ixbiopharma
it's life changing

ANNUAL REPORT 2021

WaferiX, a sublingual platform technology for superior drug delivery

CONTENTS

01 Corporate Profile
02 WaferiX Technology
03 Chairman's Statement
08 Product Portfolio
10 Operations Review
13 Business Strategy
16 Financial Review
18 Board of Directors
20 Senior Management
22 Sustainability Statement
23 Corporate Governance Report
41 Statutory Reports and Financial Statements
102 Statistics of Shareholdings
104 Additional Information on Director Seeking Re-election
106 Notice of Annual General Meeting
112 Appendix A - Additional Information on Award of Shares to Controlling Shareholder

Sponsor Statement

This Annual Report has been prepared by the Company and its contents have been reviewed by UOB Kay Hian Private Limited (the "Sponsor") for compliance with the relevant rules of the SGX-ST Listing Manual Section B: Rules of Catalist (the "Catalist Rules"). This Annual Report has not been examined or approved by SGX-ST and the SGX-ST assumes no responsibility for the contents of this Annual Report, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Annual Report. The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01- 01, Singapore 229957, telephone (65) 6590 6881.

VISION

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

MISSION

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

ABOUT IX BIOPHARMA LTD

iX Biopharma Ltd (iX Biopharma or the Company, and together with its subsidiaries, the Group) is a specialty pharmaceutical and nutraceutical company listed on the Catalist board of the Singapore Exchange Securities Trading Limited (SGX-ST), operating a fully integrated business model from drug development to manufacturing and supply, with facilities in Australia. The Group is focused on the development and commercialisation of therapies for diseases of the central nervous system using novel, patent-protected formulations for sublingual delivery.

iX Biopharma has developed a patented drug delivery platform technology, WaferiX. WaferiX delivers drug sublingually via the mucosa for better absorption, faster onset of action and predictable effect. The WaferiX delivery platform is particularly useful for drug repurposing. Drug repurposing is where existing approved drugs are developed into new drugs targeting different indications or a different route of administration, at a lower development cost and risk.

iX Biopharma's pipeline of products under development includes Wafermine (ketamine wafer) and BnoX (buprenorphine wafer) for pain management. iX Biopharma's drugs for the treatment of erectile dysfunction, Wafesil, a sublingual sildenafil wafer, and Silcap, have been registered in Australia and Singapore. iX Biopharma has developed Xativa, the world's first freeze-dried sublingual medicinal cannabis wafer.

The Group's nutraceuticals division, Entity Health Limited, is engaged in the development and commercialisation of nutraceutical products that address specific conditions and improve quality of life. It distributes its Entity line of nutraceutical products in Australia through more than 250 pharmacies and health food shops, in China through its flagship stores on Tmall Global and JD Worldwide, and globally through its online store.

WAFERIX TECHNOLOGY

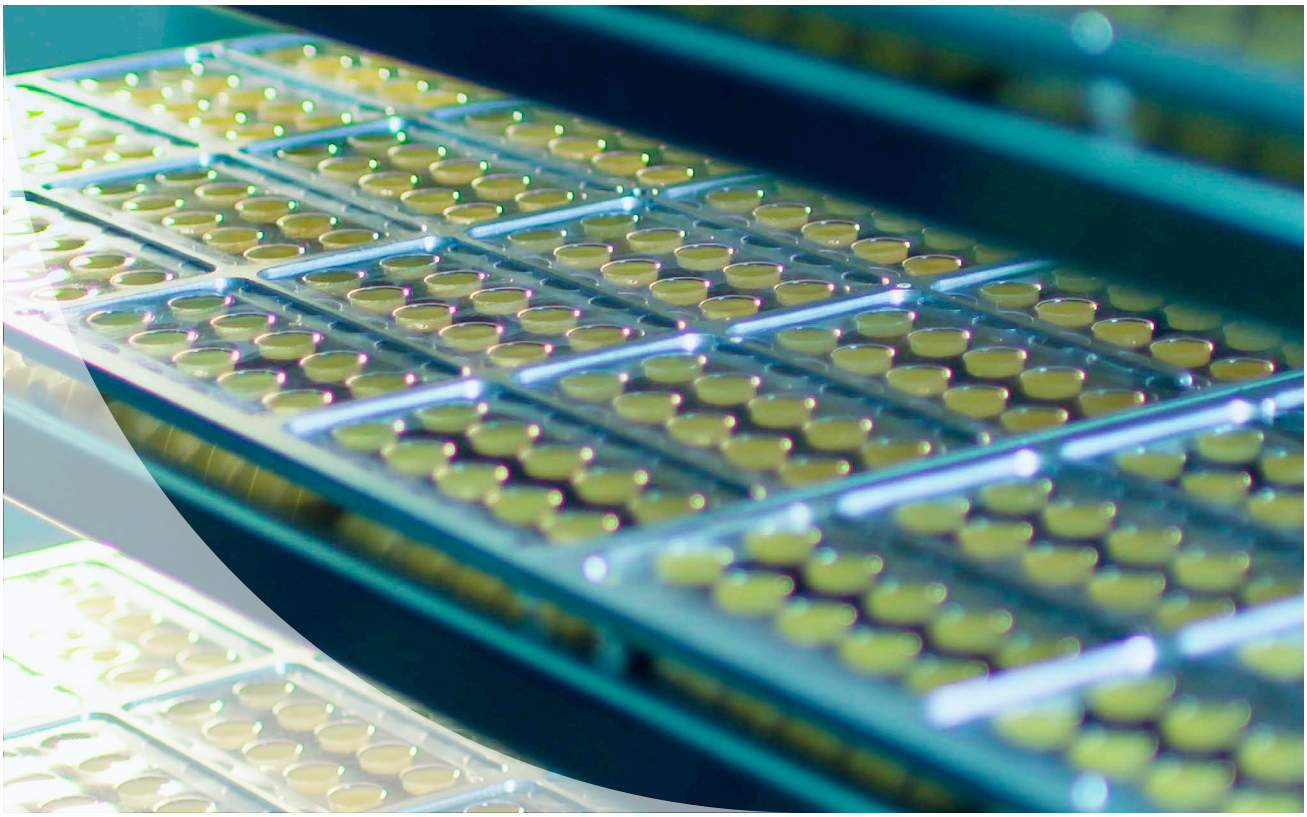
Fast-dissolving wafers for immediate sublingual absorption
The WaferiX technology consists of a small wafer prepared by patented formulation using a proprietary freeze-drying process. It provides a simple drug carrier matrix with millions of tiny amorphous holes to house (encapsulate) the active drug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

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

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

Specifically designed for sublingual absorption
There is increasing recognition of sublingual delivery as an optimal method of administration. Actives that have low oral bioavailability may be able to increase bioavailability through effective sublingual administration. When compared to intravenous injection, which is invasive, expensive and must be performed in a clinic/hospital setting, sublingual delivery is non-invasive, convenient and inexpensive. There is a potential for decreased or gentler side effect profile with sublingual delivery.

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



CHAIRMAN'S STATEMENT

Dear Shareholders,

FY2021 KEY HIGHLIGHTS

During the year, we made commendable progress with four distinct milestones to ensure our future competitiveness in high-growth markets and product sectors.

Received Positive EMA Scientific Advice for Wafermine
We received positive European Medicines Agency (EMA) scientific advice for Wafermine's Phase 3 clinical development programme in Europe. This, together with the US FDA End-of-Phase 2 meeting correspondence, provides clarity to the development programme cost and timelines.

Granted Orphan Drug Designation for CRPS
The United States (US) Food and Drug Administration's (FDA's) Office of Orphan Drug Products granted iX Biopharma an Orphan Drug Designation for the treatment of Complex Regional Pain Syndrome (CRPS) with ketamine. The inclusion of CRPS adds to the attractiveness of our Wafermine asset to licensees, who will be able to unlock substantially more value across multiple conditions.

Developed an Exciting Pipeline of Innovative Pharmaceutical Products
We have three ground-breaking products under development to address high demand therapeutic areas of psychiatry, oncology, and vaccines. Developed on our proprietary sublingual delivery platform, these drugs have the potential to offer minimal side effects with faster speed of absorption for patients.

Obtained Export Listing Status for Xativa
Xativa was granted export listing status by the Therapeutic Goods Administration (TGA), demonstrating its compliance with strict standards that apply to products supplied domestically in Australia.

SUBSEQUENT EVENTS

Announced Possible Spin-off of Pharmaceutical Business
On 12 July 2021, we announced that iX Biopharma is exploring the possibility of a spin-off of our pharmaceutical business (including medicinal cannabis) by way of listing on the Main Board of The Stock Exchange of Hong Kong Limited (HKEX). We will announce material developments at the appropriate time.

Strong Investor Demand Drives 196.2% Rights Issue Subscription Rate
On 19 July 2021, we closed a rights issue of 48,814,711 new shares raising net proceeds of S$9.61 million to strengthen our balance sheet. The transaction was 196.2% subscribed, reflecting solid investor confidence in iX Biopharma's sound fundamentals and promising growth plans.

On behalf of the Board of Directors of iX Biopharma Ltd, I am pleased to present our annual report for the financial year ended 30 June 2021 (FY2021).

A Year of Transition

FY2021 was an unprecedented year in which the coronavirus pandemic continued to weigh heavily on the health of global economies, affecting industries, businesses and communities on multiple levels. Our primary markets of Australia, Singapore and China were impacted as governments enforced travel and border restrictions and as socially-minded businesses observed safe management measures to curb the spread of COVID-19. While necessary, these challenging limitations disrupted global supply chains, resulting in cost increases and delays to services and deliveries with certain logistics partners.

Despite these uncertainties and unforeseen challenges, we remained steadfast, focusing on our communicated strategies and objectives to achieve several significant milestones during the year. Testament to the credibility of our brand, technology and reputation, we are presently in discussions on product distribution and out-licensing with established pharmaceutical players in the United States (US), Europe and China.

Our cannabis business continued to grow as doctors and patients in Australia embraced our products for their efficacy and appeal. Similarly, our online nutraceutical business continued to thrive, underpinned by strong demand for our products. In response, we have expanded our wafer manufacturing capacity in Australia. Originally planned for installation and commissioning in April 2020, the new equipment was eventually commissioned in July 2021 due to delays arising from border closures and travel restrictions brought about by the pandemic. With an enlarged production capacity, we are well-positioned to meet growing market demand and drive a positive performance in a stabilised post-COVID world.

iX Biopharma has always placed a strong emphasis on the safety and health of our employees. This was particularly paramount for the teams that continued to work at our manufacturing facilities and labs in Melbourne, Australia, during the pandemic. During this period, we took necessary measures to support our employees in safeguarding their well-being and that of their families, from decentralised work arrangements to the implementation of safe distancing measures at work. In addition, we provided each employee with a free daily dose of our Entity Health-branded LumeniX, a powerful antioxidant to enhance immunity and help protect against viral infections.

Our Unique Drug Delivery Technology: Our Key Differentiator

We operate in an increasingly competitive industry where market leaders are demarcated from laggards by technology and innovation, cost and quality.

On this front, we are differentiated by WaferiX, our novel proprietary sublingual delivery platform technology. Coveted by pharmaceutical manufacturers and consumers for its uniquely designed sublingual delivery characteristics of rapid disintegration and maximum sublingual absorption, WaferiX-based products provide fast and predictable therapeutic action.

The versatility and allure of this delivery platform allows us to pursue our drug repurposing strategy using the US FDA 505(b)(2) pathway. By applying the technology on approved drugs, we avoid unnecessary duplication of toxicity studies as the required safety profiles have been established. With this, we are able to shorten the development period to five to seven years, effectively reducing the time required for development of a new drug by some 50%. This lowers development cost and risk, whilst increasing speed to market for our products.

Furthermore, there is the potential for us to qualify for seven years of market exclusivity, allowing us to tap into a growing drug repurposing market which is a trend with a global market worth over US$30 billion in 2020. In essence, WaferiX allows us to realise greater value from the manufacture of proven drugs which command a premium pricing for their higher efficacy.

EMA Endorses Wafermine Phase 3 Study Design

Across the Atlantic, we received positive feedback from the European Medicines Agency (EMA) in its scientific advice regarding our Phase 3 clinical development programme for Wafermine, to support a registration in Europe.

With this, we have now reached consensus with the regulators of major markets in Europe and the US on the remaining clinical development required to support the approval of Wafermine for the treatment of acute moderate to severe pain in these markets, providing clarity to the development programme cost and timelines.

US FDA Grants Orphan Drug Designation

During the year, the US FDA's Office of Orphan Drug Products granted the Group a special orphan drug designation to support the development of treatments for patients with CRPS using ketamine.

Although CRPS is a relatively rare syndrome affecting less than 200,000 people in the US, the disease has an unmet clinical need with no approved drug treatment in the market which is estimated to have a potential value of US$2 billion to US$3 billion. In light of this, we are enthused with the orphan drug designation as it provides us with market exclusivity of seven years from regulatory approval, as well as development related tax credits and application filing fee waivers.

The inclusion of CRPS adds to the value of our Wafermine asset, which is currently being developed for acute moderate to severe pain and potentially major depressive disorder. It also increases the attractiveness of the Wafermine asset to licensees, who will be able to unlock substantially more value across multiple conditions.

Award-Winning Xativa Secures Major Export Listing Status

Xativa, the world's first sublingual medicinal cannabis wafer developed using our patented WaferiX sublingual delivery technology, was bestowed the "CBD Product of the Year" accolade at the Australian Cannabis Industry Awards 2020. Xativa was recognised for setting the benchmark for novel cannabis delivery, generating strong demand from consumers and physicians for its rapid disintegration, superior bioavailability and fast onset of action.

Xativa has also been included in the ARTG list of drugs permitted for export, demonstrating its compliance with strict standards that apply to products supplied domestically in Australia.

With the export listing status, we have inked agreements with partners in Brazil and New Zealand to supply Xativa. Brazil is a significant medicinal cannabis market which is forecast to grow by 150% over a 3-year period to US$103.5 million by 2024. Following the introduction of Xativa to Brazil and New Zealand, we are scheduled to enter other markets which have legalised the distribution and use of medicinal cannabis. This includes the US, Europe and the United Kingdom, and provides us with a foothold to build the Group as a global medicinal cannabis provider.

An Exciting Pipeline of Revolutionary Pharmaceutical Products

The unforeseen and unpredictable impact of COVID-19 is a stark reminder of the frailty of the human body. This underscores the growing importance of bio-pharmaceuticals in the battle against COVID-19 and other viruses to realise a healthier world.

On this front, we are pleased to advise that we have an exciting and relevant pharmaceutical pipeline which when commercialised, will position our products at the forefront of our target markets and consumers with greater efficacy and convenience.

Development of two assets in our pharmaceutical pipeline are largely completed having attained approvals from regulators. Wafesil, which treats persons suffering from erectile dysfunction, secured approvals from the Australian regulator, and is positioned for out-licensing opportunities with pharmaceutical companies in China and Europe. We are currently in discussions with several interested parties in these markets and will update on material developments when appropriate. We have reached broad agreement with the US FDA and EMA on Wafermine's Phase 3 development programme. Wafermine is also ready for out-licensing to pharmaceutical companies in sizeable markets in the US, Europe and China.

We are exploring three new wafer products that are revolutionary, in high demand therapeutic areas of psychiatry, oncology, and vaccines.

One of them is a game-changing drug with the potential to address acute agitation and aggression in patients with dementia, schizophrenia and bipolar disorder as well as manage alcohol withdrawal. Developed on our proprietary sublingual delivery platform, this drug was designed for faster speed of absorption with the potential to offer minimal side effects. The global acute agitation and aggression treatment market size is projected to expand to US$4.5 billion by 2027 reflecting a CAGR of 5.2% from 2020 to 2027.

In the fight against cancer, traditional orally-administered oncology drugs produce a variety of side-effects including significant toxicity in the digestive system which may require dose reduction or discontinuation of the treatment. Our oncology drug candidate is being developed on our patented sublingual delivery technology to significantly minimise these side effects. This presents us with an opportunity to capture a meaningful share of the global radiation therapy market which is expected to grow to US$8.6 billion by 2026.

We are also investigating the use of WaferiX to deliver vaccines to meet the rising demand for non-invasive vaccine delivery. Vaccines delivered sublingually using WaferiX cater to patients with needle phobia. We believe that WaferiX and its manufacturing process may yield a more stable vaccine, potentially avoiding the need for costly and sophisticated logistics such as cold chain transportation and warehousing.

Multiple Channels to Deepen Markets

The value of the total addressable market in our countries of operation presents significant and attractive growth opportunities for our products. In particular, Wafermine was developed to address the US$29.4 billion global acute pain market and potentially address the US$13.0 billion global depression market. Xativa will be able to address an aggregate US$40.3 billion medicinal cannabis market in Australia, Europe and the US by 2025. To realise the potential of our products and technologies, our teams have been focused on extending our reach through partnerships and distribution networks, and through licensing deals.

With COVID-19 accelerating the adoption of e-commerce, we leveraged digital sales channels to accommodate the shift in consumer behaviour. Our Entity Health division continues to have strong traction in the global market with its range of 14 next generation nutraceutical products which are largely marketed online. LumeniX and RestoriX are two of our major products which continue to gain consumer acceptance in a global skin care market valued at US$134.8 billion and global anti-aging market valued at US$50.2 billion, respectively.

China is Entity Health's primary market and our products are sold online via Tmall Global (Tmall) and JD Worldwide (JD), two of the largest cross-border e-commerce sites in China. Entity Health products are also available to the global market via other online B2C stores. To expand our range of flagship products which are in demand in China, we are looking forward to launching an innovative anti-ageing sublingual Nicotinamide Adenine Dinucleotide (NAD+) product in 2Q FY2022. Found in every human cell, NAD+ plays a critical role in the rejuvenation of the human body, elevating energy levels and enhancing the ability of the body to recover at a faster rate. In an industry first, our product will deliver pure NAD+ into the body's blood stream via sublingual method using our unique WaferiX technology platform. Our game-changing NAD+ product will provide consumers with the coenzymes to optimise cell function and combat the ravages of ageing.

Well Positioned for Future Growth

The Group transitioned from research and development to commercialisation in FY2020 just as COVID-19 made an impact around the world, hampering our momentum. Despite the challenge of operating with limited production capacity in FY2021 due to equipment and installation delays arising from border closures and travel restrictions brought about by the pandemic, we were able to grow our revenues by 77%.

Supported by the accelerated adoption of e-commerce during the pandemic, revenues from Entity Health increased 141% driven by our sales via Tmall amd JD. Product development and manufacturing services also recorded a 44% increase in revenue in FY2021.

Given the uncertainties surrounding COVID-19 and the pace of economic recovery, we remained vigilant in our spending, prudently managing our funds to optimise market growth and future-ready our manufacturing facilities. We took proactive steps to ensure efficient use of our budgets, redeploying funds where required to maximise returns. A case in point is our Entity Health business. During the year, we right-sized our headcount and marketing expenditure in Australia, allowing us to channel additional resources towards e-commerce marketing on Tmall and JD, increasing our sales in a booming China market. In Australia, we maintained our presence in the nutraceutical market but stepped up our activities to generate greater awareness of Xativa amongst prescribers and patients.

We spent an additional capital expenditure of S$0.55 million this year mainly on our wafer freeze-drying production line. In July 2021, this S$1.85 million freeze-drying line will expand our wafer production capacity by up to six times. We also secured the necessary Good Manufacturing Practice (GMP) licences from the Australian Therapeutic Goods Administration (TGA) to conduct chemical and analytical laboratory testing of commercial and developmental products in-house. This includes raw material testing, stability testing and finished product testing which are currently contracted to external third-party laboratories.

As part of our proactive approach to capital management, we announced a renounceable non-underwritten rights issue of 48,814,711 new ordinary shares in June 2021. The capital-raising exercise proved to be a resounding success as it closed on 19 July 2021 with a 196.2% subscription rate. We believe the overwhelming demand from institutional and retail shareholders is testament to solid investor confidence in iX Biopharma's sound fundamentals and promising growth plans. The rights issue raised net proceeds of S$9.61 million to add to our cash balance of S$6.21 million as at 30 June 2021, strengthening our balance sheet and positioning us well for future growth.

