IX BIOPHARMA LTD.

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

DISCLAIMER OF OPINION RELATED TO GOING CONCERN ON THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Pursuant to Rule 704(4) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Board of Directors (the **Board**) of iX Biopharma Ltd. (**Company** and together with its subsidiaries, the **Group**) wishes to announce that the Company's independent auditor, PricewaterhouseCoopers LLP (the **Auditor**), has issued a disclaimer of opinion in its Independent Auditor's Report dated 30 September 2024 (the **Independent Auditor's Report**), for the Group's and the Company's audited financial statements for the financial year ended 30 June 2024 (**FY2024 Audited Financial Statements**).

The Disclaimer of Opinion is in relation to the use of going concern assumption in the preparation and presentation of the FY2024 Audited Financial Statements.

Notwithstanding the Auditor's Disclaimer of Opinion, the Directors are of the opinion that the Group and the Company will be able to operate as a going concern and the use of going concern assumption in ther preparation and presentation of FY2024 Audited Financial Statements is appropriate after considering the following mitigating factors and assumptions:

1. The Group's and Company's current borrowings and credit facilities are not subjected to financial covenants and remain available.
2. The Company raised net proceeds of $3.25 million (the **Net Proceeds**) from its Rights cum Warrants Issue completed on 19 July 2024. Assuming maximum amounts of the Warrants are exercised, the Company expects to raise approximately additional $3.45 million.
3. In August 2024, the Group obtained a three-year extension for a $2.18 million loan that was classified as a current liability as at 30 June 2024. The latest valuation of the underlying property was approximately A$9.75 million ($8.78 million) as of 15 July 2024.
4. The Group will be able to generate cashflow from licensing its pipeline products, specifically Wafermine and iXB 401 that are of value and interest to potential partners.

    a. Wafermine, a racemic ketamine sublingual wafer for Complex Regional Pain Syndrome (**CRPS**) and depressive disorders

    In September 2024, the Group appointed Kybora, a global advisory firm to life sciences companies specialising in corporate and business development transaction services including fundraising, global licensing, and M&A, as advisor to assist in global out-licensing for CRPS and depressive disorders. It has also made other preparations, such as comprehensive marketing collateral and a secure data room, as part of its out-licensing efforts.

    CRPS is a rare condition where patients suffer from severe and chronic pain in one or more limbs, often resulting in a significant decline in the quality of life or disability. The need for effective treatment is critical, as no approved therapies currently exist. Wafermine's potential to address this unmet medical need is underscored by its Orphan Drug Designation from the US Food and Drug Administration, which secures 7-year market exclusivity post approval and development incentives.

    Beyond CRPS, Wafermine also holds promise in addressing depressive disorders such as treatment resistant depression and suicidal behaviour — both growing public health concerns, particularly in the wake of the COVID-19 pandemic. Ketamine has shown to be an effective treatment for patients who do not respond to conventional antidepressants, offering rapid and long-lasting relief.

    b. iXB 401, a novel sublingual semaglutide wafer for diabetes and obesity

    We have appointed a clinical research organisation (CRO) experienced in pre-clinical animal models of GLP-1 drugs to conduct a pharmacokinetic / pharmacodynamic study of iXB 401 in mice. The study will take approximately five to six months. Positive results of the study will advance the potential of partnering to fund the next clinical study or out-

licensing of iXB 401.

Semaglutide is a GLP-1 receptor agonist used for the treatment of Type 2 diabetes and obesity. The GLP-1 drug market is forecasted by GlobalData to reach US$125 billion by the end of the decade, driven by strong demand.

Currently, patient demand is outstripping the supply of semaglutide injectables, and increased production of these injectables poses environmental challenges. Patients who prefer non-injectables have led to soaring demand for oral semaglutide, however only one oral drug, Rybelsus, has been approved. iXB 401, an oral sublingual semaglutide, offers a novel solution that could address these issues, whilst enhancing patient compliance and reducing environmental impact.

5. The Group and the Company will be able to obtain further financing facilities and conduct further fundraising, if necessary.

6. The Directors are of the view that the trade and other receivables due from subsidiaries are recoverable as the subsidiaries are forecasted to generate positive cashflows from operating and financing activities as well as out-licensing of the pipeline products.

The relevant extracts of the Independent Auditor's Report and Note 2.1 to the FY2024 Audited Financial Statements are attached to this announcement.

The Board is of the view that sufficient information has been disclosed for trading of the Company's securities to continue in an orderly manner and confirms that all material information in relation to the Group has been provided for trading of the Company's shares to continue.

Shareholders and potential investors of the Company are advised to read this announcement in conjunction with the Independent Auditor's Report and the FY2024 Audited Financial Statements which are included in the Company's Annual Report for FY2024 in their entirety.

Shareholders and investors are reminded to exercise caution when dealing or trading in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.

By Order of the Board

Eddy Lee
Chairman & CEO

30 September 2024

This announcement has been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "Sponsor"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IX BIOPHARMA LTD.

Report on the financial statements

Disclaimer of Opinion

We do not express an opinion on the financial statements of iX Biopharma Ltd ("the Company") and its subsidiaries ("the Group"), and the balance sheet of the Company. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

We were engaged to audit the accompanying financial statements of the Company and the Group, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 30 June 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

Basis for Disclaimer of Opinion

For the year ended 30 June 2024, the Group reported a loss of $10,794,000 (2023: $9,615,000) and had operating cash outflows of $6,553,000 (2023: $7,660,000). As at 30 June 2024, the Group's current liabilities exceeded its current assets by $795,000 (2023: current assets exceeded its current liabilities by $3,804,000).

