

PRESS RELEASE

Cordlife delivers a net profit of S\$1.0 million for 1Q2022 despite Singapore being hit by COVID-19 spike

- Revenue for 1Q2022 declined 3.3% yoy to S\$13.0 million largely due to a spike in COVID-19 cases in Singapore. The sharp drop in new samples processed and stored in Singapore was mitigated by a higher revenue contribution from diagnostic services.
- Gross profit remained largely stable at S\$8.7 million, and gross profit margin at 67.2%.
- In-person marketing campaigns have recently resumed in Singapore and the Group will participate in a major baby expo in June 2022, its first since 2020.

Singapore, 11 May 2022 – Cordlife Group Limited (“Cordlife” and together with its subsidiaries, the “Group”), provided its quarterly business updates for the three months ended 31 March 2022 (“**1Q2022**”).

Financial Highlights

| S\$'000 | 1Q2022 | 1Q2021 | Change (%) |
|--|--------|--------|------------|
| Revenue | 12,959 | 13,402 | (3.3) |
| Gross profit | 8,712 | 9,254 | (5.9) |
| Profit before income tax from operations | 1,083 | 1,301 | (16.8) |
| Profit before tax | 1,136 | 1,347 | (15.7) |
| Income tax expense | (170) | (234) | (27.4) |
| Net profit | 966 | 1,113 | (13.2) |
| | | | |
| Gross profit margin (%) | 67.2 | 69.0 | (1.8)pp |
| Net profit margin (%) | 7.5 | 8.3 | (0.8)pp |

The Group recorded a revenue of S\$13.0 million in 1Q2022, a 3.3% decrease year-on-year (“yoy”) from S\$13.4 million in the three months ended 31 March 2021 (“**1Q2021**”). The Group's largest market, Singapore, was badly hit by a spike in COVID-19 cases in 1Q2022 with new cases rising to above 20,000 per day as part of the OMICRON wave. New samples processed and stored in Singapore dropped by 18.2% due to restrictions on client acquisitions from clinics and hospitals. However, this was buffered by the higher revenue contribution from the Group's diagnostic services, which grew 32.9% yoy to S\$1.2 million.

Gross profit decreased by 5.9% yoy to S\$8.7 million, compared to S\$9.3 million in 1Q2021, while gross profit margin decreased by 1.8% from 69.0% in 1Q2021 to 67.2% in 1Q2022. Selling and administrative expense were tightly controlled to maintain the profitability of the Group. As such, the Group achieved a S\$1.0 million net profit for 1Q2022.

Net cash flow from operations for 1Q2022 remained strong at S\$3.1 million, bringing the Group's net cash position to S\$81.0 million as at 31 March 2022.

