

MEDIA RELEASE
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Q & M Dental records historic highest-ever revenue and profit after tax for year ended 31 December 2021 and declares a full year dividend yielding 7%

- Revenue increases by 49% to S\$205.6 million and Profit After Tax increases by 98% to S\$39.4 million for FY2021
- Core dental and medical clinics segment continues strong growth with 27% increase in revenue for FY2021
- Declares fourth interim dividend of 1.0 Singapore cent per ordinary share for 4Q2021, giving total dividends of 4.0 Singapore cents per ordinary share for FY2021 and a dividend yield of 7%¹

| S\$'000 | Fourth Quarter | | | Year-To-Date | | |
|--|----------------|---------------|-------------|----------------|----------------|------------|
| | 4Q2021 | 4Q2020 | Change (%) | 31/12/2021 | 31/12/2020 | Change (%) |
| Revenue | 53,294 | 43,822 | 22 | 205,599 | 137,620 | 49 |
| Dental & Medical Clinics | 43,595 | 40,801 | 7 | 160,211 | 126,378 | 27 |
| Medical Laboratory and Dental Equipment & Supplies | 9,699 | 3,021 | 221 | 45,388 | 11,242 | 304 |
| EBITDA | 10,387 | 11,805 | (12) | 63,254 | 37,676 | 68 |
| Profit before tax | 6,882 | 7,390 | (7) | 46,654 | 22,371 | 109 |
| Profit after tax | 3,943 | 5,909 | (33) | 39,358 | 19,838 | 98 |
| Earnings Per Share (Cents) | 0.34 | 0.63 | (46) | 3.23 | 2.09 | 55 |

SINGAPORE, 23 FEBRUARY 2022 – Q & M Dental Group (Singapore) Limited (“Q & M” or together with its subsidiaries, the “Group”), a leading private dental healthcare group in Asia, today reported the highest-ever revenue and profit after tax of S\$205.6 million and S\$39.4 million respectively for the financial year ended 31 December 2021 (“FY2021”). This is the best set of financials in Q&M’s 25 -year history since its founding in 1996. Net profit after tax attributable to shareholders for FY2021 jumped 55% to S\$30.5 million compared to S\$19.7 million compared to a year ago.

Quarterly Financial Performance since the start of Covid-19 (From 4Q2019)

The Covid-19 pandemic had no impact on the Group’s core dental and medical clinics business segment and continued its strong growth trend. On a Quarterly basis, the Group’s revenue also

¹ Based on closing share price of 56.5 cents as at 17 February 2022

recorded a steady increase from S\$36.4 million in 4Q2019 to S\$53.3 million in 4Q2021.

FY2021 Financial Performance

For the FY2021, total revenue improved by S\$68.0 million or 49% from S\$137.6 million to S\$205.6 million. Revenue from dental and medical clinics increased by 27% to S\$160.2 million. The increase was mainly due to higher revenue from existing and new dental clinics in Singapore.

Revenue from medical laboratory and dental equipment & supplies segment jumped by 304% to S\$45.4 million. The increase was mainly due to revenue from the Group's Covid-19 medical laboratory business. The medical laboratory license from MOH was obtained in September 2020.

The Group's EBITDA for FY2021 correspondingly increased by 68% to S\$63.3 million, from S\$37.7 million in the previous period.

The Group's net profit after tax in FY2021 increased by 98% to S\$39.4 million from the S\$19.8 million recorded in FY2020. PATMI (Profit after tax attributable to Shareholders excluding Minorities) grew by 55% to S\$30.5 million, from S\$19.7 million in the previous period.

Earnings per share increased to 3.23 Singapore cents for FY2021, from 2.09 Singapore cents in the previous period.

As at 31 December 2021, the Group's financial position remains strong with net assets of S\$97.8 million, as well as cash and cash equivalents of S\$47.6 million. Bank borrowings and financial liabilities amounted to S\$83.7 million.

Fourth interim Dividend

The Group declares a fourth interim dividend of 1.0 Singapore cent per ordinary share for 4Q2021. In the last three quarters of 2021, the Group paid 1.0 Singapore cent in 1Q2021, 1.0 Singapore cent in 2Q2021 and 1.0 Singapore cent in 3Q2021. The total dividends work out to 4.0 Singapore cents for FY2021 translating to a 7% dividend yield based on closing share price of 56.5 cents and a dividend payout ratio of 113%. The 4Q2021 dividend will be paid on 24 March 2022.

