# iX Biopharma Ltd.

(Company Registration No. 200405621W)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024**

# Unaudited Condensed Interim Consolidated Statement of Comprehensive Income

**for six months ended 31 December 2024**

| | Note | Group 6 months ended 31.12.24 $'000 | 31.12.23 $'000 | % |
|---|---|---|---|---|
| Revenue | 5.3 | 3,713 | 2,672 | 39 |
| Cost of sales | | (2,884) | (2,081) | 39 |
| **Gross Profit** | | **829** | **591** | 40 |
| Other income | | 265 | 329 | (19) |
| Other losses | 6 | (2,782) | (2,525) | 10 |
| Expenses | | | | |
| - Research and development | | (827) | (882) | (6) |
| - Sales and marketing | | (1,128) | (1,347) | (16) |
| - General and administrative | | (2,469) | (1,828) | 35 |
| - Finance expense | | (138) | (286) | (52) |
| Total expenses | | (4,562) | (4,343) | 5 |
| **Loss before income tax** | 7 | (6,250) | (5,948) | 5 |
| Income tax expense | 8 | - | (1,381) | Nm |
| **Loss for the financial period** | | **(6,250)** | **(7,329)** | **(15)** |
| **Other comprehensive income:** | | | | |
| *Items that may be reclassified subsequently to profit or loss:* | | | | |
| - Currency translation differences arising from consolidation | | | | |
| - Gain | | 2,145 | 12 | Nm |
| **Total comprehensive loss** | | **(4,105)** | **(7,317)** | **(44)** |
| **Earnings per share (EPS) attributable to equity holders of the Company (cent per share)** | | | | |
| Basic EPS | 9 | (0.72) | (0.96) | |
| Diluted EPS | 9 | (0.72) | (0.96) | |

Nm: not meaningful

The Unaudited Consolidated Interim Statement of Comprehensive Income should be read in conjunction with the 2024 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

# Unaudited Condensed Interim Balance Sheets
**As at 31 December 2024**

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | 31.12.24 | 30.06.24 | 31.12.24 | 30.06.24 |
| | | $'000 | $'000 | $'000 | $'000 |
| **ASSETS** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents | 10 | 2,067 | 1,771 | 726 | 479 |
| Trade and other receivables | | 2,071 | 2,921 | 19,418 | 19,289 |
| Inventories | | 1,024 | 1,380 | - | - |
| Other current assets | | 414 | 514 | 329 | 455 |
| | | 5,576 | 6,586 | 20,473 | 20,223 |
| **Non-current assets** | | | | | |
| Deposits | | 92 | 126 | 24 | 59 |
| Intangible assets | 11 | 273 | 295 | - | - |
| Property, plant, and equipment | 12 | 6,602 | 7,120 | 64 | 79 |
| Right of use assets | 13 | 541 | 492 | 541 | 492 |
| Deferred tax asset | 14 | - | - | - | - |
| Financial asset – FVPL | 15 | - | 5 | - | 5 |
| Investments in subsidiaries | | - | - | 1,966 | 1,966 |
| | | 7,508 | 8,038 | 2,595 | 2,601 |
| **Total assets** | | 13,084 | 14,624 | 23,068 | 22,824 |
| **LIABILITIES** | | | | | |
| **Current liabilities** | | | | | |
| Trade and other payables | | 3,891 | 4,216 | 2,259 | 2,035 |
| Convertible bonds | 16 | 1,955 | - | 1,955 | - |
| Borrowings | 16 | 602 | 2,488 | - | - |
| Lease liabilities | 16 | 397 | 389 | 393 | 383 |
| Provision | | 134 | 120 | - | - |
| Tax liabilities | 17 | 169 | 168 | - | - |
| | | 7,148 | 7,381 | 4,607 | 2,418 |
| **Non-current liabilities** | | | | | |
| Convertible bonds | 16 | - | 1,779 | - | 1,779 |
| Borrowings | 16 | 1,795 | 403 | - | - |
| Lease liabilities | 16 | 174 | 142 | 174 | 141 |
| Tax liabilities | 17 | 439 | 539 | - | - |
| Provision | | 14 | 40 | - | - |
| | | 2,422 | 2,903 | 174 | 1,920 |
| **Total liabilities** | | 9,570 | 10,284 | 4,781 | 4,338 |
| **NET ASSETS** | | 3,514 | 4,340 | 18,287 | 18,486 |
| **EQUITY** | | | | | |
| **Capital and reserves attributable to equity holders of the Company** | | | | | |
| Share capital | 18 | 100,695 | 97,445 | 100,695 | 97,445 |
| Other reserves | | 6,046 | 3,872 | 281 | 252 |
| Accumulated losses | | (103,227) | (96,977) | (82,689) | (79,211) |
| **Total equity** | | 3,514 | 4,340 | 18,287 | 18,486 |

The Unaudited Consolidated Interim Balance Sheets should be read in conjunction with the 2024 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 2024**

| Group | Attributable to equity holders of the Company | | | |
|---|---|---|---|---|
| | Share capital | Other reserves | Accumulated losses | Total equity |
| | $'000 | $'000 | $'000 | $'000 |
| Balance as at 30 June 2024 | **97,445** | **3,872** | **(96,977)** | **4,340** |
| Loss for the period | - | - | (6,250) | (6,250) |
| Other comprehensive gain for the period | - | 2,145 | - | 2,145 |
| Total comprehensive profit/(loss) for the period | - | 2,145 | (6,250) | (4,105) |
| Share based payment scheme | | | | |
| - Value of employees' services | - | 29 | - | 29 |
| Shares issued pursuant to rights issue, net of transaction cost | 3,250 | - | - | 3,250 |
| Total transactions with owners, recognised directly in equity | 3,250 | 29 | - | 3,279 |
| **Balance as at 31 December 2024** | **100,695** | **6,046** | **(103,227)** | **3,514** |
| | | | | |
| Balance as at 30 June 2023 | **97,233** | **4,802** | **(86,183)** | **15,852** |
| Loss for the period | - | - | (7,329) | (7,329) |
| Other comprehensive gain for the period | - | 12 | - | 12 |
| Total comprehensive profit/(loss) for the period | - | 12 | (7,329) | (7,317) |
| Share based payment scheme | | | | |
| - Value of employees' services | - | (878) | - | (878) |
| - Shares issued pursuant to iX Performance Share Plan | 212 | (212) | - | - |
| Total transactions with owners, recognised directly in equity | 212 | (1,090) | - | (878) |
| **Balance as at 31 December 2023** | **97,445** | **3,724** | **(93,512)** | **7,657** |