Subsequent to the close of our June financial year-end and on 12 July 2021, we announced that iX Biopharma is exploring the possibility of a spin-off of our pharmaceutical business (including medicinal cannabis) by way of listing on the HKEX. Our pharmaceutical business and the nutraceutical business are very distinct. Each is subject to a different set of regulations, development pathways and sales channels. In view of these differences, we believe that the spin-off will allow for greater management focus, development of deeper capabilities, establishment of separate business directions and growth strategies for each business. Furthermore, our plans to apply for a listing under

...we are pleased to advise that we have an exciting and relevant pharmaceutical pipeline which when commercialised, will position our products at the forefront of our target markets and consumers with greater efficacy and convenience.

the HKEX Chapter 18A biotech listing rules will provide us with greater access to funding and support from financial institutions who understand and have previous experience investing in pharmaceutical companies with good drug development pipelines. We believe that the HKEX listing will allow us to deliver and extract the best value to our shareholders and will announce material developments at the appropriate time.

Acknowledgements

I would like to thank my fellow Board members for their advice and support in the past year. During this challenging period our Directors remained steadfast and adaptable, with meetings scheduled at short notice and held online. Ms. Claudia Teo will be retiring as a Director of the Board after the Annual General Meeting. I would like to take this opportunity to thank her for her valuable and energetic counsel and outstanding service to the Company in the past seven years.

To support the Group's transformation from R&D to commercialisation, we promoted Ms. Eva Tan to Chief Commercial Officer. Eva joined our Group in September 2017 and her strong execution capabilities, track record and deep understanding of the Group's businesses make her a strong addition to our executive management team.

In March 2021, we welcomed Mr. Yee Chia Hsing as Director of Corporate Affairs to oversee the Group's corporate and investor communications strategy, and drive our Entity Health business as its General Manager. Formerly Head of Catalist, CIMB Bank Berhad, Singapore Branch, Chia Hsing has been closely involved with iX Biopharma as our previous Sponsor and understands our business and corporate objectives.

I would like to thank our employees for their dedication and professionalism during this challenging period. The team's ability to ensure the delivery of equipment and parts to increase our manufacturing capacity by up to six-fold despite COVID-19 related supply chain challenges is testament to their courage, tenacity and commitment in the face of adversity. I would also like to extend our sincere gratitude to the Group's shareholders, customers, business partners and suppliers for their support and loyalty.

As the pandemic continues to add uncertainties to an increasingly complex and challenging environment, we remain buoyed by one certainty: our team's resolve to deliver on our strategic commercialisation transformation whilst maintaining an intense focus on product innovation. I look forward to your continued support as we deliver on our strategy and create value for our stakeholders over the long-term.

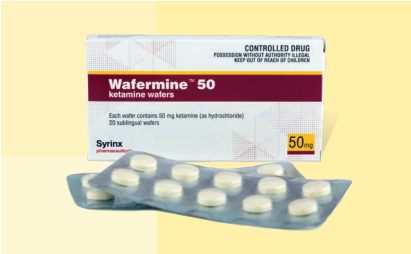
Eddy Lee
Chairman & Chief Executive Officer

PRODUCT PORTFOLIO

PHARMACEUTICALS

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

No.	Active	Indication	Clinical Studies			
Pharmaceuticals			P1	P2	P3	Approval
1	**Wafesil**	Male Erectile Dysfunction				
2	**Silcap**	Male Erectile Dysfunction				
3	**Wafermine** (IXB-114)	Acute Pain				
		Complex Regional Pain Syndrome				
		Treatment Resistant Depression				
4	**BnoX** (IXB-116)	Opioid Addiction				
		Moderate to Severe Pain				



Wafermine (ketamine)

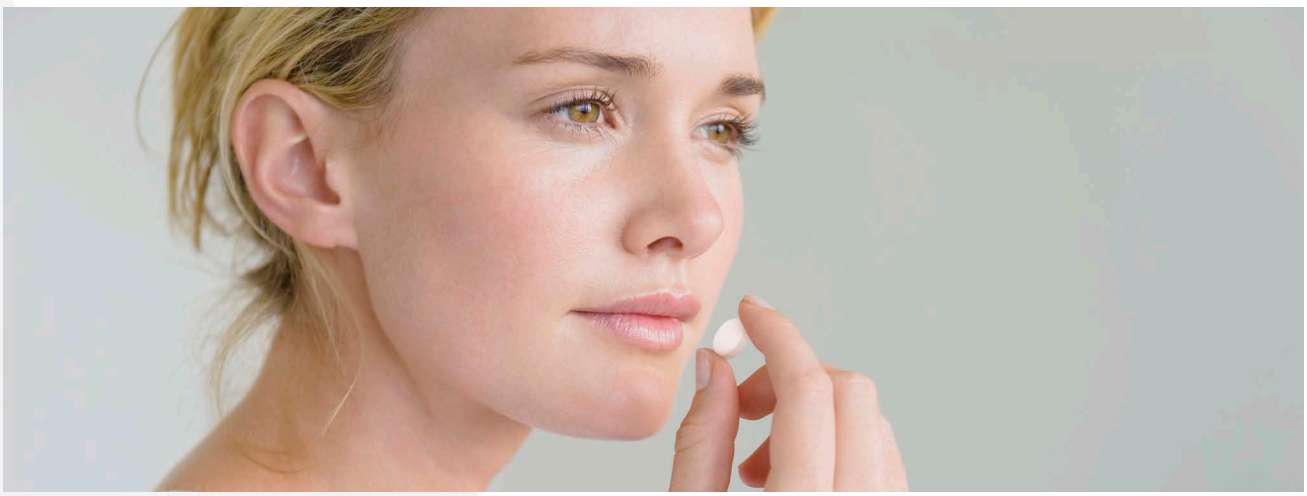
For acute moderate to severe pain, complex regional pain syndrome and treatment resistant depression

BnoX (buprenorphine)

For opioid addiction and moderate to severe pain

Wafesil & Silcap (sildenafil)

For male erectile dysfunction



MEDICINAL CANNABIS

Combining our deep experience in scientific research, pharmaceutical manufacturing standards and the WaferiX technology, we produce breakthrough medicinal cannabis products that allow patients to benefit from the full therapeutic potential of the cannabis plant.

Xativa (broad spectrum cannabidiol)

For potential treatment of chronic pain, certain inflammatory and motor diseases, appetite, anxiety and inflammatory bowel disease, among others

Voted the best CBD product in Australia

Our innovative sublingual medicinal cannabis wafers are currently supplied in Australia through the Special Access Scheme and Authorised Prescriber pathways as prescription medicine.

Our Xativa CBD wafers have been voted the "CBD Product of the Year" in the Cannabis Industry Awards in Australia. The Cannabis Industry Awards recognise organisations and their products for innovation, excellence and impact. The awards are judged independently by a diverse panel of volunteers who are industry experts and community trailblazers, ensuring a level playing field to make the awards truly representative.

NUTRACEUTICALS

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

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

Product Highlights

SL-NAD+ (NAD+ sublingual wafers)

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

LumeniX (glutathione sublingual wafers)

For skin lightening & building immunity

WafeRest (melatonin sublingual wafers)

For alleviating jet-lag & promoting sleep quality

OPERATIONS REVIEW

A major milestone was the installation and commissioning of our new freeze-dry equipment… We saw the first batch of wafers manufactured with the new equipment in July this year and look forward to benefitting from improved operational efficiency and economies of scale.

Despite being a year that presented many challenges with the COVID-19 pandemic, our team was able to rise to the occasion and deliver growth within both our pharmaceutical and nutraceutical segments. Overall revenue grew by 77% on the previous year with strong growth registered with Entity nutraceuticals in China and continued growth from the pharmaceutical business in Australia.

Our dedicated team in Australia worked hard to keep our Good Manufacturing Practice (GMP) manufacturing facility operational throughout the year, despite numerous and extended lockdown periods in Melbourne. We are grateful to the team who remained resolute and focused on our mission to develop and manufacture innovative pharmaceutical and nutraceutical products that have positive life changing impact.

A major milestone was the installation and commissioning of our new freeze-dry equipment. Our plans to scale up wafer production capacity by April 2020 to meet rising demand for our wafer products were hampered by supply chain disruption and border closures resultant from the COVID-19 pandemic. Thanks to the resourcefulness and adaptability of our staff, we were able to overcome this major challenge and now have the equipment in place and wafer production capacity boosted by up to six times of the previous capacity. We saw the first batch of wafers manufactured with the new equipment in July 2021 and we look forward to benefitting from improved operational efficiency and economies of scale.

Another major achievement was for our chemical testing laboratory to obtain a GMP licence issued by the Therapeutic Goods Administration (TGA) of Australia. This allows our Group to bring analytical method development and product testing in-house, improving product development and product release times whilst also benefiting from cost savings.

Pharmaceuticals

Our product portfolio is focused on leveraging our novel sublingual drug delivery platform technology, WaferiX, to develop wafer products that address large unmet medical needs. In contrast to other sublingual products which mostly use technologies initially developed for oral administration, WaferiX was specifically designed to deliver active compounds effectively across the sublingual mucosa. As a platform technology, it can incorporate a variety of drug molecules and is therefore ideal for drug repurposing, the process of identifying new therapeutic uses for existing drugs. This strategy is highly efficient, time saving, low-cost and carries a minimum risk of failure yet still maximising the therapeutic value of the drug for a new indication.

Wafesil and Silcap

Our two registered products are approved for the treatment of male erectile dysfunction. Wafesil is being sold in Australia through pharmacy and telemedicine distribution channels, and ready for out-licensing to other markets. Following on from TGA approval in Australia, Silcap was successfully registered with the Health Sciences Authority in Singapore during the year and is now being prescribed in medical clinics.

Wafermine

Our lead product in development containing racemic ketamine received a positive outcome from the European Medicines Agency (EMA) Scientific Advice procedure with the EMA endorsing the Company's proposed design of the pivotal Phase 3 studies. The Phase 3 programme, which has been similarly agreed by the United States (US) Food and Drug Administration (FDA), consists of two randomised, double blind, placebo controlled studies, one in an orthopaedic pain model (bunionectomy) and one in a soft-tissue pain model (abdominoplasty). The Phase 3 studies will use the same pain models and primary endpoint that was successfully evaluated in Wafermine's Phase 2b clinical study. This gives us great confidence in being able to reproduce the positive Phase 2b study results in the Phase 3 studies.

The potential applications for Wafermine were broadened further beyond acute moderate to severe pain and treatment resistant depression, after successfully obtaining orphan drug designation from the US FDA for the use of ketamine for the treatment of Complex Regional Pain Syndrome (CRPS). CRPS is a rare condition characterised by excessive pain and inflammation typically affecting a limb following trauma or surgery. Patients with a severe form of the condition experience excruciating pain and sensitivity to touch resulting in significant disability and limitation of daily functioning. This represents a large unmet medical need with no approved drug treatment for this condition and enhances the attractiveness of the Wafermine asset for out-licensing.

Pipeline Growth

With Wafesil and Silcap approved and Wafermine ready for out-licensing, the Group is now focusing on developing its next generation of pipeline products which leverage the WaferiX technology. Pursuing a drug repurposing strategy with already approved drugs with WaferiX is highly efficient and allows the generation of new product candidates at minimal additional expense. A number of new pipeline candidates have been added which include treatments for opioid addiction, agitation in neurodegenerative conditions, and chemotherapy induced nausea and vomiting. In addition, the pipeline also includes products targeting two exciting new therapeutic areas for the Company in vaccines and oncology.

Vaccines

The global pandemic has highlighted the need not only for effective vaccine development but also for the ability to distribute these vaccines rapidly and efficiently in times of crisis. The world is looking for more effective ways to administer and transport vaccines and this has put the spotlight on mucosal vaccine delivery. Mucosal vaccines have the potential benefit over conventional injections of eliciting an immune response in both mucosal and systemic tissue for protecting from viral invasion at mucosal surfaces. To provide a first line of protection at these entry ports, mucosal vaccines hold significant promise for reducing the burden of infectious diseases like SARS-CoV-2 and influenza. A sublingual wafer vaccine offers the potential benefits of simpler logistics and storage, greatly improving the speed and extent of vaccine rollouts. The ability for people to self-administer the vaccine in a non-invasive and convenient manner would likely also improve patient compliance.

Oncology

Cancer remains the leading cause of death worldwide, accounting for nearly 10 million deaths in 2020. Despite significant advances made in the treatment of cancer in recent years, some treatments are limited by their side effect profile, dosage form and administration route. We have identified approved oral small molecule cancer drugs which can be incorporated into the WaferiX matrix to produce a rapidly disintegrating sublingual wafer product. The aim for these products is to improve drug absorption and reduce the dose required, minimise side effects and provide an alternative dosage form for cancer patients who cannot swallow medication.

The Phase 3 studies will use the same pain models and primary endpoint that was successfully evaluated in Wafermine's Phase 2b clinical study. This gives us great confidence in being able to reproduce the positive Phase 2b study results in the Phase 3 studies.

Medicinal cannabis products containing THC are being developed.

Medicinal Cannabis

Xativa, our novel sublingual cannabidiol (CBD) wafer continues to be well received by both doctors and patients in the Australian market where it is available under prescription through the Special Access Scheme and Authorised Prescriber pathways for unapproved medicines. Xativa is currently prescribed by doctors 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.

Xativa was included in the Australian Register of Therapeutic Goods (ARTG) list of drugs approved for export paving the way for the Company to expand its customer base beyond Australia. Leveraging the export listing approval, the Company commenced supply of Xativa to Brazil, where it is collaborating with its partners to supply the product to doctors and patients. More recently the Company entered into an agreement with medicinal cannabis company Organic Genetics Group Limited to supply the Company's novel sublingual medicinal cannabis wafers in New Zealand once approvals are in place. The Group is now also exploring opportunities to export Xativa to other markets where the product is permitted including Europe, United Kingdom and the US.

The exciting inclusion of tetrahydrocannabinol (THC) products in the range is scheduled for the coming year and will allow us to target the entire addressable medicinal cannabis market.

Nutraceuticals

The Group's nutraceuticals division, Entity, performed strongly during the year driven by growth in cross-border e-commerce sales on Tmall Global and JD Worldwide platforms in China. The best-selling products continue to be LumeniX and our NAD products, RestoriX and MetaboliX Plus. LumeniX is a sublingual glutathione beauty product formulated using the WaferiX delivery technology for skin fairness, inhibiting hyperpigmentation, improving skin tone, and boosting immune system functions as a master-antioxidant. RestoriX and MetaboliX Plus are nicotinamide supplements designed to boost nicotinamide adenine dinucleotide (NAD+) levels in the body. Both of these products aim to counter the process of ageing and increase health span, while boosting energy levels and vitality.

Meanwhile, the retail environment remained challenging in Australia with intermittent government-imposed movement and retail trading restrictions affecting retail foot traffic and limiting our ability to significantly grow the number of retail stockists. With the emergence of SARS-CoV-2 variants and relatively low vaccination rates, we expect this market to be similarly disrupted in the coming year.

COVID-19 Impact

With COVID-19, we saw the business impacted on many levels. The most significant impact was the delay in the installation and commissioning of our new freeze dry equipment due to border restrictions in Australia. This delayed our ability to drive new business and grow our wafer product portfolio due to production capacity limitations. Intermittent lockdowns throughout Australia affected in-store retail sales for nutraceuticals and our ability to increase retail outlet stockists. It also affected our engagement with medical prescribers of medicinal cannabis for our Xativa product. Earlier in the year, we saw disruption to the supply chain and logistics resulting in some cases in higher costs and disrupted timelines. Importantly, the inability to travel made facilitating entering new partnerships and new markets more challenging, although we were able to make significant progress on several fronts later in the year.

We look forward to the coming year with the foundations for significant growth now in place. With our expanded wafer production capacity and unique product portfolio in commercialisation, we are optimistic about growing our existing business and exploiting the many new market opportunities across both our pharmaceutical and nutraceutical businesses.

BUSINESS STRATEGY

Out-licensing will allow us to fully unlock the value of the drug being licensed. A suitable partner will provide the Company with immediate capital infusion and much needed resources to complete clinical development and commercialise the drug.

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

In addition to our late clinical stage programmes such as Wafermine, we have built up an impressive product pipeline covering pharmaceutical drugs and nutraceutical products for future development. Unlike companies whose development pipelines are limited by what they can discover, or what they can in-license from other parties, thanks to WaferiX, the Company's pipeline is boundless, and our future growth is secure.

Drug Repurposing

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

Wafermine is an example of a repurposed drug. It contains ketamine, an existing drug which is approved as an anaesthetic. We are repositioning the drug to treat acute moderate to severe pain and on that front, we have progressed Wafermine's development to the end of Phase 2.

Drug repurposing is an alternative approach to traditional drug discovery process which is typically a lengthy, time consuming and expensive venture, with relatively low success rates. This strategy is highly efficient, time saving, low-cost, with minimum risk of failure. Drug repurposing is an emerging strategy and a growing trend for pharmaceutical companies seeking to manage their development expenses and risk. The global market size for repurposed drug was worth over US$30 billion in 2020.

The drug repurposing strategy offers many advantages to the Group: firstly, it is able to avoid unnecessary duplication of studies. Approved drugs with established safety profiles may not require any or minimum toxicity studies. Secondly, the drug repurposing development timeline is approximately five to seven years compared to a new drug development which may take 10 to 15 years. The Group therefore benefits from lower development costs, lower risks and a faster speed to market. Thirdly, a repurposed drug will have the potential to qualify for seven years of market exclusivity upon obtaining registration.

Given the exceptional popularity of NAD+ products, we will be introducing a revolutionary new product to cater to the demand – an NAD+ sublingual wafer called SL-NAD+, which uses WaferiX to deliver pure NAD+ to the body for anti-ageing benefits.

Out-licensing

Another crucial part of our business strategy is the out-licensing of our drugs to a partner. Certain drugs can be partnered at an early stage of development, while for others, better value may be obtained by partnering at a later stage of development.

In the case of Wafermine, the Company concluded its End-of-Phase 2 meeting with the US FDA and obtained the European Medicines Agency's (EMA's) Scientific Advice on Wafermine's Phase 3 clinical development programme for the indication of acute moderate to severe pain during the year. The agencies have both agreed with the Company's pivotal Phase 3 study design. In addition, the Company was granted orphan designation for ketamine for the treatment of Complex Regional Pain Syndrome (CRPS), further adding to the attractiveness of a mature development programme by opening up a new market with significant unmet medical need for Wafermine. On the back of these developments, the Company is well-positioned to out-license Wafermine to a suitable partner with the necessary scientific capabilities to complete the development programme.

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

The structure of a licensing deal and its deal terms would be determined with reference to the value of the drug in question. Typically, the terms may include:

- Upfront payments, which are payable upon contracting;
- Direct R&D funding;
- Development milestone payments, which are payable upon reaching R&D milestones such as successful completion of Phase 3 programme, approval of drug and commercial launch;
- Sales milestone payments contingent on reaching revenue targets; and
- Royalties, which could be tiered or a fixed percentage of sales.

Sales Channels

Amidst a turbulent global climate during the year in which sales and marketing activities were curtailed due to governments imposing various health and safety measures, the Company demonstrated resilience while continuing to lay the groundwork for future growth. Overall, the Group's revenue grew by 77%, and the revenue of our nutraceuticals business grew by 141%.

The Group has been focusing its sales activities on Xativa medicinal cannabis wafers and Entity nutraceutical products. By the end of the financial year ended 30 June 2020, the demand for these products had already outstripped the wafer production capacity in our manufacturing facility. Our plan to expand our production capacity was delayed by more than a year due to border closures. This greatly hampered the Group in striking new business partnerships and opening new sales channels and markets. Nonetheless, the Group managed reasonable growth within the constraints of its operating environment.

Entity products are sold into China through two Entity flagship stores on cross border e-commerce platforms Tmall Global (Tmall) and JD Worldwide (JD). The Group will continue to focus on this channel while evaluating offline sales in China of certain Entity products (which will require registration of the products with the Chinese health authority, the National Medical Products Administration).

