iX Biopharma Ltd.

(Company Registration No. 200405621W)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

Unaudited Condensed Interim Consolidated Statement of Comprehensive Income

for six months ended 31 December 2021

	Note	Group 6 months ended 31.12.21 S$'000	31.12.20 S$'000	%
Revenue	5.3	13,185	830	nm
Cost of sales		(1,059)	(987)	7
Gross Profit/ (Loss)		**12,126**	**(157)**	nm
Other income		327	924	(65)
Other gains and (losses)	6	(1,373)	2,154	nm
Expenses				
- Research and development		(1,187)	(1,291)	(8)
- Sales and marketing		(983)	(1,095)	(10)
- General and administrative		(4,623)	(3,265)	42
- Finance expense		(104)	(82)	27
Total expenses		(6,897)	(5,733)	20
Profit / (loss) before income tax	7	4,183	(2,812)	nm
Income tax expense	8	(521)	(1)	nm
Profit / (loss) for the financial period		**3,662**	**(2,813)**	**nm**
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences arising from consolidation				
- Gain / (loss)		848	(1,674)	nm
Total comprehensive profit / (loss)		**4,510**	**(4,487)**	**nm**
Earnings per share (EPS) attributable to equity holders of the Company (cent per share)				
Basic EPS	9	0.49	(0.41)	nm
Diluted EPS	9	0.49	(0.41)	nm

nm: not meaningful

The Unaudited Consolidated Interim Statement of Comprehensive Income should be read in conjunction with the 2021 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

Unaudited Condensed Interim Balance Sheets
As at 31 December 2021

	Note	Group		Company	
		31.12.21	30.06.21	31.12.21	30.06.21
		S$'000	S$'000	S$'000	S$'000
ASSETS					
Current assets					
Cash and cash equivalents	10	16,694	6,205	10,990	5,173
Trade and other receivables		2,832	1,816	31,079	19,105
Inventories		974	1,103	21	21
Other current assets		158	227	103	183
		20,658	9,351	42,193	24,482
Non-current assets					
Deposits		148	148	83	83
Intangible assets	11	394	413	54	72
Property, plant and equipment	12	7,848	8,338	144	166
Right of use assets	13	415	607	412	594
Deferred tax assets		1,400	-	-	-
Financial Asset – FVPL	14	5,251	-	-	-
Investments in subsidiaries		-	-	1,966	1,966
		15,456	9,506	2,659	2,881
Total assets		36,114	18,857	44,852	27,363
LIABILITIES					
Current liabilities					
Trade and other payables		2,282	2,808	1,527	1,740
Borrowings	15	640	421	26	25
Lease liabilities	15	246	375	242	361
Provision		76	63	-	-
Current income tax liabilities		1,901	-	573	-
		5,145	3,667	2,368	2,126
Non-current liabilities					
Borrowings	15	3,949	3,201	16	30
Lease liabilities	15	180	238	179	238
Provision		39	40	-	-
		4,168	3,479	195	268
Total liabilities		9,313	7,146	2,563	2,394
NET ASSETS		26,801	11,711	42,289	24,969
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	16	94,178	83,337	94,178	83,337
Other reserves		931	344	150	411
Accumulated losses		(68,308)	(71,970)	(52,039)	(58,779)
Total equity		26,801	11,711	42,289	24,969

The Unaudited Consolidated Interim Balance Sheets should be read in conjunction with the 2021 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

Unaudited Condensed Interim Statements of Changes in Equity
for six months ended 31 December 2021

Group	Attributable to equity holders of the Company				
	Share capital	**Share based payment reserve**	**Currency translation reserve**	**Accumulated losses**	**Total equity**
	S$'000	S$'000	S$'000	S$'000	S$'000
Balance as at 30 June 2021	83,337	411	(67)	(71,970)	11,711
Profit for the period	-	-	-	3,662	3,662
Other comprehensive gain for the period	-	-	848	-	848
Total comprehensive profit for the period	-	-	848	3,662	4,510
Share based payment scheme					
- Value of employees' services	-	963	-	-	963
- Shares issued pursuant to iX Performance Share Plan	1,224	(1,224)	-	-	-
Shares issued pursuant to rights issue, net of transaction cost	9,617	-	-	-	9,617
Total transactions with owners, recognised directly in equity	10,841	(261)	-	-	10,580
Balance as at 31 December 2021	**94,178**	**150**	**781**	**(68,308)**	**26,801**
Balance as at 30 June 2020	72,251	320	1,333	(63,736)	10,168
Loss for the period	-	-	-	(2,813)	(2,813)
Other comprehensive loss for the period	-	-	(1,674)	-	(1,674)
Total comprehensive loss for the period	-	-	(1,674)	(2,813)	(4,487)
Share based payment scheme					
- Value of employees' services	-	584	-	-	584
- Shares issued pursuant to iX Performance Share Plan	789	(789)	-	-	-
Shares issued pursuant to private placement, net of transaction cost	10,180	-	-	-	10,180
Total transactions with owners, recognised directly in equity	10,969	(205)	-	-	10,764
Balance as at 31 December 2020	**83,220**	**115**	**(341)**	**(66,549)**	**16,445**

