and 4Q FY2022.

Other income

Other income decreased by S\$0.07 million or 19.3%, from S\$0.38 in FY2021 to S\$0.31 million in FY2022, mainly due to a decrease in government grants of S\$0.02 million and a decrease in gain from remeasurement of deferred consideration of S\$0.03 million.

Other income in 4Q FY2022 was nil, as compared to other income of S\$0.14 million in 4Q FY2021, mainly due to a decrease in government grants of S\$0.09 million and a decrease in gain from remeasurement of deferred consideration of S\$0.05 million.

Changes in inventories

We recorded a decrease of S\$0.22 million and S\$0.09 million in the closing balance of our inventories in FY2022 and 4Q FY2022 respectively, as compared to a decrease of S\$0.04 million and S\$0.25 million in FY2021 and 4Q 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\$0.69 million or 38.2%, from S\$1.80 million in FY2021 to S\$1.11 million in FY2022, in line with the decrease in sales of our COVID-19 related products during the financial year.

Our purchases increased from S\$0.02 million in 4Q FY2021 to S\$0.37 million in 4Q FY2022 in line with the increase in revenue in rendering of laboratory services during the financial period.

Employee benefits expense

Employee benefits expense increased by S\$1.23 million or 74.9%, from S\$1.65 million in FY2021 to S\$2.88 million in FY2022, and by S\$0.62 million or 147.6%, from S\$0.42 million in 4Q FY2021 to S\$1.04 million 4Q FY2022, due mainly to increased hiring to support the growth of our laboratory services business and provisions made for share awards under the Biolidics' Performance Share Plan.

Depreciation expense

Depreciation expense decreased by S\$0.08 million or 9.1% from S\$0.84 million in FY2021 to S\$0.76 million in FY2022 and by S\$0.10 million or 43.9% from S\$0.22 million in 4Q FY2021 to S\$0.12 million in 4Q FY2022, due to certain assets being fully depreciated.

Amortisation expense

Amortisation expense remained relatively unchanged at S\$0.42 million in FY2021 and FY2022, and at S\$0.11 million in 4Q FY2021 and 4Q FY2022.

Research and development (“R&D”) expense

R&D expense decreased by S\$0.86 million or 79.2%, from S\$1.09 million in FY2021 to S\$0.23 million in FY2022 and by S\$0.41 million or 93.0% from S\$0.44 million in 4Q FY2021 to S\$0.03 million in 4Q FY2022, due mainly to the reduction in R&D activities during the financial year/period.

Other expenses

Other expenses increased by S\$4.16 million or 153.7%, from S\$2.70 million in FY2021 to S\$6.86 million in FY2022, and by S\$4.88 million or 482.4%, from S\$1.01 million in 4Q FY2021 to S\$5.89 million in 4Q FY2022, due mainly to impairment of intangibles assets of S\$3.13 million, impairment of goodwill of S\$0.63 million, impairment of plant and equipment and right-of-use assets of S\$0.28 million in aggregate and allowance for inventories of S\$1.30 million in FY2022 and 4Q FY2022. These increases were partially offset by decreases in professional fees (cash-settled) by S\$0.80 million from S\$1.52 million in FY2021 to S\$0.72 million in FY2022 and by S\$0.19 million, from S\$0.45 million in 4Q FY2021 to S\$0.26 million in 4Q FY2022.

Finance costs

Finance costs decreased by S\$0.04 million or 19.2%, from S\$0.21 million in FY2021 to S\$0.17 million in FY2022, and by S\$0.01 million or 20.4%, from S\$0.05 million in 4Q FY2021 to S\$0.04 million in 4Q 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.. Income tax credit increased by S\$0.42 million in FY2022 and 4Q FY 2022 as a result of the reversal of deferred tax liabilities arising from fair valuation of intangible assets.

Loss for the year/ period

As a result of the foregoing, loss for the year/ period increased by S\$3.39 million or 56.7%, from S\$5.98 million in FY2021 to S\$9.37 million in FY2022, and by S\$4.46 million or 253.8%, from S\$1.76 million in 4Q FY2021 to S\$6.21 million in 4Q FY2022.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-current assets

The Group's non-current assets decreased by 96.8% or S\$5.15 million, from S\$5.31 million as at 31 December 2021 to S\$0.17 million as at 31 December 2022. This was due mainly to a decrease in plant and equipment, right-of-use assets, intangible assets and goodwill of S\$0.74 million, S\$0.28 million, S\$3.50 million and S\$0.63 million respectively, which arose mainly from the depreciation, amortisation and impairment charges during the financial year.

Current assets

The Group's current assets decreased by 3.1% or S\$0.19 million, from S\$6.11 million as at 31 December 2021 to S\$5.92 million as at 31 December 2022. This was due mainly to a decrease in (i) inventories of S\$1.48 million (ii) prepayments of S\$0.11 million; and (iii) other receivables of S\$0.06 million, partially offset by an increase in (i) cash and cash equivalent of S\$1.07 million; and (ii) trade receivables of S\$0.39 million.

