

## **UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

*Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as ascribed to them in the offer document of Biolidics Limited dated 11 December 2018 (the “Offer Document”).*

Biolidics Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 19 December 2018. The sponsor and issue manager for the initial public offering (the “**IPO**”) of the Company was United Overseas Bank Limited (the “**Sponsor**”).

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor, for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and 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. 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.

### **INTRODUCTION**

#### Incorporation of the Company

The Company was incorporated in Singapore on 19 July 2009 under the Companies Act as a private company limited by shares, under the name Clearbridge Biomedics Pte. Ltd.. On 1 November 2018, the Company was converted into a public company limited by shares and the name of the Company was changed to Biolidics Limited in connection therewith.

#### Pre-IPO and Recapitalisation Exercise

The Group undertook the Pre-IPO and Recapitalisation Exercise to rationalise and streamline its corporate and shareholding structure for the purpose of the IPO. The Pre-IPO and Recapitalisation Exercise involved, *inter alia*, (i) the conversion of preference shares; (ii) the conversion of convertible loans; (iii) the issuance of Series C investment shares and Series C warrants; (iv) the exercise of Series C warrants; and (v) the exercise of options granted under the Clearbridge Biomedics Employees’ Share Option Scheme (“**ESOS**”).

Please refer to the Offer Document for further details on the Pre-IPO and Recapitalisation Exercise.

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**PART I - INFORMATION REQUIRED FOR QUARTERLY, HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	GROUP		+ / (-) %
	FY2018 S\$'000	FY2017 S\$'000	
Revenue	1,268	2,084	(39.2)
Other income	65	119	(45.4)
Changes in inventories	(7)	568	n.m.
Purchases	(381)	(1,293)	(70.5)
Employee benefits expense	(1,330)	(1,669)	(20.3)
Depreciation expense	(362)	(485)	(25.4)
Amortisation expense	(29)	(18)	61.1
Research and development expense	(1,072)	(995)	7.7
Change in fair value of financial liabilities designated as FVTPL	(312)	(1,796)	(82.6)
Other expenses	(3,515)	(2,548)	38.0
Finance costs	(576)	(1,179)	(51.1)
<b>Loss before tax</b>	<b>(6,251)</b>	<b>(7,212)</b>	<b>(13.3)</b>
Income tax expense	-	-	n.m.
<b>Loss for the year</b>	<b>(6,251) *</b>	<b>(7,212)</b>	<b>(13.3)</b>
<b>Other comprehensive income (loss) for the year:</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Effects of translation of foreign operations	2	20	(90.0)
Reclassification adjustment transfer to profit or loss for derecognition of translation reserve upon disposal of subsidiaries	(12)	-	n.m.
<b>Total comprehensive loss for the year</b>	<b>(6,261)</b>	<b>(7,192)</b>	<b>(12.9)</b>

n.m. - not meaningful

\* Excluding the one-off Pre-IPO and Recapitalisation Exercise and the IPO expenses of S\$1.42 million, the change in fair value of financial liabilities designated as FVTPL of S\$0.31 million and finance costs of S\$0.58 million relating to accretion of interest expense on redeemable convertible preference shares, the Group's loss before tax would have been S\$3.94 million in FY2018.

**1(a)(ii) Notes to statement of comprehensive income**

**Notes:**

Loss before tax is arrived at after crediting/(charging) the following:

	<b>GROUP</b>		
	<b>FY2018</b>	<b>FY2017</b>	<b>+/(-)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Government grants and rebates	-	81	n.m.
Gain on disposal of investment in subsidiaries	12	-	n.m.
Property, plant and equipment written off	(28)	-	n.m.
Intangible assets written off	(162)	-	n.m.
Doubtful debt written off	-	(28)	n.m.
Allowance for inventories	(1)	(80)	(98.8)
Inventories written off	(35)	-	n.m.
Rental expenses	(220)	(228)	(3.5)
Travels	(241)	(411)	(41.4)
Professional fees	(1,900)	(410)	363.4
Sales and marketing expenses	(131)	(268)	(51.1)
Clinical studies	(181)	(344)	(47.4)
Foreign exchange loss, net	(45)	(152)	(70.4)
Share based payment - equity settled (net)	-	(69)	n.m.