| Company | Attributable to equity holders of the Company | | | |
|---|---|---|---|---|
| | Share capital | Other reserves | Accumulated losses | Total equity |
| | $'000 | $'000 | $'000 | $'000 |
| Balance as at 30 June 2024 | **97,445** | **252** | **(79,211)** | **18,486** |
| Loss for the period | - | - | (3,478) | (3,478) |
| Total comprehensive loss for the period | - | - | (3,478) | (3,478) |
| Share based payment scheme | | | | |
| - Value of employees' services | - | 29 | - | 29 |
| Shares issued pursuant to rights issue, net of transaction cost | 3,250 | - | - | 3,250 |
| Total transactions with owners, recognised directly in equity | 3,250 | 29 | - | 3,279 |
| **Balance as at 31 December 2024** | **100,695** | **281** | **(82,689)** | **18,287** |
| | | | | |
| Balance as at 30 June 2023 | **97,233** | **1,096** | **(65,872)** | **32,457** |
| Loss for the period | - | - | (4,535) | (4,535) |
| Total comprehensive loss for the period | - | - | (4,535) | (4,535) |
| Share based payment scheme | | | | |
| - Value of employees' services | - | (878) | - | (878) |
| - Shares issued pursuant to iX Performance Share Plan | 212 | (212) | - | - |
| Total transactions with owners, recognised directly in equity | 212 | (1,090) | - | (878) |
| **Balance as at 31 December 2023** | **97,445** | **6** | **(70,407)** | **27,044** |

The Unaudited Condensed Interim Statement of Changes in Equity should be read in conjunction with the 2024 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 2024**

| | Note | Group 6 months ended 31.12.24 | 31.12.23 |
|---|---|---|---|
| | | $'000 | $'000 |
| **Cash flows from operating activities** | | | |
| Total loss after tax | | (6,250) | (7,329) |
| Adjustments for: | | | |
| - Depreciation and amortisation expense | | 435 | 430 |
| - Income tax expense | | - | 1,381 |
| - Interest expense | | 138 | 167 |
| - Interest income | | (18) | (19) |
| - Transaction costs on issuance of convertible bonds | | - | 119 |
| - Inventory write-down | | 36 | 70 |
| - Provision | | 22 | 14 |
| - Research and development tax incentive | | (245) | (308) |
| - Share based payment expense | | 29 | (878) |
| - Fair value loss of financial asset, at FVPL | | 5 | 2,262 |
| - Fair value loss of convertible bonds | | 176 | 80 |
| - Loss on disposal of financial asset, at FVPL | | - | 164 |
| - Unrealised currency exchange losses– net | | 2,637 | 28 |
| | | (3,035) | (3,819) |
| Changes in working capital: | | | |
| - Trade and other receivables | | (85) | 307 |
| - Other current assets | | 126 | 184 |
| - Trade and other payables | | (55) | (47) |
| - Inventories | | 269 | (126) |
| **Cash used in operations** | | (2,780) | (3,501) |
| Research and development tax incentive received | | 901 | 636 |
| Interest received | | 18 | 19 |
| Interest paid | | (27) | (32) |
| Tax paid | | (81) | (78) |
| **Net cash used in operating activities** | | (1,969) | (2,956) |
| **Cash flows from investing activities** | | | |
| Additions to property, plant and equipment | | (122) | (192) |
| Additions to intangible assets | | - | (11) |
| Proceeds for disposal of financial asset, at FVPL | | - | 1,341 |
| **Net cash (used)/ generated in investing activities** | | (122) | 1,138 |
| **Cash flows from financing activities** | | | |
| Proceeds from issuance of convertible bonds, net | | - | 1,881 |
| Proceeds from borrowings | | - | 146 |
| Proceeds from issuance of ordinary shares | | 3,250 | - |
| Decrease in fixed deposits pledged | | 36 | - |
| Repayment of borrowings | | (328) | (288) |
| Principal payment of lease liabilities | | (233) | (219) |
| Interest paid | | (280) | (135) |
| **Net cash from financing activities** | | 2,445 | 1,385 |
| **Net increase/(decrease) in cash and cash equivalents** | | 354 | (433) |
| **Cash and cash equivalents** | | | |
| Beginning of financial period | | 1,154 | 5,927 |
| Effects of currency translation on cash and cash equivalents | | 12 | 5 |
| End of financial period | 10 | 1,520 | 5,499 |

The Unaudited Condensed Interim Consolidated Statement of Cash Flows should be read in conjunction with the 2024 Audited Financial Statements and the accompanying explanatory notes attached to this financial report.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

## 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 is 20 Collyer Quay #11-07 Singapore 049319. 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 2024 (2024 Audited Financial Statements).

The 2024 Audited Financial Statements were prepared under Singapore Financial Reporting Standards (International) (SFRS(I)).

**Going concern**

The interim financial statements of the Group have been prepared on a going concern basis notwithstanding that the Group incurred a loss of $6,250,000 (2023: $7,329,000) and a negative operating cash flows of $1,969,000 (2023: $2,956,000) during the six months ended 31 December 2024. As at that date, the Group's current liabilities exceed current assets by $1,572,000 (30 June 2024: $795,000).

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 Group will be able to generate cashflow from partnering or licensing of its pipeline products, specifically Wafermine and iXB401 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

The Group has 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. Kybora has commenced the out-reach process to potential partners and has received several expressions of interest. Management has been actively engaging with potential partners through presentations, meetings, and detailed discussions.

Management is working to secure an out-licensing deal as a strategic priority for the Group. Out-licensing is expected to generate value through upfront payments, milestone development fees, and royalties on future sales.

