

PRESS RELEASE

SEDANIA on track for consecutive profitable year

Records 6th consecutive profitable quarter as its ESG-enabling businesses continue to chart further growth

Key highlights:

- Profit after tax of RM656,000 on topline of RM9.1 million in 2QFY22
- Sustainable Healthcare segment registered strong growth with over 11% y-o-y higher revenue in 2QFY22 supported by exports, which grew 20% in the 1HFY22 period
- Sustainable Energy division made progress with project executions, with more completions expected in the second half of 2022

KUALA LUMPUR, 30 AUGUST 2022 - SEDANIA Innovator Berhad (“SEDANIA” or the “Group”) remained on track for a second consecutive profitable financial year, having registered commendable results in the second quarter ended 30 June 2022 (2QFY22), driven by contributions from the Sustainable Healthcare, Sustainable Energy and FinTech segments.

SEDANIA posted profit after tax of RM656,000 in 2QFY22, a 29% increase from RM510,000 in the preceding quarter, though it was lower than the RM3.2 million recorded in last year’s corresponding quarter due to pending project completions in the Sustainable Energy segment.

Nevertheless, Sustainable Energy made good progress on its project execution and is expecting more project completions in the second half of 2022, supported by a growing order book for the next 18 months. The segment recorded an operating profit before tax of RM714,000 in 2QFY22 versus RM1.8 million a year earlier.

Chief Executive Officer Daniel Ruppert said, “The revenue from our Sustainable Energy segment was lower in the current quarter just ended as we are still in the midst of executing energy efficiency projects and expecting its revenue recognition in the second half of 2022.

We have a healthy pipeline of projects to initiate and complete, while maintaining an active dialogue with various multinationals and banks looking to better utilise energy with the goal of becoming more sustainable. As such, we are optimistic about our Sustainable Energy division’s ability to generate stronger earnings and potentially even obtain new contracts in the second half of this year.”

The Sustainable Healthcare segment contributed revenue of RM7.1 million in 2QFY22, an increase of 11% from RM6.4 million a year ago, boosted by higher demand for eco-friendly products but recorded lower operating profit before tax of RM854,000. The bottomline decreased due to higher sales costs, marketing and promotion costs, as well as employee benefit costs from hiring more people to support business growth.

The Fintech division's topline was 8% higher year-on-year at RM1.2 million in 2QFY22 aided by higher traffic from its Tawarruq platform. As a result, operating profit before tax rose 15% to RM371,000 in the current quarter from RM322,000 in the same period last year.

For the six months ended 30 June 2022 (1HFYE22), SEDANIA registered a profit after tax of RM1.2 million on the back of a topline of RM18.1 million, which was driven by strong demand for the Group's Sustainable Healthcare products and Fintech solutions.

Sustainable Healthcare segment revenue grew 23% to RM14.4 million in 1HFYE22 from RM11.7 million a year ago while the Fintech division's contributions rose 13% to RM2.4 million from RM2.1 million.

The positive performance from both segments along with stable revenue recorded from its Telcotech business was partly offset by lower revenue from the Sustainable Energy division of RM179,000 in 1HFYE22 versus RM12.9 million a year ago.

On SEDANIA's prospects, Founder and Managing Director Datuk Azrin Mohd Noor commented, "SEDANIA has been a firm advocate of sustainability having ventured into sustainability-enabling businesses way before Environmental, Social and Governance (ESG) practices gained prominence in the corporate world.

We are in a sweet spot to chart an exciting growth trajectory. This is because we are far more than just an organisation which adheres resolutely to ESG standards, we are ESG enablers across the entire spectrum. SEDANIA's Sustainable Energy and Sustainable Healthcare businesses play an important role in effectively reducing both corporations and consumers' carbon footprint, while appealing to investors focused on sustainable investing."

He added that SEDANIA's sustainability influence stretches beyond Malaysia as Sustainable Healthcare eco-friendly brand *Offspring* has crafted a presence in 23 countries to date and counting.

With the average consumer increasingly identifying with environmental preservation, *Offspring's* eco-friendly products such as fully biodegradable wet wipes, plant-based ethanol hand sanitisers designed with the safety of young children in mind, as well as a range of environmental-friendly household essentials ably caters to this desire by the mass prestige market, enhancing SEDANIA's growth prospects.

Datuk Azrin concluded, "We are confident of continuing the momentum to end the year on a positive note. Our Sustainable Energy, Sustainable Healthcare and other segments are on the right path to chart further growth. This further vindicates the resilience of SEDANIA's multiple growth engine business model which eliminates single-risk exposure and ensures continuous growth while supporting ESG initiatives on a larger scale."

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About SEDANIA Innovator Berhad

SEDANIA Innovator Berhad is an investment holding company with a focus in sustainability-enabling businesses. Since its listing in 2015 on the ACE Market of Bursa Malaysia, SEDANIA has invested in innovative businesses which lead to the reduction of carbon emissions and enable sustainability.

SEDANIA invests in its corporate clients' future energy sustainability by financing and deploying energy efficiency solutions and renewable energy systems which to date saved over 66 gigawatt-hours and RM30 million in clients' energy cost.

For consumers, SEDANIA offers preventive healthcare products which reduce carbon emissions through the selection of eco-friendly ingredients and biodegradable material. Over 150 products are sold under the brand Offspring online and through selected retail stores in over 20 countries worldwide.

We are Innovators. We improve lives sustainably. Log onto www.sedaniainnovator.com to find out more about our Sustainable innovations.

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