

TrickleStar Limited
(Incorporated in the Republic of Singapore)
(Company Registration Number: 201837106C)



New TrickleStar products launching in 2021.

TrickleStar announces 400% increase in FY2020 net profit; proposes dividend of 0.45 US cents per share

- *FY2020 net profit surged to US\$712,681*
- *Sales dipped by 11.5% to US\$12.9 million, affected by the COVID-19 pandemic*
- *Foresees further growth through the launch of new Energy Optimization Internet of Things products.*

US\$	FY2020	FY2019	Change (%)
Revenue	12,850,046	14,524,660	(11.5)
Gross profit	3,203,702	3,879,131	(17.4)
Net profit attributable to shareholders	712,681	175,488	>100
Earnings per share (US cents)	0.87	0.23	>100
NAV per share (US cents)	9.59	8.61	11.38
Dividend per share (US cents)	0.45	-	NM

Year ended 31 December

SINGAPORE, 26 February 2021 - Catalyst-listed **TrickleStar Limited** (“**TrickleStar**” which in context includes its subsidiaries), a designer and supplier of affordable, easy-to-use Energy Optimization products for homes and workplaces, today reported more than a four-fold jump in net profit attributable to shareholders, to US\$712,681 for the full year ended 31 December 2020.

This was achieved despite additional US tariffs imposed on TrickleStar’s products in FY2020 and slightly higher manufacturing costs when manufacturing of its advanced power strips (“APS”) was transferred from China to Malaysia. Logistics planning and increases in shipping costs, something common in the industry, also impacted revenue and profits. The lower profit in FY2019 was materially impacted by listing expenses, which were not repeated in FY2020.

Revenue dipped by 11.5% year-on-year to US\$12.9 million, impacted by the COVID-19 pandemic. A common channel of sales is through home energy assessments: safety concerns in TrickleStar’s core North American market restricted home visits by assessors to install TrickleStar Energy Optimization products, directly affecting demand.

In FY2020, TrickleStar responded to price competition that emerged for the first time in its APS market, with competitors selling inferior products at lower prices. As a counter measure, TrickleStar developed a new brand of APS with fewer features than its existing premium product and began shipments before the year ended.

Dividend

In line with TrickleStar’s dividend policy of not less than 50% payout, the Directors have proposed a first and final dividend for FY2020 of 0.45 US cents per ordinary share, which is subject to the approval of shareholders at the upcoming annual general meeting.

Financial Position

In its latest full-year results, earnings per share surged approximately four times to 0.87 US cents while its net asset value per ordinary share rose 11.4% to 9.59 US cents. TrickleStar’s cash position is healthy, with no debt, and with total cash and cash equivalents amounting to US\$3.7 million, up by over US\$1.1 million from the start of the year.

Said Mr Bernard Emby, TrickleStar’s Executive Chairman and Chief Executive Officer, “In 2020, we confronted some of the harshest economic, commercial and social tests imaginable, and emerged profitable. We had no record of COVID-19 among our growing staff numbers, and our balance sheet is stronger than ever.

Our growth momentum was not stalled in 2020. We continued work on our exciting pipeline of new, innovative Energy Optimization products that we will begin to introduce to the USA market and other new geographies.

I am delighted that we have eliminated the negative reserves in our holding company – a turnaround of over US\$1 million - and that the Board has recommended a 0.45 US cents dividend that is in line with the policy that we promise our shareholders.”

Business Prospects

TrickleStar’s continued growth is centred on its new innovative Energy Optimization products that are part of the Internet of Things and supported by in-house applications. These will be sold into its core market in the USA and other countries. In anticipation of higher volume sales ahead, it has increased its headcount in marketing and sales and has begun appointing distributors in areas outside of USA, where it expects to see significant demand.

Meanwhile, TrickleStar expects its APS business to enjoy good levels of demand, taking into consideration the USA’s latest energy and climate change stance, the new PlugLoad brand and the goodwill generated with its major customers by its ability to maintain prices to support their programs.

Now that some manufacturing of its APS has been successfully transferred away from China, TrickleStar has more than one contract manufacturer for the product and the USA tariff threat on that product has largely been removed. Moving ahead, TrickleStar does intend to manufacture some of its new products in China since they will target countries outside of the USA where tariffs do not exist.

While TrickleStar intends to follow its growth path, it is aware of risks, the most significant at present coming from supply chain disruptions and how quickly countries are able to control infections of COVID-19 to allow normal business and social interaction to resume. Shipping issues, in terms of availability of vessels and costs, continue to plague the industry but TrickleStar’s healthy balance sheet allows it to smoothen logistics concerns, for instance by carrying very full levels of stock. As in FY2020, TrickleStar will remain vigilant to the potential impacts at all levels of its business and will endeavour to plan forward to avoid or overcome the challenges.

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TrickleStar Limited (the “Company”) was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 18 June 2019. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”).

This press release has been reviewed by the Company's Sponsor. It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “Exchange”) and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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