

BIOLIDICS LIMITED
(Company Registration Number 200913076M)
(Incorporated in the Republic of Singapore)

RESPONSE TO SGX QUERIES – ANNOUNCEMENT IN RELATION TO PROPOSED ISSUANCE OF UP TO 2,723,500 NEW ORDINARY SHARES IN THE ISSUED AND PAID-UP SHARE CAPITAL OF BIOLIDICS LIMITED

The board of directors (the "**Board**" or "**Directors**") of Biolidics Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Company's announcement dated 18 August 2020 in relation to the proposed allotment and issuance of up to 2,723,500 new ordinary shares in the issued and paid-up share capital of the Company (the "**Announcement**").

Further to the Announcement, the Board wishes to provide the following additional information in response to the queries raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 19 August 2020.

Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as ascribed to them in the Announcement.

Question 1

Please provide a breakdown on the number of shares to be issued to these 7 individuals, as well as a breakdown on the number of shares issued in lieu of fees for services rendered and as performance based incentives.

Company's response: As stated in the Announcement, the New Shares are proposed to be allotted and issued to the Relevant Persons in part as consideration in lieu of fees for services rendered and in part as performance based incentives. Assuming that the predetermined performance targets over the performance period are achieved in respect of the performance based incentives, the maximum number of New Shares that each Relevant Person may receive ranges from 60,000 New Shares to 689,000 New Shares.

Up to 560,000 New Shares are proposed to be issued to Relevant Persons in lieu of fees for services rendered. The maximum number of New Shares that each such Relevant Person may receive ranges from 60,000 New Shares to 326,000 New Shares.

Subject to the achievement of predetermined performance targets over the performance period, up to 2,163,500 New Shares are proposed to be issued to Relevant Persons as performance based incentives. The maximum number of New Shares that each such Relevant Person may receive ranges from 85,500 New Shares to 530,500 New Shares.

Question 2

Please clarify whether these performance based incentives, and how these incentives are to be paid, are stated in the service contracts with these 7 individuals.

Company's response: The performance based incentives and the terms of grant of these incentives, including how these incentives are to be paid, are stated in the service contracts and grant letters entered into by the Company and the respective Relevant Persons.

Question 3

Please disclose the Company's rationale for opting not to pay for each of the service fees and performance based incentives in cash.

Company's response: The New Shares are awarded to the Relevant Persons in part as consideration in lieu of fees for their services rendered and in part as performance based incentives for future performance of such services.

Since the Company's listing in December 2018, the Group has been recording losses. Awarding the New Shares in lieu of fees gives the Group access to key talent required for the growth of the Group while at the same time conserving cash for the Group's operating and expansion requirements.

At the same time, the Proposed Issuance is in line with the Company's objectives to motivate the Relevant Persons to strive towards performance excellence and to maintain a high level of contribution to the Group. It serves to align the strategic objectives and targets of the Group and the interests of the Relevant Persons, as well as to preserve the Group's cash for its operating activities.

None of the Relevant Persons is an "interested person" of the Company (as defined in Chapter 9 of the Catalist Rules) and as far as the Company is aware, none of the Relevant Persons will be holding the New Shares in trust or as a nominee for any third party.

Question 4

In the Announcement, it has been disclosed that these 7 individuals have been contracted by the Company for the provision of services. Please disclose how long these contracts will last.

Company's response: As at the date of this announcement, one of the Relevant Person's engagement with the Company has ceased, and the remaining six Relevant Persons are currently providing services to the Group. Of these six Relevant Persons, five of their contracts are on an on-going basis and may be mutually terminated with notice in accordance with their respective contracts and one contract has been renewed for a term of 12 months from 8 August 2020, subject to mutual termination with notice.

BY ORDER OF THE BOARD

**Leong Yow Seng
Lead Independent Director
21 August 2020**

This announcement has been prepared by the Company and has been reviewed by the Sponsor for compliance with Rules 226(2)(b) and 753(2) of the SGX-ST Listing Manual Section B: Rules of Catalist. This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Mr. Lim Hoon Khia, Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.