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

In November 2024, the Group completed a preclinical pharmacokinetic study in rats, demonstrating that iXB 401 achieved approximately 20 times greater bioavailability compared

to the oral semaglutide tablet Rybelsus®. This study underscores the potential of iXB 401 as a superior alternative for semaglutide delivery, leveraging our innovative WaferlogiX sublingual technology.

Building on these promising results, the Company is progressing with a preclinical pharmacokinetic study in pigs to further validate iXB 401's performance. The Board believes that positive outcomes from this study will significantly enhance the asset's attractiveness to potential partners, either to fund its next clinical study or to secure an out-licensing agreement, thereby advancing the development and commercialisation of iXB 401.

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

For the Company:

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

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

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.

**b) 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 2024. 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.

Significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty included those that applied to the consolidated financial statements as at and for the year ended 30 June 2024.

## 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 31.12.24 | | | 6 months ended 31.12.23 | | |
| | Specialty Pharmaceuticals | Nutraceuticals | Total | Specialty Pharmaceuticals | Nutraceuticals | Total |
| | $000 | $000 | $000 | $000 | $000 | $000 |
| **Total segment sales** | 3,522 | 348 | 3,870 | 2,480 | 317 | 2,797 |
| Less: | | | | | | |
| Inter-segment sales | (157) | - | (157) | (125) | - | (125) |
| **Sales to external parties** | 3,365 | 348 | 3,713 | 2,355 | 317 | 2,672 |
| Adjusted EBITDA | (875) | (588) | (1,463) | (1,228) | (986) | (2,214) |
| Depreciation | 188 | 1 | 189 | 185 | - | 185 |
| Amortisation | 4 | - | 4 | - | - | - |

| | Group | |
|---|---|---|
| | 6 months ended | |
| | 31.12.24 | 31.12.23 |
| | $000 | $000 |
| **Adjusted EBITDA** is reconciled to profit / (loss) before income tax as follows: | | |
| Reportable segments | (1,463) | (2,214) |
| Unallocated corporate expenses | (1,666) | (1,698) |
| | (3,129) | (3,912) |
| Research and development tax incentive | 245 | 308 |
| Depreciation | (431) | (430) |
| Amortisation | (4) | - |
| Currency exchange gains/(losses) - net | (2,601) | (19) |
| Share based payment expense | (29) | 878 |
| Finance expense | (138) | (286) |
| Interest income | 18 | 19 |
| Loss on disposal of financial asset | - | (164) |
| Fair value loss of financial instruments, at FVPL | (181) | (2,342) |
| **Loss before income tax** | (6,250) | (5,948) |

### 5.2 Geographical segments

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

| | Group | |
|---|---|---|
| | 6 months ended | |
| | 31.12.24 | 31.12.23 |
| | $000 | $000 |
| **Net sales** | | |
| Australia | 3,372 | 2,364 |
| China | 203 | 262 |
| Singapore and others | 110 | 44 |
| United States of America | 28 | 2 |
| | 3,713 | 2,672 |

| | 31.12.24 | 31.12.23 |
|---|---|---|
| | $000 | $000 |
| **Non-current assets** | | |
| Australia | 6,806 | 7,457 |
| Singapore | 629 | 936 |
| Hong Kong | 68 | 66 |
| United States of America | 5 | - |
| | 7,508 | 8,459 |

### 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 31.12.24 | | | 6 months ended 31.12.23 | | |
| | At a point in time | Over time | Total | At a point in time | Over time | Total |
| | $000 | $000 | $000 | $000 | $000 | $000 |
| Sale of goods: | | | | | | |
| - Specialty Pharmaceuticals | 538 | - | 538 | 490 | - | 490 |
| - Nutraceuticals | 348 | - | 348 | 317 | - | 317 |
| | 886 | - | 886 | 807 | - | 807 |
| Development and manufacturing services | - | 2,827 | 2,827 | - | 1,865 | 1,865 |
| **Total** | 886 | 2,827 | 3,713 | 807 | 1,865 | 2,672 |

## 6. OTHER LOSSES

| | Group | |
|---|---|---|
| | 6 months ended | |
| | 31.12.24 | 31.12.23 |
| | $'000 | $'000 |
| Currency exchange losses - net | (2,601) | (19) |
| Fair value loss of financial asset, at FVPL | (5) | (2,262) |
| Loss on disposal of financial asset, at FVPL | - | (164) |
| Fair value loss on convertible bonds | (176) | (80) |
| | (2,782) | (2,525) |

## 7. LOSS BEFORE TAX

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 | |
| | 31.12.24 | 31.12.23 |
| | $'000 | $'000 |
| **Gains:** | | |
| Research and development tax incentive | 245 | 308 |
| Government grants | 2 | - |
| Interest income | 18 | 19 |
| **Expenses & Losses:** | | |
| Share-based payment expense | | |
| - Current period expense | 29 | 87 |
| - Change in fair value of share awards | - | (965) |
| Depreciation and amortisation expense | | |
| - Property, plant and equipment | 207 | 203 |
| - Right of use assets | 224 | 227 |
| - Intangible assets | 4 | - |
| Inventory write-down | 36 | 70 |
| Currency exchange losses - net | 2,601 | 19 |
| Fair value losses of | | |
| - financial asset, at FVPL | 5 | 2,262 |
| - convertible bonds | 176 | 80 |
| Loss on disposal of financial asset, at FVPL | - | 164 |
| Interest expense | 138 | 167 |
| Transaction costs on issuance of convertible bonds | - | 119 |

## 8. INCOME TAXES

| | Group | |
|---|---|---|
| | 6 months ended | |
| | 31.12.24 | 31.12.23 |
| | $'000 | $'000 |
| Current income tax | | |
| - foreign | - | 3 |
| Deferred tax | - | - |
| Impairment of deferred tax asset (see Note 14) | - | 1,378 |
| | - | 1,381 |

## 9. EARNINGS PER ORDINARY SHARE

| | Group | |
|---|---|---|
| | 6 months ended | |
| | 31.12.24 | 31.12.23 |
| Net loss attributable to equity holders of the Company ($'000) | (6,250) | (7,329) |
| Weighted average number of shares outstanding ('000) | | |
| Basic | 872,084 | 766,410 |
| Diluted | 872,084 | 766,410 |
| Loss per share (Cents per share) | | |
| Basic | (0.72) | (0.96) |
| Diluted | (0.72) | (0.96) |

The Company has 6,395,500 share awards under iX Performance Share Plan (iX PSP) and up to 16,666,666 shares under convertible bonds (31 December 2023: 9,563,800 shares awards; 14,958,863 shares under convertible bonds). These shares were not included in the calculation of diluted loss per share for the six months ended 31 December 2024 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 | |
|---|---|---|
| | **31.12.24** | **30.06.24** |
| | **$'000** | **$'000** |
| Cash and cash equivalents in Balance Sheet | 2,067 | 1,771 |
| Less: Bank deposits pledged | (547) | (617) |
| Cash and cash equivalents per consolidated statement of cash flows | 1,520 | 1,154 |

Bank deposits are pledged as security for credit facilities.