Company	Attributable to equity holders of the Company			
	Share capital	**Share based payment reserve**	**Accumulated losses**	**Total equity**
	S$'000	S$'000	S$'000	S$'000
Balance as at 30 June 2021	83,337	411	(58,779)	24,969
profit for the period	-	-	6,740	6,740
Total comprehensive gain for the period	-	-	6,740	6,740
Share based payment scheme				
- Value of employees' services	-	963	-	963
- Shares issued pursuant to iX Performance Share Plan	1,224	(1,224)	-	-
Shares issued pursuant to rights issue, net of transaction cost	9,617	-	-	9,617
Total transactions with owners, recognised directly in equity	10,841	(261)	-	10,580
Balance as at 31 December 2021	**94,178**	**150**	**(52,039)**	**42,289**
Balance as at 30 June 2020	72,251	320	(52,484)	20,087
Loss for the period	-	-	(3,049)	(3,049)
Total comprehensive loss for the period	-	-	(3,049)	(3,049)
Share based payment scheme				
- Value of employees' services	-	584	-	584
- Shares issued pursuant to iX Performance Share Plan	789	(789)	-	-
Shares issued pursuant to private placement, net of transaction cost	10,180	-	-	10,180
Total transactions with owners, recognised directly in equity	10,969	(205)	-	10,764
Balance as at 31 December 2020	**83,220**	**115**	**(55,533)**	**27,802**

The Unaudited Condensed Interim Statement of Changes in Equity should be read in conjunction with the 2021 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

Unaudited Condensed Interim Consolidated Statement of Cash Flows

for six months ended 31 December 2021

	Note	Group 6 months ended 31.12.21	31.12.20
		S$'000	S$'000
Cash flows from operating activities		3,662	(2,813)
Total profit / (loss) after tax			
Adjustments for:			
- Depreciation and amortisation expense		543	531
- Income tax expense		521	1
- Interest income		-	(5)
- Interest expense		104	82
- Inventory write-down		120	-
- Provision		16	7
- Disposal of property, plant and equipment		-	(4)
- Research and development tax incentive		(296)	(619)
- Share based payment expense		963	584
- Fair value loss of financial asset, at FVPL		172	-
- Unrealised currency exchange losses/ (gains) – net		970	(1,964)
		6,775	(4,200)
Changes in working capital:			
- Trade and other receivables		(1,448)	(109)
- Other current assets		68	112
- Trade and other payables		(497)	(559)
- Inventories		(19)	(257)
Cash generated from / (used in) operations		4,879	(5,013)
Interest received		-	1
Research and development tax incentive received		706	-
Net cash provided by / (used in) operating activities		5,585	(5,012)
Cash flows from investing activities			
Additions to property, plant and equipment		(66)	(323)
Addition to financial asset, at FVPL		(5,423)	-
Disposal of property, plant and equipment		-	45
Net cash used in investing activities		(5,489)	(278)
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		(328)	(123)
Principal payment of lease liabilities		(188)	(195)
Interest paid		(104)	(82)
Net cash from financing activities		10,392	10,402
Net increase in cash and cash equivalents		10,488	5,112
Cash and cash equivalents			
Beginning of financial period		5,585	4,470
Effects of currency translation on cash and cash equivalents		18	(117)
End of financial period	10	16,091	9,465

The Unaudited Condensed Interim Consolidated Statement of Cash Flows should be read in conjunction with the 2021 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

A NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

1. GENERAL INFORMATION

iX Biopharma Ltd. (the "Company") is a public limited liability company, incorporated and domiciled in Singapore. The address of its registered office is105 Cecil Street, #12-02 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).

2. BASIS OF PREPARATION

a) Basis of accounting

These consolidated financial statements are unaudited and prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. They do not include all of the information required for full annual financial statements and should be read in conjunction with the last audited annual financial statements for the year ended 30 June 2021 (2021 Audited Financial Statements).

The 2021 Audited Financial Statements were prepared under Singapore Financial Reporting Standards (International) (SFRS(I)).

b) Significant accounting policies

The accounting policies and presentation adopted for this unaudited consolidated interim financial report are consistent with those adopted for the 2021 Audited Financial Statements.

c) New and amended standards adopted by the Group

The Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (International) (SFRS(I)) and Interpretations of SFRS(I) (INT SFRS(I)) that are mandatory for the accounting periods beginning on or after 1 July 2021. The adoption of these new and revised SFRS(I) and INT SFRS(I) did not result in any substantial change to the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current financial reporting period.

3. USE OF JUDGEMENTS AND ESTIMATES

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2021.

4. SEASONALITY OF OPERATIONS

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

5. SEGMENT AND REVENUE INFORMATION

5.1 Reportable segments

The Group's business comprises of the Specialty Pharmaceutical and Nutraceutical segments.

Specialty Pharmaceutical's primary business activities are the development and manufacturing of products, and sales of pharmaceutical and medicinal cannabis products.

Nutraceutical's primary business activities are the sale of nutraceutical products.

	Group			Group		
	6 months ended 31.12.21			6 months ended 31.12.20		
	Specialty Pharmaceuticals	Nutraceuticals	Total	Specialty Pharmaceuticals	Nutraceuticals	Total
	S$000	S$000	S$000	S$000	S$000	S$000
Total segment sales	13,589	234	13,823	546	488	1,034
Less:						
Inter-segment sales	(638)	-	(638)	(204)	-	(204)
Sales to external parties	12,951	234	13,185	342	488	830
Adjusted EBITDA	8,796	(731)	8,065	(1,791)	(686)	(2,477)
Depreciation	312	-	312	302	-	302
Amortisation	9	-	9	8	-	8

	Group	
	6 months ended	
	31.12.21	31.12.20
	S$000	S$000
Adjusted EBITDA is reconciled to profit / (loss) before income tax as follows:		
Reportable segments	8,065	(2,477)
Unallocated corporate expenses	(1,195)	(1,916)
	6,870	(4,393)
Research and development tax incentive	296	619
Depreciation	(516)	(505)
Amortisation	(27)	(26)
Currency exchange gains/(losses) - net	(1,201)	2,154
Share based payment expense	(963)	(584)
Finance expense	(104)	(82)
Fair value loss of financial asset, at FVPL	(172)	-
Interest income	-	5
Profit/ (Loss) before income tax	4,183	(2,812)