Looking Forward

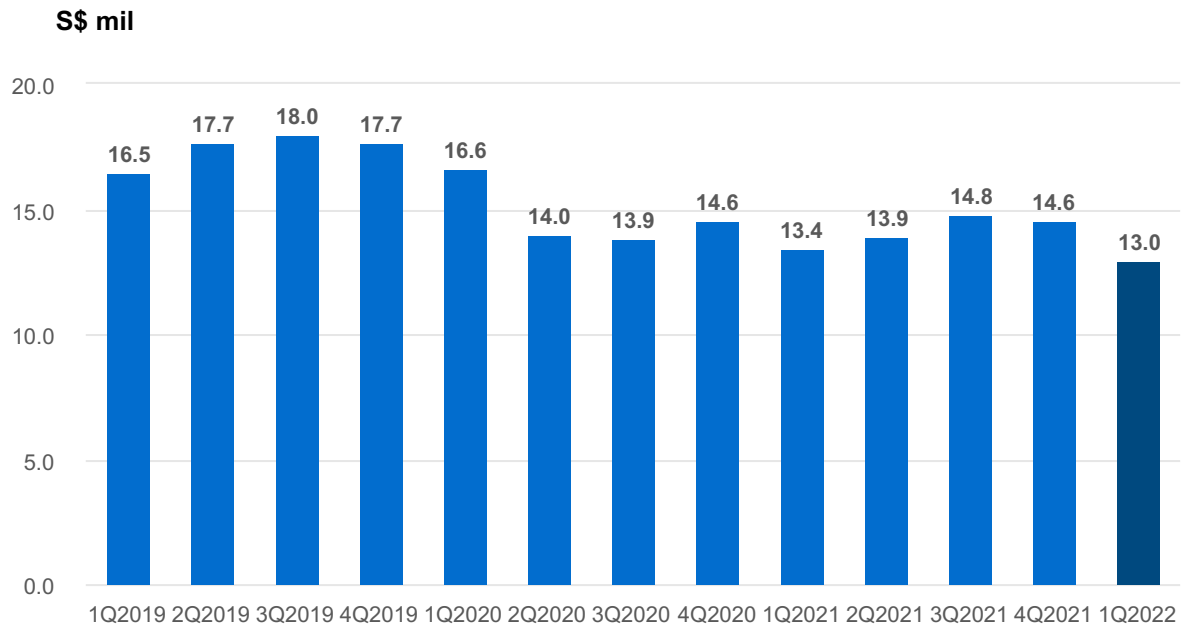


Chart 1: Quarterly Revenue Trend

While the global macroeconomy began to demonstrate signs of recovery with the gradual transition towards treating COVID-19 as endemic, rising energy prices, persistent supply chain disruptions and the Russia-Ukraine conflict have threatened to derail this recovery and resulted in tightened consumer spending. While the Group's main market in Singapore saw a spike in COVID-19 cases during the month of January, the situation has improved since with the authorities demonstrating commitment to transition towards endemic living. Notwithstanding, with the low birth rates in developed cities, this has resulted in a lower number of new samples being processed and stored. However, authorities have been proactive in their bid to improve fertility rates, with the recent White Paper on Singapore Women's Development proposing the legalisation of egg freezing for women regardless of their marital status.¹ The Group will continue leveraging on government initiatives that have been extended to manage the low fertility rate during the pandemic, to expand its offerings and services to better cater to changing consumer needs.

The Group has also continued to witness growing demand for diagnostic services, with the pandemic highlighting the need for more proactive healthcare solutions, particularly in the field of pediatric healthcare. With countries heading towards a full reopening of their economies and easing of regulations, the Group will also resume its physical marketing initiatives. As stem cell therapy gains greater traction for its benefits, the Group remains committed to developing a stem cell ecosystem with healthcare professionals in relevant industries and will continue to deepen its digital capabilities to better serve the region. Moving forward, the Group remains cautiously optimistic of its long-term prospects and will continue to closely monitor the situation and adapt accordingly.

Commenting on the Group's results, Ms Tan Poh Lan, Chief Executive Officer of Cordlife, said, "Despite COVID-19 hitting us hard in Singapore in the first quarter, we managed to cushion the impact given our footprints in other countries and our increasing product range. The teams in Singapore and different regions have navigated through these difficult times and operationally we stand ready to be of service to our customers.

¹ CNA - White Paper on Women's Development: Women can undergo elective egg freezing regardless of marital status (<https://www.channelnewsasia.com/singapore/egg-freezing-singapore-white-paper-womens-development-2591161>)

This year also marks the Group's 21st anniversary and our experience over the years have helped us to weather many crises and emerge stronger than before. We have managed to establish ourselves as a premier healthcare solutions provider, expanding our foothold in the region as well as our suite of products and services to cater to the changing demands of consumers.

As we continue to see full reopening of economies, this will bode well for us as we will seek to resume our offline initiatives that were halted during the restrictions. Our marketing teams are currently enjoying the return of in-person meetings. We are also looking forward to participating in our first major baby fair in June 2022 since the start of the COVID-19 pandemic. As such, we are hopeful that an increase in marketing activities should lead to a better 2H2022.”

- End -

ABOUT CORDLIFE GROUP LIMITED

Cordlife Group Limited (“Cordlife”, together with its subsidiaries, the “Group”), founded in 2001, is a leading company dedicated to safeguarding the well-being of mother and child. Listed on the Mainboard of the Singapore Exchange since 2012, the Group is a pioneer in private cord blood banking in Asia. Cordlife operates Asia’s largest network of cord blood banks. With full stem cell banking facilities in six key markets, Cordlife is an industry leader in Singapore, Hong Kong, Indonesia and the Philippines, and one of the top three market leaders in India and Malaysia. Through its majority-owned subsidiary in Malaysia, Stemlife Berhad, Cordlife has an indirect stake in Thailand’s largest private cord blood bank, Thai Stemlife. In addition to cord blood, cord lining, cord tissue and lenticule banking, Cordlife offers families a comprehensive suite of diagnostics services, including non-invasive prenatal testing, paediatric vision screening and newborn metabolic screening. Two of Cordlife’s primary focus areas are providing reliable quality and being customer-centric. All of the Group’s facilities are accredited by the Association for the Advancement of Blood & Biotherapies (“AABB”), an organisation dedicated to its mission of improving lives by making transfusion medicine and biotherapies safe, available and effective worldwide. Furthermore, Cordlife Singapore and Healthbaby Hong Kong are the only two full-fledged private cord blood banks in Asia and five worldwide to be accredited by both AABB and the Foundation for the Accreditation of Cellular Therapy (“FACT”), another world-class accreditation body for cord blood banks worldwide. In the area of clinical diagnostics, Cordlife India, Cordlife Hong Kong and Healthbaby Hong Kong are all accredited by the College of American Pathologists (“CAP”). This makes Healthbaby Hong Kong the only private cord blood bank in the world to be accredited by three international standard-setting bodies, and Cordlife India one of the only two medical laboratories in West Bengal to be holding accreditations from the National Accreditation Board for Testing and Calibration Laboratories (“NABL”) and CAP. These quality achievements reinforce 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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