## 11. INTANGIBLE ASSETS

| | Group | |
|---|---|---|
| | **31.12.24** | **30.06.24** |
| | **$'000** | **$'000** |
| Goodwill arising on consolidation | 273 | 291 |
| Computer software | 181 | 181 |
| | 454 | 472 |
| Less: accumulated amortisation | (181) | (177) |
| Intangible assets, net | 273 | 295 |

During the six months ended 31 December 2024, the Group acquired computer software amounting to $Nil (2023: $ 11,000).

Amortisation expense for the six months ended 31 December 2024 was $4,000 (2023: $ Nil).

## 12. PROPERTY, PLANT AND EQUIPMENT

| | Group | |
|---|---|---|
| | **31.12.24** | **30.06.24** |
| | **$'000** | **$'000** |
| Freehold land | 2,411 | 2,568 |
| Building | 1,633 | 1,739 |
| Leasehold improvement | 714 | 756 |
| Plant and equipment | 5,994 | 6,259 |
| Computer & Office Equipment | 363 | 370 |
| Motor vehicles | 233 | 235 |
| Furniture and fittings | 131 | 127 |
| | 11,479 | 12,054 |
| Less: accumulated depreciation | (4,877) | (4,934) |
| Property, plant and equipment, net | 6,602 | 7,120 |

During the six months ended 31 December 2024, the Group acquired assets amounting to $122,000 (2023: $192,000) and no disposal of asset.

Depreciation expense for the six months ended 31 December 2024 was $207,000 (2023: $203,000).

## 13. RIGHT OF USE ASSETS

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

During the six months ended 31 December 2024, the Group acquired assets amounting to $273,000 (2023: $Nil) and no disposal of asset.

Depreciation of right of use assets for the six months ended 31 December 2024 was $224,000 (2023: $227,000).

## 14. DEFERRED TAX ASSET

| | Group | |
|---|---|---|
| | **31.12.24** | **31.12.23** |
| | **$'000** | **$'000** |
| Beginning of the financial period | - | 1,378 |
| Tax credited / (charged) to profit and loss | - | - |
| Impairment | - | (1,378) |
| Currency translation difference | - | - |
| End of the financial period | - | - |

The deferred tax asset relates to deductible temporary differences which arose from unutilised tax losses and 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.

During the six months ended 31 December 2023, the Group served Seelos Therapeutic, Inc (Seelos) a notice to terminate the Wafermine licensing agreement entered into in November 2021 (Terminating Notice). Consequently, the Group re-assessed the potential future taxable profit available to offset against the deductible temporary differences. After considering certain assumptions, including but not limited to the absence of future licensing agreements with third parties following the termination, this reassessment led to the write down of the carrying amount of deferred tax asset.

## 15. FINANCIAL ASSET, AT FVPL

| | Group | |
|---|---|---|
| | **31.12.24** | **30.06.24** |
| | **$'000** | **$'000** |
| *Non-current* | | |
| Listed securities: | | |
| - Equity securities – US | - | 5 |

| | Group | |
|---|---|---|
| | **31.12.24** | **31.12.23** |
| | **$'000** | **$'000** |
| As at beginning of financial period | 5 | 3,873 |
| Disposal | - | (1,505) |
| Fair value (loss)/gain recognised in profit and loss, net | (5) | (2,262) |
| Currency exchange loss | - | (18) |
| As at end of financial period | - | 88 |

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.

## 16. BORROWINGS

| | Group | |
|---|---|---|
| | **31.12.24** | **30.06.24** |
| | **$'000** | **$'000** |
| *Current* | | |
| Convertible bonds | 1,955 | - |
| Bank borrowings | 602 | 2,488 |
| Lease liabilities | 397 | 389 |
| | 2,954 | 2,877 |
| *Non-current* | | |
| Convertible bonds | - | 1,779 |
| Bank borrowings | 1,795 | 403 |
| Lease liabilities | 174 | 142 |
| | 1,969 | 2,324 |
| Total borrowings | 4,923 | 5,201 |

a) Convertible bonds

On 24 July 2023, the Company issued convertible bonds with coupon rate of 9% per annum (9% Convertible Bonds) denominated in Singapore Dollars with an aggregated nominal value of $2 million to an independent party. The bonds are due for repayment two years from the issue date at their nominal value of $2 million or may be converted into shares of the Company at the option of the holder at $0.1337 per share (Conversion Price). The Conversion Price is subject to adjustment upon occurrence of certain events set out in the terms and conditions of the bonds. The holder may convert the bonds, in whole or in part, at any time on or after 23 August 2023 up to 23 June 2025. Any unconverted bonds will be redeemed by the Company at its principal amount on 24 July 2025.

The transaction costs in relation to the issuance of the convertible bonds amounted to $119,000 and were recognised as finance expenses during the financial period ended 31 December 2023.

On 18 June 2024, arising from the Rights cum Warrants Issue (see Note 18), the Company announced that Conversion Price and Minimum Conversion Price of the Convertible Bonds were adjusted from $0.1337 and $0.0819 to $0.12 and $0.07 respectively with effect from 25 June 2024.

