

## PRESS RELEASE

### Cordlife reports net profit of S\$1.1 million for 1Q2021

- Revenue declined 21.9% yoy to S\$11.3 million due to decrease in new samples processed and stored in all markets, as a result of the ongoing COVID-19 pandemic.
- The Group shall continue to deepen our digital capabilities to increase awareness of banking services amidst the ongoing COVID-19 outbreak.

**Singapore, 12 May 2021** – Cordlife Group Limited (“Cordlife” and together with its subsidiaries, the “Group”), provided quarterly business updates for the three months ended 31 March 2021 (“1Q2021”).

#### Financial Highlights

S\$'000	1Q2021	1Q2020	Change (%)
Revenue	11,307	14,473	(21.9)
Gross profit	7,159	9,149	(21.8)
Profit before tax	1,347	1,811	(25.6)
Income tax expense	(234)	(321)	(27.1)
Net profit	1,113	1,490	(25.3)
Gross profit margin (%)	63.3%	63.2%	0.1pp
Net profit margin (%)	9.8	10.3	(0.5)pp

The Group’s revenue declined 21.9% year-on-year (“yoy”) to S\$11.3 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. As the pandemic was emerging in 1Q2020, the Group did not experience the full impact on its results then. However, 1Q2021 has seen the continued impact of the pandemic on customer sign ups and revenue since last year. 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 the virus. The Group expects this trend to continue for the year due to the ongoing volatility of the situation. However, the decline was partially offset by higher revenue contribution from the Group's diagnostics services.

While ongoing vaccine distribution in some of the countries that the Group operates in at the beginning of the year is a positive sign, the Group will continue to take precautions to ensure the safety of the staff and viability of operations as new strains of the virus have emerged in some parts of Asia this year. Recurring waves of the COVID-19 outbreak and the possible emergence of further mutations of the virus in the countries that the Group operates in could possibly result in continued imposition of border and movement restrictions, causing uncertainties in demand for the Group's services in the coming months. As the world slowly adapts to the new normal of going digital, the Group will continue to focus on expanding their online enrollment by refining its online enrollment and platform and online consultation capabilities. Coupled with other online initiatives such as the newly launched Moms Up mobile application, these will allow the Group to reach a wider audience to build awareness of its products and services.

Net profit after tax decreased 25.3% yoy to S\$1.1 million, mainly driven by lower revenue and gross profit from the banking segment. This was to some extent offset by (a) lower advertising and promotion expenses due to restrictions on baby expos and antenatal seminars as a result of the outbreak of COVID-19, and (b) lower staff expenses.

Net cash flow from operations remained strong at S\$2.6 million, bringing the Group's net cash position to S\$73.9 million as at 31 March 2021. We will leverage on our strong cash position to prudently explore new opportunities that will add to the Group's revenue and earnings growth.

The Group has been actively looking to strengthen its market position and expand its footprint beyond the current markets. In March this year, the Group launched OptiQ, a corneal lenticule banking service in Singapore, aimed at helping patients cryopreserve their corneal lenticules for the potential treatment of other ocular conditions in the future after undergoing refractive eye surgery using the lenticule extraction method. Cordlife is the first company in Asia offering such a service and the Group hopes that OptiQ will benefit both local and international patients in the long run.

The Group has been proactively working to develop an ecosystem with doctors and hospitals in their respective countries to encourage the utilisation of stem cells. In 2020, the Group's subsidiary Cordlife Philippines announced its full support for Makati Medical Center's Center for Regenerative Medicine ("MMC-CRM") with the provision of donated cord tissue and the storage of expanded mesenchymal stem cells ("MSC"). MMC-CRM has implemented a clinical trial to evaluate the safety and efficacy of umbilical cord tissue derived MSC for diabetic foot ulceration. The trial aims to investigate whether MSC can speed up the healing of foot wounds among diabetic patients and stimulate skin regeneration and development of new blood vessels.

The Group also recently partnered with SingHealth Duke-NUS Academic Medical Centre to test a novel technology that expands the number of blood-forming stem cells from stored umbilical cord blood in a first-in-man clinical trial in Singapore. Given that the technology has the potential to increase treatment options for patients suffering from blood cancers or blood-related conditions, its success would allow more patients to rely on cord blood for treatment and allow different players across the ecosystem to create a paradigm shift in cellular therapies together.

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 2020 due to tightened consumers' spending. Depending on how the COVID-19 outbreak continues to evolve globally, it is possible that the impact on the Group will continue in the coming months. Nonetheless, we will continue to deepen our digital capabilities and ramp up new revenue channels during these volatile and uncertain times. As the interest in stem cell therapy grows, we believe that our banking business will be a primary beneficiary and we are confident that these will set the path for us in growing a resilient business."**

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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 has been listed on the Mainboard of the Singapore Exchange since 2012 and is 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 an 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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