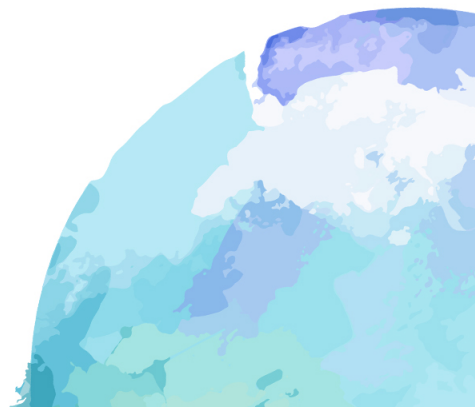




9MFY2020 Business Updates



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Content

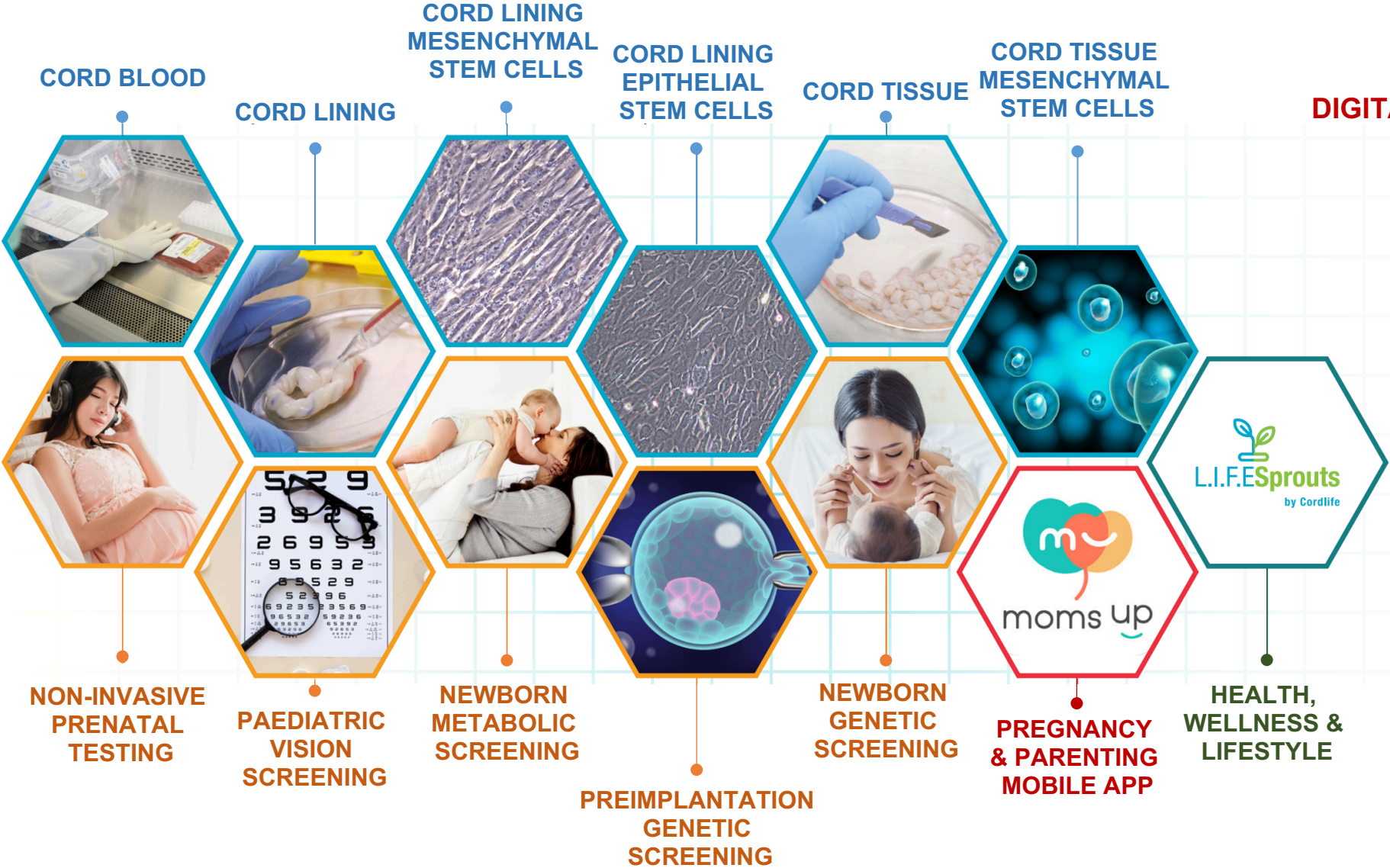
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Overview