5.2 Geographical segments

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

	Group	
	6 months ended	
	31.12.21 S$000	31.12.20 S$000
Net sales		
United States of America	12,354	-
Australia	565	393
China	236	398
Singapore	30	39
	13,185	830

	31.12.21 S$000	31.12.20 S$000
Non-current assets		
Singapore	693	1,049
Hong Kong	65	50
Australia	8,047	8,754
	8,805	9,853

5.3 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			Group		
	6 months ended 31.12.21			6 months ended 31.12.20		
	At a point in time	Over time	Total	At a point in time	Over time	Total
	S$000	S$000	S$000	S$000	S$000	S$000
Sale of goods:						
- Specialty Pharmaceuticals	189	-	189	144	-	144
- Nutraceuticals	234	-	234	488	-	488
	423	-	423	632	-	632
Out-licencing	12,372	-	12,372	-	-	-
Development and manufacturing services	-	390	390	-	198	198
Total	12,795	390	13,185	632	198	830

6. OTHER GAINS AND LOSSES

	Group	
	6 months ended	
	31.12.21	31.12.20
	S$'000	S$'000
Currency exchange (losses) / gains - net	(1,201)	2,154
Fair value loss of financial asset, at FVPL	(172)	-
	(1,373)	2,154

7. PROFIT/ LOSS BEFORE TAX

Profit/ Loss before tax includes the following items that are either unusual because of their nature, size or incidence; or required by disclosure provisions of Catalist Rules of SGX-ST:

	Group	
	6 months ended	
	31.12.21	31.12.20
	S$'000	S$'000
Gains:		
Research and development tax incentive	296	619
Interest income	-	5
Government grants	12	83
Rental income	-	169
Currency exchange gains - net	-	2,154
Expenses:		
Share-based payment expense	963	584
Depreciation and amortisation expense		
- Property, plant and equipment	324	316
- Right of use assets	192	189
- Intangible assets	27	26
Inventory write-down	120	-
Currency exchange losses - net	1,201	-
Fair value loss of financial asset, at FVPL	172	-
Interest expense	104	82

8. INCOME TAXES

	Group	
	6 months ended	
	31.12.21	31.12.20
	S$'000	S$'000
Current income tax		
- foreign	1,921	1
Deferred tax benefit	(1,400)	-
	521	1

9. EARNINGS PER ORDINARY SHARE

	Group	
	6 months ended	
	31.12.21	31.12.20
Net profit /(loss) attributable to equity holders of the Company (S$'000)	3,662	(2,813)
Weighted average number of shares outstanding ('000)		
Basic	741,142	684,048*
Diluted	748,519	684,048*
Profit / (loss) per share (Cents per share)		
Basic	0.49	(0.41)
Diluted	0.49	(0.41)

* 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 share awards under iX Performance Share Plan (iX PSP) and 3,000,000 share options under iX Employee Share Option Scheme (iX ESOS) (31 December 2020: 2,350,000 shares awards). The share awards were not included in the calculation of diluted loss per share for the six months ended 31 December 2020 because they are antidilutive and having the effect of decreasing the loss per share.

10. CASH AND CASH EQUIVALENTS

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

	Group	
	31.12.21	30.06.21
	S$'000	S$'000
Cash and cash equivalents in Balance Sheet	16,694	6,205
Less: Bank deposits pledged	(603)	(620)
Cash and cash equivalents per consolidated statement of cash flows	16,091	5,585

Bank deposits are pledged as security for credit facilities.

11. INTANGIBLE ASSETS

	Group	
	31.12.21	30.06.21
	S$'000	S$'000
Goodwill arising on consolidation	335	327
Computer software	179	179
Less: accumulated amortisation	(120)	(93)
	59	86
Intangible assets, net	394	413

Amortization expense for the six months ended 31 December 2021 was S$27,000 (2020: S$26,000).

12. PROPERTY, PLANT AND EQUIPMENT

	Group	
	31.12.21	30.06.21
	S$'000	S$'000
Freehold land	2,799	2,882
Leasehold improvement	245	249
Building	1,908	1,965
Plant and equipment	6,301	6,423
Computer & Office Equipment	280	281
Motor vehicles	238	238
Furniture and fittings	121	123
	11,892	12,161
Less: accumulated depreciation	(4,044)	(3,823)
Property, plant and equipment, net	7,848	8,338

During the six months ended 31 December 2021, the Group acquired assets amounting to S$66,000 (six months ended 31 December 2020: S$323,000) and no disposal of asset (31 December 2020: S$45,000).

Depreciation expense for the six ended 31 December 2021 was S$324,000 (2020: S$316,000).

13. RIGHT OF USE ASSETS

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

Depreciation of right of use assets for the six ended 31 December 2021 was S$192,000 (2020: S$189,000).

14. FINANCIAL ASSET, AT FVPL

	Group	
	31.12.21	30.06.20
	S$'000	S$'000
As at beginning of financial period	-	-
Addition	5,423	-
Fair value loss recognised in profit of loss, net	(172)	-
As at end of financial period	5,251	-

In November 2021, the Group had received quoted equity shares in Seelos as part payment for 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).

The asset is measured at fair value (level 1: quoted (unadjusted) in active markets) through profit or loss as at 31 December 2021.