The convertible bonds are valued using binomial tree simulation model. The following assumptions were used in determining the fair value of convertible bonds as at 31 December 2024:

| | **31.12.24** | **31.12.23** |
|---|---|---|
| Risk-free interest rate | 2.97% | 3.48% |
| Volatility | 62.71% | 65.57% |
| Dividend yield | 0% | 0% |
| Contractual term (years) | 0.56 | 1.56 |
| Share price (cents) | 2.5 | 4.5 |

The Company measures the Convertible Bonds at fair value based on significant inputs not observable in the market, which causes them to be classified as a Level 3 measurement within the fair value hierarchy. These valuations use assumptions and estimates the Company believes would be made by a market participant in making the same valuation. The Company assesses these assumptions and estimates on an on-going basis as additional data impacting the assumptions and estimates are obtained.

| | | Group and Company | |
|---|---|---|---|
| | | **31.12.24** | **31.12.23** |
| | | **$'000** | **$'000** |
| *Cumulative gain on changes in fair value attributable to changes in credit risk recognised in other comprehensive income* | | 213 | - |
| *Difference between carrying amount and contractual amount at maturity:* | | | |
| Convertible bonds at fair value | a | 1,955 | - |
| Amount repayable at maturity | b | 2,000 | - |
| | a- b | (45) | **-** |

The Group determines the amount of fair value changes which are attributable to credit risk, by first determining the changes due to market conditions which give rise to market risk, and then deducting those changes from the total change in fair value of the convertible debentures. Market conditions which give rise to market risk include changes in the benchmark interest rate. Fair value movements on the conversion option embedded derivative are included in the assessment of market risk fair value changes.

The Group believes that this approach most faithfully represents the amount of change in fair value due to the company's own credit risk, as the changes in factors contributing to the fair value of the convertible debentures other than changes in the benchmark interest rate are not deemed to be significant.

b) Unsecured loans include lease liabilities recognised under SFRS(I) 16 and convertible bonds. 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.

| | Group | |
|---|---|---|
| | 31.12.24 | 30.06.24 |
| | $'000 | $'000 |
| ***Unsecured*** | | |
| Amount repayable in one year or less | 2,352 | 389 |
| Amount repayable after one year | 174 | 1,921 |
| | 2,526 | 2,310 |
| ***Secured*** | | |
| Amount repayable in one year or less | 602 | 2,488 |
| Amount repayable after one year | 1,795 | 403 |
| | 2,397 | 2,891 |
| **Total Borrowings** | 4,923 | 5,201 |

c) Reconciliation of liabilities arising from financing activities:

| | | | | Non-cash changes | | | | |
|---|---|---|---|---|---|---|---|---|
| | Beginning of financial period | Proceeds from borrowings | Principal and interest payments | Addition/ modifica-tion during the period | Interest expense | Foreign exchange movement | Fair value changes | End of financial period |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **31.12.2024** | | | | | | | | |
| Convertible bonds | 1,779 | - | - | - | - | - | 176 | 1,955 |
| Bank borrowings | 2,891 | - | (428) | - | 100 | (166) | - | 2,397 |
| Lease liabilities | 531 | - | (244) | 273 | 11 | - | - | 571 |
| **31.12.2023** | | | | | | | | |
| Convertible bonds | - | 2,000 | - | - | - | - | 80 | 2,080 |
| Bank borrowings | 3,319 | 146 | (400) | - | 112 | 6 | - | 3,183 |
| Lease liabilities | 1,019 | - | (242) | (51) | 23 | - | - | 749 |

## 17. TAX LIABILITIES

| | Group | |
|---|---|---|
| | 31.12.24 | 30.06.24 |
| | $'000 | $'000 |
| Corporate tax | | |
| *Current* | 169 | 168 |
| *Non-current* | 439 | 539 |
| | 608 | 707 |

A foreign subsidiary agreed with a relevant tax authority on its corporate tax liability for the year ended 30 June 2022 and entered into a 5-year phased payment arrangement bearing interest at 6.3% per annum, with effect from 1 May 2023.

## 18. SHARE CAPITAL

| Group & Company | 6 months ended 31.12.24 | | 6 months ended 31.12.23 | |
|---|---|---|---|---|
| | No. of ordinary shares | Amount | No. of ordinary shares | Amount |
| | | $'000 | | $'000 |
| **At beginning of period** | 768,317,356 | 97,445 | 766,299,934 | 97,233 |
| **Shares issued pursuant to** | | | | |
| - iX Performance Share Plan | - | - | 2,017,422 | 212 |
| - Right cum Warrant issue | 115,018,984 | 3,250 | - | - |
| **At end of period** | **883,336,340** | **100,695** | **768,317,356** | **97,445** |

During the 6 months ended 31 December 2024,

- On 19 July 2024, 115,018,984 new ordinary shares in the capital of the Company ("Rights Shares") and 57,509,479 warrants ("2024 Warrants") were allotted and issued at the issue price of $0.03 per Rights Shares in connection with a right cum warrant issue exercise. Each of the Warrants carries a right to subscribe for one new ordinary share in the capital of the Company at $0.06 per share over a two-year period from issue date.

No share or award was granted to a director or controlling shareholder (and each of their associates) during the period. 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 / convertible bonds | Number of Shares that may be issued upon exercise of options / release of awards / conversion of bonds | % of total number of issued shares |
|---|---|---|---|
| **As at 31 December 2024** | | | |
| Convertible bonds | 20 | 16,666,666 | 1.9 |
| 2024 Warrants | 57,509,479 | 57,509,479 | 6.5 |
| iX Performance Share Plan | 6,395,500 | 6,395,500 | 0.7 |
| **As at 31 December 2023** | | | |
| Convertible bonds | 20 | 14,958,863 | 1.9 |
| iX Performance Share Plan | 9,563,800 | 9,563,800 | 1.2 |

The Company did not hold any treasury shares as at 31 December 2024 and 31 December 2023.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2024 and 31 December 2023.

## 19. NET ASSET VALUE PER ORDINARY SHARE

| | Group | | Company | |
|---|---|---|---|---|
| | 31.12.24 | 30.06.24 | 31.12.24 | 30.06.24 |
| Net asset value per ordinary share (in cents) | 0.4 | 0.6 | 2.1 | 2.4 |

The net asset value per ordinary share of the Group and the Company as at 31 December 2024 were calculated based on the total number of issued shares of 883,336,340 (30 June 2024: 768,317,356).