Operational Update- Growth & Expansion in medical clinics

As at 31 December 2021, the Group has 136 dental clinics as compared to 118 in 31 December 2020, an increase of 18. The Group's number of medical clinics in Singapore remained unchanged at 5. (See Table 1)

In Singapore, the Group's number of dental clinics in Singapore grew to 97 in FY2021 from 83 in FY2020. The Group opened 15 new clinics and consolidated 1 clinic in Singapore in 2021 resulting in a net increase of 14 clinics. (See Table 2)

Similarly, for overseas, the number of dental clinics has increased to 39 in FY2021, as compared to 35 previously. 38 dental clinics are in Malaysia and 1 dental clinic is in the People's Republic of

China (“PRC”). The locations of the dental clinics in Malaysia are 15 in Johor, 18 in Kuala Lumpur and 5 in Malacca. (See Table 3).

To support this growth, the Group has also increased its total number of dentists to 270 as at 31 December 2021, as compared to 250 a year ago.

Table 1: Total Number of Clinics and College

| Total | Dental | Medical | College |
|-------------------|--------|---------|---------|
| As at 31 Dec 2021 | 136 | 5 | 1 |
| As at 31 Dec 2020 | 118 | 5 | 1 |
| Change | +18 | - | - |

Table 2: Total Number of Clinics and College in Singapore

| Singapore | Dental | Medical | College |
|-------------------|--------|---------|---------|
| As at 31 Dec 2021 | 97 | 5 | 1 |
| As at 31 Dec 2020 | 83 | 5 | 1 |
| Change | +14 | - | - |

Table 3: Total Number of Clinics and College in Malaysia and China

| Overseas | Dental-Malaysia | Dental-China |
|-------------------|-----------------|--------------|
| As at 31 Dec 2021 | 38 | 1 |
| As at 31 Dec 2020 | 34 | 1 |
| Change | +4 | - |

Updates on subsidiary- Acumen Diagnostics Pte Ltd

The Group continues to focus on investment opportunities in sectors that are synergistic and aligned with its business strategy. Associate Company Aoxin Q & M Dental Group Limited (“Aoxin”)’s recent acquisition of a 49% shareholding of Acumen Diagnostics Pte. Ltd. (“Acumen Diagnostics”), raised Q & M’s effective interest in Acumen Diagnostics to 67% from 51% in October 2021. With 1 scientist, 16 medical technologists and 36 other staff, Acumen Diagnostics’ technical capabilities and infrastructure in molecular diagnostics, enables it to do research and development, manufacturing, as well as clinical laboratory testing.

- **Capabilities to Tackle Omicron Covid-19 Variant**

For Acumen Diagnostics, the Group will continue to offer COVID-19 testing by polymerase chain reaction (“PCR”) for patients that require PCR test results and for travelers as Singapore opens its borders, as well as distribute COVID-19 antigen rapid tests (“ART”). It will also launch a panel of new PCR tests for infectious diseases, sepsis and cancer.

On 11 November 2021, Acumen Diagnostics announced that it has been granted the license by Ministry of Health, Singapore to provide door-to-door COVID-19 PCR home swab services.

On 3 December 2021, Acumen Diagnostics announced that its proprietary, locally-manufactured PCR test kits Acu-Corona 2.0 and Acu-Corona Duplex are able to detect COVID-19 positive cases infected with the Omicron variant. On 16 December 2021, Acumen Diagnostics announced that it has been granted a license by Ministry of Health, Singapore to provide offsite COVID-19 PCR swab services and serology sample collection at 100 clinics.

Acumen Diagnostics will continue to roll out its testing services via the Group’s network of clinics, and also at its headquarters located at The Gemini, 41 Science Park Road, Singapore. Currently, the Company has about 61 clinics providing the testing services island-wide.

- **Appoints UOB Kay Hian Private Limited as Arranger to Explore NASDAQ Listing**

On 17 January 2022, Q & M announced that Acumen Diagnostics is exploring a proposed listing of its securities on the NASDAQ stock exchange in New York, USA. Acumen Diagnostics has appointed UOB Kay Hian Private Limited to assist Acumen Diagnostics with the listing evaluation and all relevant preparatory work including the selection of professional advisers and underwriting banks in relation to the proposed NASDAQ listing and fundraising exercise.