n.m. - not meaningful

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	GROUP			COMPANY		
	As at 31/12/18 S\$'000	As at 31/12/17 S\$'000 (Restated)	As at 01/01/17 S\$'000 (Restated)	As at 31/12/18 S\$'000	As at 31/12/17 S\$'000 (Restated)	As at 01/01/17 S\$'000 (Restated)
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	11,499	2,455	1,033	11,499	2,413	1,019
Trade receivables	455	289	701	455	269	701
Other receivables	532	361	384	532	1,047	566
Inventories	777	979	411	777	955	411
<b>Total current assets</b>	<b>13,263</b>	<b>4,084</b>	<b>2,529</b>	<b>13,263</b>	<b>4,684</b>	<b>2,697</b>
<b>Non-current assets</b>						
Investment in subsidiaries	-	-	-	-	14	196
Property, plant and equipment	351	503	683	351	503	683
Intangible assets	578	619	513	578	619	513
<b>Total non-current assets</b>	<b>929</b>	<b>1,122</b>	<b>1,196</b>	<b>929</b>	<b>1,136</b>	<b>1,392</b>
<b>Total assets</b>	<b>14,192</b>	<b>5,206</b>	<b>3,725</b>	<b>14,192</b>	<b>5,820</b>	<b>4,089</b>
<b>Current liabilities</b>						
Trade payables	308	813	224	308	813	224
Other payables	1,169	385	564	1,169	364	556
Contract liabilities	55	11	354	55	11	354
Convertible loans	-	9,794	2,908	-	9,794	2,908
<b>Total current liabilities</b>	<b>1,532</b>	<b>11,003</b>	<b>4,050</b>	<b>1,532</b>	<b>10,982</b>	<b>4,042</b>
<b>Non-current liabilities</b>						
Contract liabilities	101	-	-	101	-	-
Convertible loans	-	6,322	5,850	-	6,322	5,850
Redeemable convertible preference shares	-	11,727	10,547	-	11,727	10,547
<b>Total non-current liabilities</b>	<b>101</b>	<b>18,049</b>	<b>16,397</b>	<b>101</b>	<b>18,049</b>	<b>16,397</b>
<b>Capital and reserves</b>						
Share capital	53,799	10,244	10,244	53,799	10,244	10,244
Translation reserve	-	10	(10)	-	-	-
Share option reserve	-	998	930	-	998	930
Accumulated losses	(41,240)	(35,098)	(27,886)	(41,240)	(34,453)	(27,524)
<b>Total equity/ (Net capital deficiency)</b>	<b>12,559</b>	<b>(23,846)</b>	<b>(16,722)</b>	<b>12,559</b>	<b>(23,211)</b>	<b>(16,350)</b>
<b>Total liabilities and equity</b>	<b>14,192</b>	<b>5,206</b>	<b>3,725</b>	<b>14,192</b>	<b>5,820</b>	<b>4,089</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

<u>As at 31 December 2018</u>		<u>As at 31 December 2017</u>	
<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>	<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>
-	-	-	9,794

**Amount repayable after one year**

<u>As at 31 December 2018</u>		<u>As at 31 December 2017</u>	
<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>	<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>
-	-	-	18,049