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Business Overview – Operating Segments



BANKING
DIAGNOSTICS
DIGITAL HEALTHCARE
OTHERS

Business Overview – Market Presence



-  Cordlife's Headquarters
-  Cordlife's Subsidiaries
-  Cordlife's Associate
-  Cordlife's Marketing Agents

BANKING
DIAGNOSTICS
DIGITAL HEALTHCARE
OTHERS

Our Network

Cordlife owns the largest network of cord blood banks in Asia with full stem cell banking facilities in six key markets namely Singapore, Hong Kong, Indonesia, India, Malaysia and the Philippines.

The Group is among the leading private cord blood banks in these key markets.

Financial Highlights



9MFY2020 Results Summary

REVENUE

S\$37.9 million

(17.6)% y-o-y

GROSS PROFIT

S\$23.5 million

(19.9)% y-o-y

GP MARGIN

62.0%

(1.8) pp y-o-y

NET PROFIT

S\$5.0 million

+39.6% y-o-y

NET PROFIT MARGIN

13.2%

+5.4 pp y-o-y

NET CASH¹

S\$63.6 million

+S\$13.9 million from 31 Dec 2019

1. Includes cash and cash equivalents, fixed deposits and short-term investments less interest-bearing borrowings (current and non-current)

Analysis of 9MFY2020

Revenue

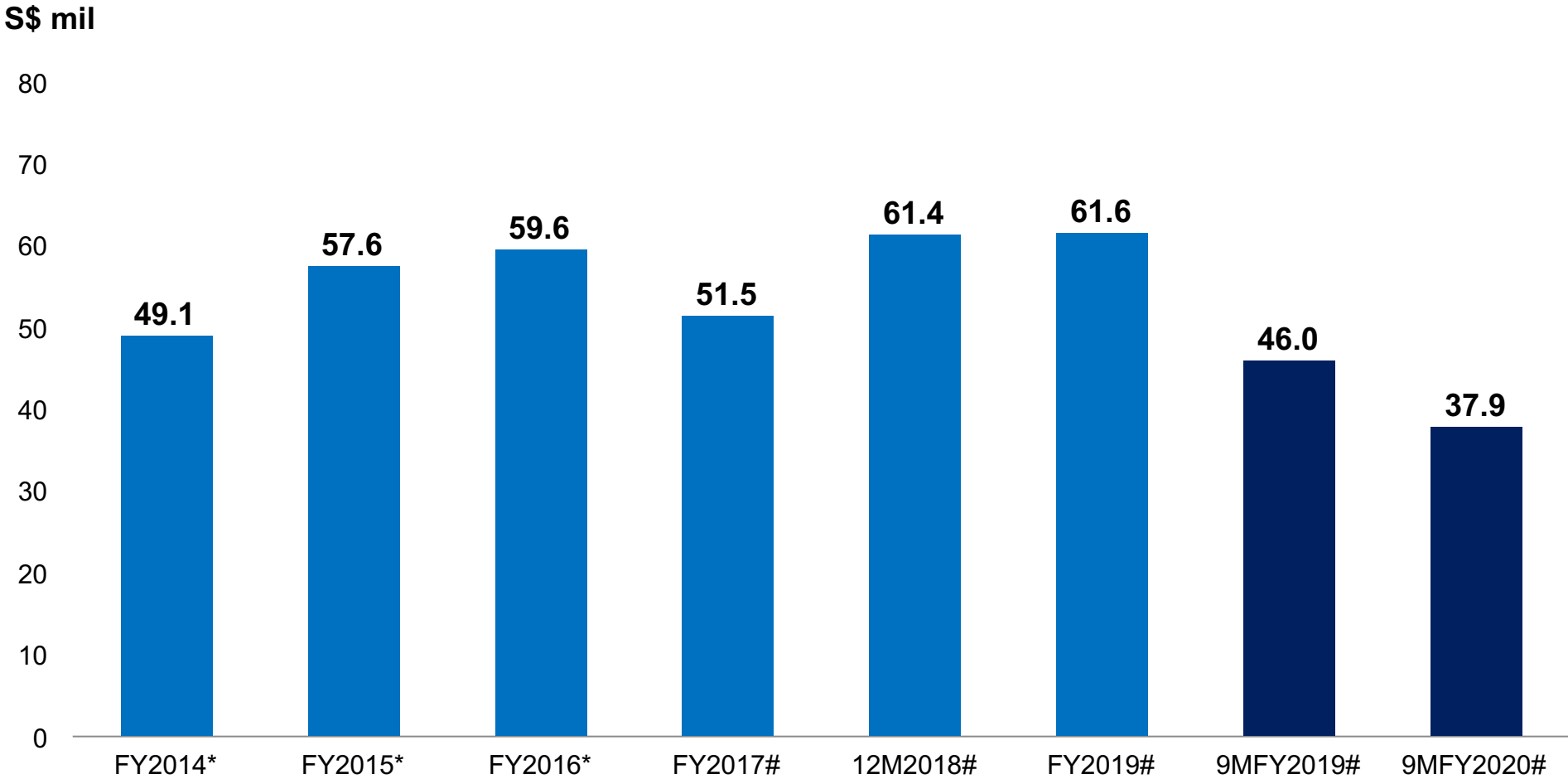
- The Group's revenue decreased 17.6% yoy to S\$37.9 million.
- This was due to lower new samples processed and stored in all markets as a result of ongoing COVID-19 pandemic, which has impacted client sign-ups since 2QFY2020.
- However, this was buffered by higher revenue contribution from diagnostics services and higher take-up of higher-priced plans in the Philippines and Singapore market.