The Company's accumulated losses increased from $65,872,000 at 30 June 2023 to $79,211,000 at 30 June 2024 and the cash at bank decreased from $5,169,000 at 30 June 2023 to $479,000 at 30 June 2024. As at 30 June 2024, the Company has trade and other receivables due from subsidiaries amounting to $19,251,000 (Note 13). We were unable to obtain sufficient appropriate audit evidence over the recoverability of these receivables. We were hence unable to determine whether an impairment allowance should be made for these receivables. In the event that these receivables need to be fully impaired, the Company's current liabilities will exceed its current assets by $1,446,000 as at 30 June 2024. The Company's convertible bond with par value of $2,000,000 is due to mature on 24 July 2025.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Group and of the Company to continue as going concerns.

Notwithstanding these, as disclosed in Note 2.1 to the financial statements, the Directors have concluded that the use of the going concern assumption in the preparation of the accompanying financial statements is appropriate. Among the various measures taken by the Directors to generate sufficient cashflows are plans to license the Group's pipeline products and obtain further financing facilities and conduct further fundraising, if necessary, as described in Note 2.1. However, at the date of this report, we were unable to obtain sufficient appropriate audit evidence regarding the likely outcome of these assumptions.

If the Group and Company were unable to continue in operational existence for the foreseeable future, the Group and Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Group and the Company may have to reclassify non-current assets as current assets and non-current liabilities as current liabilities respectively. The accompanying financial statements do not include any of these adjustments.

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 responsibility is to conduct an audit of the financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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.

Report on Other Legal and Regulatory Requirements

In view of the significance of the matter referred to in the Basis for Disclaimer Opinion section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and the subsidiary incorporated in Singapore have been properly kept in accordance with provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Trillion So.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 30 September 2024

2. Material accounting policy information

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.

Going concern assumption

The financial statements of the Group have been prepared on a going concern basis notwithstanding that the Group incurred a loss of $10,794,000 (2023: $9,615,000) and a negative operating cash flows of $6,553,000 (2023: $7,660,000) during the year ended 30 June 2024. As at that date, the Group's current liabilities exceeded current assets by $795,000 (2023: net current assets of $3,804,000).

The Company's accumulated losses increased from $65,872,000 as at 30 June 2023 to $79,211,000 as at 30 June 2024 and the cash at bank decreased from $5,169,000 at 30 June 2023 to $479,000 as at 30 June 2024. As at 30 June 2024, the Company has trade and other receivables due from subsidiaries amounting to $19,251,000 (2023: $23,138,000) (Note 13). In the event that these receivables need to be fully impaired, the Company's current liabilities will exceed the current assets by $1,446,000 as at 30 June 2024. The Company's convertible bond with par value of $2,000,000 is due to mature on 24 July 2025.

These conditions indicate the existence of material uncertainties that may cast significant doubt on the Group's and the Company's ability to continue as going concerns.

The Directors are of the view that it is appropriate to prepare the Group's and the Company's financial statements on the going concern basis as the Group and Company forecast positive cashflows for a period of at least the next 12 months after considering the following factors and assumptions:

For the Group:

(i) The Group's current borrowings and credit facilities are not subjected to financial covenants and remain available;

(ii) The Company has raised net proceeds of $3,250,000 via a Rights Cum Warrants Issue completed on 19 July 2024;

(iii) The Group's property loan of $2,178,000 (reported as part of the Group's current liabilities) has been extended for a further three years by the lender subsequent to the balance sheet date;

(iv) The Group will be able to generate cashflow from partnering or licensing of our pipeline products, specifically Wafermine and iXB401 that are of value and interest to potential partners.

a. Wafermine, a racemic ketamine sublingual wafer Complex Regional Pain Syndrome ("CRPS") and depressive disorders

In September 2024, the Group appointed Kybora, a global advisory firm to life sciences companies, specialising in corporate and business development transaction services including fundraising, global licensing, and M&A, as advisor to assist in global out-licensing for CRPS and depressive disorders. It has also made other preparations, such as comprehensive marketing collateral and a secure data room, as part of its out-licensing efforts.

CRPS is a rare condition where patients suffer from severe and chronic pain in one or more limbs, often resulting in a significant decline in the quality of life or disability. Wafermine has been granted Orphan Drug Designation for CPRS by the US Food and Drug Administration. This secures 7-year market exclusivity post approval and development incentives.

2. Material accounting policy information (continued)

2.1 Basis of preparation (continued)

Going concern assumption (continued)

Further, Ketamine, the active ingredient of Wafermine, has shown to be an effective treatment for patients who do not respond to conventional antidepressants, offering rapid and long-lasting relief. The Directors are of the view that Wafermine has the potential to address depressive disorders such as treatment resistant depression and suicidal behaviour.

b. iXB 401, a novel sublingual semaglutide wafer for diabetes and obesity

The Group has appointed a clinical research organisation ("CRO") experienced in pre-clinical animal models of GLP-1 drugs to conduct a pharmacokinetic / pharmacodynamic study of iXB 401 in mice. The study will take approximately five to six months. The Directors are of the view that positive results of the study will attract potential partners to fund iXB 401's next clinical study or to in-license iXB 401.

(v) The Group will be able to obtain further financing facilities and conduct further fundraising, if necessary.

For the Company:

(i) The Company's current borrowings are not subjected to financial covenants;

(ii) The Company has raised net proceeds of $3,250,000 via a Rights Cum Warrants Issue completed on 19 July 2024;

(iii) The Directors are of the view that the trade and other receivables due from subsidiaries are recoverable as the subsidiaries are forecasted to generate positive cashflows from operating and financing activities as well as out-licensing of the pipeline products; and

(iv) The Company will be able to obtain further financing facilities and conduct further fundraising, if necessary.

If the Group and the Company is unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. No such adjustments have been made to these financial statements.

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.