

PRESS RELEASE

Cordlife's business remains resilient in 9M2020, with Net Profit growing by S\$1.4 million to S\$5.0 million

- Revenue declined 17.6% yoy to S\$37.9 million due to a decrease in new samples processed and stored.
- Net profit grew by S\$1.4 million or 39.6%, mainly driven by government relief measures and effective deployment of resources resulting in lower operating and tax expenses.
- The Group shall continue to focus on engaging and educating potential customers about banking services through various digital initiatives amidst the current COVID-19 outbreak.

Singapore, 11 November 2020 – Cordlife Group Limited (“Cordlife” and together with its subsidiaries, the “Group”), provided quarterly business updates for the nine months ended 30 September 2020 (“9M2020”).

Financial Highlights

S\$'000	9M2020	9M2019	Change (%)
Revenue	37,928	46,048	(17.6)
Gross profit	23,518	29,362	(19.9)
Profit before tax	5,671	5,318	6.6
Income tax expense	(652)	(1,724)	(62.2)
Net profit	5,019	3,594	39.6
Gross profit margin (%)	62.0	63.8	(1.8)pp
Net profit margin (%)	13.2	7.8	5.4pp

The Group's revenue declined 17.6% year-on-year (“yoy”) to S\$37.9 million due to a decrease in the number of new samples processed and stored in all of the Group's operating markets, as a result of the ongoing COVID-19 pandemic. The pandemic has tightened consumer spending and made service deliveries more challenging as many countries imposed movement and border restrictions to stem the spread of COVID-19. These have impacted client sign-ups since the second quarter of the year. However, the decline was partially offset by higher revenue contribution from the diagnostics services and higher take-up of higher-priced plans in the Philippines and Singapore market.

With the recurring waves of the outbreak of COVID-19 cases in Asia, movement restrictions and safe distancing measures are still in place in most of the Group's operating markets to contain the community spread, which has restricted the Group's abilities to carry out physical promotional activities in 9M2020. The Group has been further enhancing its digital initiatives such as online counselling and e-enrolment of clients to continue engaging existing and potential customers in the current environment. However, face-to-face consultations will still remain available in countries when restrictions are less stringent and with emphasis on safeguarding the well-being of our potential customers and employees.

Net profit after tax grew by S\$1.4 million 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 S\$1.2 million that was recognised in this quarter, (b) lower tax expenses (partly due to the reversal of over-provision of tax for prior years), (c) lower administrative expenses (arising from lower staff and travel costs, which were partially offset by a higher provision for doubtful debts) and (d) lower marketing expenses (attributable to lower advertising and promotion expenses in relation to the outbreak of COVID-19).

Net cash flow from operations remained strong at S\$12.1 million, bringing the Group's net cash position to S\$63.6 million as at 30 September 2020.

Commenting on the Group's results, Ms Tan Poh Lan, Chief Executive Officer of Cordlife, commented, **"The outbreak of COVID-19 has affected the demand for the Group's banking services and reduced the number of client sign-ups since the second quarter of the year due to tightened consumers' spending. With many countries now facing more serious, recurring waves of the outbreak, client sign-ups may continue to be dampened. Nonetheless, we will continue to deepen our digital capabilities and will remain nimble and respond accordingly to the rapidly evolving situation."**

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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. 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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