ixbiopharma

it's life changing

ANNUAL REPORT 2022

INFINITE POSSIBILITIES FOR DRUG REPURPOSING

CONTENTS

Sponsor Statement

This Annual Report has been prepared by the Company and its contents have been reviewed by UOB Kay Hian Private Limited (the "Sponsor") for compliance with the relevant rules of the SGX-ST Listing Manual Section B: Rules of Catalist (the "Catalist Rules"). This Annual Report has not been examined or approved by SGX-ST and the SGX-ST assumes no responsibility for the contents of this Annual Report, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Annual Report. 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.

Corporate Profile

VISION

To develop therapies and products that will improve the quality of life for patients with acute pain, chronic diseases and debilitating conditions.

MISSION

Combining known, approved drugs (both in terms of efficacy and side effect profile) with new innovative drug delivery systems to get drugs quickly to market at lower development cost and risk.

ABOUT IX BIOPHARMA LTD

iX Biopharma Ltd (iX Biopharma or the Company, and together with its subsidiaries, the Group) 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 drugs sublingually for better absorption, faster onset of action and predictable effect. The WaferiX delivery platform is particularly useful for drug repurposing. 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 dexmedetomidine wafer for the treatment of dementia related agitation and other indications. iX Biopharma's pharmaceutical portfolio includes drugs for the treatment of erectile dysfunction, Wafesil, a sublingual sildenafil wafer, and Silcap, which have been registered in Australia and Singapore, and wafermine, a sublingual ketamine wafer for the treatment of pain, depression, and other indications. iX Biopharma has developed Xativa, the world's first freeze-dried sublingual medicinal cannabis wafer. Please refer to the company's pharmaceutical pipeline on page 10 of this Annual Report.

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.

WaferiX Technology

An innovative multi-drug platform

WaferiX is a platform drug carrier technology that can deliver a wide number of small molecule actives for the treatment of various indications. WaferiX is used to formulate the world's first sublingual ketamine oral wafer, Wafermine. We have also used WaferiX in our pharmaceutical products, to deliver active compounds like cannabidiol (Xativa), and sildenafil (Wafesil). In our nutraceuticals range, we have applied WaferiX to deliver melatonin and glutathione.

Specifically designed for sublingual absorption

There is increasing recognition of sublingual delivery as an optimal method of administration. Many active ingredients have low bioavailability when taken orally into your stomach. Using our sublingual technology, we may be able to increase bioavailability for certain ingredients. When compared to intravenous injection, which is invasive, expensive and must be performed in a clinic/hospital setting, sublingual delivery is non-invasive, convenient and inexpensive. There is a potential for decreased or gentler side effect profile with sublingual delivery.

The best technology to repurpose drugs for new indications

WaferiX is easily adaptable to a vast number of Food and Drug Administration (FDA) approved drugs that require a faster delivery or reduction in the loss of drugs due to hepatic and gastrointestinal metabolism. The rapid and superior absorption provides higher bioavailability and a potential to lower the administered dose and reduce the concurrent side effects. These benefits allow for the application of WaferiX in conditions where fast therapeutic effect is desired, like acute or breakthrough pain as well as male erectile dysfunction.

Fast-dissolving wafers for immediate sublingual absorption

The WaferiX technology consists of a small wafer prepared by patented formulation using a proprietary freeze-drying process. It provides a simple drug carrier matrix with millions of tiny amorphous holes to house (encapsulate) the active drug molecules in a non-ionic, non-crystalline structure. The wafer is intended to be placed under the tongue, which subsequently dissolves within one minute, releasing the active compounds for rapid absorption. The wafer administration is tolerable with no after-taste, leaving behind no residue or grittiness under the tongue hence preventing the urge to swallow.

Protected by a robust IP strategy

Our technology and products are patented in all key markets across five continents. Our sublingual wafers are produced by a proprietary manufacturing process covering pre-loading, freeze-drying and packaging using customised and specialised equipment.

Chairman's Statement

Key Highlights

FY2022

- **Signing of Exclusive License Agreement for Wafermine and Other Sublingual Ketamine Wafer Products with Seelos Therapeutics, Inc**
- **Signing of Wafesil Licensing Agreement with China Resources Pharmaceutical Commercial Group**
- **Proposed Spin-Off and Listing of Pharmaceutical and Medicinal Cannabis Business on the Hong Kong Stock Exchange**
- **Strong Investor Demand Drives 196.2% Rights Issue Subscription Rate which raised S$9.62 million**

Post - FY2022

- **Private Placement of 13,710,000 New Ordinary Shares Raised S$2.71 Million from Strategic Investor**
- **Expanded Pipeline with Development of a New Wafer Pharmaceutical Product Containing Dexmedetomidine for Agitation in Dementia Patients**

Dear Shareholders,

On behalf of the Board of Directors of iX Biopharma Ltd (iX Biopharma or the Group), I am pleased to present our Annual Report for the financial year ended 30 June 2022 (FY2022).

Resilience in Challenging Times

FY2022 was an eventful year fraught with a number of critical challenges which have heightened uncertainty and impacted economic growth. Concerns of the emergence and outbreak of new COVID-19 variants such as the BA.4 and BA.5 Omicron strains continued to weigh on the recovery of global economies.

Coupled with the fall-out from the Russia-Ukraine war and prolonged lockdowns in China, these global challenges continued to exacerbate the operating environment for many businesses, contributing to global supply chain disruptions and commodity price volatility. With inflation on the rise, central banks have been forced to raise interest rates, increasing the risk of the possibility of a recession in the near-term.

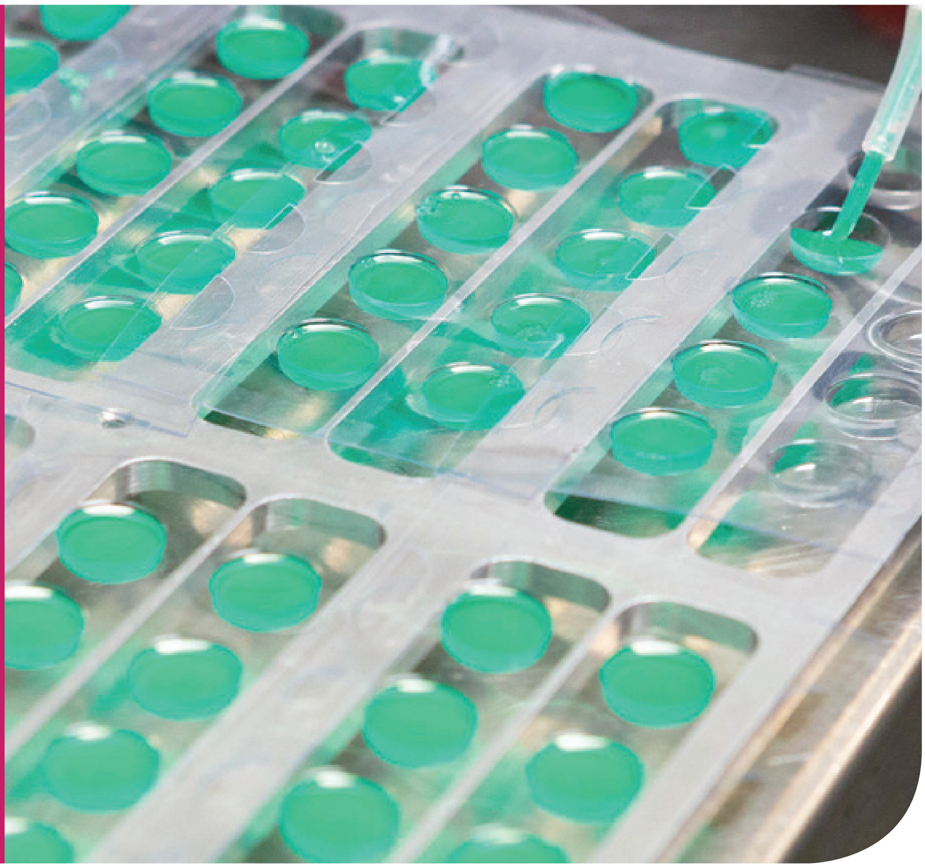
Creating Value for Shareholders

In the face of the complex global landscape and headwinds, our people persevered and embraced the challenges, emerging stronger and more agile as we delivered a solid and sustainable performance in FY2022.

	FY2022	FY2021	Variance	
	S$'000	S$'000	S$'000	%
Product and services	2,018	1,745	273	16%
Out-licensing	12,372	-	12,372	nm
Total revenue	**14,390**	**1,745**	**12,645**	**725%**
Profit/(Loss) before tax excluding foreign exchange and fair value loss	**1,071**	**(10,028)**	**10,950**	**nm**

"Our overall revenue in FY2022 grew by more than seven times as compared to FY2021. We are pleased to record and report our first profit before tax of S$1.07 million (excluding foreign exchange and fair value loss), reversing a loss of S$10 million from FY2021."

"The out-licensing of Wafermine paves the way for us to develop new repurposed drugs with our WaferiX sublingual technology leveraging US FDA 505(b)(2) pathway."



Wafermine Out-licensing – A Major Milestone for the Group

In November 2021, we scored a coup with the out-licensing of Wafermine to Nasdaq-listed Seelos Therapeutics, Inc (Seelos), a clinical-stage biopharmaceutical company focused on the development of therapies for central nervous system disorders and rare diseases. Under the terms of the out-licensing partnership, Seelos will develop Wafermine and other wafer products incorporating R- and S- enantiomers of ketamine for both pain and depression indications. Seelos will be responsible for funding all future development and commercialisation of these products.

We have received an initial payment of US$9 million, comprising US$4.7 million in cash and 2.57 million shares in Seelos. Over the longer term, we are eligible to receive up to a total of US$239 million in development and sales milestone payments as well as double digit percentage royalties on all future product sales.

Whilst we have granted Seelos rights to market Wafermine in most global markets and worldwide rights to products incorporating R- and S- enantiomers of ketamine being developed using iX Biopharma's WaferiX technology, we will retain the exclusive rights to Wafermine in China, Hong Kong, Macau and Taiwan. This presents us with significant growth potential in Greater China, a region with an aggregate population of more than 1.4 billion and a fast growing middle-class keenly aware of the importance of healthcare.

Seelos has a very experienced research and development team with an enviable track record in product development, having developed and registered more than 20 Central Nervous System (CNS) drugs with the US Food and Drug Administration (FDA). We are pleased to update shareholders that Seelos has made commendable progress in a short period since the out-licensing agreement was signed. A clinical study to investigate the safety and efficacy of Wafermine for the treatment of patients with Complex Regional Pain Syndrome (CRPS) is in the advanced planning stage and subject to regulatory approval, a pharmacokinetic study is expected to commence in 4Q 2022.

The out-licensing of Wafermine paves the way for us to develop new repurposed drugs with our WaferiX sublingual technology leveraging US FDA 505(b)(2) pathway. Drug repurposing via US FDA 505(b)(2) pathway means a shorter development timeline as we can avoid unnecessary duplication of studies, for example, lengthy and expensive toxicology studies, on approved drugs. Also, as the safety profile of these drugs has already been established, the drug development timeline will be shorter, lowering its development cost, reducing risks and speeding up time-to-market! This adds to the attractiveness of the product to potential partners, allowing for early monetisation of the repurposed drug and unlocking the value of our sublingual assets for our shareholders.

CRPCG Partnership to Drive Adoption of Wafesil in China

In September 2021, we entered into a partnership for the distribution of Wafesil in China with China Resources Pharmaceutical Commercial Group (CRPCG), a division of China Resources and one of the three largest pharmaceutical distribution companies in China.

Under the licensing and distribution agreement, CRPCG will fund the registration of Wafesil in China and exclusively distribute the product in China following registration. At the date of this Annual Report, CRPCG is finalizing a regulatory dossier to be filed with the National Medical Products Administration (NMPA), China's national agency for regulating drugs and medical devices, by our current estimated timeline of 1Q 2023.

Upon approval, CRPCG will distribute Wafesil across its extensive network of more than 50,000 hospitals and medical centers, and 97,000 pharmacies in China. This will accelerate the adoption of Wafesil and ensure demand across quality distribution channels as major cities emerge from China's lockdowns.

The Company signed a licensing and distribution agreement with CRPCG for the exclusive distribution of Wafesil in China.

Addressing Unmet Demand with Sublingual Dexmedetomidine

Adding to a successful year of forging partnerships, we embarked on the development of a new wafer pharmaceutical product containing dexmedetomidine. This product utilises our proprietary sublingual drug delivery technology, WaferiX, and will be developed for the treatment of acute agitation in dementia and other indications. This programme expands iX Biopharma's pipeline and furthers our strategy to repurpose existing approved drugs using WaferiX to target new therapeutic areas with significant medical need.

In 2020, there were more than 5.8 million people in the US with Alzheimer's disease who in aggregate experience over 100 million agitation episodes per year. Current approaches to address agitation are suboptimal. These include over-sedating therapies such as antipsychotics and benzodiazepines which produce adverse effects that are particularly severe for elderly patients, and physical restraints to ensure the safety of patients.

Currently, dexmedetomidine is generally delivered via intravenous infusion which is invasive and must be administered in a hospital or clinical setting. On the other hand, our novel sublingual dexmedetomidine wafer can be administered by simply placing under the tongue. It is non-invasive, non-traumatic, convenient and easy to use by out-patients. In the absence of FDA-approved therapies for the treatment of dementia-related agitation, a sublingual dexmedetomidine wafer will address an unmet need in a growing global market which was valued at US$4.1 billion in 2020. The Group has commenced a human pharmacokinetic study comparing our sublingual wafer to the marketed IV dexmedetomidine (Precedex) product, with results expected in December 2022/January 2023.

Xativa Gains Acceptance in Major Medicinal Cannabis Markets

Globally, there continues to be a change in perception towards medicinal cannabis use, which is now believed to be safe and acceptable. This phenomenon has led to fast-growing consumer demand for medicinal cannabis with an estimated global market size of US$37 billion in 2020.

Cannabinoid products are currently predominantly delivered via smoking, vaporising or oil tinctures. As cannabinoids are oil-based, they are poorly absorbed orally. Using WaferiX, we have the potential to increase the absorption of cannabinoids and provide a faster therapeutic effect. The first product off the line is Xativa, a sublingual CBD (cannabidiol) wafer, which has generated strong demand from consumers and physicians since its launch and was accorded "CBD Product of the Year" award at the Australian Cannabis Industry Awards 2020.

Australia market

Today, Xativa is available with a doctor's prescription in Australia under the Special Access Scheme and Authorised Prescriber Pathway. Xativa has been well received and has garnered positive feedback by doctors and patients, who have been using it to treat a variety of conditions such as chronic pain, anxiety and insomnia. To meet the growing demand, we launched Xativa 50mg CBD wafers in 2Q 2022, adding to our Xativa range which includes 12.5mg and 25mg CBD wafers. To allow us to address more conditions and broaden our patient base, we are working to launch Hypera, a tetrahydrocannabinol (THC) wafer, in 1H FY2023.

United Kingdom (UK) market

We are also making strong inroads in the UK's growing medicinal cannabis market which is currently valued at approximately GBP 690 million. In the UK, CBD products are regulated as novel food products and can be sold over the counter in retail stores. We have filed a novel food application with the UK Food Standards Agency (FSA) for Xativa. Subject to FSA's approval, Xativa will be made available for over-the-counter sales. In addition, upon the launch of our THC wafers, we will look to sell the product through medical clinics with a doctor's prescription.

United States (US) Market

The US is the largest cannabis market in the world, driven by the normalisation of cannabis consumption, growing consumer demand, increasing recognition of cannabis' therapeutic and wellness applications, and an increasing number of legal state markets in recent years. The US market value is estimated at US$18.4 billion in 2022 and the legal cannabis market is expected to increase 36.4% to US$25.1 billion by 2025.

The US cannabis market is highly fragmented with a focus mostly for recreational products. There has been a major shift in recent years to medicinal use and this trend is expected to grow exponentially as more scientific evidence supported by clinical studies start to emerge confirming cannabis' various health and medicinal benefits.

In our last visits to USA in April 2022, we observed that there has been no noteworthy innovation, no dominant players or brand in the cannabis markets. This behemoth market presents a unique, exciting opportunity for iX Biopharma to leverage its patented, robust sublingual technology to establish itself as a provider of novel, premium and a more superior medicinal cannabis product. As CBD products move beyond cannabis dispensaries into mainstream retail outlets, its market reach and consumer base will broaden. We are exploring various opportunities to introduce our CBD wafers into the US as a wellness product.

Entity Health

Entity Health has a range of 12 products focused on healthspan, beauty and lifestyle segments which includes our flagship beauty product, LumeniX, a sublingual glutathione wafer for skin brightening and immunity, and a comprehensive range of NAD supplements including novel, sublingual pure NAD+ wafers.

To address the growing trend of living longer and healthier, we intend to reposition Entity Health as a healthspan provider and "The World's Trusted Longevity Partner". We launched SL-NAD+, a sublingual pure NAD+ wafer in 2Q FY2022. Found in every human cell, NAD+ plays a critical role in the rejuvenation of the human body, elevating energy levels and enhancing the ability of the body to recover at a faster rate. In an industry first, SL-NAD+ delivers pure NAD+ into the body's blood stream sublingually using our unique WaferiX drug delivery technology.

"The US is the largest cannabis market in the world. There has been no noteworthy innovation, no dominant players or brand. This behemoth market presents a unique, exciting opportunity for iX to establish itself as a provider of novel, premium and a more superior medicinal cannabis product."

Entity Health products are currently sold in China, Australia and Singapore. Entity products are available to Chinese consumers on cross border e-commerce platforms Tmall and JD.com, in over 250 pharmacies and health food stores in Australia, as well as in Singapore via online stores, department stores and aesthetic clinics. In FY2022, the nutraceuticals segment saw slower sales as it was impacted by supply chain disruptions and curtailment of consumer demand due to the multiple city lockdowns. Nevertheless, we are optimistic that once conditions improve and the pandemic situation is controlled, demand in China will recover and China will remain a key market for the business.

Having garnered experience in China, we are now looking to the West. Health trends that help consumers to defy ageing to live longer, healthier and better are hugely popular with consumers in the US, as with China. Therein lies an opportunity for Entity's next generation of healthspan products.

The benefits of NAD+ are well recognized by US consumers who are keen to address health conditions such as ageing, alcohol addiction, fatigue and metabolic decline. Currently, these consumers have to seek costly and time-consuming NAD+ intravenous drip treatments at NAD clinics across the country. Imagine the attractiveness of our NAD+ wafer products; simply place a wafer under the tongue and it will disintegrate within a minute to provide a shot of energy and metabolic boost!

Elevating Our ESG Practices and Reporting Standards

We are cognisant of the importance of reducing our environmental impact and are committed to conducting business in a responsible manner by supporting the precautionary principle. To this end, we report our compliance and measure our progress using the Global Reporting Initiative Standards (GRI Standards) - the first global standards for sustainability reporting.

Corporate governance is at the heart of our efforts in achieving our sustainability goals. We uphold the belief that good corporate governance practices are essential in building a sound corporation with an ethical environment, thereby protecting the interests of our shareholders and other stakeholders. We strive to put in place a robust governance framework to maintain the integrity, transparency, accountability and discipline in all our practices.

One of our top priorities is the safety and wellbeing of our customers. To ensure the quality and safety of our products, we have integrated quality standards, procedures and monitoring systems across our operations. Please refer to our 2022 Sustainability Report for detailed information on our commitment and progress in enhancing our ESG practices.

A Strong Development Pipeline Paves the Way Forward

Governments around the world have adopted different strategies to overcome the impact of COVID-19, from China's controversial "zero tolerance" approach to combat the virus to Australia and Singapore's "living with Covid" approach. Poles apart, these strategies have added a significant degree of uncertainty and challenges for companies with an operating presence in multiple markets. Whilst we have our sights firmly set on expanding to the US and UK markets, we are cognisant that there is need to exercise prudence with our growth strategy and focus on a cost management in an inflationary operating environment.

Under these unprecedented circumstances, the out-licensing of Wafermine, a repurposed drug, has not only validated our pharmaceutical business model but more importantly demonstrated its relevance and risk-mitigation advantages in uncertain economic times.

Pharmaceutical Pipeline

	Active	Indication	Clinical Studies					
	Pharmaceuticals		Pre - Clinical	P1	P2	P3	Approval	
1	**Wafesil**	Male erectile dysfunction						Approved in Australia; Out-licensed to China Resources Pharmaceutical Group in September 21
2	**Wafermine**	Acute Pain						Out-licensed to Seelos Therapeutics in November 21
		Complex Regional Pain Syndrome						
3	**Dexmedetomidine**	Acute agitation in Dementia						
4	**Dronabinol**	Chemo Induced Nausea & Vomiting						
5	**Apomorphine**	Parkinson's Disease						
6	**IXB-321**	Vaccine delivery						

Sublingual Dexmedetomidine wafer

We have commenced evaluation of our sublingual dexmedetomidine wafer in a human pharmacokinetic study, with results expected in December 2022/January 2023. Upon successful completion of this study, the Group plans to file an IND application with the US FDA for a Phase 2 study in 1Q 2023. This development programme will be internally funded. We plan to maximise the value of our patented sublingual dexmedetomidine by out-licensing it at the successful completion of Phase 2 clinical development, similar to what we have done with Wafermine, or at Phase 3 depending on the valuation at that stage.

In addition, the Group has developed two other novel sublingual wafer products, including the active drugs, dronabinol (synthetic tetrahydrocannabinol, THC) and apomorphine, respectively. Both products are ready to commence Phase 1 human pharmacokinetic studies.

Sublingual Dronabinol wafer

Sublingual dronabinol will be developed for the currently approved indications of chemotherapy induced nausea, vomiting and anorexia associated with weight loss in patients with HIV/AIDS. Please refer to "Operations Review – Sublingual Dronabinol wafer" on page 13 of this Annual Report for more information.

Sublingual Apomorphine wafer

Our sublingual apomorphine wafer is being developed to treat the motor symptoms of Parkinson's Disease. The prevalence of Parkinson's Disease has doubled in the past 25 years with global estimates in 2019 showing over 8.5 million individuals are affected. Patients often experience "off-episodes" which are periods when patients suffer from worsening and fluctuating symptoms despite being on medication. Please refer to "Operations Review – Sublingual Apomorphine wafer" on page 13 of this Annual Report for more information.

Vaccine Delivery

The SARS-CoV2 virus (COVID-19) pandemic has shut down the global economy for over two years, with no clear path to normality in sight. The roll-out of COVID-19 vaccines, initially slow due to supply chain issues and complicated logistics with many vaccines requiring minus 80°c storage and transportation, is now widespread with high vaccination rates in most developed countries. Despite this, the spread of the coronavirus continues unabated, and the world is looking for a better solution. The scientific community is now evaluating mucosal vaccine delivery as a promising approach to combat the issue of viral spread.

In response, we are developing a novel vaccine delivery platform based on the WaferiX technology, designed to effectively deliver vaccines to the mucosa with the aim of reducing infection rates and mitigating spread. Please refer to "Operations Review – Vaccine Delivery" on page 14 of this Annual Report for more information.

Medicinal Cannabis

Xativa, our first-generation sublingual cannabis wafer has been well received by both the industry players and consumers, and recognized as a leading, novel cannabis product. To further enhance the rapid absorption and onset of action of the product, we are developing a second-generation medicinal cannabis wafer utilizing unique nano-emulsion technology. We expect the combination of this technology with WaferiX to produce a more superior product, ahead of the competition. We look forward to updating you on our exciting developments here in the near future.

The Group invested to increase production capacity.

Sustainable Financial Performance

Revenue	FY2022	FY2021	Variance	
	S$'000	S$'000	S$'000	%
Product and services				
Specialty Pharmaceuticals	1,401	806	595	74%
Nutraceuticals	617	939	(322)	(34)%
	2,018	1,745	273	16%
Out-licensing	12,372	-	12,372	nm
Total revenue	**14,390**	**1,745**	**12,645**	**725%**

We closed FY2022 with revenue of S$14.39 million, representing a stellar 725% increase from S$1.75 million in FY2021. The jump in revenue was mainly driven by the receipt of upfront payment from our Wafermine out-licensing deal with Seelos, along with growth in our underlying businesses. Excluding the upfront licensing payment from Seelos, FY2022 revenue grew a respectable 16% to S$2.02 million, from S$1.75 million in FY2021. This is notwithstanding that sales of Entity Health was negatively impacted by intermittent movement restrictions associated with the COVID-19 pandemic in China and major Australian cities. Further, the Group also experienced supply chain disruptions especially with exporting to China. However, Entity Health managed to reverse this decline in 4Q and reported a revenue equivalent to 44% of its entire FY2022 when restrictions and lockdowns eased.

Over the course of the last few years, we invested some S$3.22 million in capital expenditure, mainly to increase our production capacity. This added capacity will support the Group's expansion plans to the US. During the year, we raised net proceeds of S$9.62 million from a rights issue that was oversubscribed by more than 96%. Together with the out-licensing proceeds and other cash inflows, the Group ended the year with a strong cash balance of S$13.50 million. This cash position is further strengthened by S$2.71 million from a private placement of 13.71 million shares completed on 21 July 2022.

We closed the year with a strong balance sheet which provides the financial strength for the Group to execute its strategic plans, including developing its new pharmaceutical pipeline and its expansion plans to new markets next year.

Acknowledgements

In closing, I would like to thank our staff and management for their dedication and invaluable contributions over the past 12 months especially in view of economic uncertainty and of course, the Covid-19 pandemic. Not only did the management and their team thrive under those difficult operating environments, they managed to deliver a set of sterling, sustainable financial results and at the same time, created a platform for future growth. Such a performance is nothing short of remarkable and on behalf of my fellow directors, I sincerely thank and commend them for their resilience and determination.

To our Board of Directors, I thank you sincerely for your continued guidance and support. Mr. Low Weng Keong will be retiring as a Director of the Board after the Annual General Meeting, I would like to take this opportunity to thank him for his valuable contributions and unwavering support over the past seven years. I would also like to welcome Ms. Angeline Tham, who joined the Board on 1 February 2022, as an Independent Director. Last but certainly not least, I would like to thank all our shareholders, customers, business partners and suppliers for your patience and continued loyalty.