15. BORROWINGS AND LEASE LIABILITIES

Unsecured loans are lease liabilities recognised under SFRS(I) 16. Secured loans are bank borrowings and secured over land and building, certain plant and equipment, motor vehicles and certain bank deposits of subsidiaries of the Group.

	31.12.21			30.06.21		
	Unsecured	Secured	Total	Unsecured	Secured	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Amount repayable in one year or less	246	640	886	375	421	796
Amount repayable after one year	180	3,949	4,129	238	3,201	3,439
Total	**426**	**4,589**	**5,015**	**613**	**3,622**	**4,235**

Reconciliation of liabilities arising from financing activities:

			Non-cash changes				
	Beginning of Financial Period	Principal and interest payments	Adoption of SFRS(I) 16	Addition during the year	Interest expense	Foreign exchange movement	End of Financial Period
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
31.12.2021							
Bank borrowings	3,622	(418)	-	1,395	90	(100)	4,589
Lease liabilities	613	(202)	-	-	14	1	426
31.12.2020							
Bank borrowings	3,654	(200)	-	-	77	227	3,758
Lease liabilities	264	(200)	726	-	5	2	797

16. SHARE CAPITAL

Group & Company	6 months ended 31.12.21		6 months ended 31.12.20	
	No. of ordinary shares	Amount	No. of ordinary shares	Amount
		S$'000		S$'000
At beginning of period	697,353,023	83,337	648,894,390	72,251
Shares issued pursuant to				
- Rights Issue	48,814,711	9,617	-	-
- iX Performance Share Plan	5,022,200	1,224	3,467,334	789
- Private placement	-	-	44,491,299	10,180
At end of period	**751,189,934**	**94,178**	**696,853,023**	**83,220**

During the 6 months ended 31 December 2021,

- On 16 July 2021, the Company granted an option under iX ESOS to an executive of the Company to purchase 3,000,000 ordinary shares of the Company at an exercise price of $0.235 per share commencing after the 2nd anniversary of the grant until the 5th anniversary of the grant;
- 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 $9.62 million;
- On 19 November 2021, the Company granted total awards of 12,261,000 shares to certain employees, executives and directors under iX PSP. 6,261,000 of these share awards 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.

1,400,000 of these share awards will be vested in full on the date falling 12 months from the date of award and the balance awards totalling 10,861,000 shares are subject to the following Performance Conditions:

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

- On 3 December 2021, the Company allotted and issued 5,022,200 shares to certain employees, executives and directors pursuant to IX PSP. Included in the shares issued were 1,492,200 shares that were issued to the following Directors and a controlling shareholder:

Director	Shares Issued	
Mr Eddy Lee Yip Hang	1,192,200 shares	(the "**LYH Award**")
Mr Albert Ho Shing Tung	300,000 shares	
Total	**1,492,200 shares**	

Save as disclosed, there are no other changes in the Company's share capital arising from any rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous reported period.

	Number of outstanding share awards / share options	Number of Shares that may be issued upon exercise of options / release of awards
As at 31 December 2021		
iX Performance Share Plan	9,388,800	9,388,800
iX Employee Share Scheme	3,000,000	3,000,000
As at 31 December 2020		
iX Performance Share Plan	2,350,000	2,350,000
iX Employee Share Scheme	-	-

The Company did not hold any treasury shares as at 31 December 2021 and 31 December 2020.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021 and 31 December 2020.

17. NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	31.12.21	30.06.21	31.12.21	30.06.21
Net asset value per ordinary share (in cents)	3.6	1.7	5.6	3.6

The net asset value per ordinary share of the Group and the Company as at 31 December 2021 were calculated based on the total number of issued shares of 751,189,934 (30 June 2021: 697,353,023).

There were no treasury shares as at 31 December 2021 and 30 June 2021.

18. RELATED PARTY TRANSACTIONS

Other than remuneration paid to key management personnel, the Group has no other significant related party transactions.

	Group	
	6 months ended	
	31.12.21	31.12.20
	S$'000	S$'000
Key management personnel compensation:		
Wages, salaries and other short-term employee benefits	1,033	1,037
Employer's contribution to defined contribution plan	18	11
Share based payment expense	846	366
	1,897	1,414

19. CAPITAL COMMITMENTS

Capital expenditure of $59,000 (30.06.21: $57,000) for property, plant and equipment were contracted for at the balance sheet date but not recognised in the financial statements.

20. COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform to changes in the current period. For the financial period ended 31 December 2021, the following item has been reclassified. Currency exchange gain or loss were previously reported as "Others" and as part of "Expenses" in the Unaudited Condensed Consolidated Statement of Comprehensive Income. In the current period, these gains or losses are now reported as part of "Other gains and losses".

	As reported in 6 months ended 31.12.20	Reclassification	As reported in 6 months ended 31.12.21
	S$'000	S$'000	S$'000
Other gains and losses	-	2,154	2,154
Others	2,154	(2,154)	-
Expenses	(3,579)	(2,154)	(5,733)

The above reclassification has no impact on the Group's loss before income tax or net loss, cash flows and financial position for the period ended 31 December 2020.

21. SUBSEQUENT EVENT

Subsequent to 31 December 2021, the Financial Asset at FVTL was quoted in active market at US$1.18 per share on 10 February 2022 as compared to US$1.63 on 31 December 2021. Decline in fair value does not normally relate to the condition of the investment on 31 December 2021 but reflects circumstances that have arisen subsequently. Accordingly, the amount of the financial asset recognised in this set of interim financial statements was not adjusted. Fair value of this financial asset will be remeasured at the end of next financial period and any change in its fair value will recognised in that period.