Looking Forward – Expansion Plans

Dr Ng Chin Siau, said “Q&M will embark on 4 pillars of growth. Firstly, expansion of our core dental business in Singapore, Malaysia as well as South East Asia and China for sustainable growth. “Our Group intends to open at least 30 dental clinics a year from 2021 onwards in Singapore and Malaysia for the next 10 years.”

Secondly, the use of medical technology such as our proprietary Artificial Intelligence Guided Clinical Decision Support System to provide the most effective and suitable treatment plans for patients This will enable us to scale up consistency and quality throughout our network clinics.

Thirdly, expand our clinical testing laboratory business to test Covid-19 and other diseases such as dengue sepsis and other bacterial pathogens.

Fourthly, invest in medical and healthcare business that will enhance our shareholder’s value such as Acumen Diagnostic.”



Q & M Group will continue to execute our business plans outlined below:

1. Expansion of network of dental clinics in Singapore, Malaysia and Southeast Asia

Q & M will focus on its operations in Singapore and has initiated a strategy of intensive organic growth for its dental clinics in Singapore. It will expand its team of dentists to support the future growth of its operations in Singapore.

The Group intends to open at least 30 dental clinics a year for the next 10 years from 2021 onwards in Singapore and Malaysia and continue to look for opportunities to expand its business through the opening of new dental clinics in Southeast Asia.

The eventual number of dental outlets will depend on available opportunities, pertinent market conditions and the evolving Covid-19 situation.

2. Expansion into private dental healthcare market in China

Q & M's main thrust of expansion in China is through organic growth to develop a new and sustainable growth pillar that can yield long term value for the Group.

3. Artificial Intelligence Guided Clinical Decision Support System (AI-GCDSS)

Q & M will continue to develop, invest, and optimise its proprietary digital Artificial Intelligence (AI) Guided Clinical Decision Support System to provide the most effective and suitable treatment plans for patients. The Group believes it is well-positioned to cater to patients' rising demand for primary and higher value specialist dental healthcare services.

4. Medical Laboratory

Q & M will focus on rolling out its clinical testing laboratory's pipeline of new tests including PCR assays for dengue sepsis and the identification of bacterial pathogens and their associated antibiotics resistance in pneumonia and bloodstream infections.

Looking Forward

Barring any unforeseen circumstances, such as a rapid worsening of the Covid-19 situation in Singapore and Malaysia, there are no known significant changes in the trends and competitive conditions of the industry in which the Group operates and no other major known factors or events that may adversely affect the Group in the next reporting period and the next 12 months.

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**About Q & M Dental Group (Singapore) Limited (QC7.SI) [www.QandMDental.com.sg](http://www.QandMDental.com.sg)**

Q & M Dental Group (Singapore) Limited (“Q & M” or together with its subsidiaries, the “Group”) is a leading private dental healthcare group in Asia. The Group owns the largest network of private dental outlets in Singapore, operating 98 dental outlets across the country. Underpinned by about 270 experienced dentists, 7 doctors and over 350 supporting staff, the Group sees an average of 40,000 patient visits a month in Singapore. The Group also operates 5 medical clinics and a dental supplies and equipment distribution company.

Outside of Singapore, the Group has 38 dental clinics and a dental supplies and equipment distribution company in Malaysia, as well as a dental clinic in the People’s Republic of China (“PRC”). Q & M is also the substantial shareholder of Aoxin Q & M Dental Group Limited, a dental Group listed on the Catalist board of the Singapore Exchange, which operates dental clinics and hospitals primarily in the North-eastern region of the PRC. The Group aims to expand its operations geographically and vertically through the value chain in Malaysia, the PRC and within ASEAN.

In 2018, the Group made inroads into the development of advanced technology in healthcare with the establishment of EM2AI Pte. Ltd. (“EM2AI”, formerly known as Q & M Dental AI Pte. Ltd.). EM2AI focuses on developing an Artificial Intelligence (AI) ethical enhanced guided treatment plan.

In 2019, the Group expanded into dental postgraduate education with the establishment of the Q & M College of Dentistry. It offers Singapore’s first private postgraduate diploma programme in clinical dentistry.

In 2020, the Group also expanded into the medical laboratories and research industry with the incorporation of Acumen Diagnostics Pte. Ltd. (“Acumen Diagnostics”). Acumen Diagnostics currently focuses on the manufacture, sale and distribution of COVID-19 diagnostic test kits, as well as COVID-19 testing.

The Group was listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 26 November 2009.

**For more information, please contact:**

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