

IX BIOPHARMA LTD.

(Company Registration no. 200405621W)
(Incorporated in the Republic of Singapore)

UPDATE ON IMPACT OF COVID-19 ON BUSINESS OPERATIONS

The Board of Directors of iX Biopharma Ltd. (the “Company” and together with its subsidiaries, the “Group”) wishes to provide an update to shareholders on the impact of the Covid-19 pandemic on the Group’s operations.

Employee Wellness

The Group has implemented the following measures to protect the welfare of our employees, and to prevent the spread of the virus within its regional office network:

- The Group supports and complies with all measures mandated by the governments of the countries it operates in, such as staggered working hours, telecommuting arrangements and the limitation of in-person meetings.
- All overseas travel has been restricted and we are utilising online communication platforms to bridge its regional teams.
- The Group has implemented body temperature monitoring and health declaration requirements for all individuals entering its work premises.
- Protective face masks are provided to all staff daily for use in the workplace and during public transit to and from work.
- Strict adherence to safe distancing measures are enforced within its workspaces.
- It is following necessary hygienic processes to minimise health risks and have increased the frequency and scope of office sanitation to ensure a safe and clean environment for all employees.
- Employees are provided a free daily dose of LumeniX sublingual glutathione wafers. Glutathione is a powerful antioxidant, scientifically proven to strengthen the body’s immunity and protect against viral infections.

Business continuity

The Group develops, manufactures and supplies pharmaceutical drugs and nutraceutical healthcare products out of its GMP facility in Australia. It has offices in Australia, Singapore and China. As the Group runs an essential business, its manufacturing facility and workforce remain operational.

Global travel and supply chains have been disrupted due to measures implemented by governments worldwide. The Australian, Singapore and Chinese governments have put in place travel and border restrictions since mid-March 2020. As at the date of this statement, the Australian government has announced that the country’s borders are likely to remain closed for at least 3 more months.

The Group has observed cost increases and delays to services and deliveries with certain logistics partners. The Group constantly monitors the situation to provide timely updates to its customers and partners.

The Group has had to delay its expansion of wafer production capacity at its manufacturing facility. The new production equipment was commissioned last year and scheduled to be installed in April 2020. The equipment will significantly increase the Group's wafer production capacity and enable the Group to meet the growing demand for its wafer products following the opening of a new market for Entity nutraceutical products in China, and the launch of its medicinal cannabis drug in Australia. Due to the extended border closure, the equipment supplier, a leading manufacturer from China, has had to postpone its trip to the Group's facility to provide support for installation and training.

Despite the pressures of thinning global economic activity, the Group has worked to secure new contracts, launch new products and open new markets. It believes that the groundwork laid during this period will serve to mitigate the impact of the pandemic once the planned facility upgrade is completed.

As the Covid-19 situation continues to evolve, the extent of any financial impact is difficult to ascertain at present. The Group will continue to closely monitor the situation in the key markets it operates in, including any national regulations issued to address the spread of the virus, and will adapt its preparedness and business continuity plans accordingly.

BY ORDER OF THE BOARD

Eddy Lee
Chairman & CEO

8 May 2020

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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