On the Tmall and JD stores, Entity's leading products are LumeniX, a sublingual glutathione wafer for skin fairness, and RestoriX, a supplement which contains nicotinamide to increase levels of nicotinamide adenine dinucleotide (NAD+) in the body needed for important cellular functions like energy metabolism, to counter the process of ageing and boost energy levels and vitality.

Given the exceptional popularity of NAD+ products, we will be introducing a revolutionary new product to cater to the demand – an NAD+ sublingual wafer called SL-NAD+, which uses WaferiX to deliver pure NAD+ to the body for anti-ageing benefits. Innovative NAD products are garnering tremendous interest not only in China, but also in the US and Europe. A multitude of studies are being carried out especially in the US to investigate the role of NAD+ in promoting longevity and ameliorating metabolic disorders and more serious diseases like cardiovascular and neurodegenerative diseases and infections. Subject to relevant regulatory clearance being obtained, we intend to launch SL-NAD+ in the US market.

In Australia, the Group supplies the nutraceuticals products to more than 250 pharmacies and health food stores which onsells the products to consumers. Xativa cannabis products are supplied to patients under the Special Access Scheme and Authorised Prescriber pathways. Under these schemes Xativa is supplied to patients with a valid doctor's prescription.

The development of these sales channels depends on the efforts of our sales and marketing team and the patronage of consumers and patients. Prior to the pandemic, our sales representatives educated doctors and trained pharmacists and store representatives in-person on our product benefits. They did merchandising and carried out in-store sales and marketing programmes to attract consumers. During the year, due to numerous disruptive lockdowns in the states of Victoria and New South Wales, our sales activities were substantially curtailed, while foot traffic to the stores and clinic visitations were negatively impacted.

Not only the medical cannabis industry in Australia but also medicinal cannabis distributors from other countries have opined and confirmed that our sublingual cannabis products are innovative, superior and market leading. We are buoyed by the high confidence in and validation of our products and have ambition to become a global medicinal cannabis supplier.

Nonetheless, in recognition of the uniqueness and superiority of Xativa's sublingual dosage form, Xativa clinched the "CBD Product of the Year" accolade presented by the Australian Cannabis Industry Awards 2020. The Company remains confident that it has a winning product which will gain traction once sales activities resume.

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

New Markets

Not only the medical cannabis industry in Australia but also medicinal cannabis distributors from other countries have opined and confirmed that our sublingual cannabis products are innovative, superior and market leading. We are buoyed by the high confidence in and validation of our products and have ambition to become a global medicinal cannabis supplier. Outside Australia, the markets of interest include New Zealand, Brazil, United Kingdom, Europe and the US. The US in particular is the largest legal cannabis market in the world – most states have legalised the use of cannabis for medicinal purposes and federally, hemp-derived CBD products that contain less than 0.3% tetrahydrocannabinol (THC) concentration are legal to sell. By 2025, the US medicinal cannabis market is projected to be valued at approximately US$8.4 billion and the total legal adult use market is valued at approximately US$27.4 billion.

We made strides towards realising our ambition when we received from the TGA an export listing status for Xativa. The Group then announced that it had successfully increased its wafer production capacity at the end of the financial year ended 30 June 2021. These two developments pave the way for the Group to enter into new business partnerships and sell into new markets.

Since then, we have signed distribution agreements for the supply of Xativa into Brazil and New Zealand. Both of these markets allow the prescription of medicinal cannabis products by doctors to patients. Possible distribution into other markets such as the US will be through supply agreements or product licensing.

FINANCIAL REVIEW

KEY HIGHLIGHTS

- Overall revenue grew 77% with nutraceutical revenue increasing by 141% despite constraints on production capacity
- Conserved cash but invested selectively to grow market and capacity
- Strengthened the balance sheet

During the financial year ended 30 June 2021 (FY2021), we kept a close eye on our cash flow position, choosing to conserve cash and reprioritise certain expenditures. We were able to do so in several ways. Firstly, our testing laboratory secured a TGA GMP licence, allowing us to save on costs by bringing product testing and analysis in-house. Secondly, we invested selectively in areas which had higher growth potential, for example, by redirecting marketing expenditure to support the e-commerce business in China. By responding nimbly, we ensured that our business remains viable amidst a prolonged pandemic. The COVID-19 pandemic and border closures have impacted our business in several ways. None was more profound than limiting our ability to produce to meet the demands for our proprietary WaferiX based products and thus our revenue in FY2021. However, we are pleased to announce that we have since commissioned our commercial scale freeze-drying wafer production equipment and manufactured our first commercial batch in July 2021.

Review of Operation Results

Revenue

Despite the constrained capacity, our total revenue increased by S$0.76 million or 77% during FY2021 over the prior year ended 30 June 2020 (FY2020).

	FY2021 S$'000	FY2020 S$'000	Increase %
Specialty Pharmaceuticals	806	596	35%
Nutraceuticals	939	389	141%
Total revenue	**1,745**	**985**	**77%**

Sales of Entity Health, our nutraceutical segment, grew 141% over the financial year ended 30 June 2020 (FY2020). It continued this trajectory since April 2020 when we launched our flagship stores on Tmall Global (Tmall) and JD Worldwide (JD). LumeniX, RestoriX and MetaboliX Plus have posted strong sales on both e-commerce platforms during the Single's Day and 618 sales events in November 2020 and June 2021.

The Specialty Pharmaceuticals segment also achieved an overall growth of 35% in FY2021 mainly from an increase in product development and manufacturing services.

The Group's cost of sales was S$2.13 million in FY2021, as compared to S$1.57 million in FY2020. This is largely in line with the increase in revenue. The cost of sales also includes the cost of manufacturing which consists of personnel, material and other fixed overheads.

In FY2021, increased revenue helped to lower our gross loss as compared to FY2020. With the new freeze-dry equipment in place, our production capacity for WaferiX sublingual wafers will be boosted by up to six times our pre-expansion capacity. We expect to benefit from improved operational efficiency and economies of scale. It will allow us to pursue new commercial partnerships for our medicinal cannabis and Entity nutraceutical wafer products, invest in marketing opportunities and expand into new markets.

Other income - Research and Development (R&D) Incentive

We conduct our R&D activities through our wholly owned subsidiaries in Australia and have been eligible for R&D tax incentive under a programme administered jointly by the Australian Taxation Office (ATO) and Innovation Australia. This incentive provides a rebate of 43.5% on eligible R&D expenditure incurred in Australia by these subsidiaries. A higher rebate in FY2021 was due to recognition of additional rebates relating to FY2019 and FY2020 R&D activities that were finalised with ATO during the year.

Operating Expenses

The expense items in loss before tax were analysed below:

R&D expense

During the periods, R&D activities were focused on new product development for our medicinal cannabis range and pipeline of pharmaceutical and nutraceutical products.

Sales and marketing

Since launching Entity on Tmall and JD, we have rationalised our headcount and advertising activities in Australia and focused our marketing activities on both e-commerce platforms in China. As a result, overall sales and marketing expenses in FY2021 were comparable to that in the prior year despite the material increase in sales.

General and administrative (G&A) and Others

Our regulatory and compliance expenses in FY2021 were lower due to one-off expenses totalling S$0.53 million incurred during FY2020. We also have much lower travelling expenses this financial year due to COVID-19 travelling restrictions and benefits from cost rationalisation initiated in FY2020.

Despite higher employee share-based compensation awards, overall G&A expenses in FY2021 were lower by 5% as compared to FY2020.

During FY2021, we observed volatility in currency exchange rates, particularly in the Australian dollar. The appreciation of the Australian dollar against the Singapore dollar during the first three quarters significantly favoured our cash holding and receivables from our subsidiaries, denominated in the Australian dollar, before depreciating in the last quarter. As a result, we recorded an overall net gain of S$1.80 million for FY2021.

Review of Cash Flow

Given the improved revenue and lower cash operating expenses, the Group recorded a lower cash used in operating activities before changes in working capital and taxes of S$8.76 million during FY2021 (FY2020: S$9.41 million). After payments for submission fee for registration of Wafesil in Europe accrued in the previous year and additional inventories, net cash used in operating activities in FY2021 of S$8.35 million was comparable to that in FY2020 (FY2020: S$8.32 million).

The Group paid S$0.55 million in FY2021, principally for installation of freeze-drying related equipment.

The Group received net proceeds of S$10.18 million from the private placement of 44.49 million shares in September 2020. This was offset by repayments of borrowings, lease liabilities and interest totalling S$0.78 million. During FY2021, a pledged fixed deposit of S$0.62 million was released by our bank.

Financial Position

Current assets of the Group increased to S$9.35 million from S$8.14 million, principally in our cash and cash equivalents and receivables. The increase in cash and cash equivalents was mainly due to net proceeds of S$10.18 million received from a private placement offset by cash outflow from operating activities and the purchase of manufacturing equipment. Receivables increased mainly due to additional accrual of R&D incentives for the Group.

Current liabilities of the Group increased to S$3.67 million from S$3.30 million. The increase was mainly due to reclassification of bank borrowings due within the next twelve months from non-current borrowings and recognition of lease liability arising from lease extensions.

During the year, the Company exercised its options to extend the leases of its office and staff accommodation for another two years and adjusted the right of use assets and lease liabilities accordingly for the Group and the Company. During the year, we repaid some S$0.23 million in borrowings but, due to appreciation of the Australian dollar, our total borrowings only decreased marginally to S$3.62 million from S$3.65 million.

Subsequent to the end of financial year, the Company successfully raised S$9.61 million of new funds by way of a rights issue of 48,814,711 new ordinary shares. With this additional funds, our cash holding would amount to more than S$15.82 million. This new equity injection has strengthened our financial position, so that we can continue to grow our markets and production capacity, especially for medicinal cannabis and China markets.

BOARD OF DIRECTORS

EDDY LEE YIP HANG
Chairman and Chief Executive Officer

Date of initial appointment 17.01.2008

Date of last re-election 16.10.2020

Board Committees Nominating Committee (Member)

Present directorships in other listed companies Nil

Past directorships in other listed companies in the preceding three years Nil

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

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

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

ALBERT HO SHING TUNG
Non-Executive Director

Date of initial appointment 01.03.2013

Date of last re-election 18.10.2019

Board Committees Audit Committee (Member), Remuneration Committee (Member), Risk Management Committee (Member)

Present directorships in other listed companies Nil

Past directorships in other listed companies in the preceding three years Riverstone Holdings Limited (Independent Director)

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

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

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

LOW WENG KEONG
Independent Director

Date of initial appointment 18.06.2015

Date of last re-election 16.10.2020

Board Committees Audit Committee (Chairperson), Remuneration Committee (Member), Nominating Committee (Member), Risk Management Committee (Member)

Present directorships in other listed companies UOL Group Limited (Independent Director), Riverstone Holdings Limited (Lead Independent Director), Haw Par Corporation Limited (Lead Independent Director)

Past directorships in other listed companies in the preceding three years Nil

Mr. Low is an independent director of UOL Group Limited, Riverstone Holdings Limited and Haw Par Corporation Limited, all listed on the Singapore Stock Exchange.

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

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

PATRICK DONALD DAVIES
Lead Independent Director

Date of initial appointment 02.12.2019

Date of last re-election 16.10.2020

Board Committees Remuneration Committee (Chairperson), Audit Committee (Member), Nominating Committee (Member)

Present directorships in other listed companies Neuren Pharmaceuticals Limited (NEU:ASX) (Non-Executive Chairman)

Past directorships in other listed companies in the preceding three years Nil

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

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

CLAUDIA TEO KWEE YEE
Independent Director

Date of initial appointment 18.06.2015

Date of last re-election 18.10.2019

Board Committees Nominating Committee (Chairperson), Risk Management Committee (Chairperson), Audit Committee (Member), Remuneration Committee (Member)

Present directorships in other listed companies Nil

Past directorships in other listed companies in the preceding three years Nil

Ms. Teo is a partner and head of the Corporate and Financial Services practice group of Harry Elias Partnership LLP, ranked as a notable firm in leading legal publications. She has over 20 years of experience in corporate finance and M&A transactions throughout Asia and has been recommended as a leading lawyer in The Legal 500, Asialaw Profiles and Chambers Asia Pacific. Some of her complex deal structures have focused on various industries including healthcare and pharmaceuticals, fintech, natural resources, lifestyle and real estate and construction. She also has extensive experience in investment funds, collective investment schemes and related regulatory and licensing requirements.

Ms. Teo has been appointed as a director of Ren Ci Hospital & Medicare Centre, a Singapore charity healthcare institution, since 2018 and is also a member of the investment/governance & risk committee since 2013. She is also an independent director of The Hokkien Foundation, a charity providing financial support towards a wide range of social causes.

Ms. Teo completed her Bachelor of Laws at the University of Manchester. She was called to the Singapore Bar and is dually qualified as a barrister and a solicitor of England and Wales and is admitted to the Rolls of Solicitors of Hong Kong.

Ms. Teo will be retiring pursuant to Regulation 85 of the Company's Constitution and will not be seeking re-election.

SENIOR MANAGEMENT

EDDY LEE YIP HANG
Chairman and Chief Executive Officer

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

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

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

DR JANAKAN KRISHNARAJAH
Chief Operating Officer & Chief Medical Officer

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

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

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

YEE CHIA HSING
Director of Corporate Affairs & General Manager of Entity Health

As the Director of Corporate Affairs, Chia Hsing is responsible for the development and execution of the Group's corporate strategies across all segments. He is also concurrently the General Manager of our Entity Health nutraceutical business.

Chia Hsing has over 25 years of investment banking and securities industry experience. He has brought more than 20 companies to IPO throughout his career at DBS Bank, Vickers Ballas, GK Goh and CIMB Bank.

Chia Hsing graduated with a Bachelor of Accountancy Degree (First Class Honours) from the Nanyang Technological University, Singapore. He currently sits on the audit committee of Ren Ci Hospital (a Singapore charity) and is an independent director of First Sponsor Group Limited.

Chia Hsing was an elected Member of Parliament for Chua Chu Kang GRC up to June 2020.

EVA TAN
Chief Commercial Officer

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

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

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

CHEW SIEN LUP
Chief Financial Officer

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

Sien Lup has over 20 years of experience holding senior positions responsible for accounting, audit and treasury matters. He spent more than 9 years with an international public accounting firm serving a variety of clients including those in the energy, utilities and high tech industries. Prior to joining iX Biopharma, he also served as CFO for Singapore eDevelopment Limited and Metech International Limited, both listed on SGX-ST.

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

DR IAIN COOK
Chief Scientist

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

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

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

DR STEPHEN LIM
Chief Pharmacist

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

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

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

SUSTAINABILITY STATEMENT

Sustainability is integral in iX Biopharma's business to achieve lasting commercial success. Since FY2018, we have embarked on the sustainability journey by looking at our responsibility for the environment we are operating in, people in our workforce and innovative products for the healthcare industry.

Environment

We are fully committed to our environmental initiatives along its entire value chain, from product development to supply of goods. We have identified energy as one of the material topics and aim to identify other areas of improvement where we can mitigate our environmental impact.

Product

As a pharmaceutical company, we comply with all relevant and material regulations and applicable industrial standards. All our products are continuously assessed for health and safety impact across our value chain. We have incorporated procedures throughout the manufacturing process from raw materials sourcing to vigorous product testing.

We have also invested in the implementation of a pharmacovigilance monitoring system to handle feedback and recall events.

People

We value our employees as the key pillar of our long-term success. As an equal opportunity employer, we aspire to be the workplace of choice for our staff.

We strongly believe in diversity and being inclusive with regard to hiring policies. We employ the best talent, without discrimination on race, gender or age.

We also value the importance of competency and proficiency in our workforce in order to ensure the long-term success of our business.

Governance

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

Our latest sustainability report, Sustainability Report 2020, for the period 1 July 2019 to 30 June 2020 was published in November 2020. It was prepared with reference to the Global Reporting Initiative's Sustainability Reporting Standards and captured our environment, social and governance performance in FY2020 for all our entities. We will be issuing our Sustainability Report 2021 in the second quarter of FY2022.

CORPORATE GOVERNANCE REPORT

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

This Corporate Governance Report sets out the Company's corporate governance practices. The Board confirms that, for the financial year ended 30 June 2021 (FY2021), the Company has adhered to the principles set out in the 2018 Code. Where there have been deviations from the provisions of the 2018 Code, the Company has sought to provide an appropriate explanation for each deviation in this Corporate Governance Report. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time, to ensure compliance with Section B: Rules of Catalist (the Catalist Rules) of the Listing Manual of the Singapore Exchange Securities Trading Limited (SGX-ST) (Listing Manual).

OUR GOVERNANCE FRAMEWORK

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

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

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

The Primary Functions of the Board

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

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

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

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

Directors, who are in any way, directly or indirectly, interested in a transaction or proposed transaction, declare the nature of their interests in accordance with the provisions of the Companies Act, Chapter 50, (Companies Act) and in the case of any conflicts of interests, abstain from participating in the deliberation and decision making on such transactions, with abstention duly recorded within the minutes and/or the resolutions of the Board and/or the AC, NC, RC and RMC (collectively, the Board Committees).

Board Orientation and Training (Provision 1.2)

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

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

During the year, the Company had arranged for Mr. Patrick Donald Davies to attend certain modules of Listed Entity Director Program conducted by the Singapore Institute of Directors to familiarise him with the requirements of the Companies Act, the Listing Manual and the 2018 Code.

Board Approval (Provision 1.3)

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

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

Delegation by the Board (Provision 1.4)

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

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

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

Board and Board Committee Meetings (Provision 1.5)

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

Directors' attendance at the Annual General Meeting (AGM), Extraordinary General Meeting (EGM), Meetings of the Board, and the Board Committees of the Company in FY2021:

	Board	**AC**	**NC**	**RC**	**RMC**	**AGM**	**EGM**
No. of meetings held	6	4	1	1	1	1	1
Directors	**No. of meetings attended in FY2021**						
Eddy Lee Yip Hang	6	N/A	1	N/A	N/A	1	1
Albert Ho Shing Tung	6	4	N/A	1	1	1	1
Patrick Donald Davies	6	4	1	1	N/A	1	1
Low Weng Keong	6	4	1	1	1	1	1
Claudia Teo Kwee Yee	6	4	1	1	1	1	1

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

Access to Information (Provisions 1.6 & 1.7)

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

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

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

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

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

BOARD COMPOSITION AND GUIDANCE

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

Board Independence (Provisions 2.1, 2.2 & 2.3)

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

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

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

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

Currently, there is no Non-Executive Independent Director who has served on the Board beyond nine years from the date of appointment.

Board Composition, Size and Diversity (Provision 2.4)

The Board currently comprises business leaders and professionals with nutraceutical and pharmaceutical industry experience, and financial (including audit, accounting and tax), legal and business management background. Although the Board has not adopted a formal board diversity policy, the NC and the Board are of the view that the Directors as a group possess the appropriate balance and diversity of skills, experience, knowledge and gender to direct and lead the Group. Given the scope, nature and scale of the operations of the Group, the NC and the Board are also of the view that the size of the Board is appropriate and facilitates effective interaction between Board members and decision making. The NC will continually assess the diversity of the Board and ensure the avoidance of groupthink and to foster constructive debate among the Directors.

The profiles of the Directors are set out on pages 18 and 19 of this Annual Report.

NEDs' Participation (Provision 2.5)

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

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

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

Lead Independent Director (Provision 3.3)

The Board has appointed Mr. Patrick Donald Davies as the Lead Independent Director of the Company who will be available to shareholders who have concerns and for which contact through the normal channels of the Chairman and CEO or the Management has failed to resolve or is inappropriate. No query or request on any matter which requires the Lead Independent Director's attentions was received from shareholders in FY2021.

BOARD MEMBERSHIP

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

NC Composition and Role (Provisions 4.1 & 4.2)

The NC comprises three Independent Directors, Ms. Claudia Teo Kwee Yee, Mr. Patrick Donald Davies and Mr. Low Weng Keong, as well as the Chairman and CEO, Mr. Eddy Lee Yip Hang. Ms. Claudia Teo Kwee Yee is the Chairperson of the NC.

