

NEWS RELEASE

China Expansion Boosts iX Biopharma Revenue by 77%

- 141% revenue increase in nutraceuticals from China e-commerce during pandemic
 - 182% jump in overall revenue stream from China market
- Expanded production capacity will support new commercial partnerships in wafer products

Singapore, 23 August 2021 – Specialty pharmaceutical company **iX Biopharma Ltd** (SGX:42C) (“iX Biopharma” or the “Group”) has registered a 77% increase in revenue to S\$1.7 million in the full year ended 30 June 2021 (“FY2021”), compared to S\$1.0 million in the preceding financial year (“FY2020”). The Group’s top-line was boosted by robust demand for the Group’s nutraceutical products and WaferiX-based product development services from pharmaceutical companies in China.

This was in spite of border closures in Australia during the financial year which impeded the Group’s plans to expand its manufacturing capacity and led to constraints on its production capacity. The Nutraceuticals segment, operating under the Entity Health brand name, recorded a 141% increase in revenue to \$0.9 million amidst prudent investment in marketing activities to build consumer awareness on its Tmall and JD stores in China.

Demand for the Group’s product development services also increased, driven by interest from Chinese pharmaceutical companies in harnessing **WaferiX**, iX Biopharma’s patented sublingual wafer technology, for **drug repurposing**. Drug repurposing involves redeveloping existing approved drugs for new clinical indications and/or into new dosage forms. As a result of the increased product development and manufacturing activities for the Chinese market, the Group’s Specialty Pharmaceuticals segment recorded a 35% year-on-year (“YoY”) growth to S\$0.8 million. Along with strong nutraceutical sales to the country, this lifted revenue contribution from China by 182% to S\$0.9 million, from S\$0.3 million in FY2020.

On the back of the overall higher level of business activity, the Group’s gross loss narrowed by 35% to S\$0.4 million and reduced its gross loss margin from 60% in FY2020 to 22% in FY2021.

In the second half of FY2021, iX Biopharma successfully installed new freeze-dry wafer production equipment and manufactured the first commercial batch of WaferiX wafers in July 2021. The new production line will increase its wafer production capacity by up to six times.

In June 2021, iX Biopharma’s **Xativa**, the world’s first freeze dried sublingual medicinal cannabis wafer, was included in the Australian Register of Therapeutic Goods list of drugs permitted for export,

paving the way for the expansion of the Group's customer base beyond Australia. The Group has entered into distribution contracts with partners in Brazil and New Zealand, and is working to introduce the product to other markets including the USA and UK.

Amid the ongoing pandemic, the Group is adopting a proactive approach to capital management. While the Group was vigilant in managing its costs and conserving cash, it has taken strategic steps to invest selectively to grow its market footprint, such as focusing on building up Entity's e-commerce presence on Tmall and JD in China to capture strong demand there, and to increase its production capacity.

The Group has raised S\$9.6 million through a renounceable non-underwritten rights issue of 48,814,711 new ordinary shares in July 2021, with a strong 196.2% subscription rate. The proceeds from the rights issue will reinforce its balance sheet in preparation for future growth.

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 has developed a patented drug delivery platform technology, WaferiX. WaferiX delivers drug sublingually via the mucosa for better absorption, faster onset of action and predictable effect. The WaferiX delivery platform is particularly useful for drug repurposing which is a growing trend with a global market worth over US\$30 billion¹. Drug repurposing is where existing approved drugs are developed into new drugs targeting different indications or a different route of administration, at a lower development cost and risk.

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 and Singapore. 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.

¹ <https://www.intechopen.com/books/drug-repurposing-hypothesis-molecular-aspects-and-therapeutic-applications/drug-repurposing-dr-an-emerging-approach-in-drug-discovery>

Contact for media:

Yee Chia Hsing

Director of Corporate Affairs

T: +65 6235 2270

E: chiahsing.yee@ixbiopharma.com

Eva Tan

Chief Commercial Officer

T: +65 6235 3212

E: eva.tan@ixbiopharma.com

Alvina Tan

Media & Investor Relations Consultant

T: +65 9787 7267

E: alvina.tan@arkadvisors.com.sg

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.

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 accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.