Over the long-term, the Group's future is positive with abundant growth and value creation opportunities. I look forward to your continued support as we take the Group to its next stage of growth in FY2023.

Eddy Lee
Chairman & Chief Executive Officer

Product Portfolio

PHARMACEUTICALS

Our clinical stage portfolio of sublingual pharmaceutical products is principally built on the WaferiX platform technology:

Active	Indication	Clinical Studies					
Pharmaceuticals		Pre - Clinical	P1	P2	P3	Approval	
Wafesil	Male erectile dysfunction						Approved in Australia; Out-licensed to China Resources Pharmaceutical Group in September 21
Silcap	Male erectile dysfunction						Approved in Australia and Singapore
Wafermine	Acute pain						Out-licensed to Seelos Therapeutics in November 21
	Complex Regional Pain Syndrome						
Dexmedetomidine	Acute agitation in dementia						
Dronabinol	Chemo induced nausea & vomiting						
Apomorphine	Parkinson's disease						
IXB-321	Vaccine delivery						

Wafermine (ketamine)

For acute moderate to severe pain, complex regional pain syndrome and treatment resistant depression

Wafesil & Silcap (sildenafil)

For male erectile dysfunction

MEDICINAL CANNABIS

Combining our deep experience in scientific research, pharmaceutical manufacturing standards and the WaferiX technology, we produce breakthrough medicinal cannabis products that allow patients to benefit from the full therapeutic potential of the cannabis plant. The wafers have been prescribed by doctors for chronic pain, anxiety and insomnia, among other conditions.

Xativa (CBD wafers)

CBD PRODUCT OF THE YEAR 2021

Xativa Freeze-dried Sublingual Wafers

Voted the best CBD product in Australia

Hypera (THC wafers)

NEW

NUTRACEUTICALS

At Entity, our nutraceuticals are a powerful combination of ground-breaking science and the very best extracts nature has to offer. Manufactured under stringent conditions, our pioneering health products work to increase quality of life by delaying the development of chronic illnesses and disabilities. Entity – look forward to your best years.

Entity is science based: developed by leading experts in medicine, pharmacy, drug delivery and nutrition who have researched the latest scientific findings to offer to consumers the next generation of nutraceuticals.

Product Highlights

SL-NAD+ (NAD+ sublingual wafers)

Breakthrough in NAD+ supplementation, providing effective absorption of pure NAD+ directly into the bloodstream. For anti-aging, energy & vitality

LumeniX (glutathione sublingual wafers)

For skin brightening & building immunity

WafeRest (melatonin sublingual wafers)

For alleviating jet-lag & promoting sleep quality

Operations Review

The operating environment remained challenging with ongoing impact from COVID-19 related lockdowns and supply chain disruptions. These disruptions affected the business across the board, with delays experienced in the importing of raw materials and equipment and exporting of finished product. We were also impacted by a general increase in the cost of raw materials largely due to supply chain issues, further exacerbated by a strengthening US dollar. Our GMP manufacturing facility in Australia continued to operate throughout the year, although staff resourcing came under pressure due to COVID-19 illness and required isolation periods.

Despite these circumstances the Group made significant progress across all business segments, most notably with strong revenue growth in the medicinal cannabis business, new pharmaceutical and medicinal cannabis product development and out-licensing of two pharmaceutical products.

PHARMACEUTICALS

Wafermine

The Group achieved a major milestone during the year with the out-licensing of Wafermine (sublingual ketamine wafer) to Nasdaq-listed Seelos Therapeutics, Inc (Seelos) in November 2021. This followed many successful years of clinical research and development under an investigational new drug (IND) application with the US Food and Drug Administration (FDA).

Seelos will now further the development of Wafermine for the orphan indication, Complex Regional Pain Syndrome (CRPS). CRPS is a rare condition characterised by excessive and prolonged pain and inflammation that typically follows an injury to an arm or a leg. This is an area of high clinical unmet need with no FDA approved treatment.

The Group obtained orphan designation in the US for the use of ketamine to treat CRPS from the FDA in May 2021. Seelos is now in advanced planning stages to conduct a clinical study to investigate the safety and efficacy of Wafermine (now SLS-003) for the treatment of CRPS. The study is expected to commence in 4Q 2022.

Subsequent to the out-licensing agreement, a further agreement was reached with Seelos which permits the Group to continue to supply Wafermine to hospitals in Australia under the exemption provided in Schedule 5A of the Therapeutic Goods Regulation. To date, over 500,000 wafers have been supplied through this pathway.

Wafesil

The Group entered into a partnership for the distribution of Wafesil in China with China Resources Pharmaceutical Group (CRPCG), a division of China Resources and one of the three largest pharmaceutical companies in China.

CRPCG is currently preparing the Chinese registration dossier for Wafesil. Upon submission of the dossier and application to NMPA, it intends to consult with the Center for Drug Evaluation (CDE) of the NMPA on the requirements for bioequivalence or other clinical studies in China. The submission of the dossier is expected to take place in 1Q 2023.

Pipeline Expansion

The Group has focused on expanding its pharmaceutical pipeline by identifying molecules that can be repurposed using WaferiX technology to develop the next generation of products to address conditions with high unmet medical need.

Sublingual Dexmedetomidine Wafer

The Group has developed a novel sublingual dexmedetomidine wafer, intended to treat agitation in patients with dementia, amongst other conditions. We have commenced evaluation in a human pharmacokinetic study, with results expected in December 2022/January 2023. Upon successful completion of this study, the Group plans to file an IND application with the US FDA for a Phase 2 study in patients with agitation in 1Q 2023.

Estimated Project Timelines*

	2022		2023		2024		2025		2026	
	1H	2H	1H	2H	1H	2H	1H	2H	1H	2H
Phase 1										
Phase 2										
Phase 3										
IND Filing			✔							
NDA Filing									✔	
Approval										✔

** subject to regulatory approvals & funding*

Sublingual Dronabinol wafer

Sublingual dronabinol, (synthetic THC), will be developed for the currently approved indications of chemotherapy induced nausea, vomiting and anorexia associated with weight loss in patients with HIV/AIDS. Our sublingual dronabinol wafer is differentiated from the marketed formulations of dronabinol which require ingestion as either a capsule or liquid. A sublingual delivery has the advantage of not having to be swallowed, which is particularly useful in patients with severe nausea. It also has the potential advantages of improved bioavailability and faster onset of action as has been demonstrated with other WaferiX-based products. The product is now ready to commence human pharmacokinetic studies subject to funding and regulatory approvals.

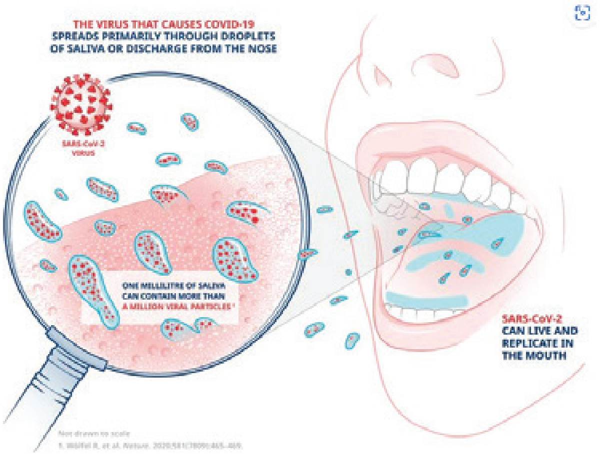
Sublingual Apomorphine wafer

The Group has developed a novel sublingual apomorphine wafer to treat the "off-episodes" in patients with Parkinson's Disease, which are periods when patients experience worsening and fluctuating motor symptoms despite being on medication. This occurs because of the short half-life and variable absorption of the standard drugs used to treat the condition. We expect our sublingual wafer, which uses our patented WaferiX technology, to quickly and effectively treat these "off-episodes" as and when required. The product is now ready to commence human pharmacokinetic studies subject to funding and regulatory approvals.

Vaccine Delivery

The SARS-CoV2 virus (COVID-19) pandemic has taught us of the need for highly effective vaccination, to reduce spread of the virus and reduce severe illness.

The oral and nasal mucosa is the portal of entry for respiratory viruses, including COVID-19, and most importantly, the area from which the virus spreads. It is now widely accepted that a strong mucosal immunity is essential to mitigate initial infection and transmission of the virus.



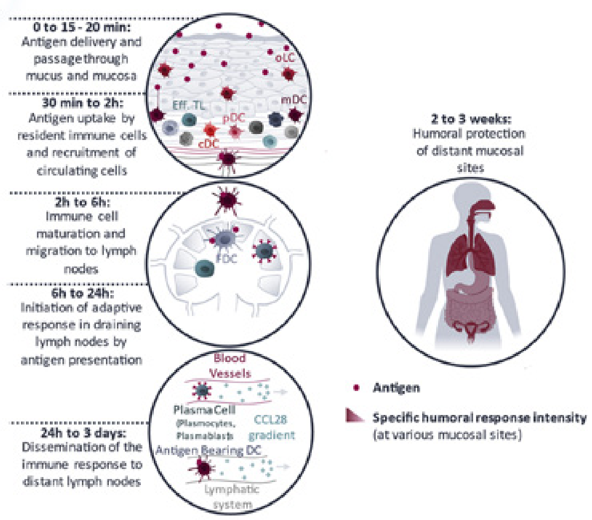
Wölfel R . et al, Nature, 2020;581 (7809);465-469

Unfortunately, current vaccines administered intramuscularly produce a strong systemic immunity but do not address mucosal immunity, and this is where mucosal delivery could have a tremendous impact on preventing viral spread. Data from the scientific literature demonstrates that mucosal vaccination can produce not only a strong mucosal immunity but a strong systemic immunity as well.

We are developing a novel vaccine delivery platform based on the core WaferiX technology to effectively deliver vaccines to the mucosa with the aim of reducing infection rates and mitigating spread. Vaccines delivered by our sublingual wafer platform technology would have the benefits of being non-invasive, easy to store and transport, and potentially have a longer shelf-life. It would also remove the need for painful injections, disposal of needles and medical staff for administration, all of which would improve patient compliance.

Our WaferiX technology was specifically designed to maximise sublingual drug absorption by rapid disintegration and release of the active drug from the wafer matrix.

To optimise the immune response to a sublingual vaccine, we have modified the disintegration profile of the WaferiX matrix and increased the time the vaccine will come into contact with the mucosa. This will maximise the passage of vaccine through the sublingual mucosa where it will be taken up by specialised antigen presenting cells (e.g. Langerhans cells). These cells will then deliver the vaccine antigen to immune cells, namely T & B lymphocytes. It is these immune cells that are then primarily responsible for generating a robust humoral and cellular immune response against the virus.



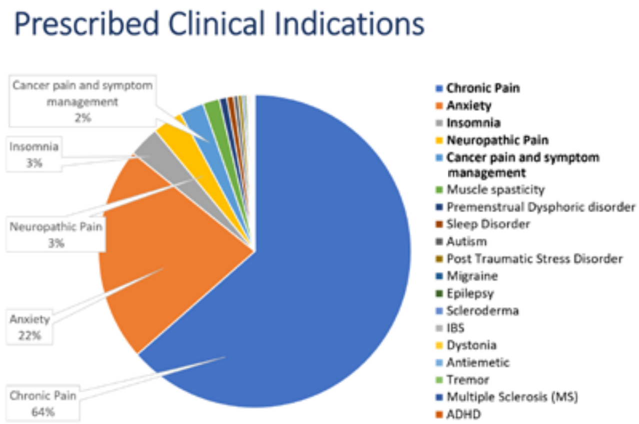
Elsevier Journal of Controlled Release, Volume 332, 10 April 2021, Pages 553-562, Sublingual vaccination and delivery systems.

We have commenced development work on a proof of concept sublingual vaccine wafer. This has been facilitated by a Materials Transfer Agreement with a global vaccine manufacturer who is supplying us with vaccine antigen and will conduct specialised analytical testing on the finished wafer product. We expect to see the initial outcome of this work by 2Q FY2023.

MEDICINAL CANNABIS

Australia

Xativa, our novel sublingual cannabidiol (CBD) wafers continues to be well received by both doctors and patients in the Australian market where it is available under prescription through the Special Access Scheme and Authorised Prescriber pathways for unapproved medicines. The number of unique prescribers increased by approximately 60% over the last 12 months, with Xativa now having been prescribed for over 20 different conditions. The top 5 conditions treated were chronic pain (64%), anxiety (22%), insomnia (3%), neuropathic pain (3%) and cancer pain and cancer symptom management (2%).



In April 2022, we launched a higher strength Xativa 50mg wafer into the market to address those patients requiring higher titration of their daily CBD dose.

"The number of unique prescribers increased by approximately 60% over the last 12 months, with Xativa now having been prescribed for over 20 different conditions."

In September 2022, we launched Hypera, the world's first THC sublingual wafer into the Australian market. Hypera wafers come in two strengths: 5mg and 10mg and now provides patients an option to take THC in an effective and convenient wafer formulation. The introduction of THC wafers now enables us to address the majority of medicinal cannabis users in Australia who are prescribed THC either in combination with CBD or alone to treat various medical conditions like pain and sleep disorders.

United States

The Group is now exploring our entry strategy into the US, the largest legal cannabis market in the world. Most states have legalised the use of cannabis for medicinal purposes and federally, hemp-derived products are legal to sell.

The market is currently dominated by cannabis flowers and oils, which are administered via smoking or inhalation or as oral tinctures, respectively. Smoking and inhaled products have a number of drawbacks including safety concerns for the user and exposed third parties, in addition to variable absorption. Cannabis oils taken orally are poorly and variably absorbed with slow onset of action and can be cumbersome to administer.

Our WaferiX-based medicinal cannabis wafers are novel and highly differentiated from these current product offerings in the market. The wafers are safe to administer with less variability in absorption than via the inhaled route, and offers increased bioavailability with more predictable absorption and faster onset of action than oil tinctures. A further advantage is that the sublingual wafers come in a fixed unit dosage form which is convenient and easy to administer.

United Kingdom

The Group has submitted a novel food application for Xativa to the UK Food Standards Agency. CBD products in the UK have recently been classified as a novel food, meaning that product companies must demonstrate certain quality and safety standards prior to being allowed to sell the product through retail channels in the UK. The application is under review and awaiting confirmation that it has been validated for final assessment. Upon successful validation, Xativa will be permitted to be sold over-the-counter in the UK.

The Group is also now evaluating opportunities to launch both Xativa and Hypera wafers in the UK market through medical channels which require a doctor's prescription.

NUTRACEUTICALS

The Group's nutraceuticals division, Entity Health, faced a number of challenges this year, largely related to COVID-19 lockdowns in China, Entity's primary market, and ongoing supply chain disruptions affecting all markets. Despite these disruptions we remain confident of future growth with expansion into new products and markets in the coming year and beyond.

During the period, Entity launched SL-NAD+, the world's first sublingual NAD+ wafer aimed to counter the process of ageing and increase healthspan, while boosting energy levels and vitality. This launch leads Entity's focus on providing scientifically backed, innovative longevity products to help extend people's healthspan. This focus fits well as we look to enter the US market, where the anti-aging health trend has gained considerable momentum.

MANUFACTURING

"During the year we completed the installation and commissioning of the new larger scale freeze-drying equipment in our facility. We are well equipped to support the growth trajectory for next year!"

The Group operates a state-of-the-art TGA-licensed GMP manufacturing facility and analytical laboratory in Melbourne, Australia, compliant to the highest pharmaceutical standards. We have the expertise and equipment to freeze-dry solid dosage formulations, including the Group's proprietary WaferiX sublingual wafers. We also have the capability to manufacture other dosage forms, including immediate-release tablets, enteric coated tablets, oral dissolving tablets, hard gelatin capsules and liquid dosage forms such as aqueous and oil-based oral liquids. The facility has specialised packaging equipment for primary and secondary packaging of a range of dosage forms for pharmaceutical, medicinal cannabis and nutraceutical products.

During the year we completed the installation and commissioning of the new larger scale freeze-drying equipment in our facility. This was greatly welcomed after an 18 month delay due to COVID-19 related border restrictions which prevented the manufacturer's engineers from entering Australia to install and commission the equipment. This commissioning boosted our wafer production capacity by six-fold. We are well equipped to support the growth trajectory for next year!

Business Strategy

"Over the years, the Company has invested in developing WaferiX to be the ultimate drug delivery technology. Today, WaferiX is a robust and versatile technology, capable of being broadly applied to many different drugs across a wide range of therapeutic areas."

Unlike companies whose development pipelines are limited by what they can discover, or what they can in-license from other parties, thanks to WaferiX, the Company has built an impressive wafer product pipeline covering pharmaceutical drugs and nutraceutical products. WaferiX ensures that the Company's pipeline is boundless, and drives sustainable future growth.

Drug Repurposing

Key to our business is our drug repurposing strategy. We use WaferiX to repurpose and enhance various drugs, and where appropriate, register these drugs via the United States (US) Food and Drug Administration (FDA) 505(b)(2) pathway. Drug repurposing is where we use existing approved drugs to treat new therapeutic area(s) or develop into a new dosage form. By changing the dosage form and route of administration of an existing drug, we can increase the convenience of use, improve its therapeutic effect and side effect profile, expanding the drug's effectiveness and suitability for use in a new therapeutic area.

Drug repurposing is an alternative approach to the traditional drug discovery process which is typically a lengthy, time consuming and expensive venture, with relatively low success rates. This strategy is highly efficient, time saving, low-cost, with minimum risk of failure. Drug repurposing is an emerging strategy and a growing trend for pharmaceutical companies seeking to manage their development expenses and risk. The global market size for repurposed drug was worth over US$30 billion in 2020. The drug repurposing strategy offers many advantages to the Group: firstly, it is able to avoid unnecessary duplication of studies. Approved drugs with established safety profiles may not require any or minimum toxicity studies. Secondly, the drug repurposing development timeline is approximately five to seven years compared to a new drug development which may take 10 to 15 years. The Group therefore benefits from lower development costs, lower risks and a faster speed to market. Thirdly, a repurposed drug will have the potential to qualify for seven years of market exclusivity upon obtaining registration.

The Company successfully out-licensed its flagship repurposed ketamine drug, Wafermine, in November 2021. Please see "Chairman's Statement - Wafermine Out-licensing - A Major Milestone for the Group" on page 4 of this Annual Report for more details on the licensing transaction of Wafermine. Following that achievement, the Company will focus on developing a wafer with dexmedetomidine as the active drug. Dexmedetomidine is currently approved for procedural sedation in IV form and for the acute treatment of agitation associated with schizophrenia or bipolar I or II disorder. The Company intends to repurpose the drug for the treatment of multiple indications, particularly dementia related agitation. Please see "Operations Review – Sublingual Dexmedetomidine Wafer" on page 13 of this Annual Report for more information on the sublingual dexmedetomidine programme.

"Out-licensing will allow us to fully unlock the value of the drug being licensed."

Out-licensing

Another crucial part of our business strategy is the out-licensing of our drugs to a partner. In November 2021, the Company successfully out-licensed Wafermine to Seelos Therapeutics, Inc.

Out-licensing will allow us to fully unlock the value of the drug being licensed. Typically, the terms may include:

- Upfront payments, which are payable upon contracting;
- Direct R&D funding;
- Development milestone payments, which are payable upon reaching R&D milestones such as successful completion of Phase 3 programme, approval of drug and commercial launch;

- Sales milestone payments contingent on reaching revenue targets; and

- Royalties, which could be tiered or a fixed percentage of sales.

A suitable partner will provide the Company with immediate capital infusion and much needed resources to complete clinical development and commercialise the drug. The partner may also have ready infrastructure and sales networks to manage the commercialisation of the product in the markets being licensed.

The structure of a licensing deal and its deal terms would be determined with reference to the value of the drug in question. Certain drugs can be partnered at an early stage of development, while for others, better value may be obtained by partnering at a later stage of development.

Sales markets and channels

During the year, the continuing Covid-19 pandemic and the Ukraine-Russia war strained global supply chains, extensively disrupting global trade. However, with the easing of restrictions in many countries, the Group will resume many of the sales and marketing activities that were previously curtailed.

Australia

In Australia, the Group supplies Entity nutraceutical products to more than 250 pharmacies and health food stores which onsells the products to consumers, while Xativa cannabis wafers are supplied to patients with a valid doctor's prescription under the Special Access Scheme and Authorised Prescriber pathways. The development of these sales channels depends on the efforts of our sales and marketing team and the patronage of consumers and patients. Our sales representatives educate doctors and train pharmacists and store representatives on our product benefits. They carry out merchandising and implement in-store sales and marketing programmes to attract consumers.

There is also an opportunity to supply Xativa over the counter in Australian pharmacies. The Australian Therapeutics Goods Administration (TGA) announced in December 2020 that cannabidiol (CBD) has been rescheduled as a Schedule 3 substance, which means that products in which CBD comprises 98% or more of the total cannabinoid content will be available over-the-counter without a prescription in pharmacies across Australia for therapeutic use. Registered CBD products will be more widely available in pharmacies and Australians will have greater and more convenient access to these products. It is expected that in that event, consumers will use CBD to address less serious conditions such as muscle recovery and to manage sleep, resulting in a greatly expanded market size.

The Company is confident that it has a winning product in the Xativa CBD wafers. Xativa is winning recognition in Australia and Europe for its unique and superior sublingual wafer dosage form. In 2020, Xativa clinched the "CBD Product of the Year" accolade presented by the Australian Cannabis Industry Awards 2020. This year, Xativa is a finalist in the World CBD Awards taking place in October 2022, proof again that the sublingual CBD wafers' better absorption and faster onset of therapeutic action are attractive propositions to consumers and the cannabis industry searching for a superior product.

In July 2022, the company participated in International Cannabis Business Conference in Berlin, Germany, which is the largest B2B trade event in Europe.

China

Entity nutraceutical products are sold into China through two Entity flagship stores on cross border e-commerce platforms Tmall Global (Tmall) and JD Worldwide (JD).

Trading conditions in China have been challenging due to multiple snap lockdowns affecting demand in top tier cities like Shanghai, restrictions on international and regional travel, additional customs requirements on imported goods and supply chain delays, among others. These restrictions caused difficulties for our China sales early in the year. However, sales in 4Q FY2022 rebounded when conditions improved and comprised 44% of the total sales in FY2022, proving that our products still have immense potential in the world's biggest consumer market. Given the uncertain conditions, the Group intends to focus on its existing sales channels, while evaluating opportunities to strike new business partnerships and open new channels in the future.

"With the easing of restrictions in many countries, the Group will resume many of the sales and marketing activities that were previously curtailed."

<u>New Markets</u>

Outside Australia, key markets of interest to the Group are United Kingdom and the United States.

<u>UK</u>

According to the Association for the Cannabinoid Industry, the UK's CBD industry is currently worth around £700 million, more than double what it was valued in 2019. Research by Alphagreen.io, the UK's largest marketplace for certified CBD products, suggests that CBD consumption soared during the pandemic, with more than 8 million Britons buying CBD products in 2020. Some 42% of purchasers are focused primarily on relieving or managing pain, 21% are seeking to tackle their insomnia, and 19% hoping to address anxiety, a condition which together with other mental health issues, was spotlighted during the pandemic.

To tap into this market, the Group has submitted and is awaiting the outcome of its application to the UK Food Standards Agency (FSA) for market authorisation.

<u>US</u>

The US is the largest legal cannabis market in the world. Most states have legalised the use of cannabis for medicinal purposes and federally, hemp-derived CBD products that contain less than 0.3% tetrahydrocannabinol (THC) concentration are legal to sell. The US market value is estimated at US$18.4 billion in 2022 and the legal cannabis market is expected to increase 36.4% to US$25.1 billion by 2025, according to Statista.

The US cannabis market has focused largely on recreational products. However, there has been a major shift in recent years to medicinal use. This trend is expected to grow exponentially as more scientific evidence supported by clinical studies start to emerge confirming its various therapeutic effects.

To derive therapeutic benefit from CBD, consumers are becoming more particular about the quality and absorption of the products they take. WaferiX CBD products are superior in the sea of recreational products available in the US market, as its technology increases the absorption of the CBD and increases the speed of action in the body. WaferiX technology being used in the Group's pharmaceutical drugs and the wafers being produced in a pharmaceutical GMP facility further lends credibility to our claim of superior quality.

Together with CBD wafers, the Group intends to market a range of healthspan products in the US as there is a fast growing demand for products that help extend life whilst keeping you healthy. In particular, the benefits of NAD+ are well recognised by US consumers who are keen to address health conditions such as ageing, alcohol addiction, fatigue and metabolic decline. The Group is evaluating opportunities to introduce a wellness brand which synergistically combines its cannabis and healthspan products.

Financial Review

During the financial year ended 30 June 2022 (FY2022), we continued to be vigilant over our expenditures as we had done during the prior year ended 30 June 2021 (FY2021) under a very uncertain business environment impacted by the COVID-19 pandemic and from the conflict in Ukraine.

Nonetheless, the Group had progressed well financially in multiple fronts: 1) strengthening of its financial position by S$9.62 million from an over-subscribed Rights Issue and further S$2.71 million from a private placement in July 2022, subsequent to the year-end; 2) successful licensing of Wafermine to Seelos, worth up to US$249 million and double-digit percentage royalties; 3) growing of our underlying business by 16% under a challenging environment; and 4) a positive adjusted EBITDA of S$3.02 million.

Operation Results

Revenue

Revenue	FY2022	FY2021
	S$'000	S$'000
Product and services		
Specialty Pharmaceuticals	1,401	806
Nutraceuticals	617	939
	2,018	1,745
Out-licensing	12,372	-
Total revenue	**14,390**	**1,745**

"Total revenue of the Group in FY2022 grew by more than seven times over FY2021, driven by the out-licensing of Wafermine."

Excluding the upfront licensing income, the Group grew its revenue from its underlying activities by 16% to S$2.02 million from S$1.75 million recorded in the prior year ended 30 June 2021 (FY2021).