There are no other known subsequent events which have led to adjustments to this set of interim financial statements.

B ADDITIONAL INFORMATION REQUIRED BY CATALIST RULES FOR SIX MONTHS ENDED 31 DECEMBER 2021

1. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Overview

WaferiX is a sublingual dosage form that improves bioavailability of active ingredients, providing patients and users with rapid absorption, faster therapeutic action and predictable outcome. The Group leverages WaferiX in the development of its pharmaceutical and nutraceutical products. The Group's strategy is to use WaferiX to repurpose drugs, where already approved active pharmaceutical ingredients are developed into drugs with a sublingual new dosage form and/or to address new indications.

The Group has identified certain conditions and actives that have the potential to benefit from WaferiX. In addition to pain and erectile dysfunction, its pipeline includes products in therapeutic areas such as central nervous system (CNS), psychiatry, oncology and vaccines.

During the six months ended 31 December 2021 (1H22), the Group focused on securing commercial partnerships during the period and successfully completed the licensing of Wafermine and Wafesil. Sales activities in Australia and China remained challenging compared to pre-pandemic conditions due to supply chain disruptions and Covid-19 measures implemented in these countries, such as intermittent lockdowns and international border closures.

Pharmaceuticals

Wafermine

Wafermine is a sublingual ketamine drug under development which has the potential to treat multiple indications such as moderate to severe acute pain, major depressive disorder and Complex Regional Pain Syndrome.

In November 2021, the Company, through its wholly-owned subsidiary iX Biopharma Europe Limited, entered into an exclusive license agreement with Seelos Therapeutics, Inc ("Seelos") (Nasdaq: SEEL), a company focused on developing novel therapeutics for central nervous systems disorders. Under the agreement, the Group licensed to Seelos its lead drug under development, Wafermine, and other products incorporating R- and S- enantiomers of ketamine utilising the WaferiX technology (the "Licensed Products").

The Group received an upfront payment of US$9 million (S$12.35 million) comprising:

(a) US$4,673,728 in cash; and

(b) 2,570,266 shares in Seelos.

The Group is also eligible for up to US$239 million (S$323 million) in milestone payments upon achievement by Seelos of certain development milestones and product sales thresholds. The Group will receive double digit percentage royalties on future net sales of any Licensed Product. Seelos will fund all future development, manufacturing and commercialisation of the Licensed Products.

Under the terms of the agreement, Seelos will have exclusive worldwide rights for Wafermine except China (including Hong Kong, Macau and Taiwan), and worldwide rights to products incorporating R- and S-enantiomers of ketamine developed using WaferiX. The Group will retain exclusive rights to Wafermine in China (including Hong Kong, Macau and Taiwan).

Wafermine was supplied to hospitals in Australia under Schedule 5A of the Therapeutic Goods Regulations (TGR) as an unregistered medicine prior to the out-licensing agreement with Seelos. Following the out-licensing, the Group ceased the supply of Wafermine in Australia. In early January 2022, Seelos authorised the resumption of supply of Wafermine by the Group in Australia under Schedule 5A of TGR.

Wafesil

Wafesil is a sublingual sildenafil drug for the treatment of male erectile dysfunction. Wafesil is a registered medicine in Australia in the Australian Register of Therapeutic Goods.

In September 2021, the Group entered into an agreement for the licensing supply and distribution of Wafesil in China with China Resources Pharmaceutical Commercial Group Co., Ltd (CRPCG).

CRPCG and the Company had previously executed a strategic cooperation framework agreement, announced in April 2021, to engage in all-round cooperation including licensing and joint-venture activities in respect of iX Biopharma's sublingual pharmaceutical and nutraceutical products in China. The licensing of Wafesil to CRPCG is the first deal to emerge from the cooperation agreement.

Under the terms of the Licensing Agreement, CRPCG will be responsible for obtaining the marketing authorisation for Wafesil from the relevant authorities in China. Upon registration, the Company will manufacture and supply Wafesil to CRPCG at a mutually agreed price, and CRPCG will exclusively market and distribute the product in China. The agreement further provides for CRPCG to make certain upfront and licensing fee payments to the Company prior to the commercialisation of Wafesil.

CRPCG has since appointed a contract research organisation (CRO) to review the TGA-approved dossier in preparation for submission to National Medical Products Administration (NMPA).

Wafesil and Silcap, a sildenafil capsule drug, are also supplied in Australia for the treatment of male erectile dysfunction, through telemedicine and pharmacy channels. In Singapore, Silcap is supplied through medical clinics.

Sublingual Dexmedetomidine

The Group is developing a novel sublingual wafer containing dexmedetomidine. The drug has the potential to be used to treat multiple indications including Alzheimer's disease-related agitation.

In 2020, 5.8 million people in the USA suffered from Alzheimer's disease. The number of patients is expected to double by 2040. Up to 70% of Alzheimer's patients experience agitation, amounting to approximately 100 million agitation episodes per year in the US. Agitation is where patients exhibit excess restlessness and anxiety and even aggression and violence. These behavioural issues often lead to greater distress than the cognitive decline in dementia. The global market size for agitation is approximately US$4.1 billion in 2020[1].

This represents a significant unmet medical need as there are currently no FDA-approved therapies for dementia-related agitation. Current treatment options are suboptimal, involving physical restraint or over-sedating therapies such as antipsychotics and benzodiazepines which cause adverse effects that are particularly severe for the elderly.