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	GROUP	
	FY2018 S\$'000	FY2017 S\$'000
<b>Operating activities</b>		
Loss before income tax	(6,251)	(7,212)
Adjustments for:		
Share issuance expense expensed to income statement	1,122	-
Gain on disposal of investment in subsidiaries	(12)	-
Amortisation expense	29	18
Depreciation expense	362	485
Property, plant and equipment written off	28	-
Allowance for inventories	1	80
Inventories written off	35	-
Doubtful debts written off	-	28
Intangible assets written off	162	-
Share based payment - equity settled (net)	-	69
Change in fair value of financial liabilities designated as FVTPL	312	1,796
Accretion of interest expense on redeemable convertible preference shares	576	1,179
<b>Operating cash flows before movements in working capital</b>	<b>(3,636)</b>	<b>(3,557)</b>
Trade receivables	(166)	384
Other receivables	(171)	23
Inventories (Note A)	(17)	(637)
Trade payables	(505)	589
Other payables	784	(179)
Contract liabilities	145	(343)
<b>Net cash used in operating activities</b>	<b>(3,566)</b>	<b>(3,720)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment (Note A)	(56)	(315)
Acquisition of intangible assets	(150)	(124)
Proceeds on disposal of property, plant and equipment	1	-
<b>Net cash used in investing activities</b>	<b>(205)</b>	<b>(439)</b>
<b>Financing activities</b>		
Proceeds from Pre-IPO and Recapitalisation Exercise	6,839	-
Proceeds from issuance of IPO shares	7,700	-
Share issuance expense capitalised against share capital	(466)	-
Share issuance expense expensed to income statement	(1,122)	-
Repurchase of vested employee share options	(7)	(1)
Cash paid on settlement of convertible loans	(131)	-
Issuance of convertible loans	-	5,562
<b>Net cash from financing activities</b>	<b>12,813</b>	<b>5,561</b>
<b>Net increase in cash and cash equivalents</b>	<b>9,042</b>	<b>1,402</b>
Cash and cash equivalents at beginning of year	2,455	1,033
Exchange effects on cash and cash equivalents	2	20
<b>Cash and cash equivalents at end of year</b>	<b>11,499</b>	<b>2,455</b>

**Note A:** During FY2018, the Group transferred inventory which are loaned out to collaboration partners and customers to testing and trial equipment in property, plant and equipment, and transferred testing and trial equipment in property, plant and equipment to inventories which are sold to collaboration partners and customers subsequently.

	FY2018 S\$'000	FY2017 S\$'000
Transfer of inventory to property, plant and equipment	188	-
Transfer of property, plant and equipment to inventory	5	10

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period.

(\$'000)

	Share capital	Translation reserve	Share option reserve	Accumulated losses *	Total equity
<b>Group</b>					
<b>Balance as at 1 January 2018</b>	10,244	10	998	(35,098)	(23,846)
<i>Total comprehensive loss for the year</i>					
Loss for the year	-	-	-	(6,251)	(6,251)
Other comprehensive loss for the year	-	(10)	-	-	(10)
<b>Total</b>	<b>-</b>	<b>(10)</b>	<b>-</b>	<b>(6,251)</b>	<b>(6,261)</b>
<i>Transactions with owners, recognised directly in equity</i>					
Repurchase of vested share options	-	-	(7)	-	(7)
Reclassification due to termination of ESOS	-	-	(109)	109	-
Issuance of ordinary shares pursuant to the IPO	7,700	-	-	-	7,700
Share issuance expenses	(466)	-	-	-	(466)
Issuance of shares pursuant to the Pre-IPO and Recapitalisation Exercise	36,321	-	(882)	-	35,439
<b>Total</b>	<b>43,555</b>	<b>-</b>	<b>(998)</b>	<b>109</b>	<b>42,666</b>
<b>Balance as at 31 December 2018</b>	<b>53,799</b>	<b>-</b>	<b>-</b>	<b>(41,240)</b>	<b>12,559</b>
<b>Balance as at 1 January 2017</b>	10,244	(10)	930	(27,886)	(16,722)
<i>Total comprehensive loss for the year</i>					
Loss for the year	-	-	-	(7,212)	(7,212)
Other comprehensive income for the year	-	20	-	-	20
<b>Total</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>(7,212)</b>	<b>(7,192)</b>
<i>Transactions with owners, recognised directly in equity</i>					
Recognition of share-based payments	-	-	68	-	68
<b>Total</b>	<b>-</b>	<b>-</b>	<b>68</b>	<b>-</b>	<b>68</b>
<b>Balance as at 31 December 2017</b>	<b>10,244</b>	<b>10</b>	<b>998</b>	<b>(35,098)</b>	<b>(23,846)</b>

\* Included in the accumulated losses is an amount of S\$109,000 related to the ESOS that was terminated in FY2018.