Net Profit

- Net profit after tax grew 39.6% yoy to S\$5.0 million, mainly driven by
 - (a) government relief measures for COVID-19 given in Singapore and Hong Kong of an aggregate of \$1.2 million recognised this quarter ("Covid-19 Government Grants")¹,
 - (b) lower marketing expenses (attributable to lower advertising and promotion expenses due to restrictions on baby expos and antenatal seminars as a result of the outbreak of COVID-19),
 - (c) lower administrative expenses (due to lower staff costs and lower travel costs, partially offset by higher provision for doubtful debts),
 - (d) lower tax expense, contributed partly by reversal of over-provision of tax in prior years.

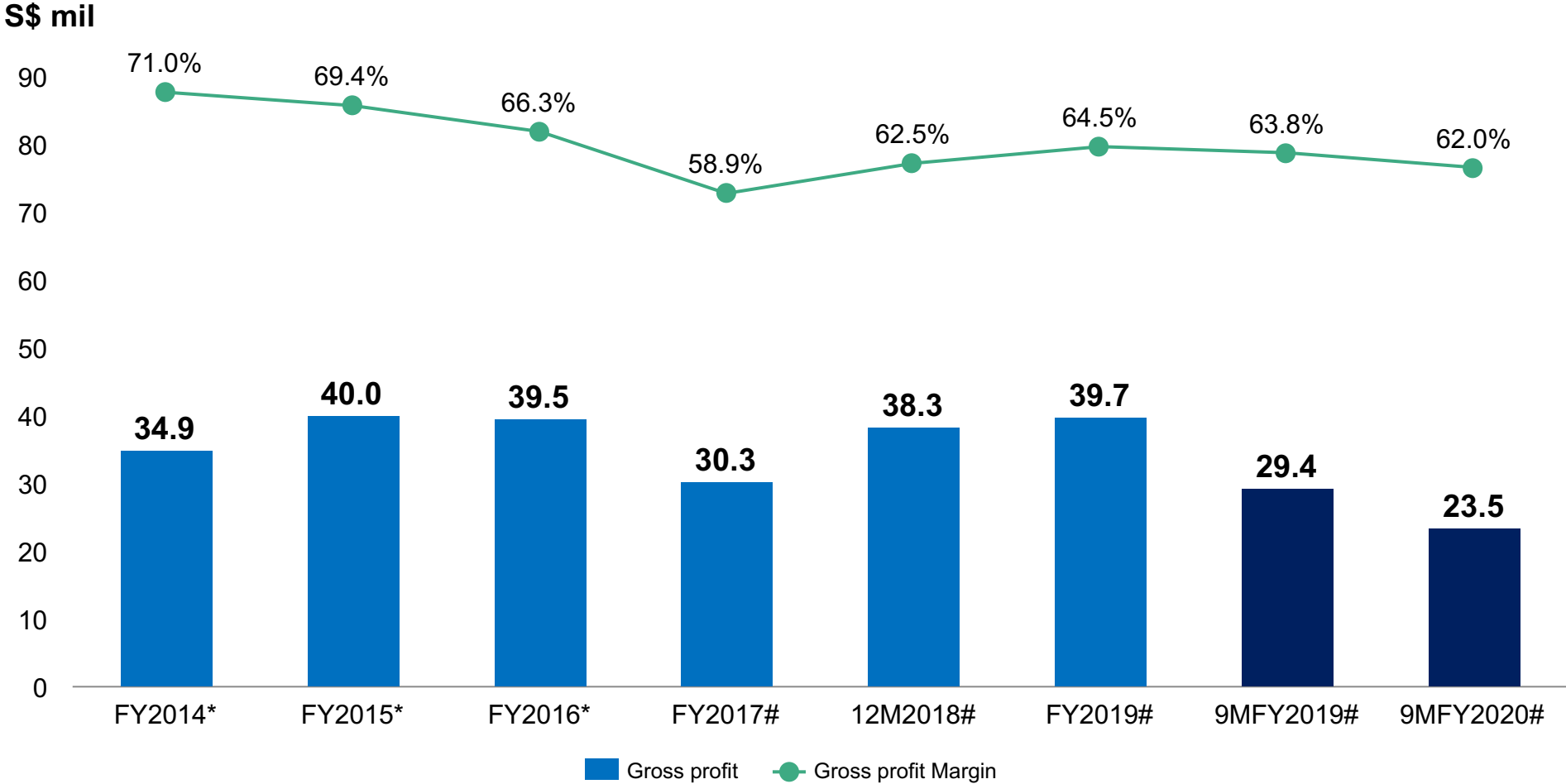
¹Without the Covid-19 Government Grants, net profit after tax would have amounted to S\$3.8 million approximately, which represents a 6.5% yoy increase.