Dexmedetomidine has a novel mechanism of action with a better side effect profile that could be suitable for treatment of Alzheimer's disease-related agitation. Currently, dexmedetomidine is approved for procedural sedation in intravenous form (IV), however, IV is not suitable for agitated patients. A WaferiX-based sublingual dexmedetomidine drug is better suited for repurposing for this indication as the wafer is non-invasive, non-traumatic, easy to administer and can be taken as an out-patient medication.

Formulation work on the product has been completed. A Phase 1 human study is scheduled to commence in 3Q FY22. The Group intends to file an investigational new drug (IND) application with US FDA after the Phase 1 study concludes.

Medicinal Cannabis

The Group has developed a range of sublingual medicinal cannabis products using WaferiX.

Xativa, which contains CBD (cannabidiol), available as an unregistered medicine by doctors' prescription under the Special Access Scheme and Authorised Prescriber pathway in Australia. It is distributed through both wholesale distribution channels and directly to retail pharmacies. Xativa is prescribed for a wide variety of conditions including treating anxiety, relieving pain, reducing inflammation, and improving sleep quality, among other conditions, to patients who are not effectively treated with other drugs.

[1] Transparency Market Research, "Acute Agitation and Aggression Treatment Market Trends, 2021-2031", *https://www.transparencymarketresearch.com/acute-agitation-and-aggression-treatment-market.html*

Other Pharmaceuticals

The Group also commenced product development on a number of actives in therapeutic areas such as CNS, psychiatry, oncology and vaccines.

Contract manufacturing services for third parties

During the year, the Group was engaged by pharmaceutical companies to conduct R&D formulation work for new products using WaferiX. We also provide manufacturing services to third party consumers such as packaging of medicinal cannabis.

Nutraceuticals

Entity Health

Entity nutraceuticals are sold into China through its two flagship stores launched in April 2020 on Tmall Global and JD Worldwide, cross-border e-commerce platforms. Entity products are also sold into more than 250 pharmacies and health food shops across major cities in Australia.

LumeniX, an innovative sublingual beauty supplement, and the anti-aging NAD products RestoriX and MetaboliX Plus designed to boost NAD+ (nicotinamide adenine dinucleotide) levels in the body, continue to be the top-selling products on our stores to the Chinese customers.

In 2Q FY22, Entity launched SL-NAD+, a sublingual wafer containing pure and intact NAD+, to target the premium market. In a breakthrough for NAD supplementation, the Group used WaferiX to stabilise the NAD+ molecule and deliver it sublingually for maximum absorption and direct cellular uptake. Other NAD supplements in the market contain NAD precursors which need to be converted into NAD+ in the body. However, not all of the precursor is absorbed and converted. Together with RestoriX and MetaboliX Plus, Entity now has a range of NAD products to target different market segments in the growing market for healthspan products.

Entity has engaged an experienced third-party agency to operate its stores and market its products to the Chinese consumers. We focus our marketing on LumeniX and the NAD products. To-date we have invested in in-site marketing using tools such as short messaging, search engine optimisation and banner advertisements, and by partnering with influencers to market on other popular platforms such as Little Redbook, Wechat and Weibo.

Review of performance for six months ended 31 December 2021 (1H22)

Revenue	**1H22**	**1H21**	**Incr/ (Decr)**
	S$'000	**S$'000**	**%**
Specialty Pharmaceuticals			
Out-licensing	12,372	-	nm
Products and services	579	342	69%
Nutraceuticals	234	488	(52)%
Total revenue	**13,185**	**830**	1,489**%**

Income from out-licensing of Wafermine in November 2021 lifted total revenue of the Group in 1H22 by approximately 15 times as compared to that in the comparative six months ended 31 December 2020 (1H21). As a result, the Group recorded an overall gross profit of S$12.13 million in 1H22 as compared to a gross loss of S$0.16 million in 1H21.

Product and services increased by 69% in 1H22 whilst Nutraceuticals declined by 52%. This decline is due to supply chain and logistics disruptions in Australia and China due to COVID-19. Intermittent lockdowns and borders closure further aggravated the disruptions in supply chain. These have resulted in longer delivery times in China and led to customer hesitancy for online orders.

Cost of Sales

The Group's cost of sales was S$1.06 million in 1H22 compared to S$0.99 million in 1H21 due to cost increases in some raw materials and provision for stock obsolescence. (The cost of sales also includes the cost of manufacturing which consists of personnel, material and other fixed overheads.)

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 1H21 was due to recognition of additional rebates relating to FY2019 that was only finalised with ATO in 1H21.

Other gain 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 a net loss in currency exchange of S$1.20 million in 1H22 as compared to a net gain of S$2.15 million in 1H21.

During 1H22, 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 as at 31 December 2021, the Group recognised a fair value loss of S$0.17 million in 1H22

Expenses

The expense items in profit before tax are analysed below:

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

During 1H22, due to disruptions from COVID-19 lockdowns in China and Australia, we reduced sales and marketing expenses by S$0.11 million.

General and administrative (G&A)

Increase in G&A expenses 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 would have decreased by S$0.69 million as compared to 1H21.

Income tax expenses

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

Review of operating segment results

See above for analysis of revenue by operating segments.

The adjusted EBITDA profit of the Specialty Pharmaceutical segment in 1H22 was S$8.80 million as compared to a loss of S$1.79 million in 1H21. The improvement was due to out-licencing of Wafermine and higher revenues from product and services earned during the period.

The Nutraceutical segment's adjusted EBITDA loss deteriorated marginally to a loss of S$0.73 million in 1H22 from S$0.69 million in 1H21. Despite a decrease in revenue, the resultant loss was lessened by lower sales and marketing expenses.

