

Clearbridge Achieves Significant Turnaround in FY2020 with Record Revenue of S\$36.26 Million

- *The Group’s EBITDA-focused strategy, pan-Asian healthcare network and business agility have been pivotal to its turnaround financial performance in FY2020 despite the COVID-19 pandemic*
- *The Group’s financial foundation continue to strengthen with net assets increasing to S\$61.33 million and cash at banks, short-term deposits of S\$14.03 million as at 31 December 2020*
- *Net cash generated from operating activities, after adjusting for cash paid for income tax and interest expense, amounted to S\$1.86 million in FY2020*

Financial Year End - 31 December

(S\$ million)	FY2020	FY2019	Change (%)
Revenue	36.26	21.53	+68.4
Net Profit/(Loss)	2.07	(11.66)	N.M.
Adjusted EBITDA*	3.51	(2.71)	N.M.

*Excluding fair value losses/gains on associates and derivative financial instruments, reversal of provision on doubtful debts, gain on disposal of subsidiary, fair value adjustments on contingent consideration, non-recurring employee benefit expense and other operating expenses, share-based payment, and share option expenses as well as foreign exchange loss/ gain.

SINGAPORE, 26 February 2021 – Asia’s integrated healthcare company, **Clearbridge Health Limited (“Clearbridge” or the “Company” and together with its subsidiaries, the “Group”)** (“明策集团”), announced its financial results with record revenue of S\$36.26 million, net profit of S\$2.12 million and adjusted EBITDA of S\$3.51 million achieved for the full year ended 31 December (“FY”) 2020.

Since its listing on the SGX-ST in December 2017, the Group has quickly pivoted from a technology accelerator into a profitable, EBITDA-focused healthcare entity with a technology-agnostic approach to provide a broad base of healthcare solutions via its 3 distinctive strategic business units (“SBUs”) across Asia:

- 1. Medical centres and clinics;**
- 2. Healthcare systems; and**
- 3. Distribution platform of healthcare solutions and technologies from its global clinical partners and strategic medical technology investments.**

Review of Financial Performance in FY2020

As the COVID-19 pandemic unfolded in FY2020, the Group responded with business agility and strong execution capabilities to harness the medical and healthcare opportunities in the region with its regional healthcare networks and distribution platform.

Revenue from the Group's medical centres and clinics business unit recorded an increase of S\$13.31 million, to S\$19.28 million in FY2020 as compared to S\$5.97 million in FY2019. The strong growth was mainly attributed to contributions by the nine dental clinics, operating under the "Dental Focus" brand name, that was acquired in late August 2019, the sale of medical supplies (i.e. face masks and personal protective items) at its medical clinics/centres operations in Hong Kong and the Philippines, provision of COVID-19 testing related services in the Philippines and distribution of the COVID-19 Antibody Test Kits.

In addition, revenue from the Group's healthcare systems, comprising the provision of laboratory services and renal care services, increased by S\$1.42 million to S\$16.98 million in FY2020, from S\$15.56 million in FY2019. The increase was mainly due to the full year revenue contribution from PT Indo Genesis Medika ("**IGM Labs**") of S\$12.11 million in FY2020, as compared to the revenue contribution of S\$10.31 million in FY2019 when it was acquired in May 2019. The increase was partially offset by decrease in revenue SAM Laboratory Pte Ltd as it had disposal of Biomedics Laboratory Pte Ltd ("**Biomedics**") in May 2020.

With a Public-Private-Partnership Model, the Group currently manages a total of 43 hospital joint operation contracts in Indonesia serving close to 4 million patients per year, primarily in the area of renal care (through PT Tirta Medika Jaya ("**TMJ**") which was acquired in April 2018) and pathology (through IGM Labs which was acquired in May 2019) at public and private hospitals (ranging from Class A hospitals to Class C hospitals) in Indonesia.

The renal care services and laboratory testing services offered by TMJ and IGM Labs respectively are reimbursed through the Indonesia government's health coverage program.

The Group's overall revenue surged by 68.4% or S\$14.73 million, to a record S\$36.26 million in FY2020 as compared to S\$21.53 million in FY2019.

In line with the increased revenue in FY2020, the Group's purchases rose 56.1% or S\$8.07 million, to S\$22.44 million in FY2020 as compared to S\$14.37 million in FY2019.