Specialty Pharmaceuticals increased by 74% in FY2022, mainly contributed by medicinal cannabis product sales and services.

Nutraceuticals declined 34% in FY2022. This was due to supply chain and logistics disruptions in Australia and China as a result of COVID-19. Intermittent lockdowns and borders closure further aggravated the disruptions in supply chain that led to customer hesitancy for online orders. In the last quarter of FY2022, the Group's Nutraceutical sales accounted for more than 44% of the sales in the year. This was due to an improvement in consumer sentiment following the gradual easing of lockdowns in major cities in China.

With the increased revenue, the Group recorded a gross profit of 14% during the second half of FY2022 as compared to a gross loss of 25% during the prior comparative period. For FY2022, the Group recorded an overall gross profit of S$12.29 million as compared to a gross loss of S$0.38 million in FY2021.

Other Income – Research and Development (R&D) Incentive

The Group conducts its R&D activities through its wholly owned subsidiaries in Australia and has been eligible for R&D tax incentive under a programme administered jointly by the Australian Taxation Office (ATO) and Innovation Australia. This incentive provides for a rebate of 43.5% on eligible R&D expenditure incurred in Australia by these subsidiaries. A higher rebate in FY2021 was due to recognition of additional rebates relating to FY2019 that was only finalised with ATO in FY2021.

Other gains and losses

Over the last two years, we observed volatility in currency exchange rates, particularly in the Australian dollar. The Australian dollar appreciated against the Singapore dollar from June 2020 to May 2021 and has been depreciating against the Singapore dollar since. As a result, we recorded net losses in currency exchange of S$1.91 million in FY2022 as compared to a net gain of S$1.80 million in FY2021.

During FY2022, the Group received quoted equity shares in Seelos in partial satisfaction of the US$9 million upfront fee under the Wafermine out-licensing agreement and recognised them as a financial asset fair-valued through profit or loss (FVPL). Based on the prevailing market price and US dollar exchange rate as at 30 June 2022, the Group recognised a fair value loss of S$3.26 million in FY2022.

Operating Expenses

Research and Development (R&D) expense

During the periods, R&D activities were focused on new product development for our three growth engines, pharmaceutical, medicinal cannabis and nutraceutical products.

Sales and marketing expense

Prolonged pandemic led to an uncertain and challenging business environment during the year. In Australia, intermittent movement restriction orders imposed by the Federal and State governments had a direct impact on retail foot traffic in the pharmacies and affected our sales in pharmacies. Such restrictions also limited face-to-face sales calls and training meetings conducted with pharmacists and doctors. Intermittent lockdowns and borders closure further aggravated the disruptions in supply chain. These resulted in longer delivery times in China and led to customer hesitancy for online orders.

Due to market uncertainties arising from COVID-19, we had dialled back our sales and marketing activities since the beginning of FY2022. However, we stepped up our sales and marketing activities following the gradual easing of lockdowns of major cities in China in the last quarter of FY2022. Careful calibration of our sales and marketing expenses, particularly during the first half of FY2022, led to a lower sales and marketing expenses in FY2022 than FY2021.

General and administrative (G&A)

Higher G&A expenses in FY2022 were mainly due to S$1.86 million in expenses relating to out-licensing of Wafermine:

- One-off expense of S$0.92 million (legal and financial advisor fees and share-based compensation); and
- S$0.94 million (financial advisor fees and other expenses).

Excluding these expenses, G&A expenses of FY2022 would have been S$0.53 million lower than those in FY2021.

Income tax expenses

Income tax expense was solely arising from income earned in the Republic of Ireland and withholding tax after offset by deferred tax benefits associated with out-licensing of Wafermine.

Cash Flow

"The Group recorded a positive operating cashflow of S$3.12 million."

Following the receipt of the upfront fee for Wafermine, the Group recorded a net cash generated from operations of S$2.42 million during FY2022 (FY2021: net cash used of S$9.08 million). After the receipt of the R&D incentive rebate of S$0.71 million, the Group generated S$3.12 million in net cash from operating activities in FY2022 as compared to net cash used of S$8.35 million in FY2021.

As part of the up-front payment received from out-licensing of Wafermine, the Group received S$5.42 million in quoted equity shares and reporting them as part of investing activities.

The Group received net proceeds of S$9.62 million from the rights issue and a bank borrowing of S$1.40 million in July 2021. This was offset by repayments of borrowings, lease liabilities and interest totalling S$1.22 million. Comparatively, during FY2021, the Group received net proceeds of S$10.18 million from a private placement and a pledged fixed deposit of S$0.62 million was released by our bank.

As a result, consolidated cash and cash equivalents increased from S$5.59 million to S$12.91 million at the end of FY2022.

Financial Position

Current assets of the Group increased to S$16.84 million from S$9.35 million, principally in our cash and cash equivalents and receivables. These increases were mainly due to a) net proceeds of S$9.62 million received from rights issue of 48.81 million shares in July 2021 and b) receipt of US$4.67 million in cash from out-licensing of Wafermine.

"The Group's cash balance stood at S$13.49 million at the end of FY2022 and was further bolstered by S$2.71 million from a private share placement in July 2022."

Current liabilities of the Group increased to S$7.86 million from S$3.67 million. The increase was mainly due to provision for income and withholding taxes associated with income from out-licensing of Wafermine; and reclassification of a property loan due for repayment at end of June 2023 as current liability. The Group shall be negotiating with the lender to extend the repayment period in the next financial year.

Non-current assets increased to S$11.67 million from S$9.51 million from the receipt of equity shares and a deferred tax asset, both relating to the out-licensing of Wafermine.

Subsequent to the financial year end, the Company secured S$2.71 million of new fund by a private placement of 13.71 million new shares. With this additional fund, our cash holding would amount to more than S$15 million at the beginning of new financial year.

Board of Directors

EDDY LEE YIP HANG
Chairman and Chief Executive Officer

Date of initial appointment 17.01.2008
Date of last re-election 16.10.2020
Board Committees Nominating Committee (Member)
Present directorships in other listed companies Nil
Past directorships in other listed companies in the preceding three years Nil

As the Group Chairman and CEO, Mr. Lee is responsible for the development and execution of the Group's strategic vision and expansion plans. He is the founder of the Company and one of the inventors of our WaferiX technology. Mr. Lee possesses more than 25 years of international business experience, having worked as Senior Vice President at the Resorts World (Genting Group) in Malaysia, Chief Executive of CDL Hotels International Limited (Hong Leong Group) in Hong Kong, President & Chief Executive of Star Cruises PLC (Genting Group) in Singapore and more recently, as Managing Director & Chief Executive of Amcom Telecommunications Limited in Australia.

Mr. Lee is highly regarded as a professional start-up specialist with a very impressive track record in developing companies that have experienced outstanding brand recognition and tremendous growth. He was involved in the successful startups of the Burswood Resort Hotel in Perth and Star Cruises PLC in Singapore, and is perhaps best known for successfully introducing, developing and transforming the cruise industry in Asia into a multi-million dollar business today.

Mr. Lee holds a Bachelor of Business degree from Curtin University.

ALBERT HO SHING TUNG
Non-Executive Director

Date of initial appointment 01.03.2013
Date of last re-election 15.10.2021
Board Committees Risk Management Committee (Chairperson), Audit Committee (Member), Remuneration Committee (Member)
Present directorships in other listed companies Nil
Past directorships in other listed companies in the preceding three years Riverstone Holdings Limited (Independent Director)

Mr. Ho is currently a director of Centrum Capital, an investment and asset management firm. He previously worked at various international banks and multinational corporations and has more than 25 years experience in cross border mergers and acquisitions, corporate development, finance and investment banking in Asia.

Mr. Ho was formerly a Councillor of CPA Australia's Singapore Division and its Deputy Chairman of the Corporate-SME Committee.

Mr. Ho holds a Bachelor of Commerce degree from the Australian National University and is a Fellow Certified Practising Accountant with CPA Australia.

LOW WENG KEONG

Independent Director

Date of initial appointment 18.06.2015
Date of last re-election 16.10.2020
Board Committees Audit Committee (Chairperson), Remuneration Committee (Member), Nominating Committee (Member), Risk Management Committee (Member)
Present directorships in other listed companies Haw Par Corporation Limited (Lead Independent Director)
Past directorships in other listed companies in the preceding three years UOL Group Limited (Independent Director), Riverstone Holdings Limited (Lead Independent Director)

Mr. Low is an independent director of Haw Par Corporation Limited, listed on the Singapore Stock Exchange.

Mr. Low is a former country managing partner of Ernst & Young Singapore and a former Global Chairman and President of CPA Australia. He is currently Chairman of Singapore Chartered Tax Professionals Limited (formerly known as Singapore Institute of Accredited Tax Practitioners Limited. He was a member of the Board of Trustees of the NTUC Education and Training Fund (until 16 October 2019) and a Director of the Confederation of Asian and Pacific Accountants Limited (until 2 May 2019).

Mr. Low is a Life Member and Fellow of CPA Australia, Fellow Chartered Accountant (UK), Fellow Chartered Accountant (Singapore), Chartered Tax Advisor (UK) and an Accredited Tax Advisor (Singapore).

PATRICK DONALD DAVIES

Lead Independent Director

Date of initial appointment 02.12.2019
Date of last re-election 16.10.2020
Board Committees Remuneration Committee (Chairperson), Audit Committee (Member), Nominating Committee (Member), Risk Management Committee (Member)
Present directorships in other listed companies Neuren Pharmaceuticals Limited (NEU:ASX) (Non-Executive Chairman)
Past directorships in other listed companies in the preceding three years Nil

Mr. Davies is the Non-Executive Chairman of Neuren Pharmaceuticals Limited listed on the Australian Stock Exchange. He has held executive management roles in the Australian and New Zealand healthcare industry for over 25 years having performed successfully in senior roles across many industry sectors including pharmacy, primary care, pharmaceutical and consumer products. During his 10 year period as Chief Executive Officer of EBOS Group Limited (and previously Symbion), the enterprise value of the group achieved compound annual growth in enterprise value of +20% (from circa A$450M to in excess of A$3.1B). He is also a director on other non-listed corporate boards and provides strategic advice to a range of healthcare businesses and investors.

Mr. Davies holds a Bachelor of Economics from University of Adelaide and a Master of Business Administration from Australian Graduate School of Management.

ANGELINE THAM XIWEN

Independent Director

Date of initial appointment 01.02.2022
Date of last re-election Nil
Board Committees Nominating Committee (Chairperson), Audit Committee (Member), Remuneration Committee (Member)
Present directorships in other listed companies Nil
Past directorships in other listed companies in the preceding three years Nil

Ms. Angeline Tham heads the Product and Technology team of DBDOYC Inc, known as Angkas, the leading motorcycle taxi ride-hailing platform that helps provide mobility for Filipinos in one of the most traffic-congested countries in the world.

Ms. Tham founded Angkas in 2016 and was formerly a Director and CEO of the company.

Ms. Tham has more than 17 years of investment strategy, technology, and entrepreneurship experience. She has held positions in JP Morgan, SoftBank China & India Holdings, Soldgers Pte Ltd and Grab Inc.

Ms. Tham holds a Bachelor of Science degree from New York University, Stern School of Business.

Senior Management

EDDY LEE YIP HANG

Chairman and Chief Executive Officer

As the Group Chairman and CEO, Mr. Lee is responsible for the development and execution of the Group's strategic vision and expansion plans. He is the founder of the Company and one of the inventors of our WaferiX technology. Mr. Lee possesses more than 25 years of international business experience, having worked as Senior Vice President at the Resorts World (Genting Group) in Malaysia, Chief Executive of CDL Hotels International Limited (Hong Leong Group) in Hong Kong, President & Chief Executive of Star Cruises PLC (Genting Group) in Singapore and more recently, as Managing Director & Chief Executive of Amcom Telecommunications Limited in Australia.

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Mr. Lee holds a Bachelor of Business degree from Curtin University.

DR JANAKAN KRISHNARAJAH

Chief Operating Officer & Chief Medical Officer

Dr. Janakan Krishnarajah joined iX Biopharma as Chief Medical Officer in April 2016 and was subsequently designated as Chief Operating Officer on 1 April 2019. As Chief Operating Officer and Chief Medical Officer, he is responsible for iX Biopharma's pharmaceutical and nutraceutical product development, including the design and implementation of clinical trial programmes. He also oversees the operations of the Group's wholly-owned certified GMP manufacturing facility in Australia.

Prior to joining iX Biopharma, Dr. Krishnarajah was the CEO and Medical Director of Linear Clinical Research Ltd, a leading Australian early phase clinical trials facility. He has extensive experience in phase I-IV clinical trials and has acted as Principal or Co-Investigator in over 100 Phase I/II clinical trials.

Dr. Krishnarajah graduated with a Bachelor of Medicine, Bachelor of Surgery (Hons) from The University of Western Australia in 2001. He is a Fellow of the Royal Australasian College of Physicians with specialist interests in Clinical Pharmacology and Internal Medicine and worked as a Consultant Physician in Western Australia.

EVA TAN

Chief Commercial Officer

As the Chief Commercial Officer, Eva Tan is responsible for the development and execution of the Group's global commercial strategies across all segments.

Prior to joining iX Biopharma, Eva was a corporate lawyer at Wong Partnership, a leading law firm in Singapore, where she specialised in the capital markets practice. Eva was involved in numerous local and international IPOs, including the listing of iX Biopharma Ltd on the SGX Catalist in 2015. She has also had more than 10 years of experience advising on a broad range of local and cross border mergers and acquisitions and other corporate transactions.

Eva obtained her LLB from the National University of Singapore and was admitted to the Singapore Bar in 2008.

CHEW SIEN LUP

Chief Financial Officer

Chew Sien Lup joined iX Biopharma in April 2016. As Chief Financial Officer, Sien Lup oversees the accounting, financial, taxation, investment and other financial matters of the iX Group.

Mr. Chew has over 20 years of experience holding senior positions responsible for accounting, audit and treasury matters. He spent more than nine years with an international public accounting firm serving a variety of clients including those in the energy, utilities and high tech industries. Prior to joining iX Biopharma, he also served as CFO for Singapore eDevelopment Limited and Metech International Limited, both listed on SGX-ST.

Mr. Chew graduated from Monash University, Australia in 1988 with a Bachelor of Economics (Accounting) and a Bachelor of Science (Computer Science) Hons. He has been a Certified Practising Accountant of CPA Australia since 1993.

DR IAIN COOK

Chief Scientist

Dr. Iain Cook has more than 30 years of experience in the analysis of complex pharmaceutical and biological samples, with a background in pharmaceutical, veterinary, industrial and agrichemical industries.

Prior to his appointment as Chief Scientist at iX Biopharma, Iain was the director of Chemical Analysis Pty Ltd. He also served as analytical chemist at ICI/Orica, where he specialised in nuclear magnetic resonance and led its Spectroscopy Group (NMR/FTIR/SEM-EDXA/NIR), and at PROBE Analytical thereafter.

Iain obtained his Doctor of Philosophy in Nuclear Magnetic Resonance and Synthetic Organic Chemistry from La Trobe University.

DR STEPHEN LIM

Chief Pharmacist

Dr. Stephen Lim is an Adjunct Professor in the School of Pharmacy at Curtin University and has more than 35 years experience in the hospital and commercial pharmacy sectors. His interest is mainly in research, drug safety and drug delivery, especially in the area of needle-less systems.

Dr. Lim is also an expert in drug storage and extending the shelf-life of medication. He completed his Master thesis by looking at drug stability in the frozen state and has shown that intranasal fentanyl delivery is as effective as intravenous fentanyl.

Dr. Lim obtained a Bachelor of Pharmacy (with distinctions), a Master of Pharmacy and a Ph.D. in Pharmacy in novel, drug delivery system from Curtin University.

Corporate Governance Report

The Board of Directors (the Board or Directors) and the management (Management) of iX Biopharma Ltd. (Company, and together with its subsidiaries, the Group) is committed to comply with the principles of the Code of Corporate Governance 2018 (the 2018 Code) issued on 6 August 2018. The Company believes that good corporate governance is essential in building a sound corporation with an ethical environment, thereby protecting the interests of all shareholders.

This Corporate Governance Report sets out the Company's corporate governance practices. The Board confirms that, for the financial year ended 30 June 2022 (FY2022), the Company has adhered to the principles set out in the 2018 Code. Where there have been deviations from the provisions of the 2018 Code, the Company has sought to provide an appropriate explanation for each deviation in this Corporate Governance Report. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time, to ensure compliance with Section B: Rules of Catalist (the Catalist Rules) of the Listing Manual of the Singapore Exchange Securities Trading Limited (SGX-ST) (Listing Manual).

OUR GOVERNANCE FRAMEWORK

Board		Key Objectives
• **Eddy Lee Yip Hang** Chairman & Chief Executive Officer • **Albert Ho Shing Tung** Non-Executive Non-Independent Director (NED) • **Patrick Donald Davies** Lead Independent Director (LID) • **Low Weng Keong** Independent Director (ID) • **Angeline Tham Xiwen** Independent Director (ID)		Provides leadership by setting the strategic objectives of the Company together with the Management to achieve long-term success for the Group through value creation, innovation and sustainability. Oversees the performance of the Group for accountability to shareholders by ensuring that the necessary financial, operational and human resources are in place for the Company to meet its strategic objectives, which are supported by an adequate and effective system of risk management and internal controls.
Committee	**Composition**	**Key Objectives**
Audit Committee (AC)	• **Low Weng Keong** Chairperson (ID) • **Albert Ho Shing Tung** (NED) • **Patrick Donald Davies** (LID) • **Angeline Tham Xiwen** (ID)	Assists the Board in the discharge of statutory and other responsibilities relating to the integrity of the financial statements of the Group and reviews the adequacy and effectiveness of the internal controls system.
Nominating Committee (NC)	• **Angeline Tham Xiwen** Chairperson (ID) • **Eddy Lee Yip Hang** (Chairman) • **Low Weng Keong** (ID) • **Patrick Donald Davies** (LID)	Assists the Board in its succession plan through the review of board size and composition and the recommendations on the independence of Directors, appointment, re-nomination and retirement of Directors. Assists the Board in the evaluation of the performance of the Board and the Directors.
Remuneration Committee (RC)	• **Patrick Donald Davies** Chairperson (LID) • **Low Weng Keong** (ID) • **Angeline Tham Xiwen** (ID) • **Albert Ho Shing Tung** (NED)	Oversees the remuneration of the Board and the Key Management Personnel, including setting appropriate remuneration frameworks and policies to reflect a performance-based remuneration system that is balanced between the current and long-term objectives of the Company.
Risk Management Committee (RMC)	• **Albert Ho Shing Tung** Chairperson (NED) • **Patrick Donald Davies** (LID) • **Low Weng Keong** (ID)	Assists the Board in its oversight of the risk management of the Group. Considers the key risks of the Group under a risk management framework which considers the strategic objectives and risk appetite of the Group.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: ***The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.***

The Primary Functions of the Board

The primary functions of the Board is to protect and enhance long-term value and return for its shareholders. Besides carrying out its statutory responsibilities, the key roles of the Board are to:

- guide the formulation of the Group's overall long-term strategic objectives and directions. This includes setting the Group's policies and strategic plans and monitoring the achievement of these corporate objectives;
- establish a framework of prudent and effective internal controls that enables risks to be assessed, monitored and managed, including safeguarding of shareholders' interests and the Group's assets;
- provide oversight in the proper conduct of the Group's business and assume responsibility for corporate governance, including the enhancement of governance practices and ethical standards when required;
- provide guidance to the Management to ensure that the Company's obligations to its shareholders and the public are met; and
- consider sustainability issues relating to the environment and social factors as part of the strategic formulation of the Group.

Directors' Objective Discharge of Duties and Declaration of Interests (Provision 1.1)

All Directors, being fiduciaries, are required to objectively discharge their duties and responsibilities in the best interests of the Company. This ability to exercise objectivity is one of the assessment criteria in the NC annual evaluation of the Directors.

Directors, who are in any way, directly or indirectly, interested in a transaction or proposed transaction, declare the nature of their interests in accordance with the provisions of the Companies Act 1967, (Companies Act) and in the case of any conflicts of interests, abstain from participating in the deliberation and decision making on such transactions, with abstention duly recorded within the minutes and/or the resolutions of the Board and/or the AC, NC, RC and RMC (collectively, the Board Committees).

Board Orientation and Training (Provision 1.2)

A formal letter setting out the director's duties and obligations will be issued to new directors upon their appointment.

Newly appointed directors will be briefed on the profile of the Group and the Management, businesses of the Group, strategic plans and mission of the Company. If a newly appointed director does not have any prior experience as a director of a listed company, the Company will arrange for such person to undertake training in the roles and responsibilities of a director of a listed company and to familiarise such person with the relevant rules and regulations governing a listed company. Directors will be provided with updates on the latest governance and listing policies as appropriate from time to time. The Company shall be responsible for arranging and funding the training of directors.

During the year, the Company arranged for Ms. Angeline Tham Xiwen to attend certain modules of Listed Entity Director Programme conducted by the Singapore Institute of Directors to familiarise her with the requirements of the Companies Act, the Listing Manual and the 2018 Code. Mr. Eddy Lee Yip Hang, Mr. Albert Ho Shing Tung and Mr. Low Weng Keong have completed the Sustainability Training, whereas Ms. Angeline Tham Xiwen and Mr. Patrick Donald Davies will be attending the same in the coming year.

Board Approval (Provision 1.3)

The Board's approval is required for matters such as corporate restructuring, mergers and acquisitions, major investments and divestments, material acquisitions and disposals of assets, acceptances of bank facilities, annual budget, the release of the Group's half-yearly and full year results and interested person transaction of a material nature. The Board works closely with the Management.

Management is fully apprised of such matters which require the approval of the Board or the Board Committees. The Company also has a structured authority matrix which sets out the delegated authority to various levels of Management.

Delegation by the Board (Provision 1.4)

To assist in the execution of its responsibilities, the Board has formed its Board Committees. These Board Committees function within their respective written terms of reference, which set out the required composition, authority, and responsibilities of each Board Committee, which are reviewed on a regular basis.

Each Board Committee reports to the Board with their recommendations, however, the ultimate responsibility for final decision on key matters lies with the Board. The effectiveness of each Board Committee will be regularly reviewed by the Board.

Please refer to the sections on Principles 4, 5, 6, 7 and 10 in this report for further information on the activities of the Board Committees.

Board and Board Committee Meetings (Provision 1.5)

The proposed meetings for the Board and all Board Committees for each new financial year are set out in a schedule of meetings and notified to all Board members before the start of that year. Additional meetings are convened as and when circumstances warrant. Records of all such meetings including discussions on key deliberations and decisions taken are maintained by the Company Secretary. The Company's Constitution allows for the meetings of its Board and the Committees to be held by electronic means. While the Board and the Committees may also make decisions by way of circulating written resolutions, the Directors endeavour to have prior meeting, discussion, and deliberation as required by the nature and complexity of the subject matters of the resolutions.

Directors' attendance at the Annual General Meeting (AGM), Extraordinary General Meeting (EGM), Meetings of the Board, and the Board Committees of the Company in FY2022:

	Board	**AC**	**NC**	**RC**	**RMC**	**AGM**
No. of meetings held	6	4	1	5	1	1
Directors	**No. of meetings attended in FY2022**					
Eddy Lee Yip Hang	6	N/A	1	N/A	N/A	1
Albert Ho Shing Tung	6	4	N/A	5	1	1
Patrick Donald Davies	6	4	1	5	1	1
Low Weng Keong	6	4	1	5	1	1
Angeline Tham Xiwen[1]	2	2	N/A	N/A	N/A	N/A
Claudia Teo Kwee Yee[2]	1	1	1	3	-	1

1 Ms Angeline Tham Xiwen was appointed effective from 1 February 2022.
2 Ms Claudia Teo Kwee Yee retired by rotation at the conclusion of the AGM held on 15 October 2021.

In addition to attending the meetings of the Board and/or the Committees, a Director's contribution also extends beyond the confines of the formal environment of such meetings, through the sharing of views, advice, experience and strategic networking relationships which would further the interests of the Company. The Directors also, whether individually or collectively, engage with the Management and the Group's external consultants in order to better understand the challenges faced by the Group and the input of the Directors, through such engagement, provide valuable perspective to the Management.

Access to Information (Provisions 1.6 & 1.7)

Directors receive regular information from the Management about the Group's financial and operational performance so that they are equipped to play as full a part as possible in Board meetings. Detailed Board and Board Committee papers and related materials will be prepared for each meeting. The materials provided include sufficient information on financial, business and corporate issues to enable the Directors to be properly briefed on issues to be considered at Board meetings.

Directors are given meeting materials in advance of meetings for them to be adequately prepared. In addition, senior management staff (who are not also Executive Directors) are invited to attend Board and Board Committee meetings, whenever necessary.

The Management provides all members of the Board with regular quarterly management reports, which in the Board's opinion is currently sufficient to present a balanced and understandable assessment of the Company's performance, position and prospects.

All Directors have access to the Group's records and information to enable them to carry out their duties. In addition, Directors have separate and independent access to the Management and the Company Secretary. The Company Secretary's responsibilities are to advise the Board on corporate and administrative matters, as well as facilitating orientation and assisting with professional development, as required. The Company Secretary also administers, attends and prepares minutes of Board and Board Committee meetings, advises the Board on all governance matters and assists the Chairman in ensuring that Board procedures are followed and reviewed so that the Board functions effectively, and the relevant rules and regulations, including requirements of the Company's Constitution, Companies Act and the Catalist Rules, are complied with. The appointment and removal of the Company Secretary is a matter for consideration by the Board as a whole.

Directors and Board Committees, where necessary in the furtherance of their duties, may seek independent advice, paid for by the Company. The Board is kept informed of all such professional advice rendered to the Directors.

BOARD COMPOSITION AND GUIDANCE

Principle 2: ***The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.***

Board Independence (Provisions 2.1, 2.2 & 2.3)

The Board currently comprises five Directors, of whom three are Non-Executive Independent Directors, and as such, the composition of the Board complies with the provisions under the 2018 Code for independent and NEDs to make up a majority of the Board where the Chairman of the Board (Chairman) and the Chief Executive Officer (CEO) is the same person.

