

## Clearbridge Continues its Strong Growth Momentum; Quarterly Revenue Jumps 211.5% to a Record S\$6.39 Million in 3Q2019

- Revenue increased by more than 2 folds in 3Q2019 with the contributions from the acquisitions of IGM Labs and nine dental clinics that were completed in May 2019 and August 2019 respectively
- Validating the Group’s EBITDA-focused strategy, the Group’s 3Q2019 revenue of S\$6.39 million is almost on par with its first half revenue of S\$6.85 million
- Excluding fair value losses in associate and derivative financial instruments & non-recurring operating expenses, the Group has recorded positive EBITDA of S\$0.38 million in 3Q2019

Financial Year End - 31 December

(\$ million)	3Q2019	3Q2018	Change (%)	9M2019	9M2018	Change (%)
<b>Revenue</b>	6.39	2.05	+211.5	13.25	3.89	+240.9
<b>EBITDA</b>	0.38	(1.12)	n.m.	(1.66)	(4.21)	(60.6)

n.m. – not meaningful

**SINGAPORE, 14 November 2019** – Asia’s integrated healthcare company, **Clearbridge Health Limited (“Clearbridge” or the “Company” and together with its subsidiaries, the “Group”)** (“明策集团”), is pleased to announce another set of record quarterly revenue of S\$6.39 million achieved for the third quarter ended 30 September 2019 (“3Q2019”), which was driven by strong contributions from its recent healthcare acquisitions.

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; and**
- 3. Deployment of healthcare solutions and technologies from its equity investments in two key medical technology companies, mainly Biolidics Limited and Clearbridge Biophotonics Pte Ltd**

### Review of Financial Performance in 3Q2019

The Group’s quarterly revenue jumped 211.5% to a record S\$6.39 million in 3Q2019, of which the revenue contribution from its 2 SBUs of medical centres and clinics and healthcare systems continue to improve during the period under review.



The Group's healthcare systems business unit, comprising the provision of laboratory services and renal care services, was the major revenue contributor in 3Q2019 with revenue surging by 341.1% or S\$3.82 million to S\$4.94 million during the period under review.

Adopting a Public-Private-Partnership Model to scale its healthcare services operations in Indonesia, Clearbridge currently manages a total of 49 hospital joint operation contracts ("JOs") in Indonesia serving close to 4 million patients per year, 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.

The renal care services and laboratory testing services offered by TMJ and IGM Labs are reimbursed through the Indonesia health coverage program.

TMJ is currently operating 21 renal care centres under JO with hospitals in Indonesia. In addition, there are another 16 renal care centres that are currently under construction, with the potential of revenue contribution once they are completed progressively.

For IGM Labs, it is operating 12 diagnostics laboratories with another JO Contract that is in the process of being novated to IGM Labs. Undertaking more than 7 million pathology tests a year, IGM Labs has diagnostics laboratories in 6 of the largest Class A hospitals, out of 16 Class A hospitals in Indonesia.

To promote the adoption of precision medicine in Indonesia, the Group will be introducing healthcare solutions and technologies from its medical technologies companies into these JOs.

Separately, revenue contribution from the Group's SBU of medical centres and clinics increased 55.9% to S\$1.45 million, which was mainly driven by the contributions of S\$0.52 million from the nine dental clinics, operating under the "Dental Focus" brand name, of which revenue was only included from September 2019.

With higher level of sales activities and acquisition of IGM Labs and nine dental clinics in 3Q2019, the Group's purchases increased to S\$4.38 million and employee benefit expense rose to S\$1.78 million in 3Q2019.

The Group's other operating expenses decreased by 84.3% or S\$1.46 million to S\$0.27 million in 3Q2019, mainly due to a foreign exchange gain of S\$0.19 million, decrease of S\$0.12 million in training expenses, decrease of S\$0.12 million in travelling expenses and reversal of expected credit losses on accounts receivables of S\$1.06 million made by IGM Labs.

The Group has also identified non-recurring expenses of S\$0.45 million accounted under other operating expenses in 3Q2019.



The Group's finance costs increased to S\$0.60 million in 3Q2019, mainly due to interest expense incurred on the bank loans taken up by the Group for its acquisitions, interest expense incurred 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 losses in associate and derivative financial instruments of S\$2.41 million and S\$2.69 million respectively in 3Q2019, the Group registered a net loss of S\$6.89 million in 3Q2019.

Excluding total fair value losses of S\$5.10 million & non-recurring operating expenses of S\$0.45 million, the Group would have recorded positive EBITDA of S\$0.38 million.

It is worth noting that the fair value losses related to associate and derivative financial instruments are non-cash components.

On an adjusted EBITDAR basis (*which excludes reversal of expected credit losses on accounts receivables of S\$1.06 million made by IGM Labs*), the Group has continued to lower its quarterly loss, and in 3Q2019, it was lower at \$0.68 million, as compared to a loss of S\$1.12 million and S\$0.88 million recorded in 3Q2018 and 2Q2019 respectively.

As of 30 September 2019, the Group's financial position remained healthy with total assets increasing to S\$99.92 million with cash at banks and short-term deposits of S\$15.10 million.

**Commenting on the 3Q2019 results, Mr Jeremy Yee (余斌), Executive Director and Chief Executive Officer of Clearbridge, said, *"Our record revenue achieved in this quarter reinforces the coherence of our EBITDA-focused business strategy and strong operational execution."***

*We have made substantial progress in the execution of our strategic priorities to build unique value propositions in high-growth healthcare segments in Asia.*

*With our strategic focus in precision medicine, 2019 will be another step forward in our commitment to deliver sustainable profitable growth."*

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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 the deployment of healthcare solutions and technologies from its 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](http://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.*