## 20. RELATED PARTY TRANSACTIONS

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

| | | Group | |
|---|---|---|---|
| | | 6 months ended | |
| | | 31.12.24 | 31.12.23 |
| | | $'000 | $'000 |
| *Key management personnel compensation:* | | | |
| Wages, salaries and other short-term employee benefits | | 1,105 | 1,094 |
| Employer's contribution to defined contribution plan | | 12 | 13 |
| Share based payment expense | | | |
| - Services cost during the period | | 9 | 41 |
| - Fair value changes due to termination of Wafermine licensing agreement | (a) | - | (965) |
| | | 1,126 | 183 |

a. During the prior period, the Group served the Terminating Notice to Seelos. Accordingly, the Group reviewed and revised the probability of certain performance conditions stipulated in certain share awards granted. The Group recognised the resulted reduction in the fair value of these share awards via consolidated income statement during the period.

## 21. CAPITAL COMMITMENTS

Capital expenditure of $126,000 (30 June 2024: $46,000) for property, plant & equipment and intangible assets were contracted for at the balance sheet date but not recognised in the financial statements.

## 22. SUBSEQUENT EVENT

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

# A ADDITIONAL INFORMATION REQUIRED BY CATALIST RULES FOR SIX MONTHS ENDED 31 DECEMBER 2024

**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***

The Company continuously looks at creating new value through expanding its development pipeline and leveraging its platform technologies to capture new opportunities in emerging and fast-growing therapeutic areas.

For details of our technologies and current development programs, please refer to our 2024 Annual Report.

***Our drug delivery platforms***

WaferiX is a novel multi-drug delivery platform comprising a highly porous, amorphous and non-ionic matrix in a solid dosage form. It is designed to be administered sublingually for rapid disintegration and absorption, improving the drug's bioavailability and providing patients and users with faster therapeutic action and more predictable outcome.

We have extended the potential of WaferiX by modifying the matrix technology to create a new platform named WaferlogiX that is ideally suited for the delivery of biologic drugs (e.g. therapeutic proteins and peptides, vaccines, and cytokines). The potential of WaferlogiX lies in its ability to harness biologics for the treatment of serious medical conditions such as cancer, autoimmune conditions, and infectious diseases – by stimulating specific parts of the immune system.

**Pharmaceuticals**

*Wafermine Update*

We aim to partner with suitable pharmaceutical companies to advance the development of Wafermine for the treatment of Complex Regional Pain Syndrome (CRPS) and depression. 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 CRPS by US FDA. This secures 7-year market exclusivity post approval and development incentives.

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. Kybora has commenced the out-reach process to potential partners and has received several expressions of interest. Management has been actively engaging with potential partners through presentations, meetings, and detailed discussions.

*iXB 401*

iXB 401 is a novel semaglutide wafer delivered sublingually with WaferlogiX drug delivery technology platform. Semaglutide, a GLP-1 receptor agonist, has emerged as a leading therapy for diabetes and obesity. It is approved for type 2 diabetes management under the brand names Ozempic (injectable) and Rybelsus® (oral tablet), and for weight loss under the brand name Wegovy® (injectable).

Due to poor oral bioavailability, most current GLP-1 receptor agonists are injectables. iXB 401 offers a more convenient and potentially better tolerated option compared to existing GLP-1 receptor agonist drugs. With better patient compliance, iXB 401 would be well positioned to capture a significant share of this vast and growing market.

We have successfully formulated the wafer product and are conducting pharmacokinetic studies in animal models. In November 2024, the Group completed a preclinical pharmacokinetic study in rats, demonstrating that iXB 401 achieved approximately 20 times greater bioavailability compared to the oral semaglutide tablet Rybelsus®. This study underscores the potential of iXB 401 as a superior alternative for semaglutide delivery, leveraging our innovative WaferlogiX sublingual technology.

Building on these promising results, the Company is progressing with a preclinical pharmacokinetic study in pigs to further validate iXB 401's performance. The Board believes that positive outcomes from this study will significantly enhance the asset's attractiveness to potential partners, either to fund its next clinical study or to secure an in-licensing agreement, thereby advancing the development and commercialisation of iXB 401.

*Wafesil Update*

The Group's partnership with China Resources Pharmaceutical Group (CRPCG), a division of China Resources, for the distribution of Wafesil in China is ongoing. CRPCG is currently preparing the Chinese registration dossier for Wafesil for submission to the Center for Drug Evaluation (CDE) of the NMPA. The submission has been delayed due to the CDE's specific requirement for all excipient suppliers to be registered with the NMPA. Sourcing excipients used in our Australian registered product from NMPA-registered suppliers has taken some time. We are now reformulating and testing the product to confirm the suitability of these excipient suppliers, ahead of finalisation of the dossier by CRPCG.

*Medicinal Cannabis*

The Group supplies a range of sublingual medicinal cannabis products and provides contract manufacturing services for the industry. Xativa and Hypera, our novel sublingual cannabidiol (CBD) and tetrahydrocannabinol (THC) wafers, are available under prescription through the Special Access Scheme and Authorised Prescriber pathways for unapproved medicines. Many healthcare professionals now advocate a combination of CBD and THC to treat various medical conditions more effectively. By offering a comprehensive range of both CBD and THC products, our business is well-positioned to cater to this evolving market demand.

In FY2024, we introduced a new analytical testing contract service to address the growing medicinal cannabis flower market in Australia. This complements our existing GMP contract manufacturing service offering and enables us to capture greater value from the supply chain, provide a more comprehensive service to existing customers and enhance customer acquisition.

***Nutraceuticals***

*Entity Health*

In 1H25, the Group launched improved formulations of its flagship sublingual nutraceuticals, SL-NAD+ and LumeniX. SL-NAD+ contains NAD+ while LumeniX contains glutathione. The dosage per wafer has been increased from 50mg to 100mg, with the active ingredients, NAD+ and glutathione, being delivered in nanoparticle form. This modification allows consumers to experience a faster and more effective onset of effect. In a clinical study NAD-002 in humans, the Group demonstrated that SL-NAD+ increases NAD+ levels by 59% after 2 weeks and 76% after 6 weeks.