When reviewing the independence of the Independent Directors, the NC has considered Rule 406(3)(d) of Catalist Rules and the guidelines for independence set out in Provision 2.1 of the 2018 Code. As part of the consideration, the NC also took into account the Independent Directors' other directorships, annual declarations regarding their independence, disclosures of interest in transactions in which they have a direct/indirect interest, and their ability to maintain objectivity in their conduct as Directors of the Company.

In accordance with Rule 406(3)(d) of Catalist Rules, none of the Independent Directors are currently employed or have been employed at any time during the past three financial years by the Company or any of its related corporations. None of the Independent Directors have immediate family members who are currently employed or have been employed at any time during the past three financial years by the Company or any of its related corporations, and whose remuneration is determined by the RC. For purposes of determining independence, all Independent Directors have also provided confirmation that they are not related to the Directors and substantial shareholders of the Company, its officers or related corporations. The NC is satisfied that there is no other relationship which could affect or interfere with their independence.

With a majority of the Board being independent, the Board is able to exercise independent judgment on corporate affairs and provide the Management with a diverse and objective perspective on issues. No individual or small group of individuals dominates the Board's decision-making process. Furthermore, the Board is able to interact and work with the Management through a robust exchange of ideas and views to help shape the Group's strategic direction.

None of the Company's Non-Executive Independent Directors has served on the Board for a period beyond nine years from their respective dates of appointments.

Board Composition, Size and Diversity (Provision 2.4)

The Board currently comprises business leaders and professionals with nutraceutical and pharmaceutical industry experience, and financial (including audit, accounting and tax), legal and business management background. Although the Board has not adopted a formal board diversity policy, the NC and the Board are of the view that the Directors as a group possess the appropriate balance and diversity of skills, experience, knowledge and gender to direct and lead the Group. Nonetheless, the Company has set out and reported, in its 2021 Sustainability Report, a performance target on gender diversity to appoint at least one female member in the Board. This target has been consistently achieved since FY2015. Given the scope, nature and scale of the operations of the Group, the NC and the Board are also of the view that the size of the Board is appropriate and facilitates effective interaction between Board members and decision making. The NC will continually assess the diversity of the Board and ensure the avoidance of groupthink and to foster constructive debate among the Directors.

The profiles of the Directors are set out on pages 22 and 23 of this Annual Report.

NEDs' Participation (Provision 2.5)

NEDs and/or Independent Directors, led by the Lead Independent Director or an Independent Director as appropriate, meet regularly in person or through electronic means without the presence of Management. The chairperson of such meetings provides feedback to the Board and/or Chairman as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: ***There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.***

Roles of the Executive Chairman and Chief Executive Officer (Provisions 3.1 and 3.2)

Mr. Eddy Lee Yip Hang is both the Chairman and CEO of the Company. Through the establishment of various Board Committees chaired by the Independent Directors and putting in place internal controls for proper accountability and effective oversight by the Board of the Company's business, the Board ensures that there is appropriate balance of power which allows the Board to exercise objective decision-making in the best interests of the Company. Accordingly, the Board believes that there is no need for the role of Chairman and the CEO to be separated.

As Chairman and CEO, Mr. Eddy Lee Yip Hang bears responsibility for the conduct of the Board and has full executive responsibilities over business directions and operational decisions. He is also responsible to the Board for all corporate governance procedures to be implemented by the Group and to ensure conformance by the Management to such practices as well as maintain effective communications with shareholders of the Company. In addition, the Chairman is responsible for setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular, strategic issues, ensuring that the Directors receive complete, adequate and timely information, encouraging a culture of openness and constructive relations within the Board and between the Board and the Management and facilitating the effective contribution of NEDs.

Lead Independent Director (Provision 3.3)

The Board has appointed Mr. Patrick Donald Davies as the Lead Independent Director of the Company who will be available to shareholders who have concerns and for which contact through the normal channels of the Chairman and CEO or the Management has failed to resolve or is inappropriate. No query or request on any matter which requires the Lead Independent Director's attention was received from shareholders in FY2022.

BOARD MEMBERSHIP

Principle 4: ***The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.***

NC Composition and Role (Provisions 4.1 & 4.2)

The NC comprises three Independent Directors, Ms. Angeline Tham Xiwen, Mr. Patrick Donald Davies and Mr. Low Weng Keong, as well as the Chairman and CEO, Mr. Eddy Lee Yip Hang. Ms. Angeline Tham Xiwen, is the Chairperson of the NC (a position previously held by Ms. Claudia Teo Kwee Yee).

The NC's primary functions as defined in the terms of reference are as follows:

- make recommendations to the Board on all Board appointments and re-appointments (taking into consideration its evaluations and assessments on Directors' principal commitments and multiple board representations of Directors);
- decide how the performance of the Board, each Board Committee and each individual Director is to be evaluated, and proposing objective performance criteria for the Board's approval;
- assess the effectiveness of the Board as a whole;
- decide whether or not a Director is able to and has been adequately carrying out his or her duties as a Director;
- review Board succession plans for Directors, in particular the Chairman and the CEO; and
- review training and professional development programmes for the Board.

Re-Nomination of Directors and Determination of Independence (Provisions 4.3 & 4.4)

The NC is also charged with the responsibility of determining annually, and as and when circumstances require, if a Director is independent (and taking into account Rule 406(3)(d) of Catalist Rules and the guidelines for independence set out in Provision 2.1 of the 2018 Code). Each NC member will not take part in determining his or her own re-appointment or independence. Each Director is required to submit a return of independence to the Company Secretary, who will submit the returns to the NC. The NC shall review the returns and determine the independence of each of the Directors for recommendation to the Board. An Independent Director shall notify the NC immediately, if, as a result of a change in circumstances, he or she no longer meets the criteria for independence or if such change in circumstances would be relevant to the NC's analysis of his or her independence. The NC shall review the change in circumstances and make its recommendations to the Board. During the year in review, the NC has reviewed the independence of each Director and has determined that Mr. Low Weng Keong, Mr. Patrick Donald Davies and Ms. Angeline Tham Xiwen continue to be independent.

The Company's Constitution requires newly-appointed Directors to hold office until the next AGM and at least one-third of the Directors to retire by rotation at every AGM. The NC assesses and recommends to the Board whether the retiring Directors are suitable for re-election, taking into consideration the range of expertise, skills and attributes of the Board and its composition. The NC also considers the attendance, level of preparedness, participation and candour of such Directors.

In accordance with Regulation 85 of the Constitution of the Company, Mr. Patrick Donald Davies and Mr. Low Weng Keong are due to retire by rotation at the forthcoming AGM (2022 AGM). The NC noted that Mr Patrick Donald Davies has offered himself for re-election at the 2022 AGM whilst Mr. Low Weng Keong will not be seeking re-election. Ms. Angeline Tham Xiwen being a Director appointed by the Board in FY2022, will retire and has offered herself for election at the 2022 AGM. The NC has considered their contributions and performances and recommended to the Board to nominate their re-elections at the 2022 AGM.

Upon re-election as Directors of the Company,

- Mr. Patrick Donald Davies will remain as Lead Independent Director, Chairperson of the RC and as a member of the AC, NC and RMC.
- Ms. Angeline Tham Xiwen will remain as the Chairperson of the NC and as a member of the AC and RC.

Detailed information on the Directors who are proposed to be elected/re-elected are set out in sections on "Board of Directors" and "Additional Information on Directors Seeking Re-election" of the Annual Report.

Criteria and Process for Nomination and Selection of New Directors (Provision 4.3)

The NC interviews shortlisted candidates before formally considering and recommending them for appointment to the Board and where applicable, to the Committees. Searches for potential candidates generally take into account recommendations from the Directors. Should it be necessary, the NC may consider the use of external search firms to find appropriate candidates. Shortlisted candidates would be required to furnish their curriculum vitae containing information on their academic/professional qualification, work experience, employment history and experience (if any) as directors of listed companies.

In reviewing and recommending to the Board any new Director appointment, the NC will consider (a) the candidate's track record, work experience, industry expertise and such other factors as may be determined by the NC to be relevant and would contribute to the Board's collective skills mix and diversity; (b) the candidate's independence; and (c) the desired composition of Board Committee after matching the candidate's skillset to the requirement of the relevant Board Committees (if the candidate is proposed to be appointed to any of the Board Committees). The Board is also advised by the Sponsor on appointment of directors as required under Catalist Rule 226(2)(d).

No alternate directors have been appointed to the Board.

In view of the foregoing, the Board is of the view that there is an adequate process for the appointment of new Directors.

Key Information on Directors (Provision 4.5)

Please refer to "Board of Directors" section on pages 22 and 23 for key information of the Directors, including their date of first appointment and latest re-appointment to the Board, their academic and professional qualifications and other principal commitments, other directorships held in listed companies, and other relevant information; and "Additional Information on Directors seeking re-election at the 2022 Annual General Meeting'' on pages 100 to 102.

Although Mr. Patrick Donald Davies and Mr. Low Weng Keong hold directorships in other listed companies (which are not in the Group), the NC is of the view that such multiple board representations do not hinder them from carrying out their duties as Directors. Instead, the NC considers that these Directors would widen the expertise and experience of the Board and give it a broader perspective. As such, the NC does not presently consider it necessary to determine the maximum number of listed company board representations which any of the Directors may hold.

The NC has reviewed and determined that each Director has committed sufficient time, attention, resources and expertise to the affairs of the Company, taking into account the Directors' number of listed company board representations and other principal commitments.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Board Evaluation Process (Provision 5.1)

The Board's performance is ultimately reflected in the performance of the Group. The Board ensures compliance with the applicable laws and listing rules and the Board members act in good faith, with due diligence and care in the best interests of the Company and its shareholders. An effective Board is able to lend support to the Management at all times and to steer the Group in the right direction.

More importantly, the Board, through the NC, has used its best efforts to ensure that Directors appointed to the Board whether individually or collectively possess the background, experience, knowledge in our business, competencies in finance and management skills critical to the Group's business. It has also ensured that each Director, with his or her special contributions, brings to the Board an independent and objective perspective to enable sound, balanced and well considered decisions to be made.

The evaluation of the Board's performance and individual Director's contribution is conducted by a questionnaire to be completed by each individual Director. The results and findings of performance evaluations are collated and analysed by the Company's out-sourced Company Secretary (being an external facilitator), and thereafter presented to the NC, which will, in consultation with the Chairman, take appropriate actions to address the findings of the performance assessment. The NC has assessed the current Board's and Board Committee's performance to-date, their roles and responsibilities and is of the view that the performance of the Board as a whole, the Board Committees and the Chairman of the Board and Board Committees were satisfactory.

The NC will continue to review the formal assessment processes for evaluating the Board and each Board Committee's performance, and also review the contribution of individual directors to the effectiveness of the Board and their relevant Board Committees. The Chairman acts on the results of the performance evaluation, and where appropriate, proposes new members to be appointed to the Board or seek the resignation of directors in consultation with the NC. Each member of the NC abstains from voting on any resolutions in respect of their own assessments and/or their own nominations.

Board Evaluation Criteria (Provision 5.2)

The qualitative criteria used by the NC to evaluate the Board covers six key areas relating to Board's composition, access to information, review of the Company's strategy and performance, Board's oversight on the Company's governance, including risk management and internal controls, and the effectiveness of Board processes.

Individual Director Evaluation Criteria (Provision 5.2)

Factors taken into account in the assessment of a Director's performance include his abilities and competencies, his objectivity and the level of participation at Board and Board Committee meetings including his knowledge and contribution to Board processes and the business strategies and performance of the Group. The performance evaluation of each Director is part of the NC's consideration with regard to their re-election as Director.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: ***The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.***

RC Composition and Role (Provisions 6.1, 6.2, 6.3 & 6.4)

The RC comprises three Independent Directors, Mr. Patrick Donald Davies, Mr. Low Weng Keong and Ms. Angeline Tham Xiwen, as well as a Non-Independent Non-Executive Director, Mr. Albert Ho Shing Tung. Mr. Patrick Donald Davies is the Chairperson of the RC.

The RC's responsibilities under its terms of reference include:

- review and recommend to the Board a general framework of remuneration for the Board and key management personnel (as defined in the 2018 Code);
- ensure a formal and transparent procedure for developing policy on executive remuneration, review and recommend to the Board the remuneration packages for individual Directors and key management personnel; and
- review the Company's obligations arising in the event of termination of an Executive Director's and key management personnel's service contracts, to ensure that such contracts contain fair and reasonable termination clauses that are not overly generous.

In carrying out its duties, the RC may obtain independent external legal and other professional advice, where necessary. The costs of such advice shall be borne by the Company.

The RC aims to be fair and to avoid rewarding poor performance. The remuneration framework under the purview of the RC covers all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind.

No Director is involved in deciding his or her own remuneration.

LEVEL AND MIX OF REMUNERATION

Principle 7: ***The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.***

Remuneration of Directors and KMPs (Provisions 7.1, 7.2 & 7.3)

The Board recognises the need to pay competitive (but not excessive) fees to attract, motivate and retain Directors and the Management of the required experience and expertise.

The remuneration of the Executive Director and senior management personnel for FY2022 comprised a fixed component in the form of a base salary (including applicable compulsory employer contribution to Central Provident Fund), a variable component and benefits. The RC has reviewed the Company's remuneration policy to include a variable bonus component and a long term incentive component comprising performance shares under the Plan (as defined herein) which will be linked to the individual performance of the Executive Director and senior management personnel and will be assessed based on their respective key performance indicators or conditions. The RC reviewed and set appropriate performance conditions for the CEO.

The Chairman and CEO, Mr. Eddy Lee Yip Hang, does not receive Director's fees. He is paid a remuneration pursuant to the terms of his service agreement with the Company. Under Mr. Eddy Lee Yip Hang's service agreement, he was appointed on 18 June 2015 as CEO of the Company for a fixed period of three years (Initial Term) with effect from the date of the Company's admission to the Official List of the Catalist. After the Initial Term, the service agreement shall be automatically renewed unless terminated by either party giving the other not less than 6 months' prior written notice or otherwise terminated in accordance with the terms of the service agreement.

The NEDs are paid fixed Directors' fees which are set in accordance with a remuneration framework comprising basic fees and Board Committee fees. In determining such fees, the RC considers, among others, the effort and time spent, responsibilities of the NEDs, the particular circumstances applicable to the Company, and the practice of companies in the same industry, of comparable size and having similar business models. In view of the heavier nature of their responsibilities, an additional fee is accorded to the role of chairperson of each Board Committee.

Since FY2016, the RC has adopted a framework for Directors' fees which comprised a basic fee and additional fees for appointment to and chairing of Board Committees. The general framework for the foregoing fees is as follows:

	Directors' Fees	
	Basic	**Additional**
Director	S$71,500	–
Lead Independent		S$6,000
Chairperson		
Audit Committee		S$12,000
Nominating Committee		S$6,000
Remuneration Committee		S$6,000
Risk Management Committee		S$6,000

The Directors' fees paid for FY2022 was S$312,000. Based on the remuneration framework, the RC has recommended that Directors' fees for the financial year ending 30 June 2023 of up to S$334,000, being the same amount approved at the last AGM, to be paid quarterly in arrears.

The Board is responsible for overseeing the iX Employee Share Option Scheme (the Share Option Scheme) and the iX Performance Share Plan (the Share Plan) (collectively, the Schemes) and administering the Schemes in accordance with the guidelines set. For additional details on the Schemes, please refer to the section of the Directors' Statement entitled "Share Option Scheme and Share Plan" on pages 44 to 47 set out in this Annual Report.

DISCLOSURE ON REMUNERATION

Principle 8: ***The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.***

Disclosure of Remuneration (Provisions 8.1 & 8.3)

The remuneration bands of the Directors and key management personnel (KMP) (other than the Chairman and CEO) of the Group for FY2022 are as follows:

Remuneration Bands	Fees %	Base/Fixed Salary %	Bonus %	Other Benefits %	Share-based Compensation %	Total %
Directors						
S$750,001 to S$1,000,000 per annum						
Eddy Lee Yip Hang	–	26	7	31 (4)	36 (5)	100
Below S$250,000 per annum						
Albert Ho Shing Tung	55	–	–	–	45	100
Patrick Donald Davies	100	–	–	–	–	100
Low Weng Keong	100	–	–	–	–	100
Angeline Tham Xiwen (1)	100	–	–	–	–	100
Claudia Teo Kwee Yee (2)	100	–	–	–	–	100
Key Management Personnel						
S$500,001 to S$750,000 per annum						
Janakan Krishnarajah	–	61	–	–	39 (5)	100
S$250,001 to S$500,000 per annum						
Eva Tan	–	41	–	–	59 (5)	100
Chew Sien Lup	–	85	3	–	12 (5)	100
Yee Chia Hsing (3)	–	99	–	1	–	100

Notes:
1 Ms. Angeline Tham Xiwen was appointed effective from 1 February 2022.
2 Ms. Claudia Teo Kwee Yee retired by rotation at the conclusion of the AGM held on 15 October 2021.
3 Mr. Yee Chia Hsing resigned as Director of Corporate Affairs and General Manager of Entity Health on 29 July 2022.
4 Other Benefits comprises personal income tax, housing, club membership and car benefits.
5 The amount represents the amortised value relating to share awards granted and accounted as an expense by the Company, in accordance with the Singapore Financial Report Standards (International) SFRS(I) 2 during the financial year.

The KMPs (who are not Directors or the Group CEO) for FY2022 have been identified as follows:

1. Dr. Janakan Krishnarajah, Chief Operating Officer and Chief Medical Officer,
2. Ms. Eva Tan, Chief Commercial Officer,
3. Mr. Chew Sien Lup, Chief Financial Officer, and
4. Mr. Yee Chia Hsing, Director of Corporate Affairs and General Manager of Entity Health (resigned)

The aggregate remuneration paid to the Directors and the above identified KMPs of the Company in FY2022 was S$3,562,000.

As set out above, the Company has taken steps to identify its KMPs and provided additional disclosure of remuneration mix and bands for each Director and identified KMPs and the aggregate remuneration paid to its Directors and identified KMPs for FY2022. The Board, after weighing the advantages and disadvantages of such disclosure, maintains its view that full disclosure of the actual remuneration of each Director, the CEO and KMPs pursuant to Provision 8.1 of the 2018 Code would not be in the interests of the Company as such information is confidential and sensitive in nature. Further, the Board is of the view that a disclosure of the aggregate total remuneration paid to the KMPs (who are not Directors or the CEO) would not be in the interests of the Company as such information is confidential and sensitive in nature and can be exploited by competitors. The Company believes that shareholders' interest will not be prejudiced as a result of such non-disclosure of the remuneration for each of the Directors, CEO and KMPs. With additional disclosures, the Company has provided shareholders an insight into the level of remuneration paid to the Directors, CEO and KMPs.

The Board is of the opinion that the information disclosed in this Corporate Governance Report, read together with relevant sections of this Annual Report, would be sufficient for shareholders to have an adequate appreciation of the Company's compensation policies and practices and therefore does not intend to issue a separate remuneration report, the contents of which would be largely similar.

The Chairman and CEO, Mr. Eddy Lee Yip Hang does not receive Director's fees but is remunerated as part of the Management. The remuneration of KMP comprises a basic salary and a variable annual bonus based on the performance of the Group and their individual performance. There are no termination, retirement and post-employment benefits that may be granted to Directors, the CEO and the KMPs (who are not Directors or the CEO).

iX Performance Share Plan and Share Option Scheme (Provision 8.3)

During FY2022, the Company announced total awards of 12,261,000 shares and granted 3,000,000 share options to certain employees and executives under the iX Performance Share Plan and iX Employee Share Scheme respectively.

The awards of 12,261,000 shares comprised;

- 1,400,000 share awards that will be vested in full on the date falling 12 months from the date of announcement; and
- 10,861,000 share awards that are subject to certain Performance Conditions.

Performance Conditions	**LYH Award Shares**	**Other Awards Shares**	**Total**
Upon the Company successfully executing an agreement in relation to the licensing of Wafermine before 30 June 2022	1,192,200	1,680,000	2,872,200
Upon the satisfaction of pre-determined performance milestones within a specified period	4,768,800	3,220,000	7,988,800
Total	**5,961,000**	**4,900,000**	**10,861,000**

Included in these 10,861,000 share awards were 6,261,000 share awards that were granted to the following Directors including a controlling shareholder:

Director	**Award**	
Mr. Eddy Lee Yip Hang	5,961,000 Shares	(the "**LYH Award**")
Mr. Albert Ho Shing Tung	300,000 Shares	
Total	**6,261,000 Shares**	

Mr. Eddy Lee Yip Hang is the Chairman & CEO and a controlling shareholder of the Company. The LYH Award to Mr. Eddy Lee Yip Hang was approved by independent shareholders of the Company at the annual general meeting convened on 15 October 2021.

Remuneration of Directors' Immediate Family Members FY2022 (Provision 8.2)

Ms. Tang Choy Leng Jane, a human resource and administrative executive of the Company, is the spouse of Mr. Eddy Lee Yip Hang. During FY2022, Ms. Tang was paid a fixed salary of more than S$100,000 and less than S$200,000. Save for Ms. Tang, there were no other employees who are immediate family members of any Director or the CEO whose remuneration exceeded S$100,000 in FY2022.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

The Board is responsible for the governance of risk and sets the tone and direction for the Group in the manner risks are managed in the Group's businesses. The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all potential errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatements of financial information or losses. The Board considers it necessary to increase emphasis on risk management and internal controls in a complex business and economic environment.

Management is responsible for designing, implementing and maintaining a sound system of risk management and internal controls to safeguard shareholder's interests and Group's assets.

Oversight of Risk Management (Provision 9.1)

The RMC assists the Board in its oversight of risk management of the Group. The RMC comprises Mr. Albert Ho Shing Tung, Mr. Low Weng Keong, and Mr. Patrick Donald Davies. Mr. Albert Ho Shing Tung is the Chairperson of the RMC (a position previously held by Ms. Claudia Teo Kwee Yee).

The RMC has written Terms of Reference which is endorsed by the Board and sets out duties and responsibilities of the Committee. The principal duties of the RMC include the following:

- advise the Board on the Company's overall risk tolerance and strategy;
- oversee and advise the Board on the current risk exposures and future risk strategy of the Company;
- in relation to risk assessment:
  - o keep under review the Company's overall risk assessment processes that inform the Board's decision making;
  - o review regularly and approve the parameters used in these measures and the methodology adopted; and
  - o set a process for the accurate and timely monitoring of large exposures and certain risk types of critical importance;
- review the Company's capability to identify and manage new risk types;
- before a decision to proceed is taken by the Board, advise the Board on proposed strategic transactions, focusing in particular on risk aspects and implications for the risk tolerance of the Company, and taking independent external advice where appropriate and available;
- review reports on any material breaches of risk limits and the adequacy of proposed action;
- monitor the independence of risk management functions throughout the organisation;
- review promptly all relevant risk reports on the Company; and
- review and monitor Management's responsiveness to the findings.

During the year, key risks of the Group were deliberated by Management and reported to the RMC. The Group's financial risk management is described under Note 28 of the Notes to the Financial Statements as set out in this Annual Report.

Under the Enterprise Risk Management (ERM) Framework, the Group identifies, prioritises, assesses, manages and monitors key risks and associated key controls in the Group's business. Under this ERM Framework, risk management capabilities and competencies will be further developed and continuously enhanced.

Review of the Group's Risk Management and Internal Control Systems

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by the Management and the Board, the Board, with the concurrence of the AC and RMC, are of the opinion that the Group's internal controls and risk management systems, addressing financial, operational, compliance and information technology risks and risk management systems, were adequate and effective as at 30 June 2022. These controls are and will be continually assessed for improvement.

Assurances from CEO and CFO (Provision 9.2)

The Board has received assurance in writing from the CEO and the CFO that the financial records have been properly maintained and the financial statements of the Company give a true and fair view of the Company's operations and finances. The said written assurance from CEO and CFO also attests to the Board that the CEO and the CFO are of the view that the Company's risk management and internal control systems are in place and effective. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

Composition, Power and Duties of the AC (Provisions 10.1, 10.2, 10.3, & 10.5)

The AC comprises three Independent Directors, Mr. Low Weng Keong, Mr. Patrick Donald Davies and Ms. Angeline Tham Xiwen, and a Non-Independent Non-Executive Director, Mr. Albert Ho Shing Tung. Mr. Low Weng Keong is the Chairperson of the AC. The AC members bring with them many years of managerial and professional experience in the areas of finance and business management to sufficiently discharge the AC's functions.

None of the members of the AC were former partners or Directors of the Company's existing auditing firm nor do they have any financial interest in the auditing firm.

The AC will assist the Board in discharging its responsibility to safeguard the Group's assets, maintain adequate accounting records, as well as develop and maintain adequate and effective systems of internal controls including financial, operational, compliance and information technology controls, and risk governance, with the overall objective of ensuring that the Management creates and maintains an effective control environment in the Group.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and cooperation by Management and full discretion to invite any director or executive officer to attend its meetings, and has reasonable resources to enable it to discharge its functions properly.

The AC's duties include the following:

- assist the Board in the discharge of its responsibilities on financial and accounting matters;
- review the audit plans, scope of work and results of our audits compiled by the internal and external auditors;
- review the co-operation given by Management to the internal and external auditors;
- review the external auditors including their independence and objectivity, and make recommendations to the Board on the external auditors' re-appointment;
- review the integrity of any financial information presented to shareholders including reviewing significant financial reporting issues and judgments, if any;
- review interested person transactions, if any; and
- review potential conflicts of interest, if any.

The AC also provides a channel of communication between the Board, the Management, the external auditors and the internal auditors on audit matters. The AC meets with the internal auditors and external auditors separately, at least once a year without the presence of the Management to review any matter that might be raised.

The AC keeps abreast of changes to accounting standards and issues which have a direct impact on financial statements through the report presented by the external auditors on the scope and results of the external audit, and through their discussions with the external auditors. The Group has adopted all of the new or revised accounting standards that are effective for the financial period beginning 1 July 2021 and are relevant to its operations.