The Group's employee benefits expense decreased by 4.9% or S\$0.42 million, from S\$8.37 million in FY2019 to S\$7.95 million in FY2020 mainly due to termination of employment from the cessation of operation in USA. This was partially offset by the increase in share-based payment (a non-cash component) pursuant to the performance share plan that aims to promote higher performance goals, recognise exceptional achievements and retain talents within the Group.

The Group's other income in FY2020 increased by 146.3% or S\$2.27 million, to S\$3.82 million from S\$1.55 million in FY2019. The increment was mainly attributed to the gain on disposal of Biomedics, reversal of deferred consideration related to IGM Lab's acquisition, increase in government grants and increase in foreign exchange gain.



The Group incurred higher other operating expenses of S\$6.56 million in FY2020, of which non-recurring expenses amounted to S\$1.25 million, as compared to S\$5.26 million in FY2019.

In FY2020, the Group's finance costs increased by S\$0.39 million to S\$2.33 million, mainly due to the increase in interest charged on the convertible bonds issued by Clearbridge Biophotonics Pte Ltd and interest expense incurred on the bank loans taken up by the Group for its acquisitions and working capital purpose.

It is worth noting that the Group took into account fair value changes (non-cash component) of an associate and derivative financial instrument. For FY2020, there were total fair value gains of S\$5.48 million, however in 4th quarter of FY2020, there were only fair value gains of S\$0.07 million as compared to fair value gains of S\$1.08 million in the 3rd quarter of FY2020.

In addition, accounting adjustments (non-cash component), which are mainly attributed to the Group's healthcare systems business unit in FY2020, were only recorded at the end of FY2020.

Overall, the Group marked a significant turnaround with a net profit of S\$2.07 million in FY2020 as compared to a net loss of S\$11.66 million in FY2019.

The Group's adjusted EBITDA of S\$4.81 million in the 9-month period ended 30 September 2020 included a partial gain on disposal of subsidiary. As it is of a non-recurring nature, the total gain on disposal of subsidiary of S\$1.28 million was excluded and the Group recorded adjusted EBITDA of S\$3.51 million in FY2020.

During FY2020, certain subscribers of the Company's convertible bonds converted into ordinary shares in the Company and as a result, there was a decrease in borrowings of S\$3.87 million under non-current liabilities as at 31 December 2020.

As at 31 December 2020, the Group's balance sheet further strengthened with net assets increasing to S\$61.33 million and cash at banks and short-term deposits of S\$14.03 million.

Commenting on the FY2020 results, Mr Jeremy Yee (余斌), Executive Director and Chief Executive Officer of Clearbridge, said, *"Since our IPO, we have continued to grow from strength to strength and our turnaround results is a testament of our EBITDA-focused strategy and our team's ability to capitalise on healthcare opportunities in Asia."*

Our growing pan-Asian healthcare portfolio has also given us the capability to quickly scale our healthcare solutions across different markets. This is reflected during the COVID-19 pandemic as we successfully deployed several COVID-19 related product and service offerings through various primary and secondary healthcare touchpoints in Asia.



Clearbridge has built up a robust healthcare solutions portfolio with diversified recurring revenue streams, positioning us well as we pursue new value creation opportunities in Asia's healthcare industry."

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This press release is to be read in conjunction with Clearbridge's exchange filings on 26 February 2021, which can be downloaded via www.sgx.com.

Issued on behalf of Clearbridge Health Limited by 8PR Asia Pte Ltd.

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About Clearbridge Health Limited

(Bloomberg Code: CBH:SP / Reuters Code: CLEA.SI / SGX Code: 1H3)

Clearbridge Health Limited is a healthcare company with a focus on the delivery of precision medicine and healthcare solutions in Asia. Its business comprises healthcare systems, medical clinics/centres and the distribution platform of healthcare solutions and technologies from its global clinical partners and strategic medical technology investments.

Through the delivery of precision medicine and healthcare solutions in Asia, it seeks to empower clinicians and healthcare professionals to make more reliable and accurate diagnoses, provide insights to disease management, and tailor personalised prevention and timely treatment programmes for patients. It is executing the above strategies by way of primary healthcare and healthcare systems that reside in nexus of high demand.

For more information, please visit us at www.clearbridgehealth.com.

This press release has been prepared by the Company 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 Catalyst. This press release has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release. The contact person for the Sponsor is Mr David Tham, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.