

Clearbridge Achieves Record Quarterly Revenue in 2Q2019; First Half Revenue of S\$6.85 Million Surpasses FY2018's Revenue of S\$6.14 Million

- Revenue surged 218.6% to S\$4.64 million in 2Q2019 with strong contributions from the Group's healthcare activities in Indonesia, Philippines, Hong Kong, Malaysia and Singapore
- With only nearly two months of revenue contribution in 2Q2019, newly acquired IGM Labs, one of the largest clinical laboratory operators in Indonesia, has become a key revenue contributor
- Remaining 3 JO contracts are expected to be novated to IGM Labs in 3Q2019
- Pioneering the adoption of precision medicine to target the unmet healthcare needs in Asia, Clearbridge has built 3 distinctive strategic business units underpinned by a EBITDA-focused strategy
- Acquisition of a majority stake in 9 profitable dental clinics in Singapore, operating under the brand name "Dental Focus", is in progress

Financial Year End - 31 December

(\$ million)	2Q2019	2Q2018	Change (%)	6M2019	6M2018	Change (%)
Revenue	4.64	1.46	+218.6	6.85	1.83	+273.9

SINGAPORE, 14 August 2019 – Integrated healthcare company, Clearbridge Health Limited ("Clearbridge" or the "Company" and together with its subsidiaries, the "Group") ("明策集團"), is pleased to announce record quarterly revenue of S\$4.64 million achieved for the second quarter ended 30 June 2019 ("2Q2019"), which was driven by strong contributions from its healthcare activities in Indonesia, Philippines, Hong Kong, Malaysia and Singapore.

Since its IPO in December 2017, the Group has quickly pivoted from a technology accelerator into an EBITDA-focused healthcare entity with a technology-agnostic approach, which focuses on increasing the accessibility and adoption rate of precision medicine solutions via its 3 distinctive strategic business units ("SBUs") across Asia:

- 1. Medical centres and clinics**
- 2. Healthcare systems**
- 3. Strategic equity investment in medical technology companies**

Review of Financial Performance in 2Q2019

The Group's revenue surged 218.6% to S\$4.64 million in 2Q2019, of which the revenue from healthcare systems, comprising the provision of laboratory services and renal care services, increased by S\$2.99 million to S\$3.73 million in 2Q2019.



Under its SBU of healthcare systems that includes operating pathology laboratories in Singapore and Philippines, Clearbridge currently manages a total of 53 hospital joint operation contracts (“JOs”) in Indonesia, primarily in the area of renal care (through PT Tirta Medika Jaya (“TMJ”) which was acquired in April 2018) and pathology (through PT Indo Genesis Medika (“IGM Labs”) which was acquired in May 2019) at public and private hospitals (ranging from Class A to Class C) in Indonesia.

Since the acquisition of TMJ, the Group has significantly increased the number of renal care centres from 15 to 43 that are under contract with hospitals in Indonesia. Out of 43 hospitals, 20 hospitals still have not contributed revenue as those are currently under construction. For IGM Labs, it is operating 10 diagnostics laboratories with another 3 JO Contracts that are in the process of being novated to IGM Labs. It is also noteworthy that of the 16 Class A hospitals in Indonesia, IGM Labs is operating in 6 of the largest Class A hospitals In Indonesia.

The number of patients through these 56 JOs comes close to 4 million patients per year, with IGM Labs undertaking more than 7 million pathology tests a year. The renal care services and laboratory testing services offered by TMJ and IGM Labs are reimbursed through the Indonesia health coverage program.

The Group’s SBU of medical centres and clinic is another revenue component, and in 2Q2019, revenue contribution from this SBU increased by S\$0.19 million to S\$0.91 million mainly due to the expansion of medical clinics/centres operations in Philippines, Hong Kong, Malaysia as well as improved operating performance in Singapore.

In line with increased revenue, the Group’s purchases increased to S\$3.02 million in 2Q2019, while employee benefits expense rose to S\$1.71 million due to the increased number of employees from its acquisition of IGM Labs and a share-based payment to an employee of the Group.

The Group’s other operating expenses increased to S\$2.17 million in 2Q2019 due to expense of S\$0.65 million in relation with termination of certain employees due to the cessation of operation in the US, foreign exchange loss of S\$0.14 million and fair value adjustment of S\$0.09 million in respect of the contingent consideration payable for the acquisition of Clearbridge Medical (Philippines), Inc., Medic Laser, Medic Surgical and PT TMJ.

The Group has also identified non-recurring expenses of S\$1.11 million accounted under other operating expenses in 2Q2019.

The Group’s finance costs increased to S\$0.52 million in 2Q2019 due to interest expense incurred on bank loans undertaken for financing the acquisitions, interest expense on the finance lease for assets used in the provision of laboratory services and interest charged on the convertible bonds issued by the Company in March 2019 and May 2019.



Overall, after taking into account fair value changes in other investments, associates and derivative financial instruments, the Group registered a net loss of S\$1.67 million in 2Q2019 as compared to a loss of S\$12.18 million in 2Q2018.

On an adjusted EBITDAR basis, the Group has been narrowing its quarterly loss, and in 2Q2019, it was lower at \$0.88 million, as compared to a loss of S\$1.40 million in 2Q2018 and a loss of S\$1.15 million in 1Q2019.

As of 30 June 2019, the Group's balance sheet remained healthy with total assets of S\$82.68 million as well as cash at banks and short-term deposits of S\$7.83 million. On 29 July 2019, the Group announced a share placement exercise to raise S\$11.34 million, which will further strengthen its balance sheet.

Commenting on the 2Q2019 results, Mr Jeremy Yee (余斌), Executive Director and Chief Executive Officer of Clearbridge, said, *"2019 is shaping up to be an INFLEXION year for us as our record quarterly revenue shows a continuous acceleration in growth with our EBITDA-focused business strategy.*

Operationally, our two-prong strategy to expand our primary healthcare network in Asia and adopt a Public-Private-Partnership Model has paved the way for us to scale and expand our healthcare operations in the region.

And by undertaking a leading role in pioneering precision medicine in Asia, we look forward to harnessing new growth opportunities, gain market share in our geographical markets, and deliver value to our customers and shareholders."

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Issued on behalf of Clearbridge Health Limited by 8PR Asia Pte Ltd.

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About Clearbridge Health Limited

(Bloomberg Code: CBH:SP / Reuters Code: CLEA.SI / SGX Code: 1H3)

Clearbridge Health Limited is a healthcare company with a focus on the delivery of precision medicine in Asia. Its business comprises healthcare systems, medical clinics/centres and strategic equity investments in medical technology companies.



Through the delivery of precision medicine in Asia, it seeks to empower clinicians and healthcare professionals to make more reliable and accurate diagnoses, provide insights to disease management, and tailor personalised prevention and timely treatment programmes for patients. It is executing the above strategies by way of primary healthcare and healthcare systems that reside in nexus of high demand.

For more information, please visit us at www.clearbridgehealth.com.

This press release has been prepared by the Company and has been reviewed by the Company's sponsor, United Overseas Bank Limited (the "Sponsor"), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. This press release has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release. The contact person for the Sponsor is Mr Chia Beng Kwan, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.