These higher-strength wafers offer multiple benefits. Firstly, they will reduce the daily intake requirement for consumers on average from two wafers a day (one box of 60 wafers per month) to one wafer a day (one box of 30 wafers per month), resulting in improved convenience and compliance whilst also lowering the overall cost for patients. Secondly, this means a doubling of our production unit output without the need to increase manufacturing capacity.

Entity’s LumeniX is sold into the PRC market through the Tmall Global and JD Worldwide cross-border e-commerce platforms. In FY2024, we recalibrated our marketing activities in view of the uncertain economic recovery and weak consumer spending in the PRC. This prudent approach allows us to navigate uncertainties while maintaining our commitment to the world’s largest consumer market. While consumer sentiment in the PRC is currently cautious, we remain confident in the potential of this market. We are closely monitoring consumer behaviour and trends for the right moment to re-engage.

In 2Q25, we participated in LongevityFest 2024 in Las Vegas, a conference that convened 8,000 healthcare practitioners and experts specializing in longevity science and clinical practice. Following the positive feedback received during the conference, we are preparing to launch Entity nutraceuticals into the US market in 2H25. This will be achieved through partnerships with distributors, direct sales to clinics and healthcare practitioners, and our newly updated e-commerce website.

***Review of performance for six months ended 31 December 2024 (1H25, 2024:1H24)***

| **Revenue** | **1H25** | **1H24** | **Incr/ (Decr)** |
|---|---|---|---|
| | **$'000** | **$'000** | **%** |
| Product and services | | | |
| Specialty Pharmaceuticals | | | |
| Medicinal cannabis | 3,221 | 2,235 | 44 |
| Other Pharmaceuticals | 144 | 120 | 20 |
| | 3,365 | 2,355 | 43 |
| Nutraceuticals | 348 | 317 | 10 |
| **Total revenue** | **3,713** | **2,672** | **39** |

Total revenue grew by 39% in 1H25 compared to 1H24. Specialty Pharmaceuticals continued to increase its revenue by 43%, driven by stronger sales of medicinal cannabis products and services in Australia. Nutraceutical sales increased by 10% compared to 1H24 driven by growth in Singapore and US markets despite lower sales in PRC.

| **Gross Profit / (Loss)** | **1H25** | **1H24** | **Incr/ (Decr)** |
|---|---|---|---|
| | **$'000** | **$'000** | **%** |
| Total revenue | 3,713 | 2,672 | 39 |
| Cost of Sales | (2,884) | (2,081) | 39 |
| **Gross Profit** | **829** | **591** | **40** |
| ***Gross margin %*** | *22%* | *22%* | |

Comparing to previous half year ended 30 June 2024 (2H24), the Group improved its gross profit margin from 14% to 22% and achieved an 81% increase in gross profit from $457,000 to $829,000 in 1H25.

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 lower rebate in 1H25 was due to lower R&D expenditure during the period.

Other losses

During 1H25, the Australian dollar depreciated significantly against the Singapore dollar dropping from $0.900 at beginning of the period to $0.845 at end of the period. As a result, a net loss in currency exchange of $2.60 million was recorded in 1H25 compared to a much smaller loss of $0.02 million in 1H24.

During 1H24, the Group partially disposed a financial asset at a loss of $0.16 million for net proceeds of $1.34 million; remeasured the balance of a financial asset on hand (shares in Seelos) at fair-value and recognised a loss of $2.26 million.

We also recognised $0.18 million (1H24: $0.08 million) in fair value loss on convertible bonds that were issued on 24 July 2023.

**Expenses**

We have reduced overall expenses by $0.75 million from $5.31 million (without one-time effect of $0.97 million writeback in fair value of certain share awards) in 1H24 to $4.56 million in 1H25. This included a reduction in headcount by 16% across the Group.

The expense items in loss before tax are analysed below:

Research and development (R&D)

R&D expense decreased by 6% as the Group continues to focus its R&D activities on key projects including SL NAD+ and iXB 401. During the period, the Group conducted various animal studies to evaluate the pharmacokinetics of both of these products.

Sales and marketing

During 1H25, sales and marketing expenses decreased by $0.22 million mainly due to reductions in promotional and advertising expenses and headcount.

General and administrative (G&A)

Lower G&A expenses in 1H24 was mainly due to a write-back of $0.97 million in fair value of certain share awards associated with Wafermine. Without the effect of this write-back, 1H24 G&A expenses would have been $2.79 million. Expenses of $2.47 million in 1H25 would have been lower by 12% mainly from lower professional fees, travel and share based compensation.

Finance

Finance expense during 1H25 decreased by $0.15 million mainly due to $0.12 million transaction costs relating to the issuance of convertible bonds in 1H24. The remaining increase was due to higher lease liabilities and higher loan interest rates.

**Income tax expenses**

Income tax expense in 1H24 was mainly due to impairment of the deferred tax asset arising from intra-group licensing of Wafermine. After serving the Terminating Notice to Seelos, the Group has re-assessed the potential future taxable profit available to offset against the deductible temporary differences. Having considered certain assumptions, including but not limited to the absence of future licensing agreements with third parties following the termination, this reassessment has led to the impairment of the deferred tax asset.

***Review of operating segment results***

See above for analysis of revenue by operating segments.

The adjusted EBITDA loss of the Specialty Pharmaceutical segment decreased to $0.88 million in 1H25 from $1.23 million in 1H24. The improvement was from margin contribution from higher revenue and reduction in expenses.

The Nutraceutical segment's adjusted EBITDA loss decreased to $0.59 million in 1H25 from $0.99 million in 1H24 due to lower sales and marketing expenses in China and US and headcount reduction.

***Review of financial position***

Current assets of the Group decreased from $6.59 million to $5.58 million, principally due to receipt of $0.90 million in R&D rebates during the period and higher inventory of $0.36 million required at 30 June 2024 for delivery in early part 1H25. Other current assets decreased mainly from amortisation of prepaid insurance premium.

Non-current assets decreased from $8.04 million to $7.51 million mainly from the effects of foreign currency translation of $0.45 million and depreciation & amortisation of $0.44 million, offset by increases from new equipment of $0.12 million and a new lease of $0.27 million.