Review of financial position

Current assets of the Group increased to S$20.66 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$3.50 million in cash and US$1.17 million in receivable from out-licensing of Wafermine. This was offset by cash outflow from operating activities. Receivables of the Company increased mainly due to licensing fee receivable from and advances to subsidiaries.

Current liabilities of the Group increased to S$5.15 million from S$3.67 million. The increase was mainly due provision for income and withholding taxes associated with income from out-licensing of Wafermine.

Non-current assets increased to S$15.46 million from S$9.51 million mainly from the receipt of equity shares as part of the out-licensing of Wafermine.

During 1H22, total bank borrowings increased from S$3.62 million to S$4.59 million as we drew down additional long-term borrowing of S$1.40 million and repaid S$0.33 million.

Review of cash flow

Following the receipt of the upfront fee from out-licensing of Wafermine, the Group recorded a net cash generated from operations of S$4.88 million during 1H22 (1H21: net cash used of S$5.01 million). After the receipt of the R&D incentive rebate for FY2021 of S$0.71 million, the Group generated S$5.59 million in net cash from operating activities in 1H22 as compared to net cash used of S$5.01 million in 1H21.

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 additional bank borrowing of S$1.40 million in July 2021. This was offset by repayments of borrowings, lease liabilities and interest totalling S$0.61 million. Comparatively, during 1H21, the Group received net proceeds of S$10.18 million from a private placement and a pledged fixed deposit of $0.62 million was released by our bank.

As a result, consolidated cash and cash equivalent increased from S$5.59 million to S$16.09 million at the end of the period.

2. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders for the current reporting period.

3. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

COVID-19

The prolonged pandemic has led to an increasingly uncertain and challenging business environment.

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. Whilst we have tried to minimise the impact and have initiated on-line meetings and training for doctors and pharmacists, the Group's ability to maintain and grow the sales of its nutraceutical and medicinal cannabis products through pharmacies and clinics may continue be hindered.

In addition to Australia, other markets of interest to our Group such as China, US, EU and the UK have been severely impacted by the pandemic. Due to increasing uncertainties in the business environment, some companies may temporarily postpone committing to any substantial transactions.

Supply chain disruptions have led to increased costs and created intermittent logistical difficulties for the Group. The Group experienced limited international freight capacity, intermittent warehouse closures and disruptions to last-mile delivery in Australia and China. Should these conditions persist, our sales may be negatively impacted.

Certain raw material costs have increased due to COVID-19 impacting our upstream suppliers. Uncertainties in transportation and freight schedules may result in longer lead-times in our procurement and delivery processes.

As health agencies globally prioritise their resources on COVID-19 related matters, this may lead to lengthening of review and approval timelines of the Group's products that have been or will be submitted for review.

Wafermine

We have successfully monetised our Wafermine development programme via out-licensing agreement with Seelos in November 2021.

In addition to the upfront payment of US$9 million, the Group is eligible for up to US$239 million (SGD 323 million) in milestone payments upon achievement by Seelos of certain development milestones and product sales thresholds. The Group will also receive double digit percentage royalties on future net sales of any Licensed Product. Seelos will fund all future development, manufacturing and commercialisation of the Licensed Products.

Seelos plans to evaluate Wafermine (designated as SLS-003) for pain and psychiatric disorders. A detailed development plan is currently being prepared.

Sublingual Dexmedetomidine

The Group is developing a novel sublingual wafer containing dexmedetomidine. The drug has the potential to be used to treat multiple indications including Alzheimer's disease-related agitation.

In 2020, 5.8 million people in the USA suffered from Alzheimer's disease. The number of patients is expected to double by 2040. Up to 70% of Alzheimer's patients experience agitation, amounting to approximately 100 million agitation episodes per year in the US. Agitation is where patients exhibit excess restlessness and anxiety and even aggression and violence. These behavioural issues often lead to greater distress than the cognitive decline in dementia. The global market size for agitation is approximately US$4.1 billion in 2020[2].

This represents a significant unmet medical need as there are currently no FDA-approved therapies for dementia-related agitation. Current treatment options are suboptimal, involving physical restraint or over-sedating therapies such as antipsychotics and benzodiazepines which cause adverse effects that are particularly severe for the elderly.

Dexmedetomidine has a novel mechanism of action with a better side effect profile that could be suitable for treatment of Alzheimer's disease-related agitation. Currently, dexmedetomidine is approved for procedural sedation in intravenous form (IV), however, IV is not suitable for agitated patients. A WaferiX-based sublingual dexmedetomidine drug is better suited for repurposing for this indication as the wafer is non-invasive, non-traumatic, easy to administer and can be taken as out-patient.

Formulation work has been completed and a Phase 1 human study is scheduled to commence in 3Q FY22. The Group intends to file an investigational new drug (IND) application with US FDA after the Phase 1 study concludes.

Medicinal Cannabis

According to analysts, the legal medicinal cannabis market in Australia and New Zealand will be valued at US$1.55 billion in 2024[3]. Up to 31 December 2021, the Australian Therapeutic Goods Administration's (TGA) has approved over 200,000 SAS Category B applications for unapproved medicinal cannabis products. According to the TGA, applications were approved to use medicinal cannabis for a range of indications including pain, anxiety, insomnia, epilepsy, palliative care and spasticity from neurological conditions.

Following the TGA's decision to allow low-dose CBD products to be supplied over-the-counter (OTC) by a pharmacist without a prescription, the Group has commenced preparation to register Xativa with TGA. We expect registered CBD products will be more widely accessible in pharmacies which may result in a greatly expanded market size.