The AC reviews arrangements by which staff of the Company and other stakeholders may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensures that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action. No reports of whistle-blowing incidents were recorded in FY2022. The AC met four times during the year and the following activities were carried out:

- reviewed half year and full year financial statements (unaudited and audited), and recommended such reports to the Board for approval;
- reviewed, having regard to input from external and internal auditors, the adequacy and effectiveness of the Group's internal controls and risk management systems;
- reviewed interested person transactions;

- reviewed and approved the annual audit plan of the external auditors;
- reviewed and approved the internal audit plan (including a review of the processes that compile the Group's Sustainability Report) of the internal auditors;
- reviewed the annual re-appointment and independence of the external auditors, and made a recommendation for Board approval; and
- met with the external and internal auditors (at least once) without the presence of the Management.

During the review of the financial statements for FY2022, the AC has discussed with the Management on the accounting principles that were applied as well as to their judgement on items that might affect the integrity of the financial statements. The following key audit matter highlighted by the external auditors impacting the financial statements was discussed with the Management and the external auditors.

Key Audit Matter	How the AC Reviewed the Matter and What Decision Was Made
Impairment of goodwill, intangible assets, property, plant and equipment and right-of-use assets	The AC has considered the approach and methodology applied to the value in- use (VIU) model in impairment assessment. The AC reviewed the reasonableness of the Management's estimates and assumptions used in their VIU calculations on the cash-generating units (CGU) within the Group. The impairment review was also an area of focus for the external auditors. The external auditors have included this item as a key audit matter in its audit report for FY2022. Please refer to page 66 of this Annual Report for the details on the CGUs.

Following the review and discussions, the AC recommended to the Board to approve the full year financial statements.

External Auditors

The AC assesses the independence of the external auditors annually and undertook a review of the independence of PricewaterhouseCoopers LLP (PWC) and gave careful consideration to the Group's relationships with them during FY2022. In determining the independence of PWC, the AC reviewed all aspects of the Group's relationships with PWC to protect and preserve audit independence. The AC also inquired and noted that there were no non-audit services by PWC in FY2022. The aggregate amount of fees paid to the external auditors of the Group for FY2022 is disclosed under Note 6 of the Notes to the Financial Statements.

In reviewing the nomination of PWC for re-appointment for the ensuing financial year ending 30 June 2023, the AC had considered the adequacy of the resources, experience and competence of PWC, and had taken into account the Audit Quality Indicators relating to PWC at the firm level and on the audit engagement level. Consideration was also given to the experience of the engagement partner and key team members in handling the audit under different jurisdictions. The AC had also considered the audit team's ability to work in a co-operative manner with Management whilst maintaining integrity and objectivity and to deliver their services professionally and within agreed timelines.

PWC has confirmed that they are registered with the Accounting and Corporate Regulatory Authority. Accordingly, the Company confirms that it has complied with the Rules 712 and 715 of the Catalist Rules in relation to appointment of its auditors.

Given the above, the AC has recommended that the Board proposes, and the Board has proposed, the re-appointment of PWC as the external auditors at the 2022 AGM.

Internal Audit (Provision 10.4)

The Company outsourced its internal audit function and appointed Baker Tilly Consultancy (Singapore) Pte Ltd (Baker Tilly) as internal auditors during the year. Baker Tilly is affiliated to Baker Tilly International, one of the largest accountancy and business advisory firms in Singapore and worldwide.

The internal auditors report directly to the Chairperson of the AC on internal control matters. The AC approves the hiring, removal, evaluation and compensation of the internal auditors. The internal auditors plan their internal audit in consultation with, but independent of, the Management. The internal audit plan is submitted to the AC for approval prior to implementation. The AC reviews the activities of the internal auditors and meets with the internal auditors to approve their plans and to review their report for the prior reporting period.

Baker Tilly has conducted and executed its internal audit engagement in accordance with internal audit methodology which is aligned with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The internal audit engagement team is led by a Chartered Accountant of Singapore who is also a Certified Internal Auditor with more than 20 years of auditing and advisory experience. The team also includes other Certified Internal Auditors from their Singapore and Australia practices.

The AC is of the view that the internal auditors have been accorded appropriate standing within the Group and access to all the relevant documents, records, properties and personnel including access to the AC. Further, the AC is also satisfied that the internal audit function is independent, effective and adequately resourced.

Whistleblowing Policy (Provision 10.1(f))

The Company has put in place a whistle blowing policy by which employees of the Group and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters such as suspected fraud, corruption, and dishonest practices to the CFO or the CEO, depending on the nature of the possible improprieties. The whistle blowing policy is intended to conform to the guidance set out in the 2018 Code and aims to provide an avenue for employees of the Group and any other external stakeholders to raise concerns and offer reassurance that staff of the Group and any other persons making such reports will be treated with confidence, fairly and protected from reprisals or victimisation for whistleblowing in good faith within the limits of the law.

The AC oversees the administration of the whistle blowing policy. The AC's objective is to ensure that arrangements are in place for the relevant concerns to be raised and independently investigated, and for appropriate follow-up action to be taken.

All reports, including those that are unsigned, weak in details or verbal, are considered. These reports received by the CFO or CEO are directed immediately to the Chairperson of the AC and the AC will be informed of any whistle-blowing reports received. Depending on the nature of the possible improprieties, the AC may direct internal or external parties to investigate these reports as it deems fit. To ensure independent investigation into such matters and for appropriate follow up action, all whistle-blowing reports are reviewed by the AC.

In order to facilitate and encourage the reporting of such matters, the whistle blowing policy, together with the dedicated whistle blowing communication channels (telephone, email and postal address) are available on the Company's internal network server and is accessible by all employees. The relevant details are also included in the Group Employee Handbook and form part of the employee induction materials.

The whistle blowing policy and procedures are reviewed by the AC from time to time to ensure that they remain current.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11 ***The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.***

2020 AGM and 2021 AGM

In view of the COVID-19 pandemic, the 2020 and 2021 AGMs were convened and held by electronic means pursuant to COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (Emergency Legislation). Alternative arrangements relating to attendance via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions, addressing of substantial and relevant questions and voting by appointing the chairman of the meeting as proxy in advance of the AGM, were put in place for 2020 AGM and 2021 AGM.

General Meetings (Provisions 11.1, 11.2 &11.3)

The paragraphs below set out the Company's practice for 2022 AGM, which is usual when there are no pandemic risks and the Emergency Legislation is not in operation.

Shareholders of the Company will be informed of general meetings and given the opportunity to communicate their views and encouraged to ask the Directors and the Management questions regarding matters affecting the Company.

The rights of shareholders, including the details of the rules governing voting procedures at general meetings, are contained in the Company's Constitution and are also set out in applicable laws including the Companies Act.

All shareholders of the Company will receive notices of all general meetings. The Company will comply with its Constitution, the Companies Act and the Catalist Rules in respect of the requisite notice periods for convening general meetings. The notice of an AGM is accompanied by the Company's annual report. Any notice of an extraordinary general meeting will also be accompanied by a circular or letter to shareholders, providing sufficient detail on the proposals to be considered at the meeting. Circulars sent to shareholders also contain a notice on their cover page that if shareholders are in any doubt as the action they should take, they should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. All notices of all general meetings will be announced on SGXNET and the Company's website at www.ixbiopharma.com.

In accordance with the Constitution of the Company, shareholders who are not able to attend these meetings can appoint up to two proxies to attend and vote in their place. A shareholder who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

The Chairman of the Board, Chairperson of each of the AC, NC, RC and RMC, or members of the respective Committees standing in for them, and the external auditors are present at each AGM, and other general meetings held by the Company, if any, to address shareholders' queries. Senior management are also present at general meetings to respond, if necessary, to questions that may be raised by shareholders.

The Chairman of the Board, Chairperson of each of the AC, NC, RC and RMC and the external auditors were present in person or by electronic means at the 2021 AGM and will endeavour to be present at the 2022 AGM to assist the Directors in addressing any relevant queries raised by shareholders.

As such, the Board is of the view that shareholders have been accorded sufficient opportunity to express their views and address their questions to the Board and Management.

Voting at General Meetings (Provision 11.4)

Shareholders are given the opportunity to vote at general meetings either in person or by way of appointed proxy (proxies). The Company does not provide for absentia voting methods such as by mail, email, or fax due to concerns as to the integrity of such information and authentication of the identity of shareholders voting by such means.

Resolutions proposed at general meetings on substantive issues, including the election or re-election of each Director, are proposed as separately drafted resolutions to allow shareholders to consider and cast their votes properly on issues which are distinct. Detailed information on each item in the AGM agenda is provided in the explanatory notes to the notice of AGM in the Annual Report.

The Company will put all resolutions to vote by poll at general meetings. Shareholders present in person or represented by proxy at the meetings will be entitled to vote on a 'one-share, one-vote' basis on all resolutions. Detailed results of the number of votes cast for and against each resolution and the respective percentages will be announced at the meetings and via SGXNET after the meetings.

Minutes of General Meetings (Provision 11.5)

Minutes are taken of all general meetings, and where appropriate, include all substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and the responses from the Board and Management. Such minutes, which are subsequently approved by the Board, will be announced via SGXNET and made available to shareholders via the Company's website.

Dividend Policy (Provision 11.6)

The Company does not have a policy on payment of dividend. Save as disclosed below, the Board would consider a dividend policy at an appropriate time.

The Board has not declared or recommended any dividend for FY2022, as the Company is in a loss position.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

The Board is accountable to the shareholders and is mindful of its obligation to provide timely and fair disclosure of material information to shareholders, investors and the public. The Board treats all shareholders fairly and equitably and seeks to protect and facilitate exercise of shareholder's rights.

The Board is responsible for providing a balanced and understandable assessment of the Group's performance, position, and prospects as well as other price sensitive public reports to shareholders of the Company on a prompt basis. These principles guide the presentation of the Company's annual financial statements and half yearly financial statements announcements to shareholders, as well as other announcements to ensure compliance with legislative and regulatory requirements, including requirements under the Catalist Rules.

The Company does not practise selective disclosure and ensures timely and adequate disclosure of price sensitive and material information to shareholders of the Company via SGXNET. In addition, the Company ensures that the financial results and annual reports are announced or issued within the mandatory periods as prescribed by the Catalist Rules and are made available on the Company's website at www.ixbiopharma.com.

During FY2022, the results for the half year were released to shareholders within 45 days from 31 December 2021 whilst annual results were released within 60 days from the financial year end.

For the financial year under review, the CEO and the CFO provided assurance to the AC on the integrity of the half-yearly unaudited financial statements and the Board in turn provided a negative assurance confirmation in respect of the unaudited financial statements for the first half year in accordance with the regulatory requirements.

Shareholder Communication (Provision 12.1)

Shareholders and investors can contact the Company or access information on the Company at its website at www.ixbiopharma.com which has a dedicated link that provides, inter alia, information on the Board of Directors, Senior Management team, the Company's Corporate Governance Reports, Sustainability Reports, Annual Reports, Announcements, Press Releases and Financial Results as released by the Company on SGXNET, and other information which may be relevant to investors.

From time to time, the Board Chairman and the Management hold briefings with analysts. Presentation slides are also released on SGXNET and on the Company's website.

Internal Investor Relations (Provisions 12.2 & 12.3)

The Company does not have an internal investor relations team but has designated personnel, assisted by an external investor relations firm, to handle investor queries and deal with all matters related to investor relations.

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: ***The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.***

Engaging Material Stakeholder Groups (Provisions 13.1 & 13.2)

The Group believes in regularly engaging our stakeholders to understand the issues most important to them and the impacts on the Group's business. Shareholders, employees, customers, suppliers, regulators, and community have been identified as our key stakeholders based on importance, representation, dependency, and proximity to iX Biopharma's business.

The Group is committed to integrating our stakeholders' concerns in our business strategies and policies. Therefore, it continuously seeks to explore effective communication channels and strengthen our relationships with them.

The 2022 Sustainability Report, published together with this Annual Report, sets out the approaches adopted for stakeholder engagements, and material issues identified arising from these engagements.

Corporate Website (Provision 13.3)

Stakeholders can access information about the Group at its website at www.ixbiopharma.com which provides, inter alia, information on the Board of Directors, Senior Management team, the Company's Corporate Governance Reports, Sustainability Reports, Annual Reports, Announcements, Press Releases and Financial Results as released by the Company on SGXNET, and other information which may be relevant to stakeholders.

ADDITIONAL INFORMATION

MATERIAL CONTRACTS

No material contracts, being contracts entered into not in the ordinary course of business, entered into by the Company and its subsidiaries in FY2022 involved the interest of any Executive Director, Director or controlling shareholder of the Company.

INTERESTED PERSON TRANSACTIONS

Name of interested person	Aggregate value of all interested person transactions during FY2022 (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rule)		Aggregate value of all interested person transactions during FY2022 under shareholders' mandate pursuant to Rule 920 of the Catalist Rule (excluding transactions less than $100,000)
Centrum Capital Pte. Ltd. [(1)]	Provision of consulting services to the Group	$60,000	–

[(1)] Non-Executive Director, Mr. Albert Ho Shing Tung, is a director and shareholder of Centrum Capital Pte Ltd.

Saved as disclosed, there was no other disclosable interested person transaction and the Group does not have a general mandate for recurrent interested person transactions.

NON-SPONSOR FEES

For FY2022, the Company paid its sponsor, UOB Kay Hian Private Limited non-sponsor fees of S$10,198 as handling fees for opening of nil-paid rights account and charges for custodial services.

DEALING IN SECURITIES

The Company has issued an internal code on dealings in the Company's securities to the Directors and other officers (including employees with access to material non-public price-sensitive information) of the Group. The Company, the Directors and other officers are prohibited from dealing in the Company's securities commencing one month before and up to the announcement of the Group's half year and full year results.

They are also advised not to deal in the Company's securities on short-term considerations and in circumstances where they have access to material non-public price-sensitive information. They are also advised to always observe all applicable insider trading laws even when dealing in securities within the permitted trading period. The Company has complied with Rule 1204(19) of the Catalist Rules.

USE OF PROCEEDS

a) 2020 Private Placement

Pursuant to the private placement of 44,491,299 shares on 8 September 2020, the Company received net proceeds of S$10.18 million (Placement Proceeds). As at 30 June 2022, the Placement Proceeds have been fully utilised in accordance with the intended use as stated in the Company's announcement dated 28 July 2020:

	Amount allocated S$'000	Amount utilised S$'000	Balance S$'000
To fund the development, manufacturing and marketing activities required for our pharmaceutical and nutraceutical products in the pipeline	6,108	(6,108)	–
General working capital purposes	4,072	(4,072)	–
Total	**10,180**	**(10,180)**	**–**

Details of working capital used:	**S$'000**
Professional fees	1,098
Payroll and directors' fees	1,440
Trademark and patents	123
Purchase of materials	386
Rental, office expenditure and other operating expenses	1,025
Total	**4,072**

b) 2021 Rights Issue

Pursuant to the rights issue of 48,814,711 shares on 26 July 2021, the Company received net proceeds of S$9.62 million (Rights Proceeds). As at 30 June 2022, The Rights Proceeds has been utilised as follows :

	Amount allocated S$'000	**Amount utilised S$'000**	**Balance S$'000**
To fund manufacturing and marketing activities for the Group's products	7,617	(1,282)	6,335
General working capital purposes	2,000	(2,000)	-
Total	**9,617**	**(3,282)**	**6,335**

Details of working capital used:	**S$'000**
Professional fees	384
Payroll and directors' fees	1,237
Trademark and patents	91
Rental, office expenditure and other operating expenses	288
Total	**2,000**

The above utilisation of the Right Proceeds is in accordance with the intended uses as stated in the Company's announcement dated 8 June 2021.

c) 2022 Private Placement

Pursuant to private placement of 13,710,000 shares on 21 July 2022, the Company received net proceeds of S$2.71 million (2022 Placement Proceeds) which are allocated in accordance with the intended use as stated in the Company's announcement dated 12 July 2022:

	Amount allocated S$'000
To fund the development, manufacturing and marketing activities required to expand the Group's nutraceutical and medicinal cannabis businesses into new markets including the United States	1,627
General working capital purposes	1,085
Total	**2,712**

As at the date of this Annual Report, there is no material utilisation of the 2022 Placement Proceeds.

Statutory Reports and Financial Statements

Directors' Statement

For the financial year ended 30 June 2022

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 30 June 2022 and the balance sheet of the Company as at 30 June 2022.
In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 52 to 97 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 30 June 2022 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Eddy Lee Yip Hang
Albert Ho Shing Tung
Low Weng Keong
Patrick Donald Davies
Angeline Tham Xiwen (appointed on 1 February 2022)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options and share plan" in this statement.

Directors' interests in shares or debentures

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		**Holdings in which director is deemed to have an interest**	
	End of financial year	Beginning of financial year	**End of financial year**	Beginning of financial year
iX Biopharma Ltd.				
(No. of ordinary shares)				
Eddy Lee Yip Hang[1]	**177,869,551**	165,119,020	**18,683,250**	17,460,982
Albert Ho Shing Tung[2]	**9,127,605**	8,250,099	**139,100**	130,000
Low Weng Keong	**1,252,169**	1,170,252	**-**	-

(1) Mr. Eddy Lee Yip Hang's deemed interest of 18,683,250 shares are held in the name of his spouse, by virtue of Section 164 of the Companies Act.
(2) Mr. Albert Ho Shing Tung's deemed interest of 139,100 shares are held in the name of Centrum Capital Pte. Ltd, by virtue of his holding 93.0% of the shares in Centrum Capital Pte. Ltd.

(b) According to the register of directors' shareholdings, one executive director holding office at the end of the financial year had interests in the shares of the Company granted pursuant to iX Performance Share Plan as follows:

Subject to the terms and conditions of the iX Performance Share Plan and certain performance conditions being fulfilled, 4,768,800 shares granted to Mr. Eddy Lee Yip Hang will vest between 1 July 2022 and 30 June 2025.

(c) The directors' interests in the ordinary shares of the Company as at 21 July 2022 were the same as those as at 30 June 2022.

Share Options and Share Plan

(a) Share Option Scheme and Share Plan

The iX Employee Share Option Scheme (the "Share Option Scheme") and the iX Performance Share Plan (the "Share Plan") for directors and employees of the Group were approved by members of the Company at the Extraordinary General Meeting on 17 June 2015.

Share Options and Share Plan (continued)

(a) Share Option Scheme and Share Plan (continued)

The Share Option Scheme is a share incentive plan to provide eligible participants with an opportunity to participate in the equity of the Company, so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed significantly to the growth and performance of the Group.

The Share Plan contemplates the award of fully-paid shares to participants after certain pre-determined benchmarks have been met to reward, retain and motivate employees of the Group to achieve superior performance. Under the Share Plan, awards may be granted to controlling shareholders, non-executive directors, key management personnel, and employees of the Group ("participants"). Participants are not required to pay for the grant of awards. The eligibility of participants of the Share Plan and details of each award are determined at the absolute discretion of the Board of Directors.

The aggregate number of shares which may be issued pursuant to awards granted under the Share Plan on any date, when added to the number of shares issued and issuable in respect of (a) all awards granted under the Share Plan, and (b) all options granted under any other share option, share incentive, performance share or restricted share plan, shall not exceed 15% of the number of all issued shares on the day preceding that date.

The Share Option Scheme and Share Plan shall be administered by the members of the Board comprising of the following:

Eddy Lee Yip Hang (Chairman)
Albert Ho Shing Tung
Low Weng Keong
Patrick Donald Davies
Claudia Teo Kwee Yee (retired on 15 October 2021)
Angeline Tham Xiwen (appointed on 1 February 2022)

Share Option Scheme

Name of participant		Number of Shares comprised in Options granted during financial year under review (including terms)	Aggregate number of Shares comprised in Options granted since commencement of Scheme to end of financial year under review	Aggregate number of Shares comprised in Options exercised since commencement of Scheme to end of financial year under review	Aggregate number of Shares comprised in Options outstanding as at end of financial year under review
(i)	Directors and controlling shareholders of the Company and their associates	-	-	-	-
(ii)	Other participants	3,000,000	3,000,000	-	-*
	Total	3,000,000	3,000,000	-	-

* The Options were forfeited.

Discount to the Market Price %	Aggregate number of Incentive Options granted during the financial year under review	Proportion of Incentive Options to Market Price Options granted during the financial year under review
0-10	3,000,000	100%
11-20	-	-

No Share Option has been granted to a director, a controlling shareholder or their associates, and no employee has been granted with 5% or more of the total share options available under the Share Option Scheme.

Share Options and Share Plan (continued)

(a) Share Option Scheme and Share Plan (continued)

Share Plan

Disclosure in accordance to the Rules of the Share Plan is as follows:

	Name of participant	Number of shares allotted pursuant to Release of Awards under the Share Plan during the financial year under review	Number of existing shares purchased for delivery pursuant to release of awards under the Share Plan during the financial year under review	Aggregate number of shares allotted and existing shares purchased for delivery since commencement of the Share Plan to end of the financial year under review	Aggregate number of shares comprised in awards outstanding as at end of financial year under review
(i)	Directors and controlling shareholders of the Company and their associates				
	Mr. Eddy Lee Yip Hang	1,192,200	-	3,431,200	4,768,800
	Mr Albert Ho Shing Tung	300,000	-	300,000	-
(ii)	Participants, other than (i) above, who receive Awards comprising Shares representing more than 5% of the total number of Shares available under the Plan				
	Dr. Janakan Krishnarajah	1,190,000	-	4,140,000	1,810,000
(iii)	Other participants	2,340,000	-	10,821,333	2,810,000
	Total	5,022,200	-	18,692,533	9,388,800

Mr. Eddy Lee Yip Hang is also a controlling shareholder of the Company.

Save as disclosed above, no share awards have been granted to other controlling shareholders or their associates, and no other employee has been granted with 5% or more of the total share awards available under the Share Plan.

Details of awards granted since the inception of the Share Plan are as follows:

Grant date	Conditional awards granted during financial year under review (including terms)	Aggregate conditional awards granted since commencement of the plan to end of financial year under review	Aggregate awards released since commencement of the plan to end of financial year under review	Aggregate conditional awards outstanding as at end of financial year under review
30 September 2016	-	3,504,333	3,504,333	-
10 November 2017	-	1,398,000	1,365,000	-
16 November 2018	-	4,633,333	4,500,333	-
16 November 2019	-	2,717,333	2,717,333	-
23 October 2020	-	3,433,334	3,233,334	-*
3 June 2021	-	500,000	500,000	-
19 November 2021	12,261,000	12,261,000	2,872,200	9,388,800
Total	12,261,000	28,447,333	18,692,533	9,388,800

* 200,000 Share Award were forfeited during the financial year.

Share Options and Share Plan (continued)

(b) Share awards granted but not vested

The number of unissued ordinary shares of the Company under the Share Plan outstanding at the end of the financial year was as follows:

	No. of unissued ordinary shares under the Share Plan at 30.06.2022	Vesting period
iX Performance Share Plan	1,400,000	12 months from the date of award
	7,988,800	Between 1 July 2022 and 30 June 2025
	9,388,800	

Audit Committee

The members of the Audit Committee at the end of the financial year were as follows:

Low Weng Keong (Chairman)
Albert Ho Shing Tung
Patrick Donald Davies
Angeline Tham Xiwen (appointed on 1 February 2022)
Claudia Teo Kwee Yee (retired on 15 October 2021)

All members of the Audit Committee were non-executive directors and the majority are independent.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 30 June 2022 before their submission to the Board of Directors.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent Auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Eddy Lee Yip Hang Director	Albert Ho Shing Tung Director

16 September 2022

Independent Auditor's Report

to the Members of iX Biopharma Ltd.

Report on the financial statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of iX Biopharma Ltd. (the "Company") and its subsidiaries (the "Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the financial year ended 30 June 2022;
- the consolidated balance sheet of the Group as at 30 June 2022;
- the balance sheet of the Company as at 30 June 2022;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 30 June 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill, intangible assets, property, plant and equipment and right-of-use assets Refer to Note 3(a) (Critical accounting estimates and assumptions), Note 16 (Intangible assets), Note 17 (Property, plant and equipment) and Note 18 (Right-of-use assets) to the financial statements.	

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill, intangible assets, property, plant and equipment and right-of-use assets (continued) As at 30 June 2022, goodwill, intangible assets, property, plant and equipment, and right-of-use assets amounted to $310,000, $36,000, $7,498,000 and $226,000 respectively in the balance sheet of the Group. Management is required to perform an impairment assessment of goodwill annually. In addition, management has assessed whether there is any indication that the intangible assets, property, plant and equipment and right-of-use assets may be impaired. Accordingly, an impairment assessment was carried out for the Specialty Pharmaceutical cash-generating unit ("SP CGU") as at 30 June 2022. This is a key audit matter due to the significant judgements involved in determining the recoverable amount of goodwill, intangible assets, property, plant and equipment and right-of-use assets, including establishing the reasonableness of the key inputs used by management in the cash flow projection for the SP CGU. Changes in the key inputs can trigger potential impairment of goodwill, intangible assets, property, plant and equipment and right-of-use assets.	Our audit procedures to assess the impairment of goodwill, intangible assets, plant and equipment and right-of-use assets included detailed evaluation of the Group's cash flow projection of the SP CGU by performing the following procedures: • Assessed and compared the key inputs used in the cash flow projection for the SP CGU, being the revenue growth rate, the discount rate and the terminal growth rate, by reference to external sources of information, where applicable and financial budgets approved by management; • Compared the current year's results with the prior year's projection to consider whether any revised projections and assumptions were required, and updated to reflect management's planned course of actions for the period covered by the cash flow projection; and • Considered management's assessment of the timing and likelihood of the commercialisation of certain products used in the cash flow projection, and whether any revision to the timing of commercialisation would impact the recoverable amount of the SP CGU. • Assessed the appropriateness of the comparable transactions used by management in determining the valuation of the building on freehold land. We involved valuation specialists to assist in the assessment of the terminal growth rate and the discount rate applied by management. We noted that the key inputs used in the cash flow projection were reasonable. We evaluated management's sensitivity analysis on the recoverable amount of the SP CGU by applying reasonable possible changes to these key inputs. We found that the estimates used were appropriate in reflecting the risks associated with the SP CGU. We also assessed the adequacy of the disclosures relating to the estimates and judgements made and found the disclosures in the financial statements to be appropriate.

