

**iX Biopharma Ltd.**

(Company Registration No. 200405621W)

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**FULL YEAR UNAUDITED FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**


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## PART I – INFORMATION REQUIRED FOR ANNOUNCEMENT OF FULL-YEAR RESULTS

**1(a)(i) A statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

|  | Group              |                 | Increase/<br>(Decrease)<br>% |
|--|--------------------|-----------------|------------------------------|
|  | Year ended 30 June |                 |                              |
|  | 2015<br>S\$'000    | 2014<br>S\$'000 |                              |
| Revenue  | 7,445              | 1,293           | 476%                         |
| Other income   | 616                | 307             | 101%                         |
| Expenses   |                    |                 |                              |
| - Raw materials and consumables used                           | (573)              | (95)            | 503%                         |
| - Research and development                                     | (3,746)            | (1,006)         | 272%                         |
| - Employee compensation  | (7,915)            | (1,790)         | 342%                         |
| - Currency exchange (losses)/gains - net                       | (1,061)            | 112             | n.m.                         |
| - Depreciation and amortisation                                | (892)              | (207)           | 331%                         |
| - Finance  | (47)               | (6)             | 683%                         |
| - Others   | (4,202)            | (1,667)         | 152%                         |
| Total expenses   | (18,436)           | (4,659)         | 296%                         |
| <b>Loss before income tax</b>                                  | <b>(10,375)</b>    | <b>(3,059)</b>  | <b>(239%)</b>                |
| Income tax (expense)/credit                                    | (186)              | 26              | n.m.                         |
| <b>Loss for the financial year</b>                             | <b>(10,561)</b>    | <b>(3,033)</b>  | <b>(248%)</b>                |
| <b>Other comprehensive income:</b>                             |                    |                 |                              |
| Items that may be reclassified subsequently to profit or loss: |                    |                 |                              |
| Currency translation differences arising from consolidation    |                    |                 |                              |
| - Loss - net   | (55)               | (19)            | (189%)                       |
| <b>Other comprehensive loss net of tax</b>                     | <b>(55)</b>        | <b>(19)</b>     | <b>(189%)</b>                |
| <b>Total comprehensive loss</b>                                | <b>(10,616)</b>    | <b>(3,052)</b>  | <b>(248%)</b>                |

*n.m. denotes not meaningful*

**1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:**

Profit before income tax of the Group is arrived at after charging/(crediting) the following:

|  | Note | Group              |                 | Increase/<br>(Decrease)<br>% |
|--|------|--------------------|-----------------|------------------------------|
|  |      | Year ended 30 June |                 |                              |
|  |      | 2015<br>S\$'000    | 2014<br>S\$'000 |                              |
| <u>Other income</u>                    |      |                    |                 |                              |
| Research and development tax incentive | (i)  | (478)              | (237)           | 102%                         |
| <u>Total expenses</u>                  |      |                    |                 |                              |
| Share based payment expense            | (ii) | 2,441              | 678             | 260%                         |

- (i) The research and development tax incentives were earned by the subsidiaries under a programme administered jointly by the Australian Taxation Office and Innovation Australia that provide a 45% refundable tax offset for expenditure incurred for certain eligible research and development activities carried out in Australia. The increase of S\$0.24 million was mainly due to higher research and development activities on clinical trials.
- (ii) The increase in share based payment expense was mainly due to amortisation of the fair value of the share options granted over the vesting period and the issue of new ordinary shares to the Directors and employee of the Company as fully paid at nil consideration.

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

|   | Group                   |                         | Company                 |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
|   | 30 June 2015<br>S\$'000 | 30 June 2014<br>S\$'000 | 30 June 2015<br>S\$'000 | 30 June 2014<br>S\$'000 |
| <b>ASSETS</b>   |                         |                         |                         |                         |
| <b>Current assets</b>   |                         |                         |                         |                         |
| Cash and cash equivalents   | 8,891                   | 12,083                  | 7,837                   | 10,036                  |
| Trade and other receivables   | 1,738                   | 1,185                   | 1,315                   | 341                     |
| Other current assets  | 306                     | 31                      | 171                     | 27                      |
|   | <u>10,935</u>           | <u>13,299</u>           | <u>9,323</u>            | <u>10,404</u>           |
| <b>Non-current assets</b>   |                         |                         |                         |                         |
| Deposits  | 60                      | -                       | 60                      | -                       |
| Intangible assets   | 2,236                   | 2,936                   | -                       | -                       |
| Property, plant and equipment   | 2,169                   | 2,588                   | 148                     | 9                       |
| Investments in subsidiaries   | -                       | -                       | 3,819                   | 3,819                   |
|   | <u>4,465</u>            | <u>5,524</u>            | <u>4,027</u>            | <u>3,828</u>            |
| <b>Total assets</b>   | <u>15,400</u>           | <u>18,823</u>           | <u>13,350</u>           | <u>14,232</u>           |
| <b>LIABILITIES</b>  |                         |                         |                         |                         |
| <b>Current liabilities</b>  |                         |                         |                         |                         |
| Trade and other payables  | 3,034                   | 1,707                   | 1,605                   | 392                     |
| Current income tax liabilities  | 37                      | -                       | -                       | -                       |
| Borrowings  | 84                      | 1,087                   | -                       | -                       |
| Contingent consideration payable  | 789                     | 809                     | 789                     | 809                     |
| Provision   | 160                     | 130                     | -                       | -                       |
|   | <u>4,104</u>            | <u>3,733</u>            | <u>2,394</u>            | <u>1,201</u>            |
| <b>Non-current liabilities</b>  |                         |                         |                         |                         |
| Contingent consideration payable  | -                       | 820                     | -                       | 820                     |
| Provision   | 14                      | 13                      | -                       | -                       |
| Deferred government grant   | 104                     | 59                      | -                       | -                       |
| Borrowings  | 397                     | 531                     | -                       | -                       |
| Deferred income tax liabilities   | 537                     | 875                     | -                       | -                       |
|   | <u>1,052</u>            | <u>2,298</u>            | <u>-</u>                | <u>820</u>              |
| <b>Total liabilities</b>  | <u>5,156</u>            | <u>6,031</u>            | <u>2,394</u>            | <u>2,021</u>            |
| <b>NET ASSETS</b>   | <u>10,244</u>           | <u>12,792</u>           | <u>10,956</u>           | <u>12,211</u>           |
| <b>EQUITY</b>   |                         |                         |                         |                         |
| <b>Capital and reserves attributable to equity holders of the Company</b> |                         |                         |                         |                         |
| Share capital   | 29,019                  | 21,438                  | 29,019                  | 21,438                  |
| Shares to be issued   | -                       | 134                     | -                       | 134                     |
| Other reserves  | 1,284                   | 718                     | 1,299                   | 678                     |
| Accumulated losses  | (20,059)                | (9,498)                 | (19,362)                | (10,039)                |
| <b>Total equity</b>   | <u>10,244</u>           | <u>12,792</u>           | <u>10,956</u>           | <u>12,211</u>           |