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

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

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

The NC is also charged with the responsibility of determining annually, and as and when circumstances require, if a Director is independent. Each NC member will not take part in determining his or her own re-appointment or independence. Each Director is required to submit a return of independence to the Company Secretary, who will submit the returns to the NC. The NC shall review the returns and determine the independence of each of the Directors for recommendation to the Board. An Independent Director shall notify the NC immediately, if, as a result of a change in circumstances, he or she no longer meets the criteria for independence or if such change in circumstances would be relevant to the NC's analysis of his or her independence. The NC shall review the change in circumstances and make its recommendations to the Board. The NC has reviewed the independence of each Director for FY2021 and has determined that Ms. Claudia Teo Kwee Yee, Mr. Low Weng Keong and Mr. Patrick Donald Davies are independent.

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

In accordance with Regulation 85 of the Constitution of the Company, Mr. Albert Ho Shing Tung and Ms. Claudia Teo Kwee Yee are due to retire by rotation at the forthcoming AGM (2021 AGM). The NC noted that Ms. Claudia Teo Kwee Yee will not be seeking re-election at the 2021 AGM. The NC has considered the contributions and performances of Mr. Albert Ho Shing Tung, who has offered himself for the re-election and recommended to the Board to nominate his re-election at the 2021 AGM.

Upon re-election as Director of the Company, Mr. Albert Ho Shing Tung will remain as a member of AC, RC and RMC.

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

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

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

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

No alternate directors have been appointed to the Board.

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

Key Information on Directors (Provision 4.5)

Please refer to "Board of Directors" section on pages 18 and 19 for key information of the Directors, including their date of first appointment and latest re-appointment to the Board, their academic and professional qualifications and other principal commitments, other directorships held in listed companies, and other relevant information; and "Additional Information on Director seeking re-election at the 2021 Annual General Meeting" on pages 104 and 105.

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

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

BOARD PERFORMANCE

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

Board Evaluation Process (Provision 5.1)

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

More importantly, the Board, through the NC, has used its best efforts to ensure that Directors appointed to the Board whether individually or collectively possess the background, experience, knowledge in our business, competencies in

finance and management skills critical to the Group's business. It has also ensured that each Director, with his or her special contributions, brings to the Board an independent and objective perspective to enable sound, balanced and well considered decisions to be made.

The evaluation of the Board's performance and individual Director's contribution is conducted by a questionnaire to be completed by each individual Director. The findings are then collated and analysed by the Company Secretary, and thereafter presented to the NC, which will, in consultation with the Chairman, take appropriate actions to address the findings of the performance assessment. The NC has assessed the current Board's and Board Committee's performance to-date, their roles and responsibilities and is of the view that the performance of the Board as a whole, the Board Committees and the Chairman of the Board and Board Committees were satisfactory. No external facilitator was used in the evaluation process.

The NC will continue to review the formal assessment processes for evaluating the Board and each Board Committee's performance, and also review the contribution of individual directors to the effectiveness of the Board and their relevant Board Committees. The Chairman acts on the results of the performance evaluation, and where appropriate, proposes new members to be appointed to the Board or seek the resignation of directors in consultation with the NC. Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his or her performance or his or her re-nomination as Director.

Board Evaluation Criteria (Provision 5.2)

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

Individual Director Evaluation Criteria (Provision 5.2)

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

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

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

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

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

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

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

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

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

LEVEL AND MIX OF REMUNERATION

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

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

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

The remuneration of the Executive Director and senior management personnel for FY2021 comprised a fixed component in the form of a base salary (including applicable compulsory employer contribution to Central Provident Fund), a variable component and benefits. The RC has reviewed the Company's remuneration policy to include a variable bonus component and a long term incentive component comprising performance shares under the Plan (as defined herein) which will be linked to the individual performance of the Executive Director and senior management personnel and will be assessed based on their respective key performance indicators or conditions. The RC reviewed and set appropriate performance conditions for the CEO.

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

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

Subsequent to FY2021, the Company had engaged an external independent remuneration consulting firm, HR Guru Pte. Ltd. (Remuneration Consultant) to review the Group's overall compensation plans of the Group's key employees including the CEO of the Group. Amongst other recommendations, the Remuneration Consultant has recommended an award under the Company's Share Plan for Mr. Eddy Lee Yip Hang. After considering the Remuneration Consultant's recommendation and other factors such as Mr. Eddy Lee Yip Hang's contributions to various achievements of the Group to-date, the RC has recommended to the Directors and the Directors (save from Mr. Eddy Lee Yip Hang) had approved a share award of 5,961,000 shares subject to independent shareholders' approval at the forthcoming 2021 AGM. The share award to Mr. Eddy Lee Yip Hang is subject to and conditional upon satisfaction of various performance conditions. Further details of the proposed award to Mr. Eddy Lee Yip Hang are shown in Appendix A.

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

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

The Directors' fees paid for FY2021 totalled to $334,000. Based on the remuneration framework, the RC has recommended that Directors' fees for the financial year ending 30 June 2022 of $334,000, being the same amount approved at the last AGM, shall be paid quarterly in arrears.

The Board is responsible for overseeing the iX Employee Share Option Scheme (the Share Option Scheme) and the iX Performance Share Plan (the Share Plan) (collectively, the Schemes) and administering the Schemes in accordance with the guidelines set. For additional details on the Schemes, please refer to the section of the Directors' Statement entitled "Share Option Scheme and Share Plan" on pages 43 to 45 set out in this Annual Report.

DISCLOSURE ON REMUNERATION

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

Disclosure of Remuneration (Provisions 8.1 & 8.3)

The remuneration bands of the Directors and key management personnel (KMP) (other than the Chairman and CEO) of the Group for FY2021 are as follows:

Remuneration Bands	Fees %	Base/Fixed Salary %	Bonus %	Other Benefits %	Share-based Compensation %	Total %
Directors						
S$750,001 to S$1,000,000 per annum						
Eddy Lee Yip Hang	–	44	11	45 (1)	–	100
Below S$250,000 per annum						
Albert Ho Shing Tung	100	–	–	–	–	100
Patrick Donald Davies	100	–	–	–	–	100
Low Weng Keong	100	–	–	–	–	100
Claudia Teo Kwee Yee	100	–	–	–	–	100
Key Management Personnel						
S$500,001 to S$750,000 per annum						
Janakan Krishnarajah	–	72	–	–	28 (2)	100
S$250,001 to S$500,000 per annum						
Eva Tan	–	50	–	–	50 (2)	100
Chew Sien Lup	–	71	–	–	29 (2)	100
Below S$250,000 per annum						
Yee Chia Hsing (3)	–	37	–	1	62 (2)	100

Notes:

1. The Other Benefits comprises personal income tax, housing, club membership and car benefits.
2. The amount represents the amortised value relating to share awards granted and accounted as expense by the Company in accordance with Singapore Financial Reporting Standards (International) SFRS(I) 2 during the financial year.
3. Appointed as Director of Corporate Affairs and General Manager of Entity Health with effect from 1 March 2021.

The KMPs (who are not Directors or the Group CEO) in 2021 have been identified as follows:

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

The aggregate remuneration paid to the Directors and the above identified KMPs of the Company in FY2021 is $2,790,000.

As set out above, the Company has taken steps to identify its KMPs and provided additional disclosure of remuneration mix and bands for each Director and identified KMPs and the aggregate remuneration paid to its Directors and identified KMPs for FY2021. The Board, after weighing the advantages and disadvantages of such disclosure, maintains its view that full disclosure of the actual remuneration of each Director, the CEO and KMPs pursuant to Provision 8.1 of the 2018 Code would not be in the interests of the Company as such information is confidential and sensitive in nature. Further, the Board is of the view that a disclosure of the aggregate total remuneration paid to the KMPs (who are not Directors or the CEO) would not be in the interests of the Company as such information is confidential and sensitive in nature and can be exploited by competitors. The Company believes that shareholders' interest will not be prejudiced as a result of such non-disclosure of the remuneration for each of the Directors, CEO and KMPs. With additional disclosures, the Company has provided shareholders an insight into the level of remuneration paid to the Directors, CEO and KMPs.

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

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

During FY2021, the Company announced total awards of 3,933,334 shares to certain employees and executives under iX Performance Share Plan. The Company has not granted any options under iX Employee Share Option Scheme in FY2021.

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

Remuneration of Directors' Immediate Family Members FY2021 (Provision 8.2)

Ms. Tang Choy Leng Jane, a human resource and administrative executive of the Company, is the spouse of Mr. Eddy Lee Yip Hang. During FY2021, Ms. Tang was paid a fixed salary of more than $100,000 and less than $200,000. Save for Ms. Tang, there were no other employees who are immediate family members of any Director or the CEO whose remuneration exceeded $100,000 in FY2021.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

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

Oversight of Risk Management (Provision 9.1)

The RMC assists the Board in its oversight of risk management of the Group. The RMC comprises Ms. Claudia Teo Kwee Yee, Mr. Low Weng Keong, and Mr. Albert Ho Shing Tung. Ms. Claudia Teo Kwee Yee is the Chairperson of the RMC.

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

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

During the year, key risks of the Group were deliberated by Management and reported to the RMC. The Group's financial risk management is described under Note 26 of the Notes to the Financial Statements as set out in this Annual Report.

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

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

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by the Management and the Board, the Board, with the concurrence of the AC and RMC, are of the opinion that the Group's internal controls and risk management systems, addressing financial, operational, compliance and information technology risks, were adequate and effective as at 30 June 2021. These controls are and will be continually assessed for improvement.

Assurances from CEO and CFO (Provision 9.2)

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

AUDIT COMMITTEE

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

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

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

Members of AC were never former partners or Directors of the Company's existing auditing firm nor do they have any financial interest in the auditing firm.

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

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

The AC's duties include the following:

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

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

The AC keeps abreast of changes to accounting standards and issues which have a direct impact on financial statements through the report presented by the external auditors on the scope and results of the external audit, and through their discussions with the external auditors. The Group has adopted all of the new or revised accounting standards that are effective for the financial period beginning 1 July 2020 and are relevant to its operations.

The AC reviews arrangements by which staff of the Company and other stakeholders may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensures that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action. The Company has put in place a formal whistle-blowing policy for staff and other stakeholders in confidence to report and raise any concerns which they may have in relation to the foregoing matter. No reports of whistle-blowing incidents were recorded in FY2021.

The AC met for four times and carried out the following during FY2021:

- reviewed half year and full-year financial statements (unaudited and audited), and recommended such reports to the Board for approval;
- reviewed, having regard to input from external and internal auditors, the adequacy and effectiveness of the Group's internal controls and risk management systems;
- reviewed interested person transactions;
- reviewed and approved the annual audit plan of the external auditors;
- reviewed and approved the internal audit plan of the internal auditors;
- reviewed the annual re-appointment of the external auditors, and made a recommendation for board approval; and
- met with the external and internal auditors once without the presence of the Management.

During the review of the financial statements for FY2021, the AC has discussed with the Management on the accounting principles that were applied as well as to their judgement on items that might affect the integrity of the financial statements. The following key audit matter highlighted by the external auditors impacting the financial statements was discussed with the Management and the external auditors.

Key Audit Matter	**How the AC Reviewed the Matter and What Decision Was Made**
Valuation of goodwill, intangible assets, property, plant and equipment and right-of-use assets	The AC has considered the approach and methodology applied to the value in- use (VIU) model in impairment assessment. The AC reviewed the reasonableness of the Management's estimates and assumptions used in their VIU calculations on the cash-generating units (CGU) within the Group. The impairment review was also an area of focus for the external auditors. The external auditors have included this item as a key audit matter in its audit report for FY2021. Please refer to page 78 of this Annual Report for the details on the CGUs.

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

External Auditors

The AC assesses the independence of the external auditors annually and undertook a review of the independence of PricewaterhouseCoopers LLP (PwC) and gave careful consideration to the Group's relationships with them during FY2021. In determining the independence of PwC, the AC reviewed all aspects of the Group's relationships with PwC to protect and preserve audit independence. The AC also inquired and noted that there were no non-audit services by PwC in FY2021. The aggregate amount of fees paid to the external auditors of the Group for FY2021 is disclosed under Note 6 of the Notes to the Financial Statements.

In reviewing the nomination of PwC for re-appointment for the financial year ending 30 June 2022, the AC had considered the adequacy of the resources, experience and competence of PwC, and had taken into account the Audit Quality Indicators relating to PwC at the firm level and on the audit engagement level. Consideration was also given to the experience of the engagement partner and key team members in handling the audit under different jurisdictions. The AC had also considered the audit team's ability to work in a co-operative manner with Management whilst maintaining integrity and objectivity and to deliver their services professionally and within agreed timelines.

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

Given the above, the AC has recommended that the Board proposes, and the Board has proposed, the re-appointment of PricewaterhouseCoopers LLP as the external auditors at the 2021 AGM.

Internal audit (Provision 10.4)

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

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

Baker Tilly has conducted and executed its internal audit engagement in accordance with internal audit methodology which is aligned with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The internal audit engagement team is led by a Chartered Accountant of Singapore who is also a Certified Internal Auditor with more than 19 years of auditing and advisory experience. The team also includes other Certified Internal Auditors from their Singapore and Australia practices.

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

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

2020 AGM and 2021 AGM

In view of the COVID-19 pandemic, the 2020 AGM was convened and held by electronic means on 16 October 2020 pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (Emergency Legislation). Alternative arrangements relating to attendance at the 2020 AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions, addressing of substantial and relevant questions and voting by appointing the chairman of the meeting as proxy in advance of the 2020 AGM, were put in place for 2020 AGM.

As announced on 29 September 2021, the 2021 AGM will be similarly subjected to the provisions of the Emergency Legislation and will be convened by electronic means.

The Chairman of the Board, Chairperson of each of the AC, NC, RC and RMC and the external auditors were present in person or by electronic means at the 2020 AGM and will endeavour to be present at the 2021 AGM to assist the Directors in addressing any relevant queries raised by shareholders.

The description below sets out the Company's usual practice for the shareholder meetings when there are no pandemic risks and the Emergency Legislation is not in operation.

General Meetings (Provisions 11.1, 11.2 &11.3)

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

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

All shareholders of the Company will receive notices of all general meetings including the 2021 AGM. The Company will comply with its Constitution, the Companies Act and the Catalist Rules in respect of the requisite notice periods for convening general meetings. The notice of an AGM is accompanied by the Company's annual report. Any notice of an extraordinary general meeting will also be accompanied by a circular or letter to shareholders, providing sufficient detail on the proposals to be considered at the meeting. Circulars sent to shareholders also contain a notice on their cover page that if shareholders are in any doubt as the action they should take, they should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. All notices of all general meetings will be advertised in a national newspaper in Singapore as well as announced on SGXNET and the Company's website at www.ixbiopharma.com.

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

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

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

Voting at General Meetings (Provision 11.4)

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

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

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

Minutes of General Meetings (Provision 11.5)

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

Dividend Policy (Provision 11.6)

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

The Board has not declared or recommended any dividend for FY2021, as the Company has been incurring net operating losses from its product development and, more recently, commercialisation activities.

ENGAGEMENT WITH SHAREHOLDERS

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

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

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

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

During FY2021, the results for the half year were released to shareholders within 45 days from 31 December 2020 whilst annual results were released within 60 days from the financial year end.

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

Shareholder Communication (Provision 12.1)

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

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

Internal Investor Relations (Provisions 12.2 & 12.3)

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

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

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

Engaging Material Stakeholder Groups (Provisions 13.1 & 13.2)

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

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

The Annual Sustainability Reports set out the approaches adopted for stakeholder engagements, and material issues identified arising from these engagements. The Company expects to publish its Sustainability Report for FY2021 in November 2021.

Corporate Website (Provision 13.3)

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

ADDITIONAL INFORMATION

MATERIAL CONTRACTS

No material contracts, not being contracts entered into in the ordinary course of business, had been entered into by the Company and its subsidiaries involving the interest of any Executive Director, Director or controlling shareholder of the Company during FY2021.

INTERESTED PERSON TRANSACTIONS

Name of interested person	Aggregate value of all interested person transactions during FY2021 (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rule)		Aggregate value of all interested person transactions during FY2021 under shareholders' mandate pursuant to Rule 920 of the Catalist Rule (excluding transactions less than $100,000)
Centrum Capital Pte. Ltd. [1]	Provision of consulting services to the Group	$60,000	–

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

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

NON-SPONSOR FEES

In accordance with Rule 1204(21) of the Catalist Rules, there was no non-sponsor fee paid by the Company to the former Sponsor, CIMB Bank Berhad, Singapore Branch, from 1 July 2020 to 31 May 2021 and the present Sponsor, UOB Kay Hian Private Limited, from 1 June 2021 to 30 June 2021.

DEALING IN SECURITIES

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

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

USE OF PROCEEDS

a) 2020 Private Placement

Pursuant to the private placement of 44,491,299 shares on 8 September 2020, the Company received net proceeds of S$10.18 million (Placement Proceeds). As at 30 June 2021, the Placement Proceeds have 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	(4,713)	1,395
General working capital purposes	4,072	(2,698)	1,374
Total	**10,180**	**(7,411)**	**2,769**

Details of working capital used:	S$'000
Professional fees	484
Payroll and directors' fees	916
Trademark and patents	69
Purchase of materials	386
Rental, office expenditure and other operating expenses	843
Total	**2,698**

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 Right Issue

Pursuant to the right issue of 48,814,711 shares on 26 July 2021, the Company received net proceeds of S$9.61 million (Rights Proceeds) which are allocated as follows in accordance with the intended use as stated in the Company's announcement dated 8 June 2021:

	Amount allocated
	S$'000
To fund manufacturing and marketing activities for the Group's products	7,610
General working capital purposes	2,000
Total	**9,610**

As at the date of this report, there is no material utilisation of Rights Proceeds.

STATUTORY REPORTS AND FINANCIAL STATEMENTS

42 Directors' Statement
46 Independent Auditors' Report
50 Consolidated Statement of Comprehensive Income
51 Balance Sheet - Group
52 Balance Sheet - Company
53 Consolidated Statement of Changes in Equity
54 Consolidated Statement of Cash Flows
55 Notes to the Financial Statements

DIRECTORS' STATEMENT

For the financial year ended 30 June 2021

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 30 June 2021 and the balance sheet of the Company as at 30 June 2021.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 50 to 101 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 30 June 2021 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

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

Directors

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

Eddy Lee Yip Hang
Albert Ho Shing Tung
Low Weng Keong
Claudia Teo Kwee Yee
Patrick Donald Davies

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares or debentures

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

	Holdings registered in name of director or nominee		**Holdings in which director is deemed to have an interest**	
	End of financial year	Beginning of financial year	**End of financial year**	Beginning of financial year
iX Biopharma Ltd. (No. of ordinary shares)				
Eddy Lee Yip Hang [(1)]	**165,119,020**	165,119,020	**17,460,982**	17,460,982
Albert Ho Shing Tung [(2)]	**8,250,099**	8,250,099	**130,000**	130,000
Low Weng Keong	**1,170,252**	1,170,252	**-**	-
Claudia Teo Kwee Yee [(3)]	**-**	-	**70,000**	70,000

Directors' interests in shares or debentures (continued)

(b) The directors' interests in the ordinary shares of the Company as at 21 July 2021 were as follows:

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	No. of ordinary shares	No. of nil-paid rights	No. of ordinary shares	No. of nil-paid rights
iX Biopharma Ltd.				
Eddy Lee Yip Hang [1]	165,119,020	11,558,331	17,460,982	1,222,268
Albert Ho Shing Tung [2]	8,250,099	577,506	130,000	9,100
Low Weng Keong	1,170,252	81,917	-	-
Claudia Teo Kwee Yee [3]	-	-	70,000	4,900

(1) Mr. Eddy Lee Yip Hang's deemed interest of 17,460,982 shares are held in the name of his spouse, by virtue of Section 164 of the Companies Act.

(2) Mr. Albert Ho Shing Tung's deemed interest of 130,000 shares are held in the name of Centrum Capital Pte. Ltd, by virtue of his holding 93.0% of the shares in Centrum Capital Pte. Ltd.

(3) Ms. Claudia Teo Kwee Yee's deemed interest of 70,000 shares are held in the name of her spouse, by virtue of Section 164 of the Companies Act.