(S\$'000)

<u>Company</u>	Share capital	Share option reserve	Accumulated losses *	Total equity
<b>Balance as at 1 January 2018</b>	10,244	998	(34,453)	(23,211)
Loss for the year, representing total comprehensive loss for the year	-	-	(6,896)	(6,896)
<i>Transactions with owners, recognised directly in equity</i>				
Repurchase of vested share options	-	(7)	-	(7)
Reclassification due to termination of ESOS	-	(109)	109	-
Issuance of ordinary shares pursuant to the IPO	7,700	-	-	7,700
Share issuance expenses	(466)	-	-	(466)
Issuance of shares pursuant to the Pre-IPO and Recapitalisation Exercise	36,321	(882)	-	35,439
<b>Total</b>	<b>43,555</b>	<b>(998)</b>	<b>109</b>	<b>42,666</b>
<b>Balance as at 31 December 2018</b>	<b>53,799</b>	<b>-</b>	<b>(41,240)</b>	<b>12,559</b>
<b>Balance as at 1 January 2017</b>	10,244	930	(27,524)	(16,350)
Loss for the year, representing total comprehensive loss for the year	-	-	(6,929)	(6,929)
<i>Transactions with owners, recognised directly in equity</i>				
Recognition of share-based payments	-	68	-	68
<b>Total</b>	<b>-</b>	<b>68</b>	<b>-</b>	<b>68</b>
<b>Balance as at 31 December 2017</b>	<b>10,244</b>	<b>998</b>	<b>(34,453)</b>	<b>(23,211)</b>

\* Included in the accumulated losses is an amount of S\$109,000 related to the ESOS that was terminated in FY2018.



1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of shares	Issued and Paid-up share capital S\$
<u>Ordinary shares</u>		
As at 1 January 2018	296,269	200,001
Conversion of preference shares and redeemable convertible preference shares to ordinary shares <sup>(1)</sup>	438,150	10,044,065
Issuance of new shares of the Company pursuant to the Pre-IPO and Recapitalisation Exercise undertaken in connection with the IPO	534,259	36,320,327
Post Restructuring Exercise issued and paid-up share capital <sup>(2)</sup>	<u>1,268,678</u>	<u>46,564,393</u>
Sub-division of shares <sup>(2)</sup>	215,000,000	46,564,393
New shares issued pursuant to the IPO	27,500,000	7,700,000
Share issuance costs capitalised against share capital	-	(465,515)
As at 31 December 2018	<u>242,500,000</u>	<u>53,798,878</u>

**Notes:**

- (1) As at 31 December 2017, there were 114,729 Series A preference shares, 236,215 Series B redeemable convertible preference shares ("RCPS") and 87,206 Series B2 RCPS, each convertible into one ordinary share. All of the preference shares and RCPS were converted into ordinary shares prior to the IPO in FY2018. There were no outstanding convertibles as at 31 December 2018.
- (2) As approved by shareholders of the Company, pursuant to written resolutions dated 20 November 2018, 1,268,678 shares were sub-divided into 215,000,000 shares ("**Share Split**").

There were no treasury shares held by the Company and there were no subsidiary holdings as at 31 December 2018 and 31 December 2017.

**1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<b>31 December 2018</b>	<b>31 December 2017</b>
Total number of issued ordinary shares ('000)	242,500	50,208*
Total number of issued preference shares and RCPS ('000)	-	74,252*

\* Adjusted for the Share Split.

There were no treasury shares held by the Company as at 31 December 2018 and 31 December 2017.

**1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no treasury shares held by the Company.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

There were no subsidiary holdings.

**2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors of the Company.

**3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Save as disclosed in paragraph 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as compared to those applied in the audited financial statements for the financial year ended 31 December 2017.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Singapore-incorporated companies listed on the Singapore Exchange are required to apply a new financial reporting framework, the Singapore Financial Reporting Standards (International) ("**SFRS(I)**"), that is identical to the International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"), for annual periods beginning on or after 1 January 2018.

The Group and the Company has adopted the SFRS(I) as issued by the Accounting Standards Council for the first time for financial year ended 31 December 2018 and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied in the first set of SFRS(I) financial statements. The Group and the Company have adopted SFRS(I) 1 and assessed that the adoption of this standard has no material effect on the amounts reported. As such, the comparative 2017 figures have not been restated.

