PRESS RELEASE

Q & M NET PROFIT ATTRIBUTABLE TO PARENT FROM CORE DENTAL BUSINESS (EXCLUDING OTHER GAINS AND SHARE OF ASSOCIATES PROFIT) INCREASES BY OVER 300% FOR FY20

- **Total revenue for 2H20 increased by 26% to $83.5 million from $66.3 million in 2H19 despite the Covid-19 pandemic.**
- **Excluding other gains and share of associates' profit, net profit attributable to parents increased to $10.5 million in 2H20 from a loss of $1.4m in 2H19.**
- **Target to double Covid-19 PCR laboratory test capacity to capture a significant portion of the 28,000 daily tests**
- **Rewarding shareholders with 2nd interim (special) dividend of 2.5 cents per share to be paid on 23 March 2021 and final dividend of 0.5 cents per share to be paid on 25 May 2021 subject to shareholders approval at the coming Annual General Meeting.**

Singapore, 1 March 2021 – **Q & M Dental Group (Singapore) Limited** ("**Q & M**" or the "**Group**"), a leading private dental healthcare group in Asia, reported a net profit attributable to shareholders of $19.7 million for the twelve months ended 31 December 2020 ("**FY20**").

Financial Highlights	FY20 $'000	FY19 $'000	% Change
Revenue[1]	137,620	127,963	8
Key Operating Expenses[2]	101,417	104,747	(3)
Other Expenses	7,006	8,853	(21)
Share of Profit from Equity-Accounted Associates	159	4,163	(96)
Other Gains	253	9,252	(97)
PATMI	19,701	17,984	10
PATMI Margin	*14%*	*14%*	-
PATMI (Excluding Other Gains & Share of Profit)	19,289	4,569	322

[1]Revenue from dental and medical clinics, dental equipment and supplies distribution and sales of Covid-19 test kits and laboratory tests & profit guarantee

[2]Key Operating Expenses include Consumables & Supplies Used, cost of sales of Dental Equipment & Supplies Distribution, cost of sales of sales of test kits & laboratory tests, Employee Benefits Expense and Rental Expense/Depreciation of Right-Of-Use Assets

Financial Highlights	1H20 $'000	1H19 $'000	% Change	2H20 $'000	2H19 $'000	% Change
Revenue	54,124	61,619	(12)	83,496	66,344	26
PATMI (Excluding Other Gains & Share of Profit)	8,783	5,980	47	10,505	(1,411)	NM

FY20 revenue increased by 8% in FY20 to $137.6 million from $128 million in FY19 mainly due to higher revenue in 2H20.

Revenue from dental and medical outlets increased by 6% from $119.2 million in FY19 to $126.4 million in FY20 mainly due to higher revenue from existing and new dental outlets in Singapore and

Malaysia despite Covid-19 pandemic. The increase of $7.2 million was mainly due to revenue from June 2020 to December 2020 were significantly higher than the earlier months of FY20 and were also higher as compared to the corresponding pre Covid-19 period in FY19.

Revenue contribution from the dental equipment and supplies distribution business increased by 2% from $8.8 million in FY19 to $9.0 million in FY20 mainly due to higher revenue from Singapore.

Key operating expenses decreased by 3% from $104.7 million in FY19 to $101.4 million in FY20 due to the Job Support Scheme and rental rebate received as a result of the Singapore Government support scheme due to Covid-19.

Other expenses decreased by 21% from $8.9 million in FY19 to $7.0 million in FY20 mainly due to write back of FY19 over provision of legal and professional fees.

Share of profit from equity accounted associates decreased by 96% from $4.2 million in FY19 to $0.2 million in FY20 mainly due to lower profit contribution from Aidite as a result of lower shareholding arising from the partial disposal off 36% in FY19.

Excluding the other gains and share of associate profit, the Group achieved a profit after tax of $19.3 million for FY20 as compared to $4.6 million in FY19. 2H20 profit after tax (excluding other gains and share of associate profit) was $10.5 million as compared to a loss of $1.4 million in 2H19. Our profit has increased by 322% in FY20 as compared to FY19 mainly due to core dental business.

As at 31 December 2020, the Group had cash and cash equivalents of $48.8 million and bank borrowing of $77.4 million. Net debt was $28.6 million.

As at 31 December 2020, the Group has a total of 83 dental outlets, 5 medical outlets and 1 dental college in operations, compared to 80 dental outlets, 5 medical outlets and 1 dental college as at 31 December 2019 in Singapore.

As at 31 December 2020, the Group has a total of 34 dental outlets in Malaysia and 1 dental outlet in People's Republic of China ("PRC") compared to 31 dental outlets in Malaysia and 1 dental outlet in PRC as at 31 December 2019.

Commenting on the results, **Dr Ng Chin Siau, Group Chief Executive Officer** said, "The Singapore Government has recently announced a $3.1 billion budget for Covid-19 testing, clinical management and contact tracing as part of the $11 billion Covid-19 Resilience Package in the 2021 Budget.

With this development, we are doubling our Covid-19 PCR laboratory testing capacity. We are targeting to capture a significant portion of the current 28,000 daily tests conducted by the Singapore Government.

Our business revenue (during the Circuit Breaker months of April to May 2020) was adversely affected. Despite this, our revenue for 2H20 was $83.5 million as compared to $66.3 million in 2H19, an increase of 26% mainly due to higher revenue in the core dental business. Dental revenue has proven to be resilient, even during the Covid-19 pandemic. To maintain our current position as the leading private dental healthcare group in Asia, we are targeting to open at least 30 dental outlets a year from 2021 onwards in Singapore and Malaysia for the next 10 years. We are also launching the ethical AI enhanced guided dental treatment plan in Singapore by 2021.

With all the growth initiatives outlined above, we expect future profitability to be increasingly driven by core business rather than share of associate profit and one off gain.

This news release is to be read in conjunction with the Group's announcement posted on SGXNET on 1 March 2021.

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