Share Options and Share Plan

(a) Share Option Scheme and Share Plan

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

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

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

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

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

Eddy Lee Yip Hang (Chairman)
Albert Ho Shing Tung
Low Weng Keong
Claudia Teo Kwee Yee
Patrick Donald Davies

Share Options and Share Plan (continued)

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

During the financial year, no options were granted under the Share Option Scheme. On 23 October 2020 and 3 June 2021, 3,433,334 and 500,000 share awards were granted under the Share Plan respectively. No award was granted to a Director or controlling shareholder (and each of their associates).

As of 30 June 2021, the Company has not granted any options under the Share Option Scheme since its inception.

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

Name of participant		Number of shares allotted pursuant to Release of Awards under the Share Plan during the financial year under review	Number of existing shares purchased for delivery pursuant to release of awards under the Share Plan during the financial year under review	Aggregate number of shares allotted and existing shares purchased for delivery since commencement of the Share Plan to end of the financial year under review	Aggregate number of shares comprised in awards outstanding as at end of financial year under review
(i)	Directors and controlling shareholders of the Company and their associates				
	Mr. Eddy Lee Yip Hang	-	-	2,239,000	-
(ii)	Other participants	3,967,334	-	11,431,333	2,350,000
	Total	3,967,334	-	13,670,333	2,350,000

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

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

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

Grant date	Conditional awards granted during financial year under review (including terms)	Aggregate conditional awards granted since commencement of the plan to end of financial year under review	Aggregate awards released since commencement of the plan to end of financial year under review	Aggregate conditional awards outstanding as at end of financial year under review
30 September 2016	-	3,504,333	3,504,333	-
10 November 2017	-	1,398,000	1,365,000	-
16 November 2018	-	4,633,333	4,500,333	-
16 November 2019	-	2,717,333	2,717,333	-
23 October 2020	3,433,334	3,433,334	1,083,334	2,350,000
3 June 2021	500,000	500,000	500,000	-
Total	3,933,334	16,186,333	13,670,333	2,350,000

Share Options and Share Plan (continued)

(b) Share awards granted but not vested

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

	No. of unissued ordinary shares under the Share Plan at 30.06.2021	Vesting period
iX Performance Share Plan	2,350,000	12 months from the award date

Audit Committee

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

Low Weng Keong (Chairman)
Albert Ho Shing Tung
Claudia Teo Kwee Yee
Patrick Donald Davies

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

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

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 30 June 2021 before their submission to the Board of Directors.

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

Independent Auditor

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

On behalf of the Board of Directors

Eddy Lee Yip Hang
Director
28 September 2021

Albert Ho Shing Tung
Director

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF IX BIOPHARMA LTD.

Report on the financial statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of iX Biopharma Ltd. (the "Company") and its subsidiaries (the "Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) in Singapore ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the year ended 30 June 2021;
- the balance sheets of the Company and of the Group as at 30 June 2021;
- the consolidated statement of changes in equity of the Group for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for opinion

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

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

Independence

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

Our Audit Approach

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 30 June 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill, intangible assets, property, plant and equipment and right-of-use assets *Refer to Note 3(a) (Critical accounting estimates and assumptions), Note 16 (Intangible assets), Note 17 (Property, plant and equipment) and Note 18 (Right-of-use assets) to the financial statements.* As at 30 June 2021, goodwill, intangible assets, property, plant and equipment, and right-of-use assets amounted to $327,000, $86,000, $8,338,000 and $607,000 respectively in the balance sheet of the Group. Management is required to perform an impairment assessment of goodwill annually. In addition, management has assessed whether there is any indication that the intangible assets, property, plant and equipment and right-of-use assets may be impaired. Accordingly, an impairment assessment was carried out for the Specialty Pharmaceutical cash-generating unit ("SP CGU") as at 30 June 2021. This is a key audit matter due to the significant judgements involved in determining the recoverable amount of goodwill, intangible assets, property, plant and equipment and right-of-use assets, including establishing the reasonableness of the key inputs used by management in the cash flow projection for the SP CGU. Changes in the key inputs can trigger potential impairment of goodwill, intangible assets, property, plant and equipment and right-of-use assets.	Our audit procedures to assess the impairment of goodwill, intangible assets, plant and equipment and right-of-use assets included detailed evaluation of the Group's cash flow projection of the SP CGU by performing the following procedures: • Assessed and compared the key inputs used in the cash flow projection for the SP CGU, being the revenue growth rate, the discount rate and the terminal growth rate, by reference to external sources of information, where applicable and financial budgets approved by management; • Compared the current year's results with the prior year's projection to consider whether any revised projections and assumptions were required, and updated to reflect management's planned course of actions for the period covered by the cash flow projection; and • Considered management's assessment of the timing and likelihood of the commercialisation of certain products used in the cash flow projection, and whether any revision to the timing of commercialisation would impact the recoverable amount of the SP CGU. In addition, we assessed the appropriateness of the comparable transactions used by management in determining the valuation of the building on freehold land. We involved valuation specialists to assist in the assessment of the terminal growth rate and the discount rate applied by management. We noted that the key inputs used in the cash flow projection were reasonable. We evaluated management's sensitivity analysis on the recoverable amount of the SP CGU by applying reasonable possible changes to these key inputs. We found that the estimates used were appropriate in reflecting the risks associated with the SP CGU. We have also assessed the adequacy of the disclosures relating to the estimates and judgements made and found the disclosures in the financial statements to be appropriate.

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 28 September 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2021

	Note	**2021 $'000**	2020 $'000
Revenue	4	**1,745**	985
Cost of sales		**(2,127)**	(1,572)
Gross loss		**(382)**	(587)
Other income	5	**1,575**	1,046
Expenses			
- Research and development		**(2,747)**	(2,499)
- Sales and marketing		**(2,249)**	(2,259)
- General and administrative		**(6,051)**	(6,346)
- Others	8	**1,795**	384
- Finance	9	**(174)**	(238)
Total expenses		**(9,426)**	(10,958)
Loss before income tax	6	**(8,233)**	(10,499)
Income tax expense	10	**(1)**	-
Total loss		**(8,234)**	(10,499)
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Loss - net of tax	24(a)	**(1,400)**	(370)
Other comprehensive loss, net of tax		**(1,400)**	(370)
Total comprehensive loss		**(9,634)**	(10,869)
Loss per share for loss attributable to equity holders of the Company (cents per share)			
Basic loss per share	11(a)	**(1.20)**	(1.62)
Diluted loss per share	11(b)	**(1.20)**	(1.62)

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

BALANCE SHEET - GROUP

As at 30 June 2021

	Note	2021 $'000	2020 $'000
ASSETS			
Current assets			
Cash and cash equivalents	12	**6,205**	5,663
Trade and other receivables	13	**1,816**	1,300
Inventories	14	**1,103**	883
Other current assets	15	**227**	297
		9,351	8,143
Non-current assets			
Deposits		**148**	105
Intangible assets	16	**413**	447
Property, plant and equipment	17	**8,338**	8,026
Right-of-use assets	18	**607**	261
		9,506	8,839
Total assets		**18,857**	16,982
LIABILITIES			
Current liabilities			
Trade and other payables	20	**2,808**	2,824
Borrowings	21	**421**	216
Provision	22	**63**	12
Lease liabilities		**375**	245
		3,667	3,297
Non-current liabilities			
Borrowings	21	**3,201**	3,438
Provision	22	**40**	60
Lease liabilities		**238**	19
		3,479	3,517
Total liabilities		**7,146**	6,814
NET ASSETS		**11,711**	10,168
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	23	**83,337**	72,251
Other reserves	24	**344**	1,653
Accumulated losses		**(71,970)**	(63,736)
Total equity		**11,711**	10,168

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

BALANCE SHEET - COMPANY

As at 30 June 2021

	Note	2021 $'000	2020 $'000
ASSETS			
Current assets			
Cash and cash equivalents	12	**5,173**	3,593
Trade and other receivables	13	**19,105**	15,816
Inventories	14	**21**	-
Other current assets	15	**183**	206
		24,482	19,615
Non-current assets			
Deposits		**83**	-
Intangible assets	16	**72**	108
Property, plant and equipment	17	**166**	189
Right-of-use assets	18	**594**	230
Investments in subsidiaries	19	**1,966**	1,966
		2,881	2,493
Total assets		**27,363**	22,108
LIABILITIES			
Current liabilities			
Trade and other payables	20	**1,740**	1,709
Borrowings	21	**25**	25
Lease liabilities		**361**	226
		2,126	1,960
Non-current liabilities			
Borrowings	21	**30**	55
Lease liabilities		**238**	6
		268	61
Total liabilities		**2,394**	2,021
NET ASSETS		**24,969**	20,087
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	23	**83,337**	72,251
Other reserves	24	**411**	320
Accumulated losses		**(58,779)**	(52,484)
Total equity		**24,969**	20,087

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2021

	Note	Attributable to equity holders of the Company				
		Share capital $'000	Share based payment reserve $'000	Currency translation reserve $'000	Accumulated losses $'000	Total equity $'000
2021						
Balance as at 30 June 2020		**72,251**	**320**	**1,333**	**(63,736)**	**10,168**
Loss for the year		-	-	-	(8,234)	(8,234)
Other comprehensive loss for the year		-	-	(1,400)	-	(1,400)
Total comprehensive loss for the year		-	-	(1,400)	(8,234)	(9,634)
Performance Share Plan - Value of employees' services	24(b)(ii)	-	997	-	-	997
- Shares issued pursuant to Performance Share Plan	24(b)(ii)	906	(906)	-	-	-
Shares issued pursuant to private placement, net of transaction cost	23	10,180	-	-	-	10,180
Total transactions with owners, recognised directly in equity		11,086	91	-	-	11,177
Balance as at 30 June 2021		**83,337**	**411**	**(67)**	**(71,970)**	**11,711**
2020						
Balance as at 30 June 2019		**71,525**	**508**	**1,703**	**(53,237)**	**20,499**
Loss for the year		-	-	-	(10,499)	(10,499)
Other comprehensive loss for the year		-	-	(370)	-	(370)
Total comprehensive loss for the year		-	-	(370)	(10,499)	(10,869)
Performance Share Plan - Value of employees' services	24(b)(ii)	-	538	-	-	538
- Shares issued pursuant to Performance Share Plan	24(b)(ii)	726	(726)	-	-	-
Total transactions with owners, recognised directly in equity		726	(188)	-	-	538
Balance as at 30 June 2020		**72,251**	**320**	**1,333**	**(63,736)**	**10,168**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2021

	Note	2021 $'000	2020 $'000
Cash flows from operating activities			
Total loss after tax		**(8,234)**	(10,499)
Adjustments for:			
- Amortisation expense		**53**	25
- Depreciation expense		**1,001**	1,024
- Income tax expense		**1**	-
- Interest expense		**174**	238
- Interest income		**(7)**	(87)
- Inventory write-down		**175**	56
- (Gain)/loss on disposal of property, plant and equipment		**(4)**	1
- Provision expense		**27**	26
- Research and development tax incentive		**(1,230)**	(405)
- Share based payment expense		**997**	538
- Unrealised currency exchange (gain)/losses - net		**(1,708)**	(324)
		(8,755)	(9,407)
Changes in working capital:			
- Trade and other receivables		**18**	(230)
- Other current assets		**73**	67
- Trade and other payables		**(71)**	507
- Inventories		**(348)**	(83)
Cash used in operations		**(9,083)**	(9,146)
Interest received		**7**	87
Research and development tax incentive received		**725**	739
Income tax paid		**(1)**	-
Net cash used in operating activities		**(8,352)**	(8,320)
Cash flows from investing activities			
Additions to property, plant and equipment		**(553)**	(984)
Additions to intangible assets		**-**	(10)
Disposal of property, plant and equipment		**46**	-
Net cash used in investing activities		**(507)**	(994)
Cash flows from financing activities			
Decrease in fixed deposits pledged		**622**	-
Proceeds from issuance of ordinary shares		**10,180**	-
Repayment of borrowings		**(226)**	(213)
Principal payment of lease liabilities		**(378)**	(375)
Interest paid		**(174)**	(238)
Net cash from/(used in) financing activities		**10,024**	(826)
Net increase/(decrease) in cash and cash equivalents		**1,165**	(10,140)
Cash and cash equivalents			
Beginning of financial year		**4,470**	14,709
Effects of currency translation on cash and cash equivalents		**(50)**	(99)
End of financial year	12	**5,585**	4,470

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

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

1. General information

iX Biopharma Ltd. (the "Company") is a public limited liability company and incorporated and domiciled in Singapore. The address of its registered office is 80 Robinson Road, #02-00 Singapore 068898. The address of its principal place of business is 1 Kim Seng Promenade, #14-01 Great World City East Tower, Singapore 237994.

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

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

The principal activities of the subsidiaries are disclosed in Note 19.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention.

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

Interpretations and amendments to published standards effective in 2021

On 1 July 2020, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

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

2.2 Revenue recognition

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

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

(a) Sale of goods

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

(b) Rendering of service – Development and manufacturing service

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

(c) Interest income

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

2. Significant accounting policies (continued)

2.3 Government grant

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

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

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

2.4 Group accounting

Subsidiaries

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

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

(a) Acquisitions

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

(b) Disposals

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

2. Significant accounting policies (continued)

2.4 Group accounting (continued)

(b) Disposals (continued)

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

2.5 Property, plant and equipment

(a) Measurement

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

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

(b) Depreciation

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

	Useful lives
Building	40 years
Computers	3 - 5 years
Office equipment	3 - 5 years
Plant and equipment	3 - 20 years
Furniture and fittings	3 - 5 years
Leasehold improvement	3 - 10 years
Motor vehicles	8 years
Leasehold properties	2 years

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

(c) Subsequent expenditure

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

(d) Disposal

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

2. Significant accounting policies (continued)

2.6 Intangible assets

(a) Goodwill on acquisitions

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

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

(b) Computer software licences

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

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

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

2.7 Impairment of non-financial assets

(a) Goodwill

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

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

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

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

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

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

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

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

2. Significant accounting policies (continued)

2.7 Impairment of non-financial assets (continued)

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

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

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

An impairment loss for an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

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

2.8 Investments in subsidiaries

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

2.9 Financial assets

(a) Classification and measurement

The Group classifies its financial assets at amortised cost.

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

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

At initial recognition

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

At subsequent measurement

(i) Debt instruments

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

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

2. Significant accounting policies (continued)

2.9 Financial assets (continued)

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 26 details how the Group determines whether there has been a significant increase in credit risk.

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

(c) Recognition and derecognition

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

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

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

2.10 Offsetting of financial instruments

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

2.11 Borrowings

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

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

2.12 Trade and other payables

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

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

2.13 Fair value estimation of financial assets and liabilities

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

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

2. Significant accounting policies (continued)

2.14 Leases

(a) When the Group is the lessee

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

- Right-of-use assets

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

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

  For leases previously classified as finance leases, the ROU assets are presented within "Property, plant and equipment".

- Lease liabilities

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

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

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

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

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

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

- Short term and low value leases

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

2. Significant accounting policies (continued)

2.14 Leases (continued)

(b) When the Group is the lessor

- Lessor – Operating leases

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

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

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

2.15 Inventories

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

2.16 Income taxes

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

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

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

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

Deferred income tax is measured:

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

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

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

2. Significant accounting policies (continued)

2.16 Income taxes (continued)

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

2.17 Provisions

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

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

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

2.18 Employee compensation

(a) Defined contribution plans

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

(b) Employee leave entitlement

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

(c) Share-based compensation

(i) Share options

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

2. Significant accounting policies (continued)

2.18 Employee compensation (continued)

(c) Share-based compensation (continued)

(ii) Share awards

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

2.19 Currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

(c) Translation of Group entities' financial statements

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

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

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

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

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

2. Significant accounting policies (continued)

2.20 Segment reporting

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

2.21 Share capital

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

2.22 Cash and cash equivalents

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

2.23 Dividends to Company's shareholders

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

2.24 Research and development expenses

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

3. Critical accounting estimates and assumptions

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

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

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

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

(b) Useful lives of property, plant and equipment

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

4. Revenue from contracts with customers

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

	Group		
	At a point in time $'000	**Over time $'000**	**Total $'000**
2021			
Sale of goods:			
- Pharmaceutical products	**274**	**-**	**274**
- Nutraceutical products	**939**	**-**	**939**
	1,213	**-**	**1,213**
Services rendered:			
- Development and manufacturing services	**-**	**532**	**532**
Total	**1,213**	**532**	**1,745**
2020			
Sale of goods:			
- Pharmaceutical products	227	-	227
- Nutraceutical products	389	-	389
	616	-	616
Services rendered:			
- Development and manufacturing services	150	219	369
Total	766	219	985

5. Other income

	Group	
	2021 $'000	2020 $'000
Interest income:		
- Bank deposits	**6**	85
- Others	**1**	2
	7	87
Government grants	**120**	251
Research and development tax incentive (Note 13)	**1,230**	405
Rental income	**169**	273
Others	**49**	30
Total other income	**1,575**	1,046

5. Other income (continued)

The research and development ("R&D") tax incentive is a programme administered jointly by the Australian Taxation Office and Innovation Australia to provide a tax refund at a rate of 43.5% (2020: 43.5%) or reduction in tax liability as applicable for qualifying expenditure incurred in Australia by the Group's subsidiaries.

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

Included in government grants is grant income of $49,000 (2020: $151,000) recognised during the financial year under the Jobs Support Scheme (the "JSS"). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

6. Loss before income tax

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

	Group	
	2021	2020
	$'000	$'000
Advertising and marketing expenses	**849**	808
Amortisation of computer software (Note 16(b))	**53**	25
Audit fees paid/payable to:		
- Auditor of the Company	**113**	104
- Other auditors*	**110**	111
Changes in inventories of finished goods and work-in-progress	**(235)**	(135)
Clinical trials and related expenses	**813**	570
Depreciation of:		
- Property, plant and equipment (Note 17)	**619**	646
- Right-of-use assets (Note 18)	**382**	378
Employee compensation expense (Note 7)	**6,957**	6,282
Information technology support expenses	**145**	107
Insurance expenses	**227**	170
Inventory write-down	**175**	56
Professional and consultancy expenses	**858**	981
Raw materials and consumables used	**817**	715
Regulatory approval expenses	**229**	551
Rental expense and operating leases	**31**	35
Repairs and maintenance expenses	**195**	157
Telephone and utilities	**265**	273
Trademarks and patents related expense	**242**	300
Travelling and accommodation expenses	**67**	419

* *Includes other PricewaterhouseCoopers firms outside Singapore*

7. Employee compensation expense

	Group	
	2021	2020
	$'000	$'000
Wages and salaries	**5,011**	4,859
Employer's contribution to defined contribution plans	**379**	349
Share based payment expense (Note 24(b)(ii))	**997**	538
Other staff benefits	**570**	536
Total employee compensation expense	**6,957**	6,282

8. Other expenses

Other expenses comprise net currency exchange gain of $1,795,000 (2020: net currency exchange gain of $384,000).

9. Finance expense

	Group	
	2021	2020
	$'000	$'000
Interest expense:		
- Bank borrowings	**149**	213
- Lease liabilities	**25**	25
Total finance expense	**174**	238

10. Income taxes

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

	Group	
	2021	2020
	$'000	$'000
Loss before income tax	**(8,233)**	(10,499)
Tax calculated at tax rate of 17% (2020: 17%)	**(1,400)**	(1,785)
Effects of:		
- Different tax rates in other countries	**(394)**	(478)
- Expenses not deductible for tax purposes	**636**	368
- Income not subject to tax	**(323)**	(111)
- Deferred tax benefits not recognised	**1,480**	2,006
Income tax credit	**(1)**	-

10. Income taxes (continued)

The Group has unrecognised tax losses of $69,482,000 (2020: $56,377,000) at the balance sheet date, and the Company has unrecognised tax losses of $45,700,000 (2020: $40,246,000). The unrecognised tax losses can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. The tax losses have no expiry date.