In addition, the Group has adopted all the new and revised SFRS(I)s and Interpretations of SFRS(I) ("**SFRS(I) INT**") that are effective from 1 January 2018 as follows:

*SFRS(I) 9 Financial Instruments*

*SFRS(I) 15 Revenue from Contracts with Customers (with clarifications issued)*

(i) SFRS(I) 9 Financial Instruments

SFRS(I) 9 introduces new requirements for recognition, classification and measurement of financial assets, impairment of financial assets and hedge accounting from 1 January 2018. In relation to the impairment of financial assets, SFRS(I) 9 requires an expected credit loss model and replaces the FRS 39 incurred loss model. The Group and the Company have adopted the new standard and assessed that the adoption of this standard has no material effect on the amounts reported. As such, the comparative 2017 figures have not been restated.

(ii) SFRS(I) 15 Revenue from Contracts with Customers (with clarifications issued)

SFRS(I) 15 establishes a five step model to account for revenue arising from contracts with customers, and introduces new contract costs guidance. Under SFRS(I) 15, there are specific requirements on how revenue should be recognised and other new requirements such as accounting for commissions paid to salesmen, additional disclosures, etc. The Group and the Company have adopted the new standard and assessed that the adoption of this standard has no material effect on the amounts reported except for the following:

**Consolidated Statement of Financial Position**

**(S\$'000)**

**Group and Company**

<b>Increase / (Decrease) in :</b>	<b>31 December 2017</b>	<b>1 January 2017</b>
Other payables	(11)	(354)
Contract liabilities	11	354

The above restatement arose due to the initial application of SFRS(I) 15 *Revenue from Contracts with Customers*, and pertains to the reclassification of contract liabilities in relation to deferred income from other payables.

**6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<b>FY2018</b>	<b>Group</b>	<b>FY2017</b>
Loss for the year (S\$'000)	(6,251)		(7,212)
Weighted average number of shares ('000) *	126,171		50,208
Loss per share (cents)			
- Basic and diluted	(4.95)		(14.37)

\* Adjusted for the Share Split.

**7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares, excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.**

	<b>Group</b>		<b>Company</b>	
	<b>31-Dec-18</b>	<b>31-Dec-17</b> (Restated)	<b>31-Dec-18</b>	<b>31-Dec-17</b> (Restated)
Net asset value (S\$'000)	12,559	(23,846)	12,559	(23,211)
No. of shares ('000)	242,500	242,500 *	242,500	242,500 *
Net asset value per share (cents)	<u>5.18</u>	<u>(9.83)</u>	<u>5.18</u>	<u>(9.57)</u>

\* Adjusted for the Share Split.

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

### **REVIEW OF THE GROUP'S PERFORMANCE**

#### Revenue

Revenue decreased by 39.2% or S\$0.81 million, from S\$2.08 million in FY2017 to S\$1.27 million in FY2018, due mainly to the completion of milestones and deliverables under our joint development collaboration with Sysmex in FY2017. As a result, no project revenue was recognized in FY2018, as compared to S\$0.77 million in FY2017.

Revenue from product sales decreased by 3.3% or S\$0.04 million, from S\$1.31 million in FY2017 to S\$1.27 million in FY2018, due mainly to a decrease in the sales of our ClearCell® FX1 System and related consumables as a result of the completion of a collaboration agreement with MGI Wuhan to collaboratively develop a BGI-assembled CTC enrichment system (the MGI EasyCell System) based on our ClearCell® FX1 System. The decrease in sales from the MGI Wuhan collaboration was partially offset by the increase in sales of our ClearCell® FX1 System and related consumables from other existing customers and new customers via our distributor network set up in the fourth quarter of FY2017.

#### Other income

Other income decreased by 45.4% or S\$0.05 million, from S\$0.12 million in FY2017 to S\$0.07 million in FY2018, due mainly to absence of Capability Development Grant from Enterprise Singapore in FY2018.

#### Changes in Inventories

We recorded a decrease of approximately S\$7,000 in the closing balance of our inventories in FY2018, as compared to an increase of S\$0.57 million in FY2017. The fluctuations in the balance of our inventories were due mainly to the timing of purchase and sale of inventories.

#### Purchases

Our purchases decreased by 70.5% or S\$0.91 million from S\$1.29 million in FY2017 to S\$0.38 million in FY2018, due mainly to fewer purchases made for our ClearCell® FX1 Systems as we had stocked up our inventories in FY2017.