Other Information

Management is responsible for the other information. The other information comprises all the sections of the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Soh Kok Leong.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 16 September 2022

Consolidated Statement of Comprehensive Income

For the financial year ended 30 June 2022

	Note	**2022** **$'000**	2021 $'000
Revenue	4	**14,390**	1,745
Cost of sales		**(2,100)**	(2,127)
Gross profit/(loss)		**12,290**	(382)
Other income	5	**772**	1,575
Other (losses)/gains	8	**(5,170)**	1,795
Expenses			
- Research and development		**(2,332)**	(2,747)
- Sales and marketing		**(2,075)**	(2,249)
- General and administrative		**(7,382)**	(6,051)
- Finance	9	**(202)**	(174)
Total expenses		**(11,991)**	(11,221)
Loss before income tax	6	**(4,099)**	(8,233)
Income tax expense	10	**(499)**	(1)
Total loss		**(4,598)**	(8,234)
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Gain/(loss)	26(a)	**1,633**	(1,400)
Other comprehensive loss, net of tax		**1,633**	(1,400)
Total comprehensive loss		**(2,965)**	(9,634)
Loss per share for loss attributable to equity holders of the Company (cents per share)			
Basic loss per share	11(a)	**(0.62)**	**(1.19)**
Diluted loss per share	11(b)	**(0.62)**	**(1.19)**

The accompanying notes form an integral part of these financial statements.

Balance Sheet - Group

As at 30 June 2022

	Note	2022 $'000	2021 $'000
ASSETS			
Current assets			
Cash and cash equivalents	12	**13,494**	6,205
Trade and other receivables	13	**1,981**	1,816
Inventories	14	**906**	1,103
Other current assets	15	**462**	227
		16,843	9,351
Non-current assets			
Deposits		**67**	148
Intangible assets	16	**346**	413
Property, plant and equipment	17	**7,498**	8,356
Right-of-use assets	18	**226**	589
Deferred tax assets	19	**1,276**	-
Financial asset at fair value through profit or loss	21	**2,261**	-
		11,674	9,506
Total assets		**28,517**	18,857
LIABILITIES			
Current liabilities			
Trade and other payables	22	**2,491**	2,808
Borrowings	23	**3,291**	421
Lease liabilities	23(c)	**238**	375
Provision	24	**76**	63
Current income tax liabilities		**1,759**	-
		7,855	3,667
Non-current liabilities			
Borrowings	23	**876**	3,201
Provision	24	**42**	40
Lease liabilities	23(c)	**-**	238
		918	3,479
Total liabilities		**8,773**	7,146
NET ASSETS		**19,744**	11,711
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	25	**94,178**	83,337
Other reserves	26	**2,134**	344
Accumulated losses		**(76,568)**	(71,970)
Total equity		**19,744**	11,711

The accompanying notes form an integral part of these financial statements.

Balance Sheet - Company

As at 30 June 2022

	Note	2022 $'000	2021 $'000
ASSETS			
Current assets			
Cash and cash equivalents	12	**8,638**	5,173
Trade and other receivables	13	**24,749**	19,105
Inventories	14	**19**	21
Other current assets	15	**371**	183
		33,777	24,482
Non-current assets			
Deposits		**-**	83
Intangible assets	16	**36**	72
Property, plant and equipment	17	**131**	171
Right-of-use assets	18	**226**	589
Financial asset at fair value through profit or loss	21	**2,261**	-
Investments in subsidiaries	20	**1,966**	1,966
		4,620	2,881
Total assets		**38,397**	27,363
LIABILITIES			
Current liabilities			
Trade and other payables	22	**1,676**	1,740
Borrowings	23	**27**	25
Lease liabilities	23(c)	**238**	361
Current income tax liabilities		**573**	-
		2,514	2,126
Non-current liabilities			
Borrowings	23	**2**	30
Lease liabilities	23(c)	**-**	238
		2	268
Total liabilities		**2,516**	2,394
NET ASSETS		**35,881**	24,969
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	25	**94,178**	83,337
Other reserves	26	**568**	411
Accumulated losses		**(58,865)**	(58,779)
Total equity		**35,881**	24,969

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2022

	Note	Attributable to equity holders of the Company				
		Share capital $'000	**Share based payment reserve $'000**	**Currency translation reserve $'000**	**Accumulated losses $'000**	**Total equity $'000**
2022						
Balance as at 30 June 2021		**83,337**	**411**	**(67)**	**(71,970)**	**11,711**
Loss for the year		-	-	-	(4,598)	(4,598)
Other comprehensive gain for the year		-	-	1,633	-	1,633
Total comprehensive gain/ (loss) for the year		-	-	1,633	(4,598)	(2,965)
Performance Share Plan						
- Value of employees' services	26(b)(ii)	-	1,381	-	-	1,381
- Shares issued pursuant to Performance Share Plan	26(b)(ii)	1,224	(1,224)	-	-	-
Shares issued pursuant to private placement, net of transaction cost	25	9,617	-	-	-	9,617
Total transactions with owners, recognised directly in equity		10,841	157	-	-	10,998
Balance as at 30 June 2022		**94,178**	**568**	**1,566**	**(76,568)**	**19,744**
2021						
Balance as at 30 June 2020		72,251	320	1,333	(63,736)	10,168
Loss for the year		-	-	-	(8,234)	(8,234)
Other comprehensive loss for the year		-	-	(1,400)	-	(1,400)
Total comprehensive loss for the year		-	-	(1,400)	(8,234)	(9,634)
Performance Share Plan						
- Value of employees' services	26(b)(ii)	-	997	-	-	997
- Shares issued pursuant to Performance Share Plan	26(b)(ii)	906	(906)	-	-	-
Shares issued pursuant to private placement, net of transaction cost	25	10,180	-	-	-	10,180
Total transactions with owners, recognised directly in equity		11,086	91	-	-	11,177
Balance as at 30 June 2021		**83,337**	**411**	**(67)**	**(71,970)**	**11,711**

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 30 June 2022

	Note	**2022** **$'000**	2021 $'000
Cash flows from operating activities			
Total loss after tax		**(4,598)**	(8,234)
Adjustments for:			
- Amortisation expense		**49**	53
- Depreciation expense		**1,011**	1,001
- Income tax expense		**499**	1
- Interest expense		**202**	174
- Interest income		**-**	(7)
- Inventory write-down		**189**	175
- Gain on disposal of property, plant and equipment		**-**	(4)
- Provision expense		**21**	27
- Research and development tax incentive		**(699)**	(1,230)
- Share based payment expense		**1,381**	997
- Fair value loss of financial asset, at FVPL		**3,259**	-
- Unrealised currency exchange (gain)/losses - net		**1,801**	(1,708)
		3,115	(8,755)
Changes in working capital:			
- Trade and other receivables		**(233)**	18
- Other current assets		**(155)**	73
- Trade and other payables		**(266)**	(71)
- Inventories		**(44)**	(348)
Cash generated from/(used in) operations		**2,417**	(9,083)
Interest received		**-**	7
Research and development tax incentive received		**706**	725
Income tax paid		**-**	(1)
Net cash provided by/(used in) operating activities		**3,123**	(8,352)
Cash flows from investing activities			
Additions to property, plant and equipment		**(200)**	(553)
Additions to financial assets, at FVPL		**(5,423)**	-
Disposal of property, plant and equipment		**-**	46
Net cash used in investing activities		**(5,623)**	(507)
Cash flows from financing activities			
Decrease in fixed deposits pledged		**-**	622
Proceeds from issuance of ordinary shares		**9,617**	10,180
Proceeds from borrowings		**1,395**	-
Repayment of borrowings		**(646)**	(226)
Principal payment of lease liabilities		**(375)**	(378)
Interest paid		**(202)**	(174)
Net cash from financing activities		**9,789**	10,024
Net increase in cash and cash equivalents		**7,289**	1,165
Cash and cash equivalents			
Beginning of financial year		**5,585**	4,470
Effects of currency translation on cash and cash equivalents		**32**	(50)
End of financial year	12	**12,906**	5,585

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For the financial year ended 30 June 2022

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

iX Biopharma Ltd. (the "Company") is a public limited liability company and incorporated and domiciled in Singapore. The address of its registered office is 105 Cecil Street, #12-02 The Octagon, Singapore 069534. The address of its principal place of business is 1 Kim Seng Promenade, #14-01 Great World City East Tower, Singapore 237994.

The principal activities of the Group are the development, manufacture and commercialisation of innovative therapies for the treatment of acute and breakthrough pain, and other health conditions.

The Company is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The principal activities of the subsidiaries are disclosed in Note 20.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2022

On 1 July 2021, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Sale of goods

Revenue from the sale of goods is recognised when control of the products has transferred to its customer, being when the Group has delivered the products to locations specified by its customers and the customers have accepted the goods in accordance with the sales contract (i.e. at a point in time).

(b) Rendering of service – Out-licensing, development and manufacturing service

Revenue from development and manufacturing service is recognised when the service is rendered and the finished product is delivered to the customer (i.e. over time). Out-licensing revenue is recognised when the right to use the license has been transferred to the customer (i.e. at a point in time).

(c) Interest income

Interest income from bank deposits is recognised using the effective interest method.

2. Significant accounting policies (continued)

2.3 Government grant

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to property, plant and equipment are presented in the balance sheet by setting up the grant as deferred income and subsequently amortised over the periods to match them with the related depreciation expense of the assets. The income is presented as a credit to the consolidated statement of comprehensive income within "other income".

2.4 Group accounting

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(a) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

(b) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

2. Significant accounting policies (continued)

2.5 Property, plant and equipment

(a) *Measurement*

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) *Depreciation*

Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Building	40 years
Computers	3 - 5 years
Office equipment	3 - 5 years
Plant and equipment	3 - 20 years
Furniture and fittings	3 - 5 years
Leasehold improvement	3 - 10 years
Motor vehicles	8 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

2.6 Intangible assets

(a) *Goodwill on acquisitions*

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

(b) *Computer software licences*

Computer software licences are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the assets for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

2. Significant accounting policies (continued)

2.6 Intangible assets (continued)

(b) *Computer software licences* (continued)

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment loses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of three to five years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2.7 Impairment of non-financial assets

(a) *Goodwill*

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) *Intangible assets*
Property, plant and equipment
Right-of-use assets
Investments in subsidiaries

Intangible assets, property, plant and equipment, right-of-use assets and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.8 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2. Significant accounting policies (continued)

2.9 Financial assets

(a) *Classification and measurement*

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through profit or loss (FVPL)

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

<u>At initial recognition</u>

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

<u>At subsequent measurement</u>

(i) *Debt instruments*

Debt instruments mainly comprise of cash at bank, trade and other receivables, and other current assets (excluding prepayments).

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(ii) *Equity investments*

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains and losses". Dividends from equity investments are recognised in profit or loss as "dividend income".

(b) *Impairment*

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 28 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

2. Significant accounting policies (continued)

2.10 Offsetting of financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.11 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.12 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.13 Fair value estimation of financial assets and liabilities

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that exist at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques such as discounted cash flow analysis are also used to determine the fair value of the financial instruments.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.14 Leases

(a) *When the Group is the lessee*

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

  The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

  These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives are as follows:

	Useful lives
Leasehold properties	2 years

  Right-of-use assets are presented within "Property, plant and equipment".

2. **Significant accounting policies** (continued)

2.14 **Leases** (continued)

(a) *When the Group is the lessee* (continued)

- Lease liabilities

  The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

  Lease payments include fixed payment (including in-substance fixed payments), less any lease incentives receivables.

  For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

  Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

  - There is a change in future lease payments arising from changes in an index or rate;
  - There is a change in the Group's assessment of whether it will exercise an extension option; or
  - There is modification in the scope or the consideration of the lease that was not part of the original term.

  Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short term and low value leases

  The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

(b) *When the Group is the lessor*

- Lessor – Operating leases

  Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight -line basis over the lease term.

  Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

  Contingent rents are recognised as income in profit or loss when earned.

2.15 **Inventories**

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.16 **Income taxes**

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

2. **Significant accounting policies** (continued)

2.16 **Income taxes** (continued)

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.17 **Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the consolidated statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.18 **Employee compensation**

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund in Singapore or employees' designated superannuation fund in Australia, on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Employee leave entitlement

Employee entitlements to leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by the employees up to the balance sheet date.

2. **Significant accounting policies** (continued)

2.18 **Employee compensation** (continued)

(c) Share-based compensation

(i) Share options

The Group operates an equity-settled, share-based compensation plan. The value of the employee and consultant services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share based payment reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share based payment reserve over the remaining vesting period. When the options are exercised, the proceeds received (net of transaction costs) and the related balances previously recognised in the share based payment reserve are credited to share capital account, when new ordinary shares are issued.

(ii) Share awards

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of awards is recognised as an expense with a corresponding increase in the share based payment reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the awards granted on the date of the award. Non-market vesting conditions are included in the estimation of the number of shares under awards that are expected to issue on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under awards that are expected to issue on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share based payment reserve over the remaining vesting period. When the awards are issued, the related balances previously recognised in the share based payment reserve are credited to share capital account, when new ordinary shares are issued.

2.19 **Currency translation**

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar ("$"), which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss with loss of control of the foreign operation giving rise to such reserve.

2. Significant accounting policies (continued)

2.19 Currency translation (continued)

(c) *Translation of Group entities' financial statements* (continued)

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the directors who are responsible for allocating resources and assessing performance of the operating segments.

2.21 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.22 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.23 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.24 Research and development expenses

Research and development costs are expensed as incurred. Development expenditure is capitalised when the criteria for recognising an asset are met, usually when the compound receives regulatory approval. The capitalised expenditure is recorded as intangible assets and depreciated in accordance with the Group's policy.

3. Critical accounting estimates and assumptions

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed below.

(a) *Impairment of goodwill, intangible assets, property, plant and equipment*

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Intangible assets, property, plant and equipment and right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amount for the cash generating unit ("CGU") has been calculated based on the value-in-use. Cash flow forecast used in value-in-use calculation requires the use of estimates on critical assumptions such as revenue growth rate, discount rate and the terminal growth rate. The critical assumptions used for impairment testing are included in Note 16 and Note 17.

(b) *Useful lives of property, plant and equipment*

Property, plant and equipment are depreciated/amortised on a straight-line basis over their estimated useful lives. Management's estimates of the useful lives of these property, plant and equipment are disclosed in Note 2.5(b). Changes in the expected level of usage and technological developments could impact the economic useful lives and/or the residual values of these assets, and therefore future depreciation and amortisation charges could be revised.

(c) *Deferred tax asset*

Significant judgement is required to determine the amount of the deferred tax asset that can be recognised to the extent that is probable that future taxable profit will be available against which the temporary difference can be utilised. This involves judgement regarding the future financial performance of the particular legal entity for which the deferred tax asset has been recognised. Details of the deferred tax asset of the Group are disclosed in Note 19.

4. Revenue from contracts with customers

During the financial year, the Group derives revenue from the transfer of goods and services at a point in time and over time in the following categories:

	Group		
	At a point in time $'000	Over time $'000	Total $'000
2022			
Sale of goods:			
- Pharmaceutical products	**406**	**-**	**406**
- Nutraceutical products	**617**	**-**	**617**
	1,023	**-**	**1,023**
Services rendered:			
- Out-licencing	**12,372**	**-**	**12,372**
- Development and manufacturing services	**-**	**995**	**995**
Total	**13,395**	**995**	**14,390**
2021			
Sale of goods:			
- Pharmaceutical products	274	-	274
- Nutraceutical products	939	-	939
	1,213	-	1,213
Services rendered:			
- Development and manufacturing services	-	532	532
Total	1,213	532	1,745

5. Other income

	Group	
	2022 $'000	2021 $'000
Interest income:		
- Bank deposits	**-**	6
- Others	**-**	1
	-	7
Government grants	**40**	120
Research and development tax incentive (Note 13)	**699**	1,230
Rental income	**-**	169
Others	**33**	49
Total	**772**	1,575

Rental income was derived from the Group's leasing out of factory space to a non-related party for monthly lease payments. The lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred. There are no lease payments to be received after the reporting date.

Included in government grants is grant income of $36,000 (2021: $49,000) recognised during the financial year under the Jobs Support Scheme (the "JSS"). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

6. Loss before income tax

The following items have been included in arriving at loss before income tax for the year:

	Group	
	2022	2021
	$'000	$'000
Advertising and marketing expenses	**805**	849
Amortisation of computer software (Note 16(b))	**49**	53
Audit fees paid/payable to:		
- Auditor of the Company	**126**	113
- Other auditors*	**113**	110
Changes in inventories of finished goods and work-in-progress	**(146)**	(235)
Clinical trials and related expenses	**539**	813
Depreciation of:		
- Property, plant and equipment (Note 17)	**648**	642
- Right-of-use assets (Note 18)	**363**	359
Employee compensation expense (Note 7)	**6,942**	6,957
Information technology support expenses	**167**	145
Insurance expenses	**255**	227
Inventory write-down	**189**	175
Professional and consultancy expenses	**2,060**	858
Raw materials and consumables used	**756**	817
Regulatory approval expenses	**75**	229
Rental expense and operating leases	**37**	31
Repairs and maintenance expenses	**210**	195
Telephone and utilities	**203**	265
Trademarks and patents related expense	**138**	242
Travelling and accommodation expenses	**236**	67

* Includes other PricewaterhouseCoopers firms outside Singapore

7. Employee compensation expense

	Group	
	2022	2021
	$'000	$'000
Wages and salaries	**4,769**	5,011
Employer's contribution to defined contribution plans	**376**	379
Share based payment expense (Note 26(b)(ii))	**1,381**	997
Other staff benefits	**416**	570
Total employee compensation expense	**6,942**	6,957

8. Other (losses)/gains

	Group	
	2022	2021
	$'000	$'000
Net currency exchange (losses)/gains	**(1,911)**	1,795
Fair value losses of financial asset, at FVPL (Note 21)	**(3,259)**	-
	(5,170)	1,795

9. Finance expense

	Group	
	2022	2021
	$'000	$'000
Interest expense:		
- Bank borrowings	**179**	149
- Lease liabilities	**23**	25
Total finance expense	**202**	174

10. Income taxes

	Group	
	2022	2021
	$'000	$'000
Current income tax		
- Foreign	**1,270**	1
Withholding tax	**573**	-
Deferred income tax (Note 19)	**(1,344)**	-
	499	1

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2022	2021
	$'000	$'000
Loss before income tax	**(4,099)**	(8,233)
Tax calculated at tax rate of 17% (2021: 17%)	**(697)**	(1,400)
Effects of:		
- Different tax rates in other countries	**(222)**	(394)
- Expenses not deductible for tax purposes	**1,581**	636
- Income not subject to tax	**(6)**	(323)
- Withholding tax	**573**	-
- Deferred tax benefits not recognised	**667**	1,480
- Utilisation of previously unrecognised tax losses	**(1,397)**	-
Income tax expense/(credit)	**499**	(1)

The Group has unrecognised tax losses of $70,218,000 (2021: $69,482,000) at the balance sheet date, and the Company has unrecognised tax losses of $46,230,000 (2021: $45,700,000). The unrecognised tax losses can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. The tax losses have no expiry date.

11. Loss per share

(a) Basic loss per share

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2022	2021
Net loss attributable to equity holders of the Company ($'000)	**(4,598)**	(8,234)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	**746,125**	693,411*
Basic loss per share (cents per share)	**(0.62)**	(1.19)

* The weighted average number of shares have been restated to reflect the effect of bonus element pursuant to the rights issue.

(b) Diluted loss per share

For the purpose of calculating diluted loss per share, net loss attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

For share options, the weighted average number of shares in issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net loss.

For share awards, the weighted average number of shares in issue has been adjusted as if all dilutive share awards were vested. The number of shares that could have been issued upon the vesting of all dilutive share awards is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net loss.

	Group	
	2022	2021
	$'000	$'000
Net loss attributable to equity holders of the Company ($'000)	**(4,598)**	(8,234)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	**746,125**	693,411*
Diluted loss per share (cents per share)	**(0.62)**	(1.19)

* The weighted average number of shares have been restated to reflect the effect of bonus element pursuant to the rights issue

The Company has 9,388,800 (2021: 2,350,000) share awards that could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted loss per share above because they are anti-dilutive for the financial year presented, having the effect of decreasing the loss per share.

12. Cash and cash equivalents

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**13,494**	6,205	**8,638**	5,173

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2022	2021
	$'000	$'000
Cash and bank balances (as above)	**13,494**	6,205
Less: Bank deposits pledged	**(588)**	(620)
Cash and cash equivalents per consolidated statement of cash flows	**12,906**	5,585

Bank deposits are pledged as security for bank credit facilities.

13. Trade and other receivables

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Trade receivables:				
- Non-related parties	**504**	222	**-**	53
- Subsidiaries	**-**	-	**8,725**	4,021
Goods and services tax receivable	**52**	72	**9**	20
Research and development tax incentive receivable	**1,374**	1,431	**-**	-
Other receivables:				
- Non-related parties	**51**	91	**-**	-
- Subsidiaries	**-**	-	**38,065**	36,827
	51	91	**38,065**	36,827
Less: Allowance for impairment	**-**	**-**	**(22,050)**	(21,816)
Other receivable - net	**51**	91	**16,015**	15,011
	1,981	1,816	**24,749**	19,105

The research and development ("R&D") tax incentive is a programme administered jointly by the Australian Taxation Office and Innovation Australia to provide a tax refund at a rate of 43.5% (2021: 43.5%) or reduction in tax liability as applicable for qualifying expenditure incurred in Australia by the subsidiaries.

Other receivables from subsidiaries as at balance sheet date are unsecured, interest-free and repayable on demand.

14. Inventories

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Raw materials	**641**	761	**-**	-
Work-in progress	**93**	80	**-**	-
Finished goods	**172**	262	**19**	21
	906	1,103	**19**	21

The cost of inventories recognised as an expense and included in "cost of sales" amounts to $399,000 (2021: $582,000).

15. Other current assets

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Prepayments	**369**	218	**286**	181
Deposits	**93**	9	**85**	2
	462	227	**371**	183

16. Intangible assets

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Composition:				
Goodwill arising on consolidation (Note 16(a))	**310**	327	**-**	-
Computer software (Note 16(b))	**36**	86	**36**	72
	346	413	**36**	72

(a) Goodwill arising on consolidation

	Group	
	2022	2021
	$'000	$'000
Beginning of financial year	**327**	310
Currency translation differences	**(17)**	17
End of financial year	**310**	327

Impairment test for goodwill

Goodwill arising on consolidation is entirely allocated to the Group's Specialty Pharmaceutical cash-generating unit ("SP CGU").

The recoverable amount of the SP CGU was determined based on value-in-use. Further details of the impairment testing are set out in Note 17.

16. **Intangible assets** (continued)

(b) Computer software

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Cost				
Beginning of financial year	**179**	174	**108**	108
Currency translation differences	**(4)**	5	**-**	-
End of financial year	**175**	179	**108**	108
Accumulated amortisation				
Beginning of financial year	**93**	37	**36**	-
Amortisation (Note 6)	**49**	53	**36**	36
Currency translation differences	**(3)**	3	**-**	-
End of financial year	**139**	93	**72**	36
Net book value	**36**	86	**36**	72

17. Property, plant and equipment

	Freehold land $'000	Building $'000	Computers $'000
Group			
Cost			
At 30 June 2021	2,882	1,965	211
Additions	-	-	7
Reclassification	-	(13)	3
Currency translation differences	(151)	(103)	(6)
At 30 June 2022	2,731	1,849	215
Accumulated depreciation			
At 30 June 2021	-	284	169
Depreciation charge (Note 6)	-	55	22
Currency translation differences	-	(17)	(5)
At 30 June 2022	-	322	186
Net book value			
At 30 June 2022	**2,731**	**1,527**	**29**
Group			
Cost			
At 30 June 2020	2,734	1,851	187
Additions	-	13	22
Disposals	-	-	(4)
Currency translation differences	148	101	6
At 30 June 2021	2,882	1,965	211
Accumulated depreciation			
At 30 June 2020	-	215	144
Depreciation charge (Note 6)	-	56	25
Disposals	-	-	(4)
Currency translation differences	-	13	4
At 30 June 2021	-	284	169
Net book value			
At 30 June 2021	2,882	1,681	42

Office equipment $'000	Plant and equipment $'000	Furniture and fittings $'000	Leasehold improvement $'000	Motor vehicles $'000	Total $'000
132	6,423	123	249	238	12,223
5	122	4	62	-	200
-	(324)	-	334	-	-
(2)	(337)	(2)	(9)	(1)	(611)
135	5,884	125	636	237	11,812
104	2,920	114	179	97	3,867
20	469	7	45	30	648
(2)	(168)	(1)	(7)	(1)	(201)
122	3,221	120	217	126	4,314
13	**2,663**	**5**	**419**	**111**	**7,498**
120	5,691	124	239	236	11,182
8	508	2	-	-	553
-	(85)	(4)	-	-	(93)
4	309	1	10	2	581
132	6,423	123	249	238	12,223
76	2,361	108	147	66	3,117
26	469	9	27	30	642
-	(43)	(4)	-	-	(51)
2	133	1	5	1	159
104	2,920	114	179	97	3,867
28	3,503	9	70	141	8,356

17. Property, plant and equipment (continued)

	Computers $'000	Office equipment $'000	Furniture and fittings $'000	Leasehold improvement $'000	Motor vehicles $'000	Total $'000
Company						
Cost						
At 30 June 2021	97	42	96	67	206	508
Additions	2	2	1	-	-	5
At 30 June 2022	99	44	97	67	206	513
Accumulated depreciation						
At 30 June 2021	71	34	90	67	75	337
Depreciation charge	10	4	5	-	26	45
At 30 June 2022	81	38	95	67	101	382
Net book value						
At 30 June 2022	18	6	2	-	105	131

	Computers $'000	Office equipment $'000	Furniture and fittings $'000	Leasehold improvement $'000	Motor vehicles $'000	Total $'000
Company						
Cost						
At 30 June 2020	82	41	98	67	206	494
Additions	19	1	2	-	-	22
Disposals	(4)	-	(4)	-	-	(8)
At 30 June 2021	97	42	96	67	206	508
Accumulated depreciation						
At 30 June 2020	64	29	87	67	50	297
Depreciation charge	11	5	7	-	25	48
Disposals	(4)	-	(4)	-	-	(8)
At 30 June 2021	71	34	90	67	75	337
Net book value						
At 30 June 2021	26	8	6	-	131	171

During the financial year ended 30 June 2022, bank borrowings are secured on freehold land and building, certain plant and equipment and motor vehicles of the Group with carrying value of $4,166,548 (2021: $3,263,597) (Note 23).