11. Loss per share

(a) Basic loss per share

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

	Group	
	2021	2020
	$'000	$'000
Net loss attributable to equity holders of the Company ($'000)	**(8,234)**	(10,499)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	**687,409**	647,285
Basic loss per share (cents per share)	**(1.20)**	(1.62)

(b) Diluted loss per share

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

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

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

11. Loss per share (continued)

(b) Diluted loss per share (continued)

	Group	
	2021	2020
	$'000	$'000
Net loss attributable to equity holders of the Company ($'000)	**(8,234)**	(10,499)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	**687,409**	647,285
Diluted loss per share (cents per share)	**(1.20)**	(1.62)

The Company has 2,350,000 (2020: 2,384,000) share awards that could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted loss per share above because they are anti-dilutive for the financial year presented, having the effect of decreasing the loss per share.

12. Cash and cash equivalents

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**6,205**	5,663	5,173	3,593

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

	Group	
	2021	2020
	$'000	$'000
Cash and bank balances (as above)	**6,205**	5,663
Less: Bank deposits pledged	**(620)**	(1,193)
Cash and cash equivalents per consolidated statement of cash flows	**5,585**	4,470

Bank deposits are pledged as security for bank credit facilities.

13. Trade and other receivables

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Trade receivables:				
- Non-related parties	**222**	149	**53**	-
- Subsidiaries	**-**	-	**4,021**	3,365
Goods and services tax receivable	**72**	122	**20**	11
Research and development tax incentive receivable	**1,431**	871	**-**	-
Other receivables:				
- Non-related parties	**91**	158	**-**	36
- Subsidiaries	**-**	-	**36,827**	31,765
	91	158	**36,827**	31,801
Less: Allowance for impairment	**-**	-	**(21,816)**	(19,361)
Other receivable - net	**91**	158	**15,011**	12,440
	1,816	1,300	**19,105**	15,816

The research and development ("R&D") tax incentive is a programme administered jointly by the Australian Taxation Office and Innovation Australia to provide a tax refund at a rate of 43.5% (2020: 43.5%) or reduction in tax liability as applicable for qualifying expenditure incurred in Australia by the subsidiaries.

Movements in research and development ("R&D") tax incentive receivable are as follows:

	Group	
	2021	2020
	$'000	$'000
Beginning of financial year	**871**	1,204
Research and development tax incentive (Note 5)		
- Income recognised during the year	**730**	405
- Under recognition in prior years	**500**	-
	1,230	405
Received during the year	**(725)**	(739)
Currency translation differences	**55**	1
End of financial year	**1,431**	871

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

14. Inventories

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Raw materials	**761**	705	**-**	-
Work-in progress	**80**	92	**-**	-
Finished goods	**262**	86	**21**	-
	1,103	883	**21**	-

The cost of inventories recognised as an expense and included in "Cost of sales" amounts to $582,000 (2020: $580,000).

15. Other current assets

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Prepayments	**218**	208	**181**	124
Deposits	**9**	89	**2**	82
	227	297	**183**	206

16. Intangible assets

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Composition:				
Goodwill arising on consolidation (Note 16(a))	**327**	310	**-**	-
Computer software (Note 16(b))	**86**	137	**72**	108
	413	447	**72**	108

16. Intangible assets (continued)

(a) Goodwill arising on consolidation

	Group	
	2021	2020
	$'000	$'000
Beginning of financial year	**310**	308
Currency translation differences	**17**	2
End of financial year	**327**	310

Impairment test for goodwill

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

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

(b) Computer software

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Cost				
Beginning of financial year	**174**	164	**108**	102
Additions	**-**	12	**-**	6
Currency translation differences	**5**	(2)	**-**	-
End of financial year	**179**	174	**108**	108
Accumulated amortisation				
Beginning of financial year	**37**	12	**-**	-
Amortisation (Note 6)	**53**	25	**36**	-
Currency translation differences	**3**	-	**-**	-
End of financial year	**93**	37	**36**	-
Net book value	**86**	137	**72**	108

17. Property, plant and equipment

	Freehold land $'000	Building $'000	Computers $'000
Group			
Cost			
At 30 June 2020	2,734	1,851	187
Additions	-	13	22
Disposals	-	-	(4)
Currency translation differences	148	101	6
At 30 June 2021	2,882	1,965	211
Accumulated depreciation			
At 30 June 2020	-	215	144
Depreciation charge (Note 6)	-	56	25
Disposals	-	-	(4)
Currency translation differences	-	13	4
At 30 June 2021	-	284	169
Net book value			
At 30 June 2021	**2,882**	**1,681**	**42**
Group			
Cost			
At 30 June 2019	2,708	1,834	174
Additions	-	-	15
Disposals	-	-	(2)
Currency translation differences	26	17	-
At 30 June 2020	2,734	1,851	187
Accumulated depreciation			
At 30 June 2019	-	160	116
Depreciation charge (Note 6)	-	52	29
Disposals	-	-	(2)
Currency translation differences	-	3	1
At 30 June 2020	-	215	144
Net book value			
At 30 June 2020	**2,734**	**1,636**	**43**

Office equipment $'000	Plant and equipment $'000	Furniture and fittings $'000	Leasehold improvement $'000	Motor vehicles $'000	Total $'000
60	5,691	124	239	236	11,122
8	508	2	-	-	553
-	(85)	(4)	-	-	(93)
2	309	1	10	2	579
70	6,423	123	249	238	12,161
55	2,361	108	147	66	3,096
3	469	9	27	30	619
-	(43)	(4)	-	-	(51)
2	133	1	5	1	159
60	2,920	114	179	97	3,823
10	**3,503**	**9**	**70**	**141**	**8,338**
58	4,658	123	237	280	10,072
3	990	1	-	-	1,009
(2)	(1)	-	-	(45)	(50)
1	44	-	2	1	91
60	5,691	124	239	236	11,122
53	1,858	86	105	58	2,436
3	471	21	41	29	646
(2)	(1)	-	-	(21)	(26)
1	33	1	1	-	40
55	2,361	108	147	66	3,096
5	**3,330**	**16**	**92**	**170**	**8,026**

17. Property, plant and equipment (continued)

	Computers $'000	Office equipment $'000	Furniture and fittings $'000	Leasehold improvement $'000	Motor vehicles $'000	Total $'000
Company						
Cost						
At 30 June 2020	82	31	98	67	206	484
Additions	19	1	2	-	-	22
Disposals	(4)	-	(4)	-	-	(8)
At 30 June 2021	97	32	96	67	206	498
Accumulated depreciation						
At 30 June 2020	64	27	87	67	50	295
Depreciation charge	11	2	7	-	25	45
Disposals	(4)	-	(4)	-	-	(8)
At 30 June 2021	71	29	90	67	75	332
Net book value						
At 30 June 2021	**26**	**3**	**6**	**-**	**131**	**166**

	Computers $'000	Office equipment $'000	Furniture and fittings $'000	Leasehold improvement $'000	Motor vehicles $'000	Total $'000
Company						
Cost						
At 30 June 2019	82	29	97	67	206	481
Additions	3	3	1	-	-	7
Disposals	(3)	(1)	-	-	-	(4)
At 30 June 2020	82	31	98	67	206	484
Accumulated depreciation						
At 30 June 2019	55	26	68	52	24	225
Depreciation charge	11	3	19	15	26	74
Disposals	(2)	(2)	-	-	-	(4)
At 30 June 2020	64	27	87	67	50	295
Net book value						
At 30 June 2020	**18**	**4**	**11**	**-**	**156**	**189**

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

17. Property, plant and equipment (continued)

(a) Carrying amounts

ROU assets classified within Property, plant and equipment

	Group		Company	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Plant and equipment	**251**	353	**-**	-
Motor vehicles	**141**	170	**131**	156
	392	523	**131**	156

(b) Depreciation charge during the year

	Group $'000	**Company $'000**
2021		
Plant and equipment	**102**	**-**
Motor vehicles	**30**	**26**
	132	**26**
2020		
Plant and equipment	123	-
Motor vehicles	29	26
	152	26

(c) Interest expense

	Group $'000	**Company $'000**
2021		
Interest expense on lease liabilities relating to ROU assets classified within property, plant and equipment	**6**	**2**
2020		
Interest expense on lease liabilities relating to ROU assets classified within property, plant and equipment	20	5

17. Property, plant and equipment (continued)

During the financial year ended 30 June 2021, bank borrowings are secured on freehold land and building, certain plant and equipment and motor vehicles of the Group with carrying value of $3,263,597 (2020: $3,654,934) (Note 21).

Impairment tests

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

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

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

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

Freehold land and building

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

The impairment review carried out as at 30 June 2021 has revealed that the recoverable amount of freehold land and building is higher than the carrying amount. There is no indication of impairment.

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

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

- Discount rate of 14% (2020: 14%)
- Terminal growth rate of 2% for goodwill (2020: 2%) and no terminal growth rate applied to depreciable intangible assets and PPE
- Annual revenue growth rates of above 100% for FY2022 to FY2025, between 26% to 51% for FY2026 to FY2027, and between 4% to 15% for FY2028 to FY2031 (2020: Annual revenue growth rates of above 100% for FY2021 to FY2023, between 31% to 92% for FY2024 to FY2025, and between 3% to 11% for FY2026 to FY2030)

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

The impairment review carried out as at 30 June 2021 revealed that the recoverable amount of the SP CGU is higher than the carrying amount. No impairment loss is recognised during the financial year. As at 30 June 2021, any reasonably possible change to the key assumptions applied is not likely to cause the recoverable amount to be below the carrying amount of the SP CGU.

18. Right-of-use assets

Nature of the Group's leasing activities

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

(a) Carrying amounts

	Office equipment $'000	Leasehold properties $'000	Total $'000
Group			
Cost			
At 30 June 2020	60	579	639
Additions	-	726	726
Currency translation differences	3	-	3
At 1 July 2020 and 30 June 2021	63	1,305	1,368
Accumulated depreciation			
At 30 June 2020	21	357	378
Depreciation charge (Note 6)	23	359	382
Currency translation differences	1	-	1
At 30 June 2021	45	716	761
Net book value			
At 30 June 2021	**18**	**589**	**607**
Cost			
At 1 July 2019 and 30 June 2020	60	579	639
Accumulated depreciation			
At 30 June 2019	-	-	-
Depreciation charge (Note 6)	21	357	378
At 30 June 2020	21	357	378
Net book value			
At 30 June 2020	**39**	**222**	**261**

18. Right-of-use assets (continued)

Nature of the Group's leasing activities (continued)

(a) Carrying amounts (continued)

	Office equipment $'000	Leasehold properties $'000	Total $'000
Company			
Cost			
At 30 June 2020	10	579	589
Additions	-	726	726
At 1 July 2020 and 30 June 2021	10	1,305	1,315
Accumulated depreciation			
At 30 June 2020	2	357	359
Depreciation charge	3	359	362
At 30 June 2021	5	716	721
Net book value			
At 30 June 2021	**5**	**589**	**594**
Cost			
At 30 June 2019	-	-	-
Adoption of SFRS(I) 16	10	579	589
At 1 July 2019 and 30 June 2020	10	579	589
Accumulated depreciation			
At 30 June 2019	-	-	-
Depreciation charge	2	357	359
At 30 June 2020	2	357	359
Net book value			
At 30 June 2020	**8**	**222**	**230**

The Group also leases certain plant and equipment, and motor vehicles from non-related parties. Further details are set out in Note 17.

		2021 $'000	2020 $'000
(b)	*Interest expense*		
	Interest expense on lease liabilities	**20**	25
(c)	*Lease expense not capitalised in lease liabilities*		
	Lease expense – low-value leases	**-**	35

(d) Total cash outflow for all the leases in 2021 was $604,000 (2020: $627,000).

(e) There were additions of $726,000 (2020: $Nil) to ROU assets.

18. Right-of-use assets (continued)

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

Extension options

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

19. Investments in subsidiaries

	Company	
	2021	2020
	$'000	$'000
Equity investments at cost		
Beginning of financial year	**1,967**	**1,967**
Additions	**-***	-
Disposal	**-**	-
End of financial year	**1,967**	1,967
Accumulated allowance for impairment		
Beginning and end of financial year	**1**	1
Net book value		
Beginning and end of financial year	**1,966**	1,966

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

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

19. Investments in subsidiaries (continued)

Details of the Company's subsidiaries are as follows:

Name	Principal activities	Country of business/ incorporation	Equity holding 2021 %	Equity holding 2020 %
Held by the Company				
iX Biopharma Pty Ltd [a] [b]	Research and experimental development	Australia	**100**	100
iX Syrinx Pty Ltd ("Syrinx") [a] [b]	Manufacturing and sale of pharmaceutical products	Australia	**100**	100
Arrow Property Trust ("APT") [b]	Owner of an industrial property that is leased exclusively to Syrinx	Australia	**100**	100
Kaizen Manufacturing Pty Ltd ("KMPL") [b]	Trustee of Arrow Property Trust	Australia	**100**	100
Entity Health Ltd [c]	Promotion and marketing of nutritional and supplements products	Hong Kong	**100**	100
iXB Sdn. Bhd. [d]	Research and development, marketing and distribution of health and nutritional products in Malaysia	Malaysia	**100**	100
iX Biopharma Europe Limited [d]	Promotion and marketing of nutritional and supplements products	Ireland	**100**	-
Ligo Pharma Limited [d]	Investment holding company	Cayman Islands	**100**	-
Held by Entity Health Ltd				
Entity Health Pte Ltd [e]	Promotion and marketing of nutritional and supplements products	Singapore	**100**	100
Entity Health (China) Company Ltd [c]	Investment holding company	Hong Kong	**100**	100
Entity Health Pty Ltd [a] [b]	Promotion and marketing of nutritional and supplements products	Australia	**100**	100
Held by Entity Health (China) Company Ltd				
Entity Health (Shanghai) Co Ltd [f]	Promotion and marketing of nutritional and supplements products	China	**100**	100

19. Investments in subsidiaries (continued)

Details of the Company's subsidiaries are as follows: (continued)

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

20. Trade and other payables

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Trade payables:				
- Non-related parties	**550**	848	**181**	397
- Subsidiaries	**-**	-	**22**	7
Advance deposits received from customers	**-**	17	**-**	-
Accrued operating expenses	**2,122**	1,846	**1,439**	1,215
Amount due to directors of the Company	**90**	90	**90**	90
Goods and services tax payable	**31**	19	**-**	-
Other payables	**15**	4	**8**	-
	2,808	2,824	**1,740**	1,709

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

21. Borrowings

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Bank borrowings:				
- Current	**421**	216	**25**	25
- Non-current	**3,201**	3,438	**30**	55
Total borrowings	**3,622**	3,654	**55**	80

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

(i) Borrowings secured over plant and equipment:

Group

	2021	2020
Borrowings ($'000)	**32**	212
Interest rates	**4.92% per annum**	Between 4.89% to 5.75% per annum

The borrowings are repayable in fixed monthly instalments, with maturity dates on 30 November 2021 (2020: 30 November 2021 and 12 May 2021).

21. Borrowings (continued)

(ii) Borrowings secured over motor vehicles:

Group

	2021	2020
Borrowings ($'000)	**55**	89
Interest rates	**5.24% per annum**	4.95% and 5.24% per annum

The borrowings are repayable in fixed monthly instalments up to July 2023 (2020: July 2023).

Company

	2021	2020
Borrowings ($'000)	**55**	80
Interest rates	**5.24% per annum**	5.24% per annum

The borrowings are repayable in fixed monthly instalments up to July 2023.

(iii) Borrowing secured over land and building:

Group

	2021	2020
Borrowings ($'000)	**3,535**	3,322
Interest rates	**5.75% per annum from 29 June 2018 to 30 June 2021, at floating interest rate thereafter**	

The borrowing is repayable in fixed monthly instalments from 30 July 2021 and the remaining balance shall be fully repayable on 30 June 2023.

(a) Fair value of non-current borrowings

	Group		**Company**	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Bank borrowings	**3,201**	3,438	**30**	55

The fair values of current borrowings approximate their carrying values.

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

	Group		**Company**	
	2021 %	2020 %	**2021 %**	2020 %
Bank borrowings	**4.92 to 5.75**	4.89 to 5.75	**5.24**	5.24

The fair values are within Level 2 of the fair values hierarchy. The fair values measurement hierarchy are defined in Note 26(g).

21. Borrowings (continued)

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

(b) Undrawn borrowing facilities

	Group		Company	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Expiring beyond one year	**1,483**	1,216	**-**	-

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

(c) Reconciliation of liabilities arising from financing activities:

			Non-cash changes $'000				
	Beginning of financial year $'000	**Principal and interest payments $'000**	**Adoption of SFRS(I) 16**	**Additions during the year**	**Interest expense**	**Foreign exchange movement**	**End of financial year $'000**
2021							
Borrowings	3,654	(375)	-	-	149	194	3,622
Lease liabilities	264	(402)	-	726	25	-	613
2020							
Borrowings	3,831	(426)	-	-	213	36	3,654
Lease liabilities	-	(400)	639	-	25	-	264

22. Provisions

	Group	
	2021 $'000	2020 $'000
Provision for employees' long service leave		
- Current	**63**	12
- Non-current	**40**	60
Total provisions	**103**	72

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

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

	2021 $'000	2020 $'000
Beginning of financial year	**72**	46
Provision made	**27**	26
Currency translation differences	**4**	-
End of financial year	**103**	72

23. Share capital

	No. of ordinary shares	Amount $'000
Group and Company		
2021		
Beginning of financial year	**648,894,390**	**72,251**
Shares issued pursuant to		
Private placement	**44,491,299**	**10,180**
iX Performance Share Plan (Note 24(b))	**3,967,334**	**906**
End of financial year	**697,353,023**	**83,337**
2020		
Beginning of financial year	644,594,057	71,525
Shares issued pursuant to iX Performance Share Plan (Note 24(b))	4,300,333	726
End of financial year	648,894,390	72,251

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

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

Pursuant to iX Performance Share Plan granted on 30 September 2016, the Company issued 1,083,334, 2,384,000 and 500,000 ordinary shares to its employees through exercise of the share plans on 30 October 2020, 20 November 2020 and 3 June 2021 respectively (2020: 4,300,333 ordinary shares to its employees through exercise of the share plans on 16 November 2019).

24. Other reserves

	Group		Company	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Currency translation reserve (Note 24(a))	**(67)**	1,333	**-**	-
Share based payment reserve (Note 24(b))	**411**	320	**411**	320
	344	1,653	**411**	320

(a) Currency translation reserve

	Group	
	2021 $'000	2020 $'000
Beginning of financial year	**1,333**	1,703
Net currency translation differences of financial statements of foreign subsidiaries	**(1,400)**	(370)
End of financial year	**(67)**	1,333

24. Other reserves (continued)

(b) Share based payment reserve

(i) Share Option Scheme and Share Plan

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

During the financial year, no options were granted under the Share Option Scheme. Movements in the number of unissued ordinary shares under the Share Plan during the financial year are as follows:

Award Dates	Beginning of financial year '000	Awarded '000	Expired '000	Forfeited '000	Issued '000	End of financial year '000	Vesting dates	Fair value per share $
2021								
16.11.2019	2,384	-	-	-	(2,384)	-	16.11.2020	0.215
23.10.2020	-	1,083	-	-	(1,083)	-	23.10.2020	0.255
23.10.2020	-	2,350	-	-	-	2,350	23.10.2021	0.255
03.06.2021	-	500	-	-	(500)	-	03.06.2021	0.235
	2,384	3,933	-	-	3,967	2,350		
2020								
16.11.2018	1,500	-	-	-	(1,500)	-	01.03.2019	0.165
16.11.2018	2,600	-	-	(133)	(2,467)	-	16.11.2019	0.165
16.11.2019	-	333	-	-	(333)	-	16.11.2019	0.215
16.11.2019	-	2,384	-	-	-	2,384	16.11.2020	0.215
	4,100	2,717	-	(133)	(4,300)	2,384		

(ii) Movement for share based payment reserve

The movement for share based payment reserve is as follows:

	Group and Company	
	2021	2020
	$'000	$'000
Beginning of financial year	**320**	508
Share based payment scheme		
- Value of employees' services (Note 7)	**997**	538
- Share awards issued (Note 23)	**(906)**	(726)
End of financial year	**411**	320

25. Commitments

Capital commitments

Capital expenditures of $57,000 (2020: $196,000) for property, plant and equipment were contracted for at the balance sheet date but not recognised in the financial statements.

