

## PRESS RELEASE

# Cordlife delivers highest Q1 net profit since 2021 with a year-on-year increase of 19.7% to S\$1.2 million

- Revenue for 1Q2023 increased by 8.4% year-on-year ("yoy") to S\$14.1 million with the banking business enjoying the benefits of a return to in-person marketing events
- Net profit margin improved by 0.8 percentage points ("pp") to 8.2% while gross profit edged up 0.3pp to 67.5% with improved economies of scale
- Moving forward, the Group will continue to invest in its marketing initiatives as momentum picks up for large scale events and in-person opportunities.

**Singapore, 12 May 2023** – Cordlife Group Limited ("Cordlife" and together with its subsidiaries, the "Group"), provided its quarterly business updates for the three months ended 31 March 2023 ("1Q2023").

### Financial Highlights

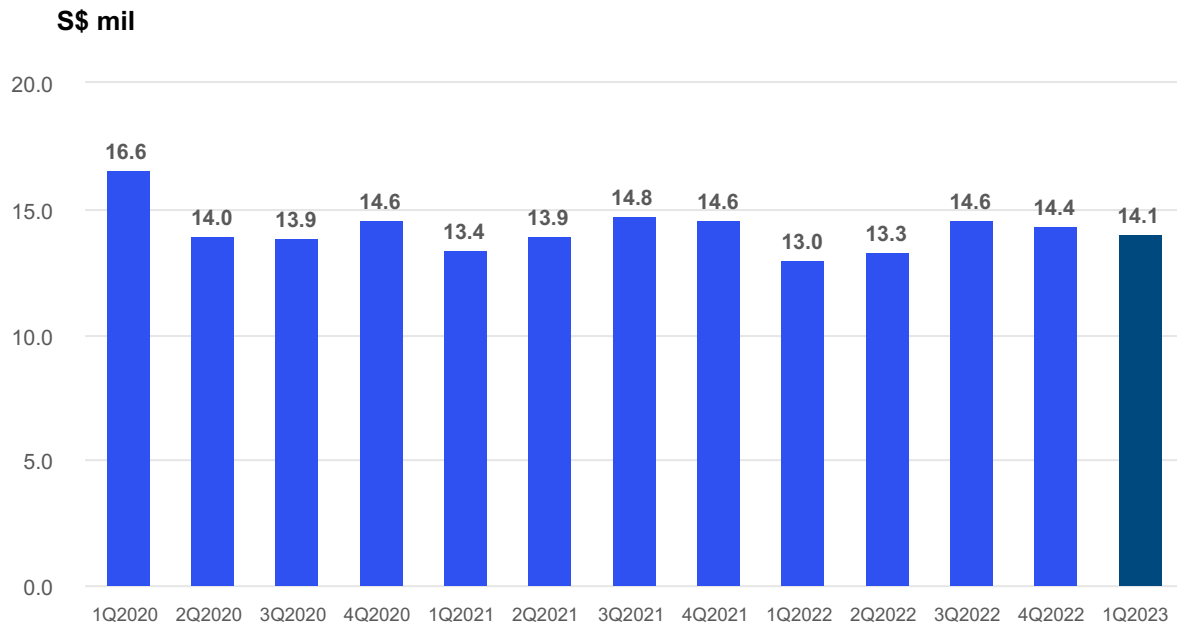
S\$'000	1Q2023	1Q2022	Change (%)
Revenue	14,052	12,959	8.4
Gross profit	9,485	8,712	8.9
Profit before income tax from operations	1,083	1,083	—
Profit before tax	1,360	1,136	19.7
Income tax expense	(204)	(170)	20.0
Net profit	1,156	966	19.7
Gross profit margin (%)	67.5	67.2	0.3pp
Net profit margin (%)	8.2	7.5	0.8pp

In 1Q2023, the Group recorded a revenue increase of 8.4% yoy to S\$14.1 million as compared to S\$13.0 million in 1Q2022. The increase was mainly driven by a recovery in its banking revenue which increased 9.4% yoy to S\$12.9 million in 1Q2023. With the growing global adoption of an endemic approach to COVID-19, the Group's banking segment is expected to benefit from a ramp up of in-person marketing activities. Diagnostics revenue fell marginally by 1.3% yoy to S\$1.1 million due to revenue recognised in 1Q2022 for the distribution of COVID-19 rapid test kits in Hong Kong, which did not recur in 1Q2023. Excluding this, the revenue contribution from the diagnostics segment continues to exhibit robust growth at 7.9% over 1Q2022.

Gross profit for 1Q2023 increased by 8.9% yoy to S\$9.5 million, compared to S\$8.7 million in 1Q2022. Gross profit margin also improved from 67.2% in 1Q2022 to 67.5% in 1Q2023. The Group increased its investments in marketing activities during the quarter resulting in an increase in operating expenses by 19.8% from Q12022 to Q12023. Resumption of large scale in-person and digital events and baby expos are expected to increase awareness and customer sign ups. As revenue from customer sign ups is only recognized when the customer gives birth, this revenue is typically recorded a few months after the date of sign up.

In line with the increase in the top-line and contributed by a five-fold increase in share of profits of associate from S\$53,000 in 1Q2022 to S\$277,000 in 1Q2023, net profit increased by 19.7% yoy to S\$1.2 million.

The Group's net cash position as at 31 March 2023 remains healthy, contributed by strong net cash flow from operations for Q12023 of S\$2.8 million.



**Chart 1: Quarterly Revenue Trend**

### **Looking Forward**

Consumer spending remains tight in the midst of high and persistent inflation. The macroeconomic and geopolitical environment continues to pose risks to global economies. However, the Group is committed to expanding the scope of its offerings to deliver more value to current and prospective clients, as well as their extended families. Cordlife's goal is to create an all-encompassing range of products and services that meet the needs of all three generations.

With the pandemic highlighting the vulnerability of children and infants, there has been an increased willingness to spend on preventive care and comprehensive healthcare solutions. Additionally, there has been considerable attention in the utilisation potential of stem cells, as shown by the increasing number of clinical trials. The number of clinical trials per annum related to mesenchymal stem cell therapy has increased exponentially in the last decade, from less than 10 in 2005 to over 140 in 2020, and is likely to continue on this trajectory<sup>1</sup>. These factors, coupled with the growing awareness of the benefits of stem cells, is expected to boost the demand for the Group's banking and diagnostics services.

Expanding on the Group's growth strategy, Ms Tan Poh Lan, Chief Executive Officer of Cordlife, said, "We look forward to meeting potential and existing customers in-person through our large-scale on-ground marketing events and outreach programs and be able to address their questions with a higher level of assurance and trust. We believe that this would help build stronger relations and forge a larger network of loyal customers. Alongside this, the Group continues to remain agile while looking for potential opportunities to grow inorganically and expand geographically while also building on its core capabilities."

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<sup>1</sup> Jovic, D., Yu, Y., Wang, D. et al. A Brief Overview of Global Trends in MSC-Based Cell Therapy: <https://link.springer.com/article/10.1007/s12015-022-10369-1/figures/2>

## ABOUT CORDLIFE GROUP LIMITED

Cordlife Group Limited (“Cordlife”, together with its subsidiaries, the “Group”), founded in May 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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