Employee benefits expense

Employee benefits expense decreased by 19.9% or S\$0.33 million, from S\$1.67 million in FY2017 to S\$1.34 million in FY2018. This was attributable to the streamlining of our commercial and operating activities during FY2018.

Depreciation expense

Depreciation expense decreased by 25.4% or S\$0.13 million, from S\$0.49 million in FY2017 to S\$0.36 million in FY2018 as a majority of the production, tooling and mould equipment were fully depreciated during FY2018.

Amortisation expense

Amortisation expense remained relatively stable at S\$0.02 million and S\$0.03 million in FY2017 and FY2018, respectively.

Research and development (“R&D”) expense

R&D expense remained relatively stable at S\$1.00 million and S\$1.07 million in FY2017 and FY2018, respectively.

Change in fair value of financial liabilities designated as FVTPL

Change in fair value of financial liabilities designated as FVTPL decreased by 82.6% or S\$1.49 million, from S\$1.80 million in FY2017 to S\$0.31 million in FY2018, due mainly to the following:

- i) the probability of successful equity financing adopted in the discounted cash flow methodology for measure of the fair value of the convertible loans increased from 60.0% as at 31 December 2016 to 85.0% as at 31 December 2017. Comparatively, the probability of successful equity financing adopted increased from 85.0% as at 31 December 2017 to 100.0% as at 6 July 2018 pursuant to the Pre-IPO and Recapitalisation Exercise; and
- ii) the absence of convertible loans issued in FY2018.

Other expenses

Other expenses increased by 38.0% or S\$0.97 million, from S\$2.55 million in FY2017 to S\$3.52 million in FY2018. The increase was due mainly to the following one-off expenses:

- (i) professional fees and other miscellaneous expenses incurred pursuant to the Pre-IPO and Recapitalisation Exercise as well as the IPO which amounted to S\$1.42 million; and
- (ii) intangible assets written off which amounted to S\$0.16 million as a result of the Group discontinuing our patent filing in the less relevant regions.

This was partially offset by the decrease in the following expenses:

- (a) a S\$0.17 million decrease in travel expenses, as financing opportunities for the Series C financing round were mainly focused in Asia in FY2018, as compared to Europe in FY2017;
- (b) a S\$0.14 million decrease in sales and marketing expenses following the streamlining of commercial activities during FY2018;
- (c) a S\$0.17 million decrease in clinical studies as a result of completion of a collaboration with Institute of Cancer Research: Royal Cancer Hospital in FY2018; and
- (d) a S\$0.11 million decrease in foreign exchange loss.

#### Finance costs

Finance costs decreased by 51.1% or S\$0.60 million, from S\$1.18 million in FY2017 to S\$0.58 million in FY2018, due mainly to a decrease in interest expense accreted on the RCPS, as the RCPS was fully converted into ordinary shares in July 2018 pursuant to the Pre-IPO and Recapitalisation Exercise.

#### Loss for the year

As a result of the foregoing, loss for the year decreased by 13.3% or S\$0.96 million, from S\$7.21 million in FY2017 to S\$6.25 million in FY2018.

Excluding the one-off Pre-IPO and Recapitalisation Exercise and the IPO expenses of S\$1.42 million, the change in fair value of financial liabilities designated as FVTPL of S\$0.31 million and finance costs of S\$0.58 million relating to accretion of interest expense on RCPS, the Group's loss before tax was S\$3.94 million in FY2018.

### **REVIEW OF THE GROUP'S FINANCIAL POSITION**

#### Current assets

The Group's current assets increased by 224.8% or S\$9.18 million, from S\$4.08 million as at 31 December 2017 to S\$13.26 million as at 31 December 2018, due mainly to the proceeds from the Pre-IPO and Recapitalisation Exercise as well as the IPO of S\$9.04 million.

#### Non-current assets

The Group's non-current assets decreased by 17.2% or S\$0.19 million, from S\$1.12 million as at 31 December 2017 to S\$0.93 million as at 31 December 2018, due mainly to a decrease in property, plant and equipment of S\$0.15 million.