ROU assets classified within property, plant and equipment

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class.

(a) *Carrying amounts*

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Plant and equipment	**1,201**	251	**-**	-
Leasehold improvement	**148**	-	**-**	-
Motor vehicles	**105**	141	**105**	131
Office equipment	**60**	63	**63**	60
	1,514	455	**168**	191

17. Property, plant and equipment (continued)

(b) *Depreciation charge during the year*

	Group $'000	Company $'000
2022		
Plant and equipment	**66**	**-**
Leasehold improvement	**6**	**-**
Motor vehicles	**26**	**26**
	98	**26**
2021		
Plant and equipment	102	-
Motor vehicles	30	26
	132	26

(c) *Interest expense*

	Group $'000	Company $'000
2022		
Interest expense on lease liabilities relating to ROU assets classified within property, plant and equipment	**47**	**2**
2021		
Interest expense on lease liabilities relating to ROU assets classified within property, plant and equipment	6	2

Impairment tests

As the Group is still undergoing clinical trials for its pharmaceutical products and has not commenced large scale manufacturing and sale of these products, it has incurred operating losses since its commencement of research and development activities. As such, management has conducted an impairment testing for goodwill, intangible assets, property, plant and equipment ("PPE") and right-of-use assets.

Specialty Pharmaceutical ("SP") and Nutraceutical business segments are identified to be the cash-generating units ("CGUs") of the Group.

No impairment review was performed for the Nutraceutical CGU; this is on the basis that there is no goodwill, intangible assets or significant PPE allocated to the CGU, since the nature of its business is the distribution of nutraceutical products that are contract manufactured by the SP CGU.

For SP CGU, the recoverable amount was determined based on fair value less costs of disposal for freehold land and building and based on value-in-use for goodwill, intangible assets, other PPE and right-of-use assets. The cash flow forecast was based on expected revenue growth over a 10-year period. Management determined that a 10-year forecast is appropriate as key products of this business segment, which are still undergoing clinical trials and further development, will require more than 5 years to reach a steady state of sales.

Freehold land and building

For freehold land and building, management compared its net book value against market prices of comparable properties in the vicinity of the same location to ascertain whether there had been any impairment indicator.

The impairment review carried out as at 30 June 2022 has revealed that the recoverable amount of freehold land and building is higher than the carrying amount. There is no indication of impairment.

17. Property, plant and equipment (continued)

Impairment tests (continued)

Goodwill, intangible assets and other PPE and right-of-use assets

Critical assumptions used for the value-in-use calculations for SP CGU:

- Discount rate of 14% (2021: 14%)
- Terminal growth rate of 2% (2021: 2%)
- Annual revenue growth rates of between 49% to above 100% for FY 2023 to FY 2024, between 18% to 34% for FY 2025 to FY 2029, and between 3% to 4% for FY 2030 to FY 2032 (2021: Annual revenue growth rates of above 100% for FY 2022 to FY 2025, between 26% to 51% for FY 2026 to FY 2027, and between 4% to 15% for FY 2028 to FY 2031)

Management determined the terminal growth rate based on the long-term average growth rates in the industry and its expectations of future market developments. The discount rate used was a pre-tax rate and reflected specific risks relevant to the segment. The annual revenue growth rate was determined based on management's forecast of the projected number of patients who will use the products and the respective products selling price.

The impairment review carried out as at 30 June 2022 revealed that the recoverable amount of the SP CGU is higher than the carrying amount. No impairment loss is recognised during the financial year. As at 30 June 2022, any reasonably possible change to the key assumptions applied is not likely to cause the recoverable amount to be below the carrying amount of the SP CGU.

18. Right-of-use assets

Nature of the Group's leasing activities

The Group leases office space and staff accommodation for its business operations from non-related parties.

(a) Carrying amounts

	Group and Company	
	2022	2021
	$'000	$'000
Leasehold properties	**226**	589

(b) Depreciation charge during the year

Leasehold properties	**363**	359

(c) Interest expense

Interest expense on lease liabilities	**23**	20

(d) Lease expense not capitalised in lease liabilities

Lease expense – short-term leases	**37**	31

(e) Total cash outflow for all the leases in 2022 was $435,000 (2021: $604,000).

(f) There were no additions (2021: $726,000) to ROU assets.

(g) Future cash outflow which are not capitalised in lease liabilities:

Extension options

The leases for certain office equipment and staff accommodation contain extension periods, for which the related lease payments had not been included in lease liabilities, as the Group is not reasonably certain to exercise these extension option. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations.

19. Deferred tax asset

The movement in deferred income tax assets during the financial year is as follows:

	Group	
	2022	2021
	$'000	$'000
Beginning of financial year	**-**	-
Tax credited to profit and loss (Note 10)	**1,344**	-
Currency translation differences	**(68)**	-
End of financial year	**1,276**	-

The deferred tax asset relates to deductible temporary differences which arose from the intra-group transfer of an intangible asset from the Company to a subsidiary in a different tax jurisdiction. The deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

20. Investments in subsidiaries

	Company	
	2022	2021
	$'000	$'000
Equity investments at cost		
Beginning of financial year	**1,967**	1,967
Additions	**-**	*
Beginning and end of financial year	**1,967**	1,967
Accumulated allowance for impairment		
Beginning and end of financial year	**1**	1
Net book value		
Beginning and end of financial year	**1,966**	1,966

* Amount less than $1,000

On 2 November 2020, the Company incorporated iX Biopharma Europe Limited, a wholly-owned subsidiary in Republic of Ireland with an initial share capital of €1.00, whose principal activities are product marketing and distribution in Europe.

On 31 March 2021, the Company incorporated Ligo Pharma Limited, a wholly-owned subsidiary in Cayman Islands with an initial share capital of US$1.00, whose principal activities are those of investment holding.

20. Investments in subsidiaries (continued)

Details of the Company's subsidiaries are as follows:

Name	Principal activities	Country of business/ incorporation	Equity holding 2022 %	Equity holding 2021 %
Held by the Company				
iX Biopharma Pty Ltd [(a) (b)]	Research and experimental development	Australia	**100**	100
iX Syrinx Pty Ltd ("Syrinx") [(a) (b)]	Manufacturing and sale of pharmaceutical and nutraceutical products	Australia	**100**	100
Arrow Property Trust [(b)]	Owner of an industrial property that is leased exclusively to Syrinx	Australia	**100**	100
Kaizen Manufacturing Pty Ltd [(b)]	Trustee of Arrow Property Trust	Australia	**100**	100
Entity Health Ltd [(c)]	Promotion and marketing of nutraceutical products	Hong Kong	**100**	100
iXB Sdn. Bhd. [(d)]	Research and development, marketing and distribution of health and nutraceutical products in Malaysia	Malaysia	**100**	100
iX Biopharma Europe Limited [(b) (g)]	Promotion and marketing of pharmaceutical and nutraceutical products	Ireland	**100**	100
Ligo Pharma Limited [(d)]	Investment holding company	Cayman Islands	**100**	100
Held by Entity Health Ltd				
Entity Health Pte Ltd [(e)]	Promotion and marketing of nutraceutical products	Singapore	**100**	100
Entity Health (China) Company Ltd [(c)]	Investment holding company	Hong Kong	**100**	100
Entity Health Pty Ltd [(a) (b)]	Promotion and marketing of nutraceutical products	Australia	**100**	100
Held by Entity Health (China) Company Ltd				
Entity Health (Shanghai) Co Ltd [(f)]	Promotion and marketing of nutraceutical products	China	**100**	100

(a) Audited by PricewaterhouseCoopers Australia for the purpose of the Group financial statements. There is no requirement for statutory audit of these subsidiaries in the country of incorporation.
(b) Audited by PricewaterhouseCoopers LLP, Singapore for the purpose of the Group financial statements.
(c) Audited by PricewaterhouseCoopers Hong Kong.
(d) The entities were dormant during the financial year.
(e) Audited by PricewaterhouseCoopers LLP, Singapore.
(f) Audited by Shanghai Tripod Certified Public Accountants.
(g) Audited by Cleary & Company, Ireland.

21. Financial asset , at FVPL

	Group and Company	
	2022	2021
	$'000	$'000
Beginning of financial year	**-**	-
Addition	**5,423**	-
Fair value loss (Note 8)	**(3,259)**	-
Exchange gain	**97**	-
End of financial year	**2,261**	-
Non-current		
Listed securities:		
- Equity securities – US	**2,261**	-

Financial asset is measured on an ongoing basis at fair value. When measuring the fair value of an asset, the Group uses observable market data as far as possible. The listed equity security classified as non-current investment is categorised within Level 1 of the fair value hierarchy. Fair value hierarchy Level 1 refers to quoted prices (unadjusted) in active markets for identical assets. The listed equity security represents ordinary shares in a company that is traded in an active stock exchange market.

22. Trade and other payables

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Trade payables:				
- Non-related parties	**224**	550	**19**	181
- Subsidiaries	**-**	-	**11**	22
Accrued operating expenses	**2,080**	2,122	**1,531**	1,439
Amount due to directors of the Company	**90**	90	**90**	90
Goods and services tax payable	**59**	31	**-**	-
Other payables	**38**	15	**25**	8
	2,491	2,808	**1,676**	1,740

Amount due to directors of the Company relates to accrued fees and bonus as at the financial year end.

23. Borrowings

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Bank borrowings:				
- Current	**3,291**	421	**27**	25
- Non-current	**876**	3,201	**2**	30
Total borrowings	**4,167**	3,622	**29**	55

Bank borrowings of the Group are secured over land and building, certain plant and equipment and motor vehicles (Note 17).

(i) Borrowings secured over plant and equipment:

Group

	2022	2021
	$'000	$'000
Borrowings	**1,132**	32
Interest rates	**3.84% per annum**	4.92% per annum

The borrowings are repayable in fixed monthly instalments up to July 2026 (2021: 30 November 2021).

23. Borrowings (continued)

(ii) Borrowings secured over motor vehicles:

Group and Company

	2022 **$'000**	2021 $'000
Borrowings	**30**	55
Interest rates	**5.24% per annum**	5.24% per annum

The borrowings are repayable in fixed monthly instalments up to July 2023 (2021: July 2023).

(iii) Borrowings secured over land and building:

Group

	2022 **$'000**	2021 $'000
Borrowings	**3,005**	3,535
Interest rates	5.75% per annum from 29 June 2018 to 30 June 2020, at floating interest rate thereafter	

The borrowing is repayable in fixed monthly instalments from 30 July 2022 and the remaining balance shall be fully repayable on 30 June 2023.

(a) Fair value of non-current borrowings

	Group		**Company**	
	2022 **$'000**	2021 $'000	**2022** **$'000**	2021 $'000
Bank borrowings	**876**	3,201	**2**	30

The fair values of current borrowings approximate their carrying values.

The fair values above are determined from the cash flow analyses, discounted at per annum market borrowing rates of an equivalent instrument at the balance sheet date which the directors expect to be available to the Group as follows:

	Group		**Company**	
	2022 **%**	2021 %	**2022** **%**	2021 %
Bank borrowings	**4.92 to 5.75**	4.92 to 5.75	**5.24**	5.24

The fair values are within Level 2 of the fair values hierarchy. The fair values measurement hierarchy are defined in Note 28(g).

23. Borrowings (continued)

(iii) Borrowings secured over land and building: (continued)

(b) Undrawn borrowing facilities

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Expiring beyond one year	**304**	1,483	**-**	-

The available credit facilities with a bank comprise of asset finance leasing and business lending overdraft facilities in order to finance future acquisitions of plant and equipment.

(c) Reconciliation of liabilities arising from financing activities:

				Non-cash changes $'000			
	Beginning of financial year $'000	**Proceeds from borrowings S'000**	**Principal and interest payments $'000**	**Additions during the year**	**Interest expense**	**Foreign exchange movement**	**End of financial year $'000**
2022							
Borrowings	**3,622**	**1,395**	**(825)**	**-**	**179**	**(204)**	**4,167**
Lease liabilities	**613**	**-**	**(398)**	**-**	**23**	**-**	**238**
2021							
Borrowings	3,654	-	(375)	-	149	194	3,622
Lease liabilities	264	-	(402)	726	25	-	613

24. Provisions

	Group	
	2022	2021
	$'000	$'000
Provision for employees' long service leave		
- Current	**76**	63
- Non-current	**42**	40
Total provisions	**118**	103

Provisions for employees' long service leave relates to liability due to employees for leave entitlement earned after a certain period of continuous employment, in accordance with Australia labour regulations.

Movements in provision for employees' long service leave are as follows:

	2022	2021
	$'000	$'000
Beginning of financial year	**103**	72
Provision made	**21**	27
Currency translation differences	**(6)**	4
End of financial year	**118**	103

25. Share capital

	No. of ordinary shares	Amount $'000
Group and Company		
2022		
Beginning of financial year	**697,353,023**	**83,337**
Shares issued pursuant to:		
- Rights issue	**48,814,711**	**9,617**
- iX Performance Share Plan (Note 26(b))	**5,022,200**	**1,224**
End of financial year	**751,189,934**	**94,178**
2021		
Beginning of financial year	648,894,390	72,251
Shares issued pursuant to:		
- Private placement	44,491,299	10,180
- iX Performance Share Plan (Note 26(b))	3,967,334	906
End of financial year	697,353,023	83,337

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

On 26 July 2021, the Company allotted and issued 48,814,711 new ordinary shares (Rights Shares) at the issue price of S$0.20 per Rights Share in connection with a rights issue exercise for a net consideration of $9,617,000.

On 10 September 2020, the Company completed a private placement of 44,491,299 ordinary shares for a net consideration of $10,180,000.

Pursuant to iX Performance Share Plan granted on 30 September 2016, on 19 November 2021, the Company granted total awards of 12,261,000 shares, to certain employees executives and directors under iX Performance Share Plan, comprising of 1,400,000 share awards that will be vested in full on the date falling 12 months from the date of awards and 10,861,000 share awards that are subject to certain Performance Conditions. On 3 December 2021, the Company issued 5,022,200 ordinary shares to its employees. (2021: 1,083,334, 2,384,000 and 500,000 ordinary shares to its employees through exercise of the share plans on 30 October 2020, 20 November 2020 and 3 June 2021).

26. Other reserves

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Currency translation reserve (Note 26(a))	**1,566**	(67)	**-**	-
Share based payment reserve (Note 26(b))	**568**	411	**568**	411
	2,134	344	**568**	411

(a) Currency translation reserve

	Group	
	2022	2021
	$'000	$'000
Beginning of financial year	**(67)**	1,333
Net currency translation differences of financial statements of foreign subsidiaries	**1,633**	(1,400)
End of financial year	**1,566**	(67)

(b) Share based payment reserve

(i) Share Option Scheme and Share Plan

The iX Employee Share Option Scheme (the "Share Option Scheme") and the iX Performance Share Plan (the "Share Plan") for directors and employees of the Group were approved by members of the Company at the Extraordinary General Meeting on 17 June 2015.

26. Other reserves (continued)

(b) Share based payment reserve (continued)

(i) Share Option Scheme and Share Plan (continued)

Share Option Scheme

Movements in the number of unissued ordinary shares under the Share Option Scheme during the financial year are as follows:

Grant Dates	Beginning of financial year '000	Granted '000	Forfeited '000	Issued '000	End of financial year '000	Exercise Price $	Vesting Period
2022							
16.07.2021	**-**	**3,000**	**(3,000)**	**-**	**-**	0.235	16.07.2023 to 15.07.2026

Share Plan

Movements in the number of unissued ordinary shares under the Share Plan during the financial year are as follows:

Award Dates	Beginning of financial year '000	Awarded '000	Forfeited '000	Issued '000	End of financial year '000	Vesting dates	Fair value per share $
2022							
23.10.2020	2,350	-	(200)	(2,150)	-	23.10.2021	0.255
19.11.2021	-	1,400	-	-	1,400	19.11.2022	0.235
19.11.2021	-	10,861	-	(2,872)	7,989	19.11.2021 to 30.06.2025	0.235
	2,350	**12,261**	**(200)**	**(5,022)**	**9,389**		
2021							
16.11.2019	2,384	-	-	(2,384)	-	16.11.2020	0.215
23.10.2020	-	1,083	-	(1,083)	-	23.10.2020	0.255
23.10.2020	-	2,350	-	-	2,350	23.10.2021	0.255
03.06.2021	-	500	-	(500)	-	03.06.2021	0.235
	2,384	3,933	-	(3,967)	2,350		

(ii) Movement for share based payment reserve

The movement for share based payment reserve is as follows:

	Group and Company	
	2022	2021
	$'000	$'000
Beginning of financial year	**411**	320
Share based payment scheme		
- Value of employees' services (Note 7)	**1,381**	997
- Share awards issued (Note 25)	**(1,224)**	(906)
End of financial year	**568**	411

27. Commitments

Capital commitments

Capital expenditure of $155,000 (2021: $57,000) for property, plant and equipment were contracted for at the balance sheet date but not recognised in the financial statements.

28. Financial risk management

Financial risk factors

The Group's activities expose it to market risk, credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

Risk management framework

The Board of Directors oversees how management monitors and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The framework is reviewed regularly to reflect changes in market conditions and the Group's activities.

(a) Market risk

Market risk is the risk that changes in market conditions such as changes in exchange rates will affect the Group's income or the carrying value of its financial instruments. The Group does not have any significant price and interest rate risks.

(i) Currency risk

The Group has operations in Singapore, Australia, China and Ireland. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies other than functional currency such as the United States Dollars ("USD") and Australian Dollars ("AUD"). To date, the Group has not hedged any of its currency exposure.

In addition, the Group is exposed to currency translation risk arising from the net assets of its foreign operations. Currency exposure to the net assets of the Group's foreign operations in Australia is managed primarily through borrowings denominated in the relevant foreign currencies. The Group's net assets are not hedged as their currency positions are considered to be long-term in nature.

The Group's currency exposure based on the information provided to key management is as follows:

	USD $'000	**AUD $'000**
Group		
2022		
Financial assets		
Cash and cash equivalents	4,068	958
Trade and other receivables	49	386
Intra-group receivables	4,997	17,911
Financial asset at FVPL	2,261	-
	11,375	19,255
Financial liabilities		
Trade and other payables	(105)	(66)
Intra-group payables	(4,795)	(39,822)
Borrowings	-	(4,136)
	(4,900)	(44,024)
Net financial assets/(liabilities)	6,475	(24,769)
Less: Financial (assets)/liabilities denominated in the respective entities' functional currencies		
Cash and cash equivalents	-	(849)
Trade and other receivables	-	(386)
Intra-group receivables	-	(660)
	-	(1,895)
Trade and other payables	-	63
Intra-group payables	-	39,753
Borrowings	-	4,137
	-	43,953
	-	42,058
Currency exposure of net financial assets net of those denominated in the respective entities' functional currencies	**6,475**	**17,289**

28. **Financial risk management** (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

The Group's currency exposure based on the information provided to key management is as follows (continued):

	USD $'000	AUD $'000
Group		
2021		
Financial assets		
Cash and cash equivalents	275	1,003
Trade and other receivables	-	104
Intra-group receivables	268	17,617
	543	18,724
Financial liabilities		
Trade and other payables	(58)	(298)
Intra-group payables	(268)	(39,422)
Borrowings	-	(3,566)
Lease liabilities	-	(14)
	(326)	(43,300)
Net financial assets/(liabilities)	217	(24,576)
Less: Financial (assets)/liabilities denominated in the respective entities' functional currencies		
Cash and cash equivalents	-	(890)
Trade and other receivables	-	(701)
	-	(1,591)
Trade and other payables	-	39,664
Borrowings	-	3,566
Lease liabilities	-	14
	-	43,244
	-	41,653
Currency exposure of net financial assets net of those denominated in the respective entities' functional currencies	**217**	**17,077**

28. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows:

	USD $'000	AUD $'000
Company		
2022		
Financial assets		
Cash and cash equivalents	167	109
Trade and other receivables	4,997	17,250
Financial asset, at FVPL	2,261	-
	7,425	17,359
Financial liability		
Trade and other payables	(2)	(14)
	(2)	(14)
Net financial assets/Currency exposures	**7,423**	**17,345**

	USD $'000	AUD $'000
Company		
2021		
Financial assets		
Cash and cash equivalents	275	114
Trade and other receivables	268	17,020
	543	17,134
Financial liability		
Trade and other payables	(26)	(14)
	(26)	(14)
Net financial assets/Currency exposures	**517**	**17,120**

28. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the AUD and USD change against the SGD by 5% (2021: 5%) and 3% (2021: 4%) respectively, with all other variables including tax rate being held constant, the effects arising from the net financial asset positions will be as follows:

	Increase/(decrease)	
	2022 Loss after tax $'000	2021 Loss after tax $'000
Group		
AUD against SGD		
- Strengthened	**(717)**	(709)
- Weakened	**717**	709
USD against SGD		
- Strengthened	**(161)**	(7)
- Weakened	**161**	7

	Increase/(decrease)	
	2022 Loss after tax $'000	2021 Loss after tax $'000
Company		
AUD against SGD		
- Strengthened	**(720)**	(710)
- Weakened	**720**	710
USD against SGD		
- Strengthened	**(185)**	(17)
- Weakened	**185**	17

28. Financial risk management (continued)

(b) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group are cash at bank and trade and other receivables. For trade receivables and accrued income, the Group adopts the policy of dealing only with customers of appropriate credit standing and history. The Group's credit terms extended to customers may differ as credit terms are granted based on, amongst others, on the size of the projects or contracts, customers' creditworthiness and payment history, and length of dealing with the customer. For instance, for new customers the Group may request for payments to be made in advance for a certain portion or the entire value of the sales contract before commencing any work until the customers have demonstrated a prompt payment track record, following which the Group may extend the appropriate credit terms.

The Group monitors all outstanding trade receivables and accrued income closely and specific provision is made when the recoverability of an outstanding debt is in doubt. The amount of such provision is dependent on the duration for which the trade receivables and accrued income are overdue as well as on management's assessment of the likelihood that such trades may be unrecoverable. The Group may also write off outstanding trade receivables and accrued income when it is certain that a customer is unable to meet its financial obligations.

For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

The movements in credit loss allowance are as follows:

	Trade receivables [a]	
	2022	2021
Group	**$'000**	$'000
Balance as at 1 July	**(6)**	-
Loss allowance recognised in profit or loss during the year on:		
- Reversal of unutilised amounts	**4**	-
Receivables written off as uncollectible	**-**	(6)
Balance as at 30 June	**(2)**	(6)

(a) Loss allowance measured at 12-month expected credit loss.

Cash and cash equivalents, other receivables and deposits are subject to immaterial credit loss.

(i) Trade receivables

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when the assets become uncollectible.

28. **Financial risk management** (continued)

(b) Credit risk (continued)

(i) *Trade receivables* (continued)

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 30 June 2022 and 30 June 2021 are set out in the provision matrix as follows:

Group	**Current $'000**	**Past due – Less than 3 months $'000**	**Past due – 3 to 6 months $'000**	**Total $'000**
As at 30 June 2022				
Pharmaceutical products				
Expected loss rate	0%	0%	0%	0%
Trade receivables	245	188	-	433
Loss allowance	-	-	-	-
Nutraceutical products				
Expected loss rate	0%	0%	0%	0%
Trade receivables	69	2	-	71
Loss allowance	-	-	-	-

Group	**Current $'000**	**Past due – Less than 3 months $'000**	**Past due – 3 to 6 months $'000**	**Total $'000**
As at 30 June 2021				
Pharmaceutical products				
Expected loss rate	0%	0%	0%	0%
Trade receivables	111	32	4	147
Loss allowance	-	-	-	-
Nutraceutical products				
Expected loss rate	0%	0%	0%	0%
Trade receivables	63	12	-	75
Loss allowance	-	-	-	-

(ii) *Receivables from subsidiaries, other receivables and other current assets (excluding prepayments)*

For receivables from subsidiaries, other receivables due from non-related parties and deposits, the general 3-stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. The Group has assessed credit risk based on the subsidiaries' underlying assets and operations, including future business plans and cash flow projections. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical payment experience and the corresponding historical credit loss rates, and adjusted for forward-looking macroeconomic factors.

These financial assets are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Where there has been a significant increase in credit risk since initial recognition, lifetime expected credit loss has been calculated and recognised.

	Receivables from subsidiaries	
	2022 $'000	2021 $'000
Company		
Balance as at 1 July	**21,816**	19,361
Loss allowance recognised in profit or loss during the year on:		
- Assets acquired/originated	**234**	2,455
Balance as at 30 June	**22,050**	21,816

Other receivables due from non-related parties and deposits for the Group are subject to immaterial credit loss.

28. Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities.

The Group's liquidity needs include working capital requirements, expenditures relating to research and development activities, regulatory compliance activities, business development activities and repayment of outstanding debts.

The Group's liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk are primarily cash at bank as disclosed in Note 12.

Management monitors the liquidity reserve (comprising undrawn borrowing facilities (Note 23(b)) and cash and cash equivalents (Note 12) of the Group on the basis of expected cash flows. This is generally carried out at the local level in the operating companies of the Group in accordance with the practice and limits set by the Group.