The Group has signed a supply agreement with a partner in New Zealand to distribute and market our medicinal cannabis range to doctors and patients in the market, subject to regulatory requirements being fulfilled. Our preparation for regulatory filing in New Zealand is in progress. The current estimate submission to the NZ Medicinal Cannabis Agency is around 1Q FY2023.

The Group has also received strong interest from US-based cannabis distributors to distribute our sublingual cannabis products. The Group will explore opportunities to enter the US market, which has an estimated market size of US$8.5 billion[4], over the next 12 months.

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2 Transparency Market Research, "Acute Agitation and Aggression Treatment Market Trends, 2021-2031", *https://www.transparencymarketresearch.com/acute-agitation-and-aggression-treatment-market.html*

3 Prohibition Partners, 2020, "The Oceania Cannabis Report, Second Edition, April 2020"

4 Prohibition Partners, The North American Cannabis Report Second Edition

Entity Health

Entity products are sold in more than 250 pharmacies and health food stores in all major Australian cities and on cross border e-commerce platforms, JD Worldwide and Tmall Global, into China.

Australian-made health supplements are regarded by Chinese consumers as the gold standard of healthcare products due to Australia's reputation for safety and quality. Chinese consumers have demonstrated an appetite for novel and sophisticated products which characterise the Entity line of nutraceuticals.

In the next 12 months we will continue to prioritise growing the market share for Entity products in China through cross-border e-commerce. We intend to introduce new products in categories popular or growing with China consumers, focusing on leveraging our unique, patented WaferiX sublingual technology to produce well-differentiated and scientifically advanced products that resonate with Chinese consumers.

Proposed Spin-off of Pharmaceuticals

On 12 June 2021, the Company announced that it is exploring the possibility of a spin-off of its pharmaceutical business (including medicinal cannabis) by way of a listing on the Main Board of The Stock Exchange of Hong Kong Limited (the HKEX) through Chapter 18A of the Rules Governing the Listing of Securities on the Stock Exchange (the "Proposed Spin-Off and Listing").

The Company intends to restructure its pharmaceutical business (including medicinal cannabis) to be held by Ligo Pharma Limited, a wholly-owned subsidiary which was incorporated on 31 March 2021 in the Cayman Islands (the Spin-Off Company). The restructuring and the Proposed Spin-Off and Listing are dependent on the results of preparatory work to be undertaken, requisite approvals from the relevant regulatory authorities, the then-prevailing market condition, investors' interests and response at the material time and any other relevant factors.

Following the restructuring, the Spin-Off Company will be engaged in manufacturing, research and development and sales of pharmaceutical and medicinal cannabis products (the Pharmaceutical and Medicinal Cannabis Business). These activities are currently undertaken by the Group's wholly-owned subsidiaries being iX Syrinx Pty Ltd, Arrow Property Trust, iX Biopharma Pty Ltd, iX Biopharma Europe Ltd and iXB Sdn Bhd.

Following the completion of the Proposed Spin-Off and Listing, the Company will focus on sales, marketing and distribution of innovative nutraceutical products under its brand Entity (the Nutraceutical Business).

To-date, the Group has engaged with Hong Kong and Singapore exchanges and listing professionals. We continue to work towards fulfilling the listing requirements and will update the shareholders on any material developments.

4. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the Company's auditor.

5. Where the figures have been audited or reviewed, the auditors' report (including any qualifications modifications or emphasis of a matter).

Not applicable.

6. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

a. Updates on the efforts taken to resolve each outstanding audit issue.
b. Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

7. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividend has been declared or recommended for the current reporting period.

(b) (i) Amount per share (cents)

Not applicable.

(b) (ii) Previous corresponding period (cents)

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) Record date

Not applicable.

8. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended for the current reporting period as the Company will need to conserve its cash reserve for development and commercialisation of products.

9. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate for interested person transactions.

There was no interested person transaction of S$100,000 or more for 1H22.

10. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the listing manual.

The Company has procured undertakings from all its Directors and executive officers under Rule 720(1).

11. Negative confirmation pursuant to Rule 705(5) of the listing manual.

The Board of Directors of the Company confirm that to the best of their knowledge, nothing has come to their attention which may render the financial results for the half year ended 31 December 2021 to be false or misleading in any material aspect.

12. Change in the composition of the Group (pursuant to Rule 706A of Catalist Rules)

There is no change in the composition of the Group during the six-month financial period ended 31 December 2021.

13. Use of Proceeds

a) 2020 Private Placement

Pursuant to the private placement of 44,491,299 ordinary shares, the Company received net proceeds of S$10.18 million ("Placement Proceeds"). As at 31 December 2021, the Placement Proceeds has been utilised as follows:

	Amount allocated	Amount utilised	Balance
	S$'000	S$'000	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**

The above utilisation of the Placement Proceeds is in accordance with the intended use as stated in the Company's announcement dated 28 July 2020.

b) 2021 Rights Issue

Pursuant to the right issue of 48,814,711 shares on 26 July 2021, the Company received net proceeds of S$9.62 million (Rights Proceeds). As at 31 December 2021, the Rights Proceeds has been utilised as follows:

	Amount allocated	Amount utilised	Balance
	S$'000	S$'000	S$'000
To fund manufacturing and marketing activities for the Group's products	7,617	(535)	7,082
General working capital purposes	2,000	(952)	1,048
Total	**9,617**	**(1,487)**	**8,130**

Details of working capital used:	S$'000
Professional fees	244
Payroll and directors' fees	576
Trademark and patents	15
Rental, office expenditure and other operating expenses	117
Total	**952**

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

On behalf of the Board of Directors

Eddy Lee Yip Hang
Chairman & CEO

Albert Ho Shing Tung
Non-executive Director

11 February 2022

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

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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