Current liabilities decreased by $0.23 million from $7.38 million to $7.15 million mainly due to bond coupon payment of $0.17 million and $0.13 million in net payments made under the other payables and provision, offset by $0.07 million increase in Convertible Bonds and Borrowings. A $2.18 million loan reported as a current liability on 30 June 2024 is now partially reclassified to non-current liability following a three-year extension granted by the lender on 31 July 2024. This is offset by a reclassification of $1.96 million in Convertible Bonds expiring in July 2025.

Total borrowings decreased from $5.20 million to $4.92 million mainly from $0.56 million in principal repayments and $0.17 million in translation difference offset by $0.18 million increase in fair value of Convertible Bonds and $0.27 million in a new lease.

As at 31 December 2024, the Group recorded a negative working capital of $1.57million following the inclusion of the Convertible Bonds that are maturing on 24 July 2025.

***Review of cash flow***

The Group reduced its net cash used in operation by $0.99 million from $2.96 million in 1H24 to $1.97 million in 1H25. It used $0.72 million less cash in operations during 1H25 by increasing gross trading profit and reducing operating expenses. It also received an additional $0.27 million in R&D tax incentives before netting off other taxes and interests.

In 1H24, the Group disposed a portion of the Seelos shares previously received as part of Wafermine licensing agreement in November 2021 and received net proceeds of $1.34 million.

The Group received net proceeds of $3.25 million from a right cum warrant issue in July 2024 as compared to $1.88 million from the issuance of convertible bonds and additional bank borrowing of $0.15 million during 1H24. Repayments of borrowings and interest payments were higher from additional borrowings and coupon payments from convertible bonds.

As a result, consolidated cash and cash equivalent increased from $1.15 million to $1.52 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.**

*Expanding into the US Longevity Market*

The United States leads the global longevity and wellness movement, with the market projected to reach USD 44 billion by 2030, growing at a CAGR of 8.5%. This vibrant, health-conscious market presents a unique opportunity for our innovative sublingual products, which offer a convenient and cost-effective alternative to traditional IV therapies.

Our flagship nutraceuticals, SL-NAD+ and LumeniX, replicate the benefits of IV-administered NAD+ and glutathione in a non-invasive sublingual wafer format, improving patient compliance and accessibility. In 2Q25, we participated in LongevityFest 2024 in Las Vegas, a conference that convened 8,000 healthcare practitioners and experts specializing in longevity science and clinical practice. Following the positive feedback received during the conference, we are preparing to launch Entity nutraceuticals into the US market in 2H25. This will be achieved through partnerships with distributors, direct sales to clinics and healthcare practitioners, and our newly updated e-commerce website.

Our proprietary WaferiX and WaferlogiX platforms also enable sublingual delivery of approved drugs, unlocking significant potential of our existing products in the booming GLP-1 weight-loss, men's health, pain and depression treatment markets, and new therapeutic areas such as hormone replacement therapy. By partnering with compounding pharmacies, a USD 10.2 billion market in the US as of 2023 (Grand View Research), we can leverage their FDA-regulated framework to supply our sublingual formulations. Compounding pharmacies play a vital role in providing tailored solutions for patients whose needs are not met by approved drugs, such as customized formulations, dosage adjustments, and allergen-free alternatives.

Our sublingual platforms align seamlessly with this model, offering a superior, novel dosage form that increases bioavailability, reduces reliance on IV or injections, and is backed by clinical data demonstrating improved pharmacokinetics. The growth of the compounding pharmacy sector, driven by rising demand for personalized medicine, an aging population, and the increasing prevalence of chronic diseases, creates a strong foundation for the adoption of our innovative products. These pharmacies have expressed significant interest in our sublingual formulations, enabling rapid market entry and scalable distribution.

**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.

**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.

The Company's previous independent auditor, PricewaterhouseCoopers LLP (PwC), had issued a disclaimer of opinion (the Disclaimer of Opinion) in their independent auditor's report dated 30 September 2024 on the audited consolidated financial statements of the Group and the Company for the year ended 30 June 2024. The basis for the Disclaimer of Opinion was in relation to the material uncertainty that may cast significant doubt on the ability of the Group and of the Company to continue as going concerns.

Notwithstanding the above, after considering the factors and assumptions as disclosed in the announcement dated 30 September 2024 and Note 2 a) to the Interim Condensed Financial Statements of this announcement, the Directors are of the opinion that the Group and the Company will be able to operate as a going concern.

The Board is of the view that sufficient information has been disclosed for the 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 the trading of the Company's shares to continue.

**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. No dividend was declared in 1H24.

**(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 discloseable interested person transaction for 1H25.

**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 2024 to be false or misleading in any material aspect.

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

None

**13. Use of Proceeds**

**2024 Rights cum Warrants Issue**

Pursuant to the Rights cum Warrants Issue of 115,018,984 Rights Shares and 57,509,479 Warrants completed on 19 July 2024, the Company received net proceeds of $3.25 million (2024 Rights Proceeds). As at 31 December 2024, the 2024 Rights Proceeds has been utilised as follows:

| | Amount allocated | Amount utilised | Balance |
|---|---|---|---|
| | **$'000** | **$'000** | **$'000** |
| Product development and sales and manufacturing and marketing activities for the Group's products including the development of iXB 401 sublingual semaglutide wafers and sublingual NAD+ wafers | 1,850 | 1,192 | 658 |
| General working capital purposes | 1,400 | 895 | 505 |
| **Total** | **3,250** | 2,087 | 1,163 |

| Details of working capital used: | **$'000** |
|---|---|
| Professional fees | 286 |
| Payroll and directors' fees | 118 |
| Trademark and patent related professional fees | 123 |
| Leases and rental | 368 |
| **Total** | 895 |

The above utilisation of the 2024 Rights Proceeds is in accordance with the intended use as stated in the Company's announcement dated 18 July 2024.

**On behalf of the Board of Directors**

Eddy Lee Yip Hang
Chairman & CEO

Albert Ho Shing Tung
Non-executive Director

7 February 2025

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 "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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.