The table below analyses non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year $'000	**Between 1 and 2 years $'000**	**Between 2 and 5 years $'000**
Group			
30 June 2022			
Trade and other payables	**2,491**	**-**	**-**
Borrowings	**3,485**	**598**	**325**
Lease liabilities	**243**	**-**	**-**
30 June 2021			
Trade and other payables	2,808	-	-
Borrowings	438	3,320	2
Lease liabilities	399	242	1

	Less than 1 year $'000	**Between 1 and 2 years $'000**	**Between 2 and 5 years $'000**
Company			
30 June 2022			
Trade and other payables	**1,676**	**-**	**-**
Borrowings	**28**	**2**	**-**
Lease liabilities	**243**	**-**	**-**
30 June 2021			
Trade and other payables	1,740	-	-
Borrowings	28	28	2
Lease liabilities	226	139	1

28. Financial risk management (continued)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payments, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitor capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings and lease liabilities plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Net debt/(cash)	**(6,837)**	832	**(6,695)**	(2,778)
Total equity	**19,744**	11,711	**35,881**	24,969
Total capital	**12,907**	12,543	**29,186**	22,191
Gearing ratio	**N.A [1]**	7%	**N.A [1]**	N.A [1]

[1] The Group and the Company's cash position exceeds the total of trade and other payables, and borrowings. The Company is in a net cash position for the financial years ended 30 June 2022 and 2021.

(e) Financial instruments by category

The aggregate carrying amounts of financial assets and financial liabilities at amortised cost are as follows:

	Group	Company
	$'000	**$'000**
30 June 2022		
Financial asset, at FVPL	**2,261**	**2,261**
Financial assets, at amortised cost	**14,282**	**33,608**
Financial liabilities, at amortised cost	**6,895**	**1,940**

	Group	Company
	$'000	**$'000**
30 June 2021		
Financial assets, at amortised cost	6,610	24,343
Financial liabilities, at amortised cost	7,017	2,394

(f) Offsetting financial assets and financial liabilities

There were no financial instruments that are subject to enforceable master netting arrangements or similar agreements.

(g) Fair value measurements

The table below presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) inputs for the assets or liability that are not based on observable market data (unobservable inputs) (Level 3).

28. Financial risk management (continued)

(g) Fair value measurements (continued)

	Level 1	Total
Group and Company	**$'000**	**$'000**
30 June 2022		
Financial assets, at FVPL	**2,261**	**2,261**

There were no transfers between Levels 1 and 2 during the financial years ended 30 June 2022 and 30 June 2021.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the closing price. These instruments are included in Level 1.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

29. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

	Group	
	2022	2021
	$'000	$'000
Professional fees paid to related parties*	**126**	129

* Related parties comprise (a) a corporation related by a common director of the Company; and (b) a corporation related by a common director of a subsidiary.

Outstanding balances as at 30 June 2022, comprising amounts due from subsidiaries and amounts due to directors of the Company and its subsidiaries, are set out in Note 13 and Note 22 respectively.

(i) Key management personnel compensation

Compensation paid/payable to key management personnel of the Group is as follows:

	Group	
	2022	2021
	$'000	$'000
Wages, salaries and other short-term employee benefits	**2,317**	2,142
Employer's contribution to defined contribution plans	**36**	26
Share based payment expense	**1,209**	622
	3,562	2,790

30. Segment information

Management has determined the operating segments based on the reports that are used to make strategic decisions, allocate resources, and assess performance.

The Management considers the Group's business based on its business segments, which comprise of the Specialty Pharmaceutical and Nutraceutical segments.

Specialty Pharmaceutical primary business activities are the development, manufacturing and sale of pharmaceutical and nutraceutical products. Nutraceutical primary business activities are the sale of nutraceutical products.

30. Segment information (continued)

The segment information for the reportable segments is as follows:

Group 2022	Specialty Pharmaceutical $'000	Nutraceutical $'000	Total $'000
Revenue	**13,919**	**617**	**14,536**
Total segment sales			
Less:			
Inter-segment sales	(146)	-	(146)
Sales to external parties	**13,773**	**617**	**14,390**
Adjusted EBITDA	**7,083**	**(1,455)**	**5,628**
Depreciation	604	-	604
Amortisation	13	-	13

Group 2021	Specialty Pharmaceutical $'000	Nutraceutical $'000	Total $'000
Revenue			
Total segment sales	1,119	939	2,058
Less:			
Inter-segment sales	(313)	-	(313)
Sales to external parties	**806**	**939**	**1,745**
Adjusted EBITDA	**(4,045)**	**(1,433)**	**(5,478)**
Depreciation	594	-	594
Amortisation	17	-	17

(a) Reconciliations

(i) Segment profits

The revenue from external parties reported to the Management is measured in a manner consistent with that in the consolidated statement of comprehensive income.

The Management assesses the performance of the business segments based on a measure of earnings before interest, tax, depreciation and amortisation and other non-recurring income or expenses ("Adjusted EBITDA").

Interest income and finance expense are not allocated to segments as deposits and borrowings are managed on an overall Group basis and not allocated to specific business segments.

This measurement basis excludes the effects of expenditure from the business segments that are non-recurring such as restructuring costs and impairment loss, that are not expected to recur regularly in every period and which are separately analysed.

30. Segment information (continued)

(a) Reconciliations (continued)

(i) Segment profits (continued)

A reconciliation of Adjusted EBITDA to loss before income tax is as follows:

	2022	2021
	$'000	$'000
Adjusted EBITDA is reconciled to loss before income tax as follows:		
Reportable segments	**5,628**	(5,478)
Unallocated corporate expenses	**(2,613)**	(3,562)
	3,015	(9,040)
Research and development tax incentive	**699**	1,230
Depreciation	**(1,011)**	(1,001)
Amortisation	**(49)**	(53)
Currency exchange (losses)/gains – net	**(1,911)**	1,795
Share based payment expense	**(1,381)**	(997)
Finance expense	**(202)**	(174)
Interest income	**(3,259)**	7
Loss before income tax	**(4,099)**	(8,233)

(b) Geographical information

The Group's two business segments operate in four geographical areas:

- Singapore - the Company is headquartered and has operations in Singapore. The operations in this area are principally the researching and experimental development on biotechnology life and medical science;
- Europe and United States of America - the operations in this area are principally sales of pharmaceutical and nutraceutical products;
- Australia - the operations in this area are principally development, manufacturing and sales of pharmaceutical and nutraceutical products and services; and
- China - the operations in this area are principally sales of pharmaceutical and nutraceutical products and services.

	Sales [1]	
	2022	2021
	$'000	$'000
United States of America	12,403	-
Australia	1,373	786
China	521	870
Singapore	93	89
	14,390	1,745

	Non-current assets [2]	
	2022	2021
	$'000	$'000
Australia	**7,677**	8,526
Singapore	**2,655**	915
Europe	**1,276**	-
Hong Kong	**66**	65
	11,674	9,506

[1] External sales by geographical segment are determined based on the locations the revenue originated.
[2] Non-current assets by geographical segment are based on the locations of the respective assets.

30. Segment information (continued)

(b) Geographical information (continued)

There were no significant revenues derived from a single external customer for the financial years ended 30 June 2022 and 30 June 2021.

31. Events occurring after balance sheet date

On 21 July 2022, the Company completed a private placement of 13,710,000 ordinary shares to a non-related party for total net proceeds of $2,712,000. The total number of issued ordinary shares after the placement is 764,899,934.

32. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 July 2022 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 July 2023)

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-16 Property, Plant and Equipment: Proceeds before Intended Use (effective for annual periods beginning on or after 1 July 2022)

The amendment to SFRS(I) 1-16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022)

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The amendment to SFRS(I) 1-37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

The Group does not expect any significant impact arising from applying these amendments.

33. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of iX Biopharma Ltd. on 16 September 2022.

STATISTICS OF SHAREHOLDINGS

As at 2 September 2022

Issued and Fully Paid-Up Capital	:	S$96,890,000
Number of Shares in Issue	:	764,899,934
Class of Share	:	Ordinary Shares
Treasury Shares	:	Nil
Voting Rights	:	One vote per Ordinary Share
Subsidiary holdings of the company	:	Nil

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 2 SEPTEMBER 2021

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	14	0.73%	711	0.00%
100 - 1,000	73	3.83%	46,006	0.01%
1,001 - 10,000	458	24.03%	2,870,053	0.37%
10,001 - 1,000,000	1,301	68.26%	108,909,479	14.24%
1,000,001 AND ABOVE	60	3.15%	653,073,685	85.38%
TOTAL	**1,906**	**100.00**	**764,899,934**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Shareholder's Name	No. of Shares	% of Shares
1	EDDY LEE YIP HANG	177,869,551	23.25
2	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	125,800,331	16.45
3	DBS NOMINEES PTE LTD	33,360,882	4.36
4	PHILLIP SECURITIES PTE LTD	26,449,445	3.46
5	RAFFLES NOMINEES (PTE) LIMITED	24,321,208	3.18
6	CITIBANK NOMINEES SINGAPORE PTE LTD	21,686,828	2.84
7	TANG CHOY LENG JANE MRS JANE LEE CHOY LENG	18,683,250	2.44
8	JASPAL SINGH NARULLA	18,199,383	2.38
9	C2C BIOPHARMA HOLDINGS PTE. LTD	13,710,000	1.79
10	CHAN HWEE HOON	12,861,113	1.68
11	WETWATERS 8 (S) PTE LTD	12,519,000	1.64
12	SEAH BOON LOCK	11,553,869	1.51
13	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	10,106,056	1.32
14	OCBC SECURITIES PRIVATE LTD	9,362,400	1.22
15	ALBERT HO SHING TUNG	9,127,605	1.19
16	MOHAN BHAGCHAND MULANI	8,318,000	1.09
17	YEOH WEE LIAT	6,057,473	0.79
18	SEAH QIN QUAN	5,465,238	0.71
19	SNG BENG HOCK MICHAEL	5,276,500	0.69
20	RAJAN MENON	5,200,000	0.68
	TOTAL	**555,928,132**	**72.67**

STATISTICS OF SHAREHOLDINGS

As at 2 September 2022

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	%	Deemed Interest	%
Eddy Lee Yip Hang	177,869,551	23.25	18,683,250[1]	2.44
Anson Properties Pte. Ltd.	66,748,029[2]	8.73	-	-

Notes:

1. Mr Eddy Lee Yip Hang is deemed interested in the shares of the Company held by his wife, Ms Tang Choy Leng Jane by virtue of Section 164 of the Companies Act.

2. Anson Properties Pte. Ltd. ("**APPL**") is 100.0% owned by HRT Corporation Pte. Ltd. ("**HRT Corporation**"). Ms. Phuah Bee Lee owns 100.0% of equity interest in HRT Corporation. Accordingly, Ms. Phuah Bee Lee and HRT Corporation are deemed to be interested in the Shares held by APPL. APPL's direct interest includes 65,484,000 Shares held in the name of CGS-CIMB Securities (Singapore) Pte. Ltd.

SHAREHOLDING HELD IN THE HANDS OF PUBLIC

As at 2 September 2022, approximately 64.20% of the shareholdings of the Company is held in the hands of the public and therefore Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited has been complied with.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT 2022 ANNUAL GENERAL MEETING

Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F to the Catalist Rules relating the Directors who are retiring and seeking re-election in accordance with the Company's Constitution at the forthcoming AGM, is set out below:

	Mr. Patrick Donald Davies	**Ms. Angeline Tham Xiwen**
Age	54	40
Date of appointment	2 December 2019	1 February 2022
Job Title	Lead Independent Director	Independent Director
	Chairperson of Remuneration Committee (RC) and a member of Audit Committee (AC), Nominating Committee (NC), and Risk Management Committee (RMC)	Chairperson of Nominating Committee (NC), a member of Audit Committee (AC) and Remuneration Committee (RC)
Date of last re-election as Director (if applicable)	16 October 2020	Not applicable
Country of principal residence	Australia	Singapore
The Board's comments on the re-appointment (including rationale, selection criteria, board diversity considerations and the search and nomination process)	The re-election of Mr. Patrick Donald Davies (Mr. Davies) as the Lead Independent Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration of Mr. Davies' qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company. The NC (save for Mr. Davies) has reviewed and confirmed Mr. Davies' continued independence. Mr. Davies will, upon re-election, continue to serve as the Chairperson of RC and a member of AC, NC and RMC.	The re-election of Ms. Angeline Tham (Ms. Tham) as the Independent Director was recommended by the NC (save for Ms. Tham who abstained) and the Board has accepted the recommendation, after taking into consideration of Ms. Tham's qualifications, expertise, past experiences and overall contribution since she was appointed as a Director of the Company. The NC (save for Ms. Tham) has reviewed and confirmed Ms. Tham's continued independence. Ms. Tham will, upon re-election, continue to serve as Chairperson of NC and a member of AC and RC.
Whether appointment is executive, and if so, the area of responsibility	No	No
Professional qualification	Bachelor of Economics, University of Adelaide Master of Business Administration, Australian Graduate School of Management Membership of the Australian Chartered Accountants (since lapsed)	Bachelor of Science, New York University, Stern School of Business.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT 2022 ANNUAL GENERAL MEETING

	Mr. Patrick Donald Davies	Ms. Angeline Tham Xiwen
Working experience and occupation(s) during the past 10 years	Neuren Pharmaceuticals Limited (NUE:ASX) (Non-Executive Chairman, 2020 – Present) (Non-Executive Director, 2018- 2020) Smarter Communities Limited (Non-Executive Chairman, 2018- present) Harbour Holdings Limited (Non-Executive Director, 2018 – present) Interpharma Investments Limited (Non-Executive Chairman, 2020 – present) CB Norwood Pty Ltd (Non-Executive Director, 2016 – present) Green Cross Health Limited (Director, 2012 – 2017) National Pharmaceuticals Services Association (Director, 2008 -2018) International Partnership for Innovative Healthcare Delivery (an initiative of the World Economic Forum) (Member of the Board of Overseers, 2009 - 2011) EBOS Group Limited (Chief Executive Officer, 2014 - 2018) Symbion Pty Ltd (Chief Executive Officer, 2008 - 2014)	DBDOYC Inc (Head of Product, 2021- current) DBDOYC Inc (Founder and CEO, 2016-2021) Grab Inc (Head of Two Wheels, 2015-2016) Softbank China & India Holdings (Vice President, 2014-2015) Soldgers Pte Ltd (Co-CEO, 2010-2014)
Shareholding interest in the Company and its subsidiaries	None	None
Relationship (including immediate family relationship) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	None	None
Conflict of interest (including any competing business)	None	None
Undertaking (in the format set out in Appendix 7H under Rule 720(1) has been submitted to the Company	Yes	Yes
Other Principal Commitments[a] including directorships – Present		

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT 2022 ANNUAL GENERAL MEETING

	Mr. Patrick Donald Davies	Ms. Angeline Tham Xiwen
Group Companies	iX Biopharma Ltd (Director)	iX Biopharma Ltd (Director)
Other Companies	Neuren Pharmaceuticals Limited (NUE:ASX) (Non-Executive Chairman) Smarter Communities Limited (Non-Executive Chairman) Harbour Holdings Limited (Non-Executive Director) Interpharma Investments Limited, (Non-Executive Chairman) CB Norwood Pty Ltd (Non-Executive Director	DBDOYC Inc (Head of Product)
Other Principal Commitments[a] including directorships - Past (for the last 5 years):		
Group Companies	None	None
Other Companies	National Pharmaceuticals Services Association (Director, 2008 -2018) EBOS Group Limited (Chief Executive Officer, 2014 - 2018)	None
Responses to questions (a) to (k) under Appendix 7F of the Catalist Rules	Negative Confirmation	Negative Confirmation

[a] "Principal Commitments" has the same meaning as defined in the Code and includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations.

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of iX Biopharma Ltd. (the "**Company**") will be held at NUSS Kent Ridge Guild House, Inner Chamber, 9 Kent Ridge Drive, Singapore 119241 on Friday, 14 October 2022 at 10.00 a.m. for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2022 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect Mr. Patrick Donald Davies, as a Director of the Company, who is retiring by rotation in accordance with Regulation 85 of the Company's Constitution and Rule 720(4) of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). **(Resolution 2)**
   (See Explanatory Note 1)

3. To note the retirement of Mr. Low Weng Keong as a Director of the Company, who is retiring pursuant to Regulation 85 of the Company's Constitution and Rule 720(4) of the Catalist Rules of the SGX-ST.
   (See Explanatory Note 2)

4. To re-elect Ms. Angeline Tham Xiwen as a Director of the Company, who ceases to hold office in accordance with Regulation 84 of the Company's Constitution and being eligible, offers herself for re-election. **(Resolution 3)**
   (See Explanatory Note 3)

5. To approve the payment of Directors' fees of up to S$334,000 for the financial year ending 30 June 2023, to be paid quarterly in arrears (2022: S$334,000). **(Resolution 4)**
   (See Explanatory Note 4)

6. To re-appoint Messrs PricewaterhouseCoopers LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

7. To transaction any other ordinary business which may properly be transacted at an annual general meeting.

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

8. Authority to allot and issue shares **(Resolution 6)**

   That pursuant to Section 161 of the Companies Act 1967 (the "**Companies Act**") and Rule 806 of the Catalist Rules of the SGX-ST, authority be and is hereby given to the Directors of the Company to:

   (a) (i) allot and issue shares in the Company ("Shares") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to, the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) notwithstanding the authority conferred by this Ordinary Resolution may have ceased to be in force, issue Shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force, provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 100% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, at the time this Resolution is passed after adjusting for:

(a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities or share options or vesting of share awards outstanding and subsisting at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by SGX-ST) and the Company's Constitution; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until (i) the conclusion of the next Annual General Meeting of the Company or (ii) the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

(See Explanatory Note 5)

9. Authority to allot and issue Shares under the iX Employee Share Option Scheme **(Resolution 7)**

That pursuant to Section 161 of the Companies Act, and the provisions of the iX Employee Share Option Scheme (the "**Share Option Scheme**"), authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted under the Share Option Scheme, provided always that the aggregate number of additional ordinary Shares to be allotted and issued pursuant to the Share Option Scheme and the iX Performance Share Plan collectively shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.
(See Explanatory Note 6)

10. Authority to allot and issue Shares under the iX Performance Share Plan **(Resolution 8)**

That pursuant to Section 161 of the Companies Act, and the provisions of the iX Performance Share Plan (the "**Share Plan**"), authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards under the Share Plan, provided always that the aggregate number of additional ordinary Shares to be allotted and issued pursuant to the Share Option Scheme and the Share Plan collectively shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.
(See Explanatory Note 7)

Notice Of Annual General Meeting

BY ORDER OF THE BOARD

Gwendolin Lee Soo Fern/Lai Kuan Loong, Victor
Company Secretaries

22 September 2022
Singapore

Explanatory Notes:

1. Mr. Patrick Donald Davies, upon re-election as a Director of the Company, will remain as an Lead Independent Director of the Company, Chairperson of the Remuneration Committee and as a member of the Audit Committee, Nominating Committee and Risk Management Committee. Mr. Patrick Donald Davies is considered independent for the purposes of Rule 704(7) of the Catalist Rules.

   In line with Provisions 2.1 and 4.4 of the Code of Corporate Governance 2018 ("**2018 CG Code**"), there are no relationships or business relationships which Mr. Patrick Donald Davies, his immediate family member, or an organisation in which Mr. Patrick Donald Davies or his immediate member is a substantial shareholder, partner (with 5% or more stake), executive officer or director of, has with the Company or any of its related corporations, and Mr. Patrick Donald Davies is not and has not been directly associated with a substantial shareholder of the Company, in the current and immediate past financial year.

   Key information on Mr. Patrick Donald Davies as required pursuant to Rule 720(5) of the Catalist Rules can be found under "Additional Information on Directors Seeking Re-election at 2022 Annual General Meeting" of the Company's Annual Report 2022.

2. Mr. Low Weng Keong will not be seeking re-election and will retire as a Director of the Company on 14 October 2022, following the conclusion of the Annual General Meeting.

3. Ms. Angeline Tham Xiwen, upon re-election as a Director of the Company, will remain as an Independent Director of the Company, Chairperson of the Nominating Committee and as a member of the Audit Committee and Remuneration Committee. Ms. Angeline Tham Xiwen is considered independent for the purposes of Rule 704(7) of the Catalist Rules.

   In line with Provisions 2.1 and 4.4 of the 2018 CG Code, there are no relationships or business relationships which Ms. Angeline Tham Xiwen, her immediate family member, or an organisation in which Ms. Angeline Tham Xiwen or her immediate member is a substantial shareholder, partner (with 5% or more stake), executive officer or director of, has with the Company or any of its related corporations, and Ms. Angeline Tham Xiwen is not and has not been directly associated with a substantial shareholder of the Company, in the current and immediate past financial year.

   Key information on Ms. Angeline Tham Xiwen as required pursuant to Rule 720(5) of the Catalist Rules can be found under "Additional Information on Directors Seeking Re-election at 2022 Annual General Meeting" of the Company's Annual Report 2022.

4. Ordinary Resolution 4, if passed, will authorise the Company to effect payment of Directors' fees to the Non-Executive Directors (including fees payable to members of the various committees of the Board) for the financial year ending 30 June 2023, such payments to be made quarterly in arrears at the end of each calendar quarter. This Resolution will facilitate the payment by the Company of the Directors' fees during the financial year in which they are incurred.

5. Ordinary Resolution 6, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or the date such authority is revoked by the Company in a general meeting, whichever is the earliest, to allot and issue Shares and convertible securities in the Company. The aggregate number of Shares (including any Shares issued pursuant to the convertible securities) which the Directors may allot and issue under this Resolution will not exceed 100% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company may be issued other than on a pro-rata basis to existing shareholders.

Notice Of Annual General Meeting

6. Ordinary Resolution 7, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held, whichever is the earlier, to allot and issue Shares in the Company, collectively of up to a number not exceeding in total 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time pursuant to the exercise of Options under the Share Option Scheme and the Share Plan.

7. Ordinary Resolution 8, if passed, will authorise and empower the Directors of the Company, from the date of this Annual General Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held, whichever is the earlier, to allot and issue Shares in the Company, collectively of up to a number not exceeding in total 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time pursuant to the grant of share awards under the Share Plan and the Share Option Scheme.

Other Notes:

(i) In line with the advisory by Singapore Exchange Regulation and with the return to normalcy of the COVID-19 situation, the Company will be facilitating live engagement and live voting at its forthcoming Annual General Meeting ("**AGM**").

(ii) Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, printed copies of this Notice of AGM and the Proxy Form will **NOT** be sent to members of the Company. Instead, this Notice and the Proxy Form will be sent to members by electronic means via publication on SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.ixbiopharma.com/newsroom.

(iii) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.

(iv) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. A proxy need not to be a member of the Company.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

(v) The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

(vi) The instrument appointing a proxy or proxies must be submitted either (a) by post and deposited at the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898; (b) electronically, via email to the company at agm@ixbiopharma.com, not less than seventy-two (72) hours before the time appointed for the AGM.

(vii) An investor who buys shares using CPF monies ("**CPF Investor**") and/or SRS monies ("**SRS Investor**") (as may be applicable) may attend and cast his/her vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective agent banks or SRS operators to submit their votes by 5 p.m. on 4 October 2022.

(viii) All questions must be submitted no later than 5 p.m. on 30 September 2022 via any of the following means:

(a) by email to agm@ixbiopharma.com; or

(b) in hard copy by sending personally or by post to the Company's principal place of business at 1 Kim Seng Promenade, #14-01, Great World City East Lobby, Singapore 237994.

Notice Of Annual General Meeting

Members submitting questions are required to provide their particulars as follows:

(a) Full name (for individuals)/company name (for corporates) as per CDP/SRS account records;

(b) National Registration Identity Card Number or Passport Number (for individuals)/Company Registration Number (for corporates);

(c) Number of shares in the capital of the Company held;

(d) Contact Number; and

(e) Email Address.

(ix) Members are strongly encouraged to submit questions and Proxy Forms electronically via email.

(x) The Management and Board of Directors of the Company will endeavour to address all substantial and relevant questions received from members by 10 am on 8 October 2022, or at, the AGM. The responses to those questions shall be published on SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.ixbiopharma.com/newsroom.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

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Corporate Information

Board of Directors

Eddy Lee Yip Hang
Chairman & CEO

Albert Ho Shing Tung
Non-Executive Director

Patrick Donald Davies
Lead Independent Director

Low Weng Keong
Independent Director

Angeline Tham Xiwen
Independent Director

Audit Committee

Low Weng Keong, Chairperson
Albert Ho Shing Tung
Patrick Donald Davies
Angeline Tham Xiwen

Nominating Committee

Angeline Tham Xiwen, Chairperson
Eddy Lee Yip Hang
Low Weng Keong
Patrick Donald Davies

Remuneration Committee

Patrick Donald Davies, Chairperson
Low Weng Keong
Angeline Tham Xiwen
Albert Ho Shing Tung

Risk Management Committee

Albert Ho Shing Tung, Chairperson
Patrick Donald Davies
Low Weng Keong

Joint Company Secretaries

Lai Kuan Loong, Victor
Gwendolin Lee Soo Fern

Registered Office

105 Cecil Street #12-02
The Octagon
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Tel: +65 8928 8467
Email: connect@citadelcorppl.com

Principal Place of Business

1 Kim Seng Promenade, #14-01
Great World City East Lobby
Singapore 237994
Tel: +65 6235 2270
Fax: +65 6235 2170
Email: info@ixbiopharma.com

Share Registrar

Tricor Barbinder
Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #02-00
Singapore 068898

Company Sponsor

UOB Kay Hian Private Limited
8 Anthony Road, #01-01,
Singapore 229957

Independent Auditor

PricewaterhouseCoopers LLP
7 Straits View, Marina One East Tower
Level 12, Singapore 018936

Partner-in-charge:
Soh Kok Leong
(a practising member of the Institute of Singapore Chartered Accountants)
Year of Appointment: Financial Year ended 30 June 2020

Principal Bankers

United Overseas Bank Limited
80 Raffles Place UOB Plaza 1
Singapore 048624

National Australia Bank Limited
800 Bourke Street
Melbourne, Victoria 3008, Australia

ixbiopharma
it's life changing

IX BIOPHARMA LTD.
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