#### Current liabilities

The Group's current liabilities decreased by 86.1% or S\$9.47 million, from S\$11.00 million as at 31 December 2017 to S\$1.53 million as at 31 December 2018, due mainly to (i) a decrease in convertible loans of S\$9.79 million as it was fully converted into ordinary shares of the Company pursuant to the Pre-IPO and Recapitalisation Exercise in FY2018; (ii) a decrease in trade payables of S\$0.50 million due to lower purchases of inventories closer to the end of FY2018; and partially offset by an increase in other payables of S\$0.78 million comprising accrued professional fees and expenses incurred in relation to the IPO.

#### Non-current liabilities

The Group's non-current liabilities decreased by 99.4% or S\$17.95 million, from S\$18.05 million as at 31 December 2017 to S\$0.10 million as at 31 December 2018, due mainly to the conversion of all convertible loans and RCPS into ordinary shares of the Company pursuant to the Pre-IPO and Recapitalisation Exercise in FY2018.

### **REVIEW OF THE GROUP'S CASH FLOW STATEMENT**

Cash outflow before movements in working capital amounted to S\$3.64 million in FY2018. Net cash used in working capital amounted to S\$0.07 million due mainly to an increase in other payables of S\$0.78 million and an increase in contract liabilities of S\$0.15 million, and partially offset by an increase in trade receivables of S\$0.17 million, an increase in other receivables of S\$0.17 million and a decrease in trade payables of S\$0.51 million. As a result, net cash used in operating activities was S\$3.57 million in FY2018.

Net cash used in investing activities for FY2018 amounted to S\$0.20 million. This was due mainly to the additions in property, plant and equipment and intangible assets in FY2018.

Net cash from financing activities for FY2018 amounted to S\$12.81 million. This was due mainly to the net proceeds from the IPO of S\$6.11 million and the proceeds from the Pre-IPO and Recapitalisation Exercise of S\$6.84 million, and partially offset by the cash of S\$0.13 million paid on settlement of convertible loans pursuant to the Pre-IPO and Recapitalisation Exercise.

As a result, after adjusting for the effect of foreign exchange rate changes, there was a net increase in cash and cash equivalents by S\$9.04 million, from S\$2.46 million as at 31 December 2017 to S\$11.50 million as at 31 December 2018.



**9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

As an upstream technology within the cancer diagnostic value-chain in the field of liquid biopsy, Biolidics' ClearCell® FX1 System has the potential, when coupled with other downstream analytical tests, to serve as a platform technology for the diagnosis, prognosis, treatment selection and treatment monitoring of various types of cancers, through the development of a wide range of clinical or laboratory developed tests.

Hence, one of the Company's key business focus is to develop end-to-end diagnostic solutions which integrate our cell separation and enrichment technology with other downstream analytical tests, thereby further enhancing the commercial scalability of our technology and allowing the ClearCell® FX1 System to be used in a greater number of hospitals and laboratories globally.

On this front, Biolidics continues to actively explore strategic collaborations and partnerships in the development of new clinical or laboratory developed tests. In addition, the Company is looking to enhance our internal capabilities and processes to achieve greater efficiencies and returns.

**11 Dividend**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended)**

Nil

**(b) (i) Amount per share**

**(ii) Previous corresponding period**

Nil

**(c) Whether the dividend is before tax, net of tax or tax exempt**

Not applicable

**(d) Date the dividend is payable**

Not applicable

**(e) Date on which Registrable Transfers received by the Company (up to 5pm) will be registered before entitlements to the dividend are determined**

Not applicable

**12 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend was declared by the Company for the current financial period reported on as the Company is not profitable yet.

**13 If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for interested person transactions. Pursuant to Rule 907 of the Catalist Rules, the following is disclosed:

	<b>Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules)</b>
<b>Name of Interested Person</b>	<b>FY2018 S\$'000</b>
<b>Hybrionic Pte Ltd</b> - Purchases of products	126

**14 Negative confirmation by the board pursuant to Rule 705(5)**

Not required for full year result announcement.

**15 Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1).**

The Company has confirmed that it has procured the undertakings from all of its directors and executive officers as required under Rule 720(1) of the Catalist Rules.