Financials – Revenue



* Prepared in accordance with FRS18 – Revenue.
Prepared in accordance with SFRS(I) 15 – Revenue from Contracts with Customers.

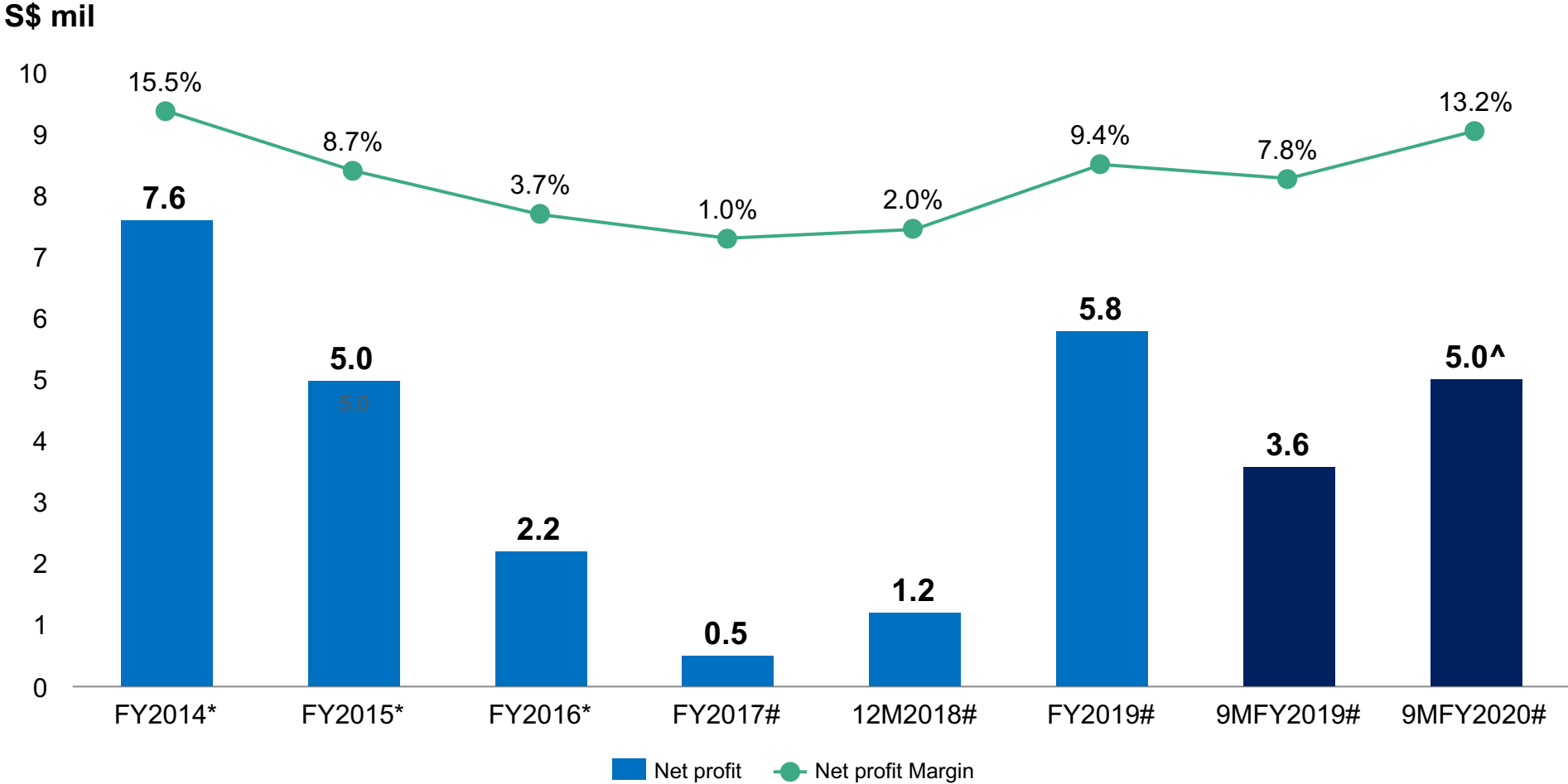
Financials – Gross Profit



* Prepared in accordance with FRS18 – Revenue.

Prepared in accordance with SFRS(I) 15 – Revenue from Contracts with Customers.

Financials – Operating profit after tax



[^] Without the Covid-19 Government Grants, net profit after tax and net profit margin would have amounted to S\$3.8 million and 10.1% respectively.

* Prepared in accordance with FRS18 – Revenue.

Prepared in accordance with SFRS(I) 15 – Revenue from Contracts with Customers.

Financials – Balance Sheet

| S\$' mil | As at 30 Sep 2020 | As at 31 Dec 2019 |
|--|-------------------|-------------------|
| Net Assets | 132.2 | 129.3 |
| Borrowings | 4.1 | 4.3 |
| Gearing ₁ (%) | 3.1 | 3.3 |
| Cash & Cash Equivalents, Fixed Deposits and Short-term Investments | 67.7 | 54.0 |
| Net Asset Value Per Share (SG cents) | 51.92 | 50.89 |

1: Total Borrowings/Total Equity

Financials – Cash Flow

| S\$' mil | For the period ended 30 Sep 2020 | For the period ended 30 Sep 2019 |
|--|----------------------------------|----------------------------------|
| Net cash generated from operating activities | 12.1 | 8.0 |
| Net cash generated from investing activities | 0.1 | 6.2 |
| Net cash used in financing activities | (2.8) | (11.9) |
| Cash & cash equivalents at end of the financial period | 23.9 | 13.1 |

Outlook

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Impact of COVID-19

Business Outlook

- Revenue from banking services is recognised upon service delivery when customers give birth and store their samples and customers typically sign up a few months prior to delivery.
- The COVID-19 situation has generally resulted in the tapering of new customer sign-ups for banking services in 9MFY2020, and this revenue trend may continue in the last quarter of this year. Any impact on revenue is however likely to be cushioned in part by government grants relating to COVID-19.
- Recurring waves of the outbreak in some of the countries that the Group operates in could possibly result in the continued imposition of border and movement restrictions, causing uncertainties in demand for the Group's services in the coming months.
- The Group will continue to deepen its digital capabilities and will monitor the situation closely and respond accordingly.

Group Initiatives

- Continue to refine and improve e-enrolment and online counselling process.
- Where physical seminars/antenatal classes can be held, safe distancing and hygiene practices are strictly abided by to safeguard customers' and staff's wellbeing.
- Continue to hold webinars to reach a wider audience and to educate prospective customers.

Growth Strategies

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Growth Strategies

Organic Growth

- To increase penetration rate/market share
- To increase product scope
- Open new markets
- To facilitate development of stem cell ecosystem
- To create new engines of growth

M&A

- Synergistic with current business
- Earnings-accretive
- Targeting Asia

**Thank
you**