26. Financial risk management

Financial risk factors

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

Risk management framework

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

(a) Market risk

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

(i) Currency risk

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

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

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

26. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

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

	USD $'000	AUD $'000
Group		
2021		
Financial assets		
Cash and cash equivalents	275	1,003
Trade and other receivables	268	17,721
	543	18,724
Financial liabilities		
Trade and other payables	(326)	(39,720)
Borrowings	-	(3,566)
Lease liabilities	-	(14)
	(326)	(43,300)
Net financial assets/(liabilities)	217	(24,576)
Less: Financial (assets)/liabilities denominated in the respective entities' functional currencies		
Cash and cash equivalents	-	(890)
Trade and other receivables	-	(701)
	-	(1,591)
Trade and other payables	-	39,664
Borrowings	-	3,566
Lease liabilities	-	14
	-	43,244
	-	41,653
Currency exposure of net financial assets net of those denominated in the respective entities' functional currencies	**217**	**17,077**

26. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

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

	USD $'000	AUD $'000
Group		
2020		
Financial assets		
Cash and cash equivalents	781	4,504
Trade and other receivables	280	14,761
	1,061	19,265
Financial liabilities		
Trade and other payables	(324)	(34,820)
Borrowings	-	(3,825)
Lease liabilities	-	(32)
	(324)	(38,677)
Net financial assets/(liabilities)	737	(19,412)
Less: Financial (assets)/liabilities denominated in the respective entities' functional currencies		
Cash and cash equivalents	-	(1,919)
Trade and other receivables	-	(480)
	-	(2,399)
Trade and other payables	-	34,759
Borrowings	-	3,825
Lease liabilities	-	32
	-	38,616
	-	36,217
Currency exposure of net financial assets net of those denominated in the respective entities' functional currencies	**737**	**16,805**

26. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

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

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

	USD $'000	AUD $'000
Company		
2020		
Financial assets		
Cash and cash equivalents	740	2,585
Trade and other receivables	280	14,281
	1,020	16,866
Financial liability		
Trade and other payables	(18)	(40)
	(18)	(40)
Net financial assets/Currency exposures	**1,002**	**16,826**

26. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the AUD and USD change against the SGD by 5% (2020: 1%) and 4% (2020: 3%) respectively, with all other variables including tax rate being held constant, the effects arising from the net financial asset positions will be as follows:

	Increase/(decrease)	
	2021 Loss after tax $'000	2020 Loss after tax $'000
Group		
AUD against SGD		
- Strengthened	**(709)**	(139)
- Weakened	**709**	139
USD against SGD		
- Strengthened	**(7)**	(18)
- Weakened	**7**	18

	Increase/(decrease)	
	2021 Loss after tax $'000	2020 Loss after tax $'000
Company		
AUD against SGD		
- Strengthened	**(710)**	(140)
- Weakened	**710**	140
USD against SGD		
- Strengthened	**(17)**	(25)
- Weakened	**17**	25

(b) Credit risk

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

26. Financial risk management (continued)

(b) Credit risk (continued)

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

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

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

The movements in credit loss allowance are as follows:

	Trade receivables [a]	
	2021	2020
	$'000	$'000
Group		
Balance as at 1 July	**-**	3
Loss allowance recognised in profit or loss during the year on:		
- Reversal of unutilised amounts	**-**	(3)
- Assets acquired/originated	**-**	-
	-	(3)
Receivables written off as uncollectible	**(6)**	-
Exchange differences	**-**	-
Balance as at 30 June	**(6)**	-

[a] Loss allowance measured at 12-month expected credit loss

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

(i) Trade receivables

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

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

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

Trade receivables are written off when the assets become uncollectible.

26. Financial risk management (continued)

(b) Credit risk (continued)

(i) Trade receivables (continued)

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 30 June 2021 and 30 June 2020 are set out in the provision matrix as follows:

		← Past due →		
Group	**Current $'000**	**Less than 3 months $'000**	**3 to 6 months $'000**	**Total $'000**
As at 30 June 2021				
Pharmaceutical products				
Expected loss rate	0%	0%	0%	0%
Trade receivables	111	32	4	147
Loss allowance	-	-	-	-
Nutraceutical products				
Expected loss rate	0%	0%	0%	0%
Trade receivables	63	12	-	75
Loss allowance	-	-	-	-
As at 30 June 2020				
Pharmaceutical products				
Expected loss rate	0%	0%	0%	0%
Trade receivables	46	25	2	73
Loss allowance	-	-	-	-
Nutraceutical products				
Expected loss rate	0%	0%	0%	0%
Trade receivables	76	-	-	76
Loss allowance	-	-	-	-

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

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

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

	Receivables from subsidiaries	
	2021	2020
	$'000	$'000
Company		
Balance as at 1 July	**19,361**	17,784
Loss allowance recognised in profit or loss during the year on:		
- Assets acquired/originated	**2,455**	1,577
Balance as at 30 June	**21,816**	19,361

26. Financial risk management (continued)

(b) Credit risk (continued)

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

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

(c) Liquidity risk

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

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

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

Management monitors the liquidity reserve (comprising undrawn borrowing facilities (Note 21(b)) and cash and cash equivalents (Note 12) of the Group on the basis of expected cash flows. This is generally carried out at the local level in the operating companies of the Group in accordance with the practice and limits set by the Group.

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

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000
Group			
30 June 2021			
Trade and other payables	**2,808**	**-**	**-**
Borrowings	**438**	**3,320**	**2**
Lease liabilities	**399**	**242**	**1**
30 June 2020			
Trade and other payables	2,784	-	-
Borrowings	225	432	3,010
Lease liabilities	251	17	3

26. Financial risk management (continued)

(c) Liquidity risk (continued)

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000
Company			
30 June 2021			
Trade and other payables	**1,740**	**-**	**-**
Borrowings	**28**	**28**	**2**
Lease liabilities	**226**	**139**	**1**
30 June 2020			
Trade and other payables	1,709	-	-
Borrowings	28	56	2
Lease liabilities	230	3	3

(d) Capital risk

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

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

	Group		Company	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Net debt/(cash)	**832**	1,080	**(2,778)**	(1,572)
Total equity	**11,711**	10,168	**24,969**	20,087
Total capital	**12,543**	11,248	**22,191**	18,515
Gearing ratio	**7%**	10%	**N.A.** [(1)]	N.A. [(1)]

[(1)] *The Company's cash position exceeds the total of trade and other payables, and borrowings. The Company is in a net cash position for the financial years ended 30 June 2021 and 2020.*

26. Financial risk management (continued)

(e) Financial instruments by category

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

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

	Group $'000	Company $'000
30 June 2020		
Financial assets, at amortised cost	5,952	19,445
Financial liabilities, at amortised cost	6,703	2,021

(f) Offsetting financial assets and financial liabilities

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

(g) Fair value measurements

The fair value of financial liability for disclosure purpose is classified by level of the following fair value measurement hierarchy:

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

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

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

There were no transfers of the financial liability between each level during the financial years ended 30 June 2021 and 30 June 2020.

See Note 21(a) for disclosure of the fair value of borrowings.

27. Related party transactions

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

	Group	
	2021	2020
	$'000	$'000
Professional fees paid to related parties*	**129**	104

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

Outstanding balances as at 30 June 2021, comprising of amount due from subsidiaries and amount due to directors of the Company and its subsidiaries, are set out in Note 13 and Note 20 respectively.

(i) Key management personnel compensation

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

	Group	
	2021	2020
	$'000	$'000
Wages, salaries and other short-term employee benefits	**2,142**	1,902
Employer's contribution to defined contribution plans	**26**	9
Share based payment expense	**622**	189
	2,790	2,100

28. Segment information

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

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

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

28. Segment information (continued)

The segment information for the reportable segments is as follows:

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

Group 2020	Specialty Pharmaceutical $'000	Nutraceutical $'000	Total $'000
Revenue			
Total segment sales	787	389	1,176
Less:			
Inter-segment sales	(191)	-	(191)
Sales to external parties	**596**	**389**	**985**
Adjusted EBITDA	**(4,247)**	**(1,895)**	**(6,142)**
Depreciation	593	-	593
Amortisation	25	-	25

(a) Reconciliations

(i) Segment profits

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

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

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

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

28. Segment information (continued)

(a) Reconciliations (continued)

(i) Segment profits (continued)

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

	2021	2020
	$'000	$'000
Adjusted EBITDA is reconciled to loss before income tax as follows:		
Reportable segments	**(5,478)**	(6,142)
Unallocated corporate expenses	**(3,562)**	(3,408)
	(9,040)	(9,550)
Research and development tax incentive	**1,230**	405
Depreciation	**(1,001)**	(1,024)
Amortisation	**(53)**	(25)
Currency exchange gains/(losses) – net	**1,795**	384
Share based payment expense	**(997)**	(538)
Finance expense	**(174)**	(238)
Interest income	**7**	87
Loss before income tax	**(8,233)**	**(10,499)**

(b) Geographical information

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

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

	Sales [1]	
	2021	2020
	$'000	$'000
China	**870**	308
Australia	**786**	627
Singapore	**89**	50
	1,745	985

	Non-current assets [2]	
	2021	2020
	$'000	$'000
Australia	**8,526**	8,208
Singapore	**915**	526
Hong Kong	**65**	105
	9,506	8,839

28. Segment information (continued)

(b) Geographical information (continued)

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

There were no significant revenues derived from a single external customer for the financial years ended 30 June 2021 and 30 June 2020.

29. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 July 2021 and which the Group has not early adopted.

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

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

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

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

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

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

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

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

30. Events occurring after balance sheet date

On 26 July 2021, 48,814,711 new ordinary shares in the capital of the Company ("Rights Shares") were allotted and issued at the issue price of $0.20 per Rights Shares in connection with a rights issue exercise.

On 28 July 2021, 48,814,711 Rights Shares were listed and quoted on the Catalist Board of the SGX-ST. The net cash proceeds associated with the rights issue were approximately $9.61 million and was received by the Company on 28 July 2021.

31. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of iX Biopharma Ltd. on 28 September 2021.

STATISTICS OF SHAREHOLDINGS

As at 13 September 2021

Issued and Fully Paid-Up Capital	:	S$92,947,000
Number of Shares in Issue	:	746,167,734
Class of Share	:	Ordinary Shares
Treasury Shares	:	Nil
Subsidiary Holdings	:	Nil
Voting Rights	:	One vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 13 SEPTEMBER 2021

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	10	0.50	512	0.00
100 - 1,000	80	4.03	51,486	0.01
1,001 - 10,000	489	24.66	3,032,933	0.41
10,001 - 1,000,000	1,346	67.88	102,100,331	13.68
1,000,001 AND ABOVE	58	2.93	640,982,472	85.90
TOTAL	**1,983**	**100.00**	**746,167,734**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Shareholder's Name	No. of Shares	% of Shares
1	EDDY LEE YIP HANG	176,677,351	23.68
2	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	128,673,031	17.24
3	RAFFLES NOMINEES (PTE) LIMITED	33,486,064	4.49
4	DBS NOMINEES PTE LTD	29,918,719	4.01
5	PHILLIP SECURITIES PTE LTD	27,853,645	3.73
6	CITIBANK NOMINEES SINGAPORE PTE LTD	20,514,128	2.75
7	JASPAL SINGH NARULLA	20,265,983	2.72
8	TANG CHOY LENG JANE MRS JANE LEE CHOY LENG	18,683,250	2.50
9	CHAN HWEE HOON	13,111,113	1.76
10	WETWATERS 8 (S) PTE LTD	12,519,000	1.68
11	OCBC SECURITIES PRIVATE LTD	11,718,100	1.57
12	SEAH BOON LOCK	11,053,869	1.48
13	UNITED OVERSEAS BANK NOMINEES PTE LTD	10,563,440	1.42
14	YEOH WEE LIAT	9,611,673	1.29
15	ALBERT HO SHING TUNG	8,827,605	1.18
16	MOHAN BHAGCHAND MULANI	8,318,000	1.11
17	TAN SAR TEE	6,914,000	0.93
18	RAJAN MENON	5,200,000	0.70
19	SEAH QIN QUAN	5,136,838	0.69
20	RAMCHANDRA HEGDE OR MYNA RAMCHANDRA HEGDE	4,605,100	0.62
	TOTAL	**563,650,909**	**75.55**

STATISTICS OF SHAREHOLDINGS

As at 13 September 2021

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	%	Deemed Interest	%
Eddy Lee Yip Hang	176,677,351	23.68	18,683,250 [1]	2.50
Anson Properties Pte. Ltd.	66,748,029 [2]	8.95	-	-
Jaspal Singh Narulla	20,265,983	2.72	17,526,600 [3]	2.35

Notes:

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

2. Anson Properties Pte. Ltd. ("**APPL**") is 100.0% owned by HRT Corporation Pte. Ltd. ("**HRT Corporation**"). Ms. Phuah Bee Lee owns 100.0% of equity interest in HRT Corporation. Accordingly, Ms. Phuah Bee Lee and HRT Corporation are deemed to be interested in the Shares held by APPL. APPL's direct interest includes 65,484,000 Shares held in the name of CGS-CIMB Securities (Singapore) Pte. Ltd.

3. Mr Jaspal Singh Narulla ("**Mr Narulla**") is deemed interested in the shares of the Company held by Wetwaters 8 (S) Pte. Ltd., Jaspal Narulla Family Investments Pte. Ltd. and Narulla One (S) Pte. Ltd. (the "**Companies**") by virtue of his shareholding interest in the Companies.

SHAREHOLDING HELD IN THE HANDS OF PUBLIC

As at 13 September 2021, approximately 58.43% of the shareholdings of the Company is held in the hands of the public and therefore Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited has been complied with.

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION AT 2021 ANNUAL GENERAL MEETING

Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F to the Catalist Rules relating the Director who is retiring and seeking re-election in accordance with the Company's Constitution at the forthcoming AGM, is set out below:

	Mr. Albert Ho Shing Tung
Age	54
Date of appointment	1 March 2013
Job Title	Non-Executive Director A member of Audit Committee (AC), Remuneration Committee (RC) and Risk Management Committee (RMC)
Date of last re-election as Director (if applicable)	18 October 2019
Country of principal residence	Singapore
The Board's comments on the re-appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Albert Ho Shing Tung ("Mr Ho") as the Non-Executive Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration of Mr Ho's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company. Mr. Ho will, upon re-election, continue to serve as a member of AC, RC and RMC.
Whether appointment is executive, and if so, the area of responsibility	No
Professional qualification	Bachelor of Commerce degree (Australian National University); Fellow Certified Practising Accountant with CPA Australia.
Working experience and occupation(s) during the past 10 years	A director of Centrum Capital, an investment and asset management firm. Previously worked at various international banks and multinational corporations, and has more than 25 years' experience in the areas of corporate development, finance and investment banking.
Shareholding interest in the Company and its subsidiaries	Mr Ho is holding 8,827,605 shares in the Company. Mr Ho is the director and shareholder holding 93% of the share capital of Centrum Capital Pte. Ltd. Accordingly, Mr Ho is deemed to be interested in the 139,100 shares of the Company held by Centrum Capital Pte. Ltd.
Relationship (including immediate family relationship) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	None
Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7H under Rule 720(1) has been submitted to the Company	Yes
Other Principal Commitments[a] including directorships – Present	A director of Centrum Capital Pte. Ltd., an investment and asset management firm

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION AT 2021 ANNUAL GENERAL MEETING

	Mr. Albert Ho Shing Tung
Group Companies	iX Biopharma Ltd[b] iX Syrinx Pty Ltd Kaizen Manufacturing Pty Ltd Entity Health Limited Entity Health Pte Ltd
Other Companies	Beral Holdings Pte. Ltd. Centrum Capital Pte. Ltd. Fasrich Investment Pte. Ltd. Ferringhi Rock Sdn Bhd Flexible Space Pte. Ltd. Helios Trade and Investments Pte Ltd Machor Holdings Pte. Ltd. Maritime Torch Sdn Bhd Orient Torch Private Limited Topsource Investment Ltd
Other Principal Commitments[a] including directorships - Past (for the last 5 years):	
Group Companies	Chemical Analysis Pty Ltd
Other Companies	Riverstone Holdings Limited
Responses to questions (a) to (k) under Appendix 7F of the Catalist Rules	Negative Confirmation

[a] "Principal Commitments" has the same meaning as defined in the Code and includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations.

[b] Listed company.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of iX Biopharma Ltd. (the "**Company**") will be held by way of electronic means on Friday, 15 October 2021 at 10.00 a.m. for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2021 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect Mr. Albert Ho Shing Tung, as a Director of the Company, who is retiring pursuant to Regulation 85 of the Company's Constitution.
   (See Explanatory Note 1) **(Resolution 2)**

3. To note the retirement of Ms. Claudia Teo Kwee Yee as a Director of the Company, who is retiring pursuant to Regulation 85 of the Company's Constitution and has decided not to seek re-election.

4. To approve the Directors' fees of S$334,000 for the financial year ending 30 June 2022, to be paid quarterly in arrears (2021: S$334,000). **(Resolution 3)**

5. To re-appoint Messrs PricewaterhouseCoopers LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 4)**

6. To transact any other ordinary business which may properly be transacted at an annual general meeting.

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. Authority to allot and issue shares

   That pursuant to Section 161 of the Companies Act, Chapter 50 (the "**Companies Act**") and Rule 806 of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

   (a) (i) allot and issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to, the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

   (b) notwithstanding the authority conferred by this Ordinary Resolution may have ceased to be in force, issue Shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force, provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 100% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, at the time this Resolution is passed after adjusting for:

(a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities or share options or vesting of share awards outstanding and subsisting at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by SGX-ST) and the Company's Constitution; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until (i) the conclusion of the next Annual General Meeting of the Company or (ii) the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

(See Explanatory Note 2) **(Resolution 5)**

8. Authority to allot and issue Shares under the iX Employee Share Option Scheme

That pursuant to Section 161 of the Companies Act, Chapter 50 and the provisions of the iX Employee Share Option Scheme (the "**Share Option Scheme**"), authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted under the Share Option Scheme, provided always that the aggregate number of additional ordinary Shares to be allotted and issued pursuant to the Share Option Scheme and the iX Performance Share Plan collectively shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

(See Explanatory Note 3) **(Resolution 6)**

NOTICE OF ANNUAL GENERAL MEETING

9. Authority to allot and issue Shares under the iX Performance Share Plan

That pursuant to Section 161 of the Companies Act, Chapter 50 and the provisions of the iX Performance Share Plan (the "**Share Plan**"), authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards under the Share Plan, provided always that the aggregate number of additional ordinary Shares to be allotted and issued pursuant to the Share Option Scheme and the Share Plan collectively shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

(See Explanatory Note 4) **(Resolution 7)**

10. The Proposed Grant of an Award to Mr. Eddy Lee Yip Hang, the Chairman and CEO and a Controlling Shareholder of the Company, under the iX Performance Share Plan

(a) That approval be and is hereby given for the grant of an award of Shares under the iX Performance Share Plan ("**Award**") to Mr. Eddy Lee Yip Hang, the Chairman and CEO and a Controlling Shareholder of the Company, in accordance with the Rules of the iX Performance Share Plan and on the terms set out in Section 3.1 of Appendix A of the Company's Annual Report 2021;

(b) That the Directors (save for Mr. Eddy Lee Yip Hang) be and are hereby authorised to issue and allot new Shares and/or transfer existing Shares to Mr. Eddy Lee Yip Hang pursuant to the Award, in accordance with the Rules of the iX Performance Share Plan and the terms of the Award; and

(c) The Directors (save for Mr. Eddy Lee Yip Hang) and each of them be and are hereby authorised and empowered to complete and do all such acts and things, and to approve and execute all such documents as they or he may consider necessary, desirable, expedient or appropriate to give effect to this resolution, with such modifications thereto (if any) as they or he may think fit in the interests of the Company.

(See Explanatory Note 5) **(Resolution 8)**

By Order of the Board

Lee Wei Hsiung/Wang Shin Lin, Adeline
Company Secretaries

29 September 2021
Singapore

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

1. Mr. Albert Ho Shing Tung will, upon re-election as a Director of the Company, remain as a member of the Audit Committee, Remuneration Committee and Risk Management Committee. Mr. Albert Ho Shing Tung is considered to be non-independent for the purposes of Rule 704(7) of the Catalist Rules. Key information on Mr. Albert Ho Shing Tung required pursuant to Rule 720(5) of the Catalist Rules can be found under "Additional Information on Director Seeking Re-election at 2021 Annual General Meeting" of the Company's Annual Report 2021.