Current liabilities

The Group's current liabilities increased by 148.6% or S\$3.59 million, from S\$2.42 million as at 31 December 2021 to S\$6.01 million as at 31 December 2022. This was due mainly to an increase in (i) deferred consideration of S\$3.24 million; (ii) other payables of S\$0.28 million; (iii) contract liabilities of S\$0.07 million and (iv) current portion of borrowings of S\$0.03 million, partially offset by a decrease in current portion of lease liabilities of S\$0.04 million.

As at 31 December 2022, the Group's current liabilities exceeded its current assets by approximately S\$0.09 million and the Group was in a net equity deficit position of approximately S\$1.69 million.

Non-current liabilities

The Group's non-current liabilities decreased by 73.5% or S\$4.91 million, from S\$6.68 million as at 31 December 2021 to S\$1.77 million as at 31 December 2022. This was due mainly to a decrease in (i) deferred consideration of S\$3.21 million; (ii) borrowings of S\$1.05 million comprising the non-current portion of working capital bank loans; (iii) non-current portion of lease liabilities of S\$0.17 million; and (iv) deferred tax liabilities of S\$0.48 million.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Operating cash outflow before movements in working capital amounted to S\$3.12 million in FY2022. Net cash used for working capital amounted to S\$0.18 million due mainly to (i) an increase in trade and other payables of S\$0.30 million; (ii) a decrease in other receivables of S\$0.05 million; (iii) a decrease in prepayments of S\$0.11 million, and (iv) a decrease in inventories of S\$0.12 million, partially offset by an increase in trade receivables of S\$0.47 million. As a result, net cash used in operating activities was S\$3.05 million in FY2022.

Net cash generated from investing activities in FY2022 amounted to S\$0.01 million. This was due mainly to receipt of government grants of S\$0.10 million, offset by (i) additions to plant and equipment of S\$0.03 million and (ii) additions to intangible assets of S\$0.06 million.

Net cash generated from financing activities in FY2022 amounted to S\$4.17 million. This was due mainly to proceeds from the Rights Issue less share issuance expenses of S\$5.48 million, partially offset by payment of S\$1.02 million and S\$0.29 million of the principal portion of borrowings and principal portion of lease liabilities, respectively in FY2022.

As a result of the above, there was a net increase in cash and cash equivalents by S\$1.12 million, from S\$3.96 million as at 31 December 2021 to S\$5.03 million as at 31 December 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.

In FY2022, the Group's commenced COVID-19 PCR testing, as one of its service offerings which it will continue to offer in the current financial year ending 31 December 2023.

As set out under Note 8 under Section F – Other information required under the Catalist Rules of this announcement, revenue from rendering of COVID-19 PCR test services accounted for more than 90% of the Group's revenue in 4Q FY2022. However, due to the rapidly evolving nature of the COVID-19 pandemic, the demand for COVID-19 PCR tests 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 as well as emergence of new competitors providing similar PCR test services. As such, there is no certainty that such revenue from rendering of COVID-19 PCR test services will continue to increase or be maintained at the level achieved in 4Q FY2022. The COVID-19 pandemic has 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.

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 has completed the Rights Issue in December 2022 and 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, including undertaking equity issuances in the future.

The Company will continue to provide timely updates to its 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 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 FY2022.

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

Not required for full year results announcement.

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.

16 Use of proceeds from the Rights Issue

Pursuant to the issuance of 227,916,205 Rights Shares on 2 December 2022, the Company received net proceeds from the Rights Issue of approximately S\$5.42 million. As at the date of this announcement, the net proceeds from the Rights Issue have been utilised as follows:

(\$'000)	Amount allocated (as disclosed in the results of Rights Issue announcement dated 2 December 2022)	Amount utilised as at the date of this announcement	Balance
Working capital requirements of the Group ⁽¹⁾	2,905	2,057	848
Mergers and acquisitions activities	2,515	-	2,515
Total	5,420	2,057	3,363

Note:

(1) The amount utilised for working capital requirements of the Group as at the date of this announcement were mainly for operating expenses of the Group.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 17 Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Please refer to Note 23 under Section E - Selected notes to the financial statements of this announcement.

- 18 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to Note 8 under Section F – Other information required under the Catalist Rules of this announcement.

- 19 A breakdown of sales.**

	FY2022	Group	
	S\$'000	FY2021	+/(-)
		S\$'000	%
Sales reported for first half of the year	685	639	7.2
Loss after tax reported for first half of the year	(2,289)	(3,004)	(23.8)
Sales reported for second half of the year	1,804	1,675	7.7
Loss after tax reported for second half of the year	(7,085)	(2,980)	137.8

- 20 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable as no dividend was declared in respect of FY2021 and FY2022.

- 21 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.**

There are no persons occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

22 Disclosure pursuant to Rule 706A of the Catalist Rules

There was no acquisition or sale of shares by the Company during 4Q 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

28 February 2023