

NEWS RELEASE

ix BIOPHARMA REPORTS 47% INCREASE IN REVENUE DRIVEN BY ACCESS TO NEW KEY MARKETS

- ✓ **The Group recorded 57% of FY2020 total revenue in the fourth quarter contributed by new sales initiatives**
- ✓ **Growth achieved despite delay to expansion plans of wafer production capacity due to COVID-19 pandemic**
- ✓ **The Group maintained cost discipline, reducing operating expenses by 8.5%**

Singapore, 28 August 2020 – Specialty pharmaceutical company **ix Biopharma Ltd** (“ix Biopharma” or “the Group”) today announced its financial results for the second half and full financial year ended 30 June 2020.

Despite massive disruptions to global markets due to the onset of COVID-19 pandemic in the second half of the financial year ended 30 June 2020 (2H20), the Group recorded a 47% increase in FY2020 revenue compared to the previous year. 57% of FY2020 total revenue amounting to \$0.56 million was earned in the fourth quarter of the financial year, driven by new sales activities announced by the Company in April 2020:

- Wafesil out-licensing in China and telemedicine sales in Australia;
- Entity Health’s cross border e-commerce sales into China through its two flagship stores on Tmall Global and JD Worldwide; and
- Launch of Australian sales of Xativa, sublingual medicinal cannabis wafers through the Special Access Scheme and Authorised Prescriber pathway.

The Group lowered its gross loss in 2H20 as compared to 2H19 mainly due to higher revenue and favourable mix of higher margin products.

Due to the Group’s cost discipline, it achieved a net 8.5% reduction in its operating expenses, excluding net currency exchange differences and certain one-off regulatory and registration expenses.

The demand for its sublingual wafer products, in particular Lumenix and Xativa, has exceeded the Group’s current wafer production capacity. However due to COVID-19 and extended border restrictions by the Australia government, the Group has had to delay the installation of its new wafer production plant by a foreign equipment supplier. When implemented in quarter ending 31 March 2021, the capacity is expected to increase by six-fold and will allow the Group to benefit from economies of scale.

Speaking on these developments, **Director, Corporate and Commercial Strategy, Ms Eva Tan** said, “As a result of initiatives taken prior to the COVID-19 pandemic outbreak, the Group has managed to stay relevant and resilient through the challenging economic situation brought on by the COVID-19 pandemic. In fact, until the new wafer production equipment in our facility is installed, the demand for our novel sublingual wafers has exceeded our wafer production capacity. This demonstrates the strong patient and consumer appetite for our products and supports our optimistic view of the prospects of the China market for our pharmaceutical and nutraceutical businesses and the medicinal cannabis market in Australia and beyond. We will focus on developing these markets as the key drivers of the Group’s growth post-pandemic.”

- The End -

About iX Biopharma Ltd

iX Biopharma is a specialty pharmaceutical and nutraceutical company listed on the Catalist board of the Singapore Exchange Securities Trading Limited (SGX-ST), operating a fully integrated business model from drug development to manufacturing and supply, with facilities in Australia. The Group is focused on the development and commercialisation of therapies for diseases of the central nervous system using novel, patent-protected formulations for sublingual delivery.

iX Biopharma's pipeline of products under development includes Wafermine (ketamine wafer) and BnoX (buprenorphine wafer) for pain management. iX Biopharma's drugs for the treatment of erectile dysfunction, Wafesil, a sublingual sildenafil wafer, and Silcap, have been registered in Australia. iX Biopharma has developed Xativa, the world's first freeze-dried sublingual medicinal cannabis wafer.

The Group's nutraceuticals division, Entity Health Limited, is engaged in the development and commercialisation of nutraceutical products that address specific conditions and improve quality of life. It distributes its Entity line of nutraceutical products in Australia through more than 250 pharmacies and health food shops, in China through its flagship stores on Tmall Global and JD Worldwide, and globally through its online store.

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This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("**Sponsor**") in accordance with Rule 226(2)(b) of the Catalist Rules. 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.

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