2. Ordinary Resolution 5 proposed in item 7 above, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or the date such authority is revoked by the Company in a general meeting, whichever is the earliest, to allot and issue Shares and convertible securities in the Company. The aggregate number of Shares (including any Shares issued pursuant to the convertible securities) which the Directors may allot and issue under this Resolution will not exceed 100% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company may be issued other than on a pro-rata basis to existing shareholders.

3. Ordinary Resolution 6 proposed in item 8 above, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held, whichever is the earlier, to allot and issue Shares in the Company, collectively of up to a number not exceeding in total 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time pursuant to the exercise of Options under the Share Option Scheme and Share Plan.

4. Ordinary Resolution 7 proposed in item 9 above, if passed, will authorise and empower the Directors of the Company, from the date of this Annual General Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held, whichever is the earlier, to allot and issue Shares in the Company, collectively of up to a number not exceeding in total 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time pursuant to the grant of share awards under the Share Plan and Share Option Scheme.

5. The proposed grant of award of Shares to Mr. Eddy Lee Yip Hang, the Chairman and CEO and a controlling shareholder of the Company, may only be effected with the specific approval of Independent Shareholders at general meeting by a separate resolution. Ordinary Resolution 8 proposed in item 10 above, if passed, will empower the Directors of the Company to grant an award of 5,961,000 Shares to Mr. Lee. Please refer to Appendix A of the Company's Annual Report 2021 for more details.

Notes

1. The AGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of AGM will NOT be sent to members of the Company. Instead, this Notice will be sent to members by electronic means via publication on SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.ixbiopharma.com/newsroom.

2. Alternative arrangements relating to attendance at the AGM via electronic means (in particular, arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions prior to, or at, the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying announcement by the Company dated 29 September 2021. This announcement may be accessed on SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.ixbiopharma.com/newsroom.

3. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The accompanying proxy form for the AGM may be accessed on SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.ixbiopharma.com/newsroom.

NOTICE OF ANNUAL GENERAL MEETING

4. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstention from voting, in respect of a Resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as a proxy for that Resolution will be treated as invalid.

   CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective agent banks or SRS operators to submit their votes by 5 p.m. on 5 October 2021.

5. The Chairman of the AGM, as proxy, need not be a member of the Company.

6. The instrument appointing the Chairman of the AGM as proxy (the "**Proxy Form**") must be submitted to the Company in the following manner:

   (a) if submitted by post, be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898; or

   (b) if submitted electronically, be submitted via email to the Company at ixbiopharma-agm@complete-corp.com,

   in any case, not later than 10 a.m. on 12 October 2021 (being 72 hours before the time fixed for the AGM) and in default the Proxy Form for the AGM shall not be treated as valid.

   A member who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

7. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

8. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form (such as in the case where the appointor submits more than one Proxy Form).

9. In the case of a member whose Shares are entered against his/her name in the Depository Register, the Company may reject any Proxy Form as proxy lodged if such member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by CDP to the Company.

10. All questions must be submitted no later than 10 a.m. on 12 October 2021 via any of the following means:

    (a) at the registration website at https://complete-corp.com/ix-biopharma-agm;
    (b) by email to ixbiopharma-agm@complete-corp.com; or
    (c) in hard copy by sending personally or by post to the Company's principal place of business at 1 Kim Seng Promenade, #14-01, Great World City East Lobby, Singapore 237994.

    Members submitting questions are required to provide their particulars as follows:

    (a) Full name (for individuals)/company name (for corporates) as per CDP/SRS account records;
    (b) National Registration Identity Card Number or Passport Number (for individuals)/Company Registration Number (for corporates);
    (c) Number of shares in the capital of the Company held;
    (d) Contact Number; and
    (e) Email Address.

11. In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms and questions by post, members are strongly encouraged to submit completed Proxy Forms and questions electronically via email.

NOTICE OF ANNUAL GENERAL MEETING

12. The Management and Board of Directors of the Company will endeavour to address all substantial and relevant questions received from members prior to, or at, the AGM. The responses to those questions shall be published on SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.ixbiopharma.com/newsroom.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

APPENDIX A – ADDITIONAL INFORMATION ON AWARD OF SHARES TO CONTROLLING SHAREHOLDER

1. DEFINITIONS

In this Appendix A, the following definitions apply throughout unless otherwise stated:

"AGM"	:	The forthcoming annual general meeting of the Company, to be held by way of electronic means on Friday, 15 October 2021 at 10 a.m.
"Annual Report"	:	The annual report of the Company dated 29 September 2021 in respect of the financial year ended 30 June 2021.
"Associate"	:	(a) in relation to any Director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual) means: i. his immediate family; ii. the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and iii. any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; (b) in relation to a substantial shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/ or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more.
"Award"	:	An award of fully paid Shares granted under the iX Performance Share Plan.
"Award Shares"	:	Shares which are the subject of any Award.
"Board"	:	The board of Directors of the Company.
"Catalist Rules"	:	Section B: Rules of Catalist of the Listing Manual of the SGX-ST, as modified, supplemented or amended from time to time.
"CDP"	:	The Central Depository (Pte) Limited.
"Company"	:	iX Biopharma Ltd.
"Controlling Shareholder"	:	As defined in the Catalist Rules, means a person who: (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in the Company (unless otherwise determined by the SGX-ST); or (b) in fact exercises control over the Company.
"CRPS"	:	As defined in paragraph 3.2.
"EMA"	:	European Medicines Agency.
"FY"	:	The financial year ending 30 June.
"Group"	:	The Company and its subsidiaries.
"LYH Award"	:	The proposed grant of an Award of up to 5,961,000 Shares to Mr. Eddy Lee Yip Hang under the iX Performance Share Plan.
"Maximum Available Shares"	:	As defined in paragraph 3.3.
"Notice of AGM"	:	The notice of the AGM as set out in the Annual Report.

APPENDIX A – ADDITIONAL INFORMATION ON AWARD OF SHARES TO CONTROLLING SHAREHOLDER

"Performance Conditions"	:	As defined in paragraph 3.1.
"Plan" or "iX Performance Share Plan"	:	The iX Performance Share Plan (a performance share plan adopted by the Company on 17 June 2015), as amended or modified from time to time.
"Proposed Resolution"	:	The resolution to be adopted at the AGM in respect of the proposed grant of the Award to Mr. Eddy Lee Yip Hang.
"Remuneration Consultants"	:	HR Guru Pte. Ltd., who were engaged by the Company as consultants to review the Group's compensation plans.
"Rules of the Plan"	:	The rules of the iX Performance Share Plan.
"Scheme" or "iX Employee Share Option Scheme"	:	The iX Employee Share Scheme (a share option scheme adopted by the Company on 17 June 2015), as amended or modified from time to time.
"Securities and Futures Act"	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time.
"SGX-ST"	:	Singapore Exchange Securities Trading Limited.
"Shares"	:	Issued shares in the capital of the Company.
"Shareholders"	:	Persons who are registered as holders of the Shares, or where CDP is the registered holder, the term "Shareholders" shall, in relation to such Shares and where the context admits, mean the Depositors whose securities accounts are credited with Shares.
"Substantial Shareholder"	:	Shall have the same meaning in relation to the Company as ascribed to the term in the Companies Act.
"US FDA"	:	United States Food and Drug Administration.
"Wafermine"	:	A sublingual ketamine wafer formulated with the Company's patented WaferiX drug delivery technology which has completed Phase 2 clinical development.
"%"	:	Per centum.

The terms "Depositor", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

2. INTRODUCTION

2.1. The Company adopted the iX Performance Share Plan on 17 June 2015. The purpose of the implementation of the iX Performance Share Plan was to serve the Company's objectives in rewarding, retaining and motivating employees. The Company recognises that it is important to motivate, incentivise and retain Group executives, executive directors and non-executive directors whose contributions are essential to the medium and long-term growth and profitability of the Group. The Plan provides an opportunity to these personnel who have contributed and continue to contribute to the development and growth of the Group to participate in the equity of the Company.

2.2. The Board proposes to grant the LYH Award to Mr. Eddy Lee Yip Hang, the Chairman and Chief Executive Officer of the Company, in recognition of his valuable contribution and involvement in the development and proposed out-licensing of Wafermine, the Company's lead drug under development.

2.3. As Mr. Eddy Lee Yip Hang is also the Controlling Shareholder of the Company, his participation in the iX Performance Share Plan and each grant of share awards to him under the Plan have to be approved by independent Shareholders. On 25 October 2016, his participation in the Plan was approved at the Company's annual general meeting. For the proposed grant of the LYH Award, the Board is seeking independent Shareholder's approval at the AGM.

APPENDIX A – ADDITIONAL INFORMATION ON AWARD OF SHARES TO CONTROLLING SHAREHOLDER

3. THE PROPOSED GRANT OF THE LYH AWARD

3.1 The LYH Award

The details of the LYH Award are set out below:

Date of Award	After the AGM, on a date to be determined by the Board
Consideration payable for grant of Award	None
Number of Shares proposed to be granted to Mr. Eddy Lee Yip Hang	5,961,000
Vesting period of the Award	• 20% of the LYH Award shall vest subject to and upon the Company successfully executing an agreement in relation to the licensing of Wafermine by the end of FY2022; and • the balance 80% shall vest after the execution of the out-licensing agreement, subject to and upon the satisfaction of pre-determined performance milestones within a specified period, (collectively, the "**Performance Conditions**").

The vesting of the LYH Award is subject to and conditional upon satisfaction of the Performance Conditions. If any Performance Condition is not satisfied, the part of the LYH Award subject to that Performance Condition will not vest and will lapse.

3.2 Contributions of Mr. Eddy Lee Yip Hang

Mr. Eddy Lee Yip Hang is the Chairman and Chief Executive Officer and a Controlling Shareholder of the Company. Mr. Lee is the founder of the Company and one of the inventors of the Company's proprietary drug delivery technology, WaferiX. As Chief Executive Officer, Mr. Lee is in charge of the management of the Group and is responsible for the Group's overall business strategy and development. He has been the driving force behind the Group's product research and developments efforts. He also provides the necessary guidance in designing various clinical trials and studies in order to achieve the desired results of these trials and studies.

Mr. Lee has led in the planning and implementation of the development strategy for Wafermine, the Company's lead drug candidate. The Company has now successfully concluded Wafermine's Phase 2 clinical study and achieved a significant development milestone when it reached agreement with the US FDA and EMA on the pivotal Phase 3 clinical studies and clarified key aspects of Wafermine's Phase 3 development programme to support its registration in the United States and Europe for the treatment of acute moderate to severe pain.

In addition to acute moderate to severe pain, Wafermine also has the potential to be developed as treatments for depression and complex regional pain syndrome ("**CRPS**"). The Company obtained an orphan drug designation for ketamine for the treatment of CRPS from the US FDA in FY2021. Each of these indications have significant unmet medical need and contribute substantial market value to Wafermine.

The advancements in Wafermine's development have positioned the Company to be ready to out-license Wafermine to a suitable partner. The partner will be responsible for the further development, registration and commercialisation of Wafermine. Out-licensing Wafermine will unlock the value of the asset for Shareholders. A typical out-licensing agreement will give the Company an opportunity to monetise its asset as the agreement will provide for an upfront payment, various development and sales milestone fee payments and royalty fee payments to be paid to the Company. Out-licensing also provides the Group with the opportunity to de-risk its investment in Wafermine, by allowing the Company to leverage on the expertise of its licensing partner and share the financial costs involved in drug development and commercialisation. It will also allow the Company to allocate more resources to other value-driven programmes in the Group.

APPENDIX A – ADDITIONAL INFORMATION ON AWARD OF SHARES TO CONTROLLING SHAREHOLDER

The Directors (save for Mr. Eddy Lee Yip Hang) are of the view that Mr. Lee's contribution towards the growth of the Group is important and valuable, and his continuing contribution is key to the continued success of the Group. The grant of LYH Award will provide a further incentive and instil in him a deeper sense of commitment to the Group. Although Mr. Lee already has a controlling interest in the Company, the grant of the LYH Award to him will ensure that he is equally entitled, with the other employees who are not Controlling Shareholders, to take part in and benefit from this system of remuneration, thereby enhancing his long-term commitment to the Company.

In addition, the Company had engaged an independent remuneration consulting firm, HR Guru Pte. Ltd. ("**Remuneration Consultant**") to review the overall compensation plans of the Group's key employees and directors. As part of the Remuneration Consultant's review of the Group's compensation plans, the Remuneration Consultant has recommended the LYH Award for Mr. Eddy Lee Yip Hang.

The vesting of the LYH Award is subject to and conditional upon satisfaction of the Performance Conditions. If any of the Performance Conditions are not satisfied, the part of the LYH Award subject to that Performance Condition will not vest and will lapse. The Directors (save for Mr. Eddy Lee Yip Hang) are of the view that the remuneration package of Mr. Eddy Lee Yip Hang is fair given his contributions to the Company.

In view of the above reasons, the Company proposes to grant to Mr. Eddy Lee Yip Hang the LYH Award, subject to the approval by independent Shareholders for the grant of the LYH Award.

3.3 Interest in Shares

Mr. Eddy Lee Yip Hang has a direct interest in 176,677,351 Shares representing approximately 23.68% of the total number of issued Shares and is deemed to have an interest in 18,683,250 Shares held by Ms. Tang Choy Leng Jane, representing approximately 2.5% of the total number of issued Shares.

The total number of Shares which may be delivered pursuant to Awards granted under the iX Performance Share Plan, when added to the number of Shares issued or issuable in respect of such other Shares issued and/or issuable under such other share-based incentive schemes of the Company, shall not exceed 15.0% of the total number of issued Shares (excluding treasury shares) on the day preceding the relevant award date.

As at 28 September 2021, based on the total number of issued Shares (excluding treasury shares) of 746,167,734, the maximum number of Shares available under the Plan and the Scheme is 111,925,160 Shares ("**Maximum Available Shares**"). The Shares under the LYH Award represents: (a) approximately 0.80% of the total number of issued Shares (excluding treasury shares); (b) approximately 5.33% of the Maximum Available Shares; and (c) together with 16,020,333 and 3,000,000 Shares granted under the Plan and the Scheme respectively, approximately 22.32% of the Maximum Available Shares. In view of the foregoing, the Company believes that the LYH Award is fair and not excessive.

3.4 Financial effects of the iX Performance Share Plan

Singapore Financial Reporting Standards (International) No. 2 "Share-based Payment" requires the fair value of employee services received in exchange for the grant of our Shares to be recognised as an expense. For equity-settled share-based payment transactions, the total amount to be expensed in the income statement over the vesting period is determined by reference to the fair value of each Share granted at the grant date and the number of Shares vested by the vesting date, with a corresponding increase in equity.

Before the end of the vesting period, at each balance sheet date, the entity revises its estimates of the number of Shares that are expected to vest by the vesting date and recognises the impact of this revision in the income statement with a corresponding adjustment to equity. After the vesting date, no adjustment to the income statement would be made.

The financial effects of the iX Performance Share Plan are as follows:

(a) When new Shares are issued to participants, the share capital of the Company will increase. If existing Shares are purchased, as opposed to new Shares issued, for delivery to participants, the Share Plan will have no impact on the Company's share capital.

(b) The consolidated net tangible assets of the Company will be decreased by the amount of expenses charged to the income statement if existing Shares are purchased. If new Shares are issued, there would be no effect on the consolidated net tangible assets due to the offsetting effect of expenses recognised and increased share capital.

(c) During the vesting period, the consolidated earnings per Share would be reduced by both the expense recognised and the potential ordinary Shares to be issued under the Share Plan. Net tangible assets per Share would be diluted as a result of the reduced net tangible assets if existing Shares are purchased or the increased share capital if new Shares are issued.

4. DIRECTORS' RECOMMENDATIONS

Save for Mr. Eddy Lee Yip Hang who has abstained from making any recommendation in respect of the proposed participation by Mr. Eddy Lee Yip Hang in the proposed grant of the LYH Award, the Directors are of the view that the proposed grant of the LYH Award is in the interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 8 as set out in the Notice of AGM.

5. ABSTENTION FROM VOTING

Pursuant to Rule 858 of the Catalist Rules, Shareholders who are eligible to participate in the iX Performance Share Plan must abstain from voting on any resolution relating to the iX Performance Share Plan.

Accordingly, Mr. Eddy Lee Yip Hang will abstain and will procure his Associates to abstain from voting in respect of Ordinary Resolution 8 at the AGM and will also decline to accept appointment as proxy to vote at and attend the forthcoming AGM in respect of Ordinary Resolution 8 unless the Shareholder concerned has given specific instructions as to the manner in which his votes are to be cast.

As Ms. Tang Choy Leng Jane is an Associate of Mr. Eddy Lee Yip Hang, she is not considered an independent Shareholder for the purposes of Rule 852 of the Catalist Rules. Accordingly, Ms. Tang Choy Leng Jane will abstain from voting in respect of Ordinary Resolution 8 at the AGM. Additionally, Ms. Tang Choy Leng Jane will decline to accept appointment as proxy to vote at and attend the forthcoming AGM in respect of Ordinary Resolution 8 unless the Shareholder concerned has given specific instructions as to the manner in which his votes are to be cast.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898 during normal business hours from the date hereof up to and including the date of the AGM:

(a) the constitution of the Company; and

(b) the Rules of the Plan.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix A and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix A constitutes full and true disclosure of all material facts about the Proposed Resolution, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix A misleading. Where information in this Appendix A has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/ or reproduced in this Appendix A in its proper form and context.

CORPORATE INFORMATION

Board of Directors

Eddy Lee Yip Hang
Chairman & CEO

Albert Ho Shing Tung
Non-Executive Director

Patrick Donald Davies
Lead Independent Director

Low Weng Keong
Independent Director

Claudia Teo Kwee Yee
Independent Director

Audit Committee

Low Weng Keong, Chairperson
Albert Ho Shing Tung
Patrick Donald Davies
Claudia Teo Kwee Yee

Nominating Committee

Claudia Teo Kwee Yee, Chairperson
Eddy Lee Yip Hang
Low Weng Keong
Patrick Donald Davies

Remuneration Committee

Patrick Donald Davies, Chairperson
Low Weng Keong
Claudia Teo Kwee Yee
Albert Ho Shing Tung

Risk Management Committee

Claudia Teo Kwee Yee, Chairperson
Albert Ho Shing Tung
Low Weng Keong

Joint Company Secretaries

Lee Wei Hsiung (ACIS)
Wang Shin Lin, Adeline (ACIS)

Registered Office

80 Robinson Road #02-00
Singapore 068898
Tel: +65 6235 2270
Fax: +65 6235 2170
Email: info@ixbiopharma.com

Principal Place of Business

1 Kim Seng Promenade, #14-01
Great World City East Lobby
Singapore 237994
Tel: +65 6235 2270
Fax: +65 6235 2170
Email: info@ixbiopharma.com

Share Registrar

Tricor Barbinder
Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #02-00
Singapore 068898

Company Sponsor

UOB Kay Hian Pte Ltd
8 Anthony Road, #01-01,
Singapore 229957

Independent Auditor

PricewaterhouseCoopers LLP
7 Straits View, Marina One East Tower
Level 12, Singapore 018936

Partner-in-charge:
Soh Kok Leong
(a practising member of the Institute of Singapore Chartered Accountants)
Year of Appointment: Financial Year ended 30 June 2020

Principal Bankers

United Overseas Bank Limited
80 Raffles Place UOB Plaza 1
Singapore 048624

National Australia Bank Limited
800 Bourke Street
Melbourne, Victoria 3008, Australia

IX BIOPHARMA LTD.
CO. REG. NO.: 200405621W

1 KIM SENG PROMENADE #14-01
GREAT WORLD CITY EAST LOBBY
SINGAPORE 237994
T: +65 6235 2270
F: +65 6235 2170
E: INFO@IXBIOPHARMA.COM