

PRESS RELEASE

Cordlife's 1Q2020 net profit grows 69.9% yoy to S\$1.5 million with higher net profit margin of 10.3%

- Gross profit margin and net profit margin were higher at 63.2% and 10.3% respectively.
- Net cash position increased to S\$58.0 million, mainly driven by net operating cash flows of S\$3.5 million.
- The Group continues to look for business opportunities proactively.

Singapore, 12 May 2020 – Cordlife Group Limited (“Cordlife” and together with its subsidiaries, the “Group”), provided quarterly business updates for the three months ended 31 March 2020 (“1Q2020”).

Financial Highlights

S\$'000	1Q2020	1Q2019	Change (%)
Revenue	14,473	14,552	(0.5)
Gross profit	9,149	9,106	0.5
Profit before tax	1,811	1,341	35.0
Income tax expense	(321)	(464)	(30.8)
Net profit	1,490	877	69.9
Gross profit margin (%)	63.2	62.6	0.6pp
Net profit margin (%)	10.3	6.1	4.2pp

Despite the worsening of the COVID-19 situation, the Group maintained its revenue at S\$14.5 million with higher revenue contribution from diagnostics services as well as the Indonesia and Philippines markets.

Net profit after tax grew 69.9% year-on-year to S\$1.5 million, mainly driven by: (a) higher gross profit (b) lower administrative expenses and (c) lower marketing expenses (attributable to lower advertising and promotion activities due to the outbreak of COVID-19).

Net cash flow from operations remained strong at S\$3.5 million, bringing the Group's net cash position to S\$58.0 million as at 31 March 2020.

Commenting on the Group's results, Ms Tan Poh Lan, Chief Executive Officer of Cordlife, commented, **“Our operations in most of the markets remain stable this quarter despite the tough operating environment. The implementation of social distancing measures and closed borders have limited our marketing activities. Nevertheless, our staff were able to use alternative online means to reach out to our clients. Given the full extent of the impact from the outbreak remains uncertain, the Group will continue to monitor the situation closely and respond accordingly.”**

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About Cordlife Group Limited

Established in May 2001, Cordlife Group Limited (“Cordlife”, together with its subsidiaries, the “Group”) is a leading company dedicated to safeguarding the well-being of mother and child. The Group is listed on the Mainboard of the Singapore Exchange in 2012 and a pioneer in private cord blood banking in Asia.

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. In Singapore, the Philippines and Indonesia, Cordlife operates the largest private cord blood banks; and is amongst the top three market leaders in India and Malaysia. In January 2018, Cordlife became the market leader in Hong Kong with the acquisition of the largest private cord blood bank in the country, Healthbaby Biotech (Hong Kong) Co., Limited. Through its majority-owned subsidiary in Malaysia, Stemlife Berhad, Cordlife holds indirect stake in Thailand’s largest private cord blood bank, Thai Stemlife. Through its marketing agents, Cordlife also expanded its presence to Myanmar and Vietnam in 2017 as well as Bangladesh in 2019.

Beyond cord blood and cord lining banking, Cordlife offers a comprehensive suite of diagnostics services for the family including urine-based newborn metabolic screening, non-invasive prenatal testing, paediatric vision screening and family genetic screening services.

Quality and customer focus are amongst some of the cornerstones of Cordlife. All of the Group’s facilities are accredited by AABB, the organisation behind the world’s gold standard for cord blood banking. In addition, Cordlife Singapore and Healthbaby are also two of the four cord blood banks in Asia, and ten in the world, to be accredited by both AABB and FACT, another world-class accreditation body for cord blood banks globally. In the area of clinical diagnostics, Cordlife India, Cordlife Hong Kong and Healthbaby are accredited by the College of American Pathologists (“CAP”). These quality achievements underpin the Group’s commitment to providing reliable healthcare solutions through innovation and technological advancement. For more information, visit <http://cordlife.listedcompany.com>

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