**16 Use of IPO proceeds**

The Company received net proceeds from the IPO of approximately S\$6.1 million (the “**Net Proceeds**”). As at the date of this announcement, the Net Proceeds have been utilised as follows:

(S\$'000)	Amount allocated (as disclosed in the Offer Document)	Amount utilised as at the date of this announcement	Balance
Expand our clinical services applications and clinical services customer segment	2,700	(126)	2,574
Advance our pipeline products	2,400	-	2,400
General corporate and working capital purposes <sup>(1)</sup>	1,000	(187)	813
<b>Total</b>	6,100	(313)	5,787

**Note:**

(1) Comprises operating expenses.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**17 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Segment revenue and results

<b>(S\$'000)</b>	<b>Technical and product development</b>		<b>Global commercial channel management</b>		<b>Corporate segment</b>		<b>Total</b>	
	<b>FY2018</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2017</b>
<b>Segment revenue <sup>(1)</sup></b>								
Product Sales	-	-	1,268	1,312	-	-	1,268	1,312
Project	-	772	-	-	-	-	-	772
<b>Total revenue</b>	<b>-</b>	<b>772</b>	<b>1,268</b>	<b>1,312</b>	<b>-</b>	<b>-</b>	<b>1,268</b>	<b>2,084</b>
<b>Results:</b>								
Other income	-	-	-	-	65	119	65	119
Employee benefits expense	-	-	(627)	(736)	(703)	(933)	(1,330)	(1,669)
Depreciation expense	(97)	(236)	(251)	(230)	(14)	(19)	(362)	(485)
Amortisation expense	(29)	(18)	-	-	-	-	(29)	(18)
Research and development expense	(1,072)	(995)	-	-	-	-	(1,072)	(995)
Change in fair value of financial liabilities designated as FVTPL	-	-	-	-	(312)	(1,796)	(312)	(1,796)
Other expenses	(204)	(411)	(247)	(399)	(3,064)	(1,738)	(3,515)	(2,548)
Finance costs	-	-	-	-	(576)	(1,179)	(576)	(1,179)
<b>Segment loss</b>	<b>(1,401)</b>	<b>(1,094)</b>	<b>(246)</b>	<b>(572)</b>	<b>(4,604)</b>	<b>(5,546)</b>	<b>(6,251)</b>	<b>(7,212)</b>
<b>Assets:</b>								
Addition of non-current assets <sup>(2)</sup>	170	177	218	239	6	23	394	439

(1) Revenue reported represents revenue generated from external customers. There were no inter-segment sales in FY2018 and FY2017.

(2) Additions to non-current assets consist of additions to property, plant and equipment and intangible assets.

Geographical information

Revenue information based on the geographical location of customers are as follows:

<b><u>(\$'000)</u></b>	<b>Revenue - Product Sales</b>	
	<b>FY2018</b>	<b>FY2017</b>
Singapore	93	126
Japan	360	365
China	87	305
Europe	413	198
United States	35	73
Hong Kong	262	181
Others	18	64
	<u>1,268</u>	<u>1,312</u>
	<b>Revenue - Project</b>	
	<b>FY2018</b>	<b>FY2017</b>
Japan	<u>-</u>	<u>772</u>

Information about major customers of the Group

Included In revenue is an amount of S\$0.55 million (FY2017 : S\$1.27 million) pertaining to the sale of its products to 2 third party customers (FY2017 : 2 third party customers and a collaboration project with 1 third party partner). Other than the aforementioned, the Group is not significantly reliant on revenue derived from any major customer or group of customers under common control during the year.

- 18 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to paragraph 8.

**19 A breakdown of sales.**

	<u>Group</u>		
	<b>FY2018</b>	<b>FY2017</b>	<b>+ / (-)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Sales reported for first half year	627	1,221	(48.6)
Loss reported for first half of the year	(2,775)	(4,198)	(33.9)
Sales reported for second half year	641	863	(25.7)
Loss reported for second half of the year	(3,476)	(3,014)	15.3

**20 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable

**21 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.**

There are no such persons occupying a managerial position in the Company who is a relative of a director, chief executive officer or substantial shareholder of the Company.

**ON BEHALF OF THE BOARD**

Lew Kwang Ping  
Executive Director and Chief Executive Officer

Yee Pinh Jeremy  
Non-Executive Non-Independent Chairman

1 March 2019