**1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.**

|  | 30 June 2015       |                      | 30 June 2014       |                      |
|--|--------------------|----------------------|--------------------|----------------------|
|  | Secured<br>S\$'000 | Unsecured<br>S\$'000 | Secured<br>S\$'000 | Unsecured<br>S\$'000 |
| Amount repayable in one year or less, or on demand | 84                 | -                    | 90                 | 997                  |
| Amount repayable after one year                    | 129                | 268                  | 243                | 288                  |
| Total borrowings                                   | <u>213</u>         | <u>268</u>           | <u>333</u>         | <u>1,285</u>         |

**Details of any collateral:**

The loans are secured over certain plant and equipment of the Group.

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

|  | Group              |                |
|--|--------------------|----------------|
|  | Year ended 30 June |                |
|  | 2015               | 2014           |
|  | S\$'000            | S\$'000        |
| <b>Cash flows from operating activities</b>  |                    |                |
| Total loss after tax   | (10,561)           | (3,033)        |
| Adjustments for:   |                    |                |
| - Deferred government grant income   | (81)               | (3)            |
| - Depreciation and amortisation expense  | 892                | 207            |
| - Loss on disposals of property, plant and equipment   | -                  | 48             |
| - Income tax expense/(credit)  | 186                | (26)           |
| - Interest income  | (57)               | (67)           |
| - Interest expense   | 47                 | 6              |
| - Provision expense  | 51                 | 14             |
| - Research and development tax incentive   | (478)              | (237)          |
| - Share based payment expense  | 2,441              | 678            |
| - Change in fair value of contingent consideration payable                                       | (108)              | -              |
| - Unrealised currency exchange losses/(gains) - net  | 620                | (111)          |
|  | <u>(7,048)</u>     | <u>(2,524)</u> |
| Changes in working capital, net of effects from acquisition of subsidiaries:                     |                    |                |
| - Trade and other receivables  | (761)              | 333            |
| - Other current assets   | (335)              | (4)            |
| - Trade and other payables   | 1,495              | 45             |
| Cash used in operations  | <u>(6,649)</u>     | <u>(2,150)</u> |
| Interest received  | 57                 | 67             |
| Research and development tax incentive received  | 139                | -              |
| <b>Net cash used in operating activities</b>   | <u>(6,453)</u>     | <u>(2,083)</u> |
| <b>Cash flows from investing activities</b>  |                    |                |
| Acquisition of a subsidiary, net of cash acquired  | -                  | 1,191          |
| Additions to property, plant and equipment   | (265)              | (213)          |
| Additions to intangible assets   | (142)              | -              |
| Payment of contingent consideration payable  | (732)              | -              |
| Proceeds from government grant   | 129                | -              |
| <b>Net cash (used in)/from investing activities</b>  | <u>(1,010)</u>     | <u>978</u>     |
| <b>Cash flows from financing activities</b>  |                    |                |
| Proceeds from issuance of ordinary shares and shares to be issued, net of transaction costs paid | 5,627              | 4,825          |
| Repayment of borrowings  | (964)              | (206)          |
| Interest paid  | (20)               | (6)            |
| <b>Net cash provided by financing activities</b>   | <u>4,643</u>       | <u>4,613</u>   |
| <b>Net (decrease)/increase in cash and cash equivalents</b>                                      | <u>(2,820)</u>     | <u>3,508</u>   |
| <b>Cash and cash equivalents</b>   |                    |                |
| Beginning of financial year  | 12,083             | 8,490          |
| Effects of currency translation on cash and cash equivalents                                     | (372)              | 85             |
| End of financial year  | <u>8,891</u>       | <u>12,083</u>  |

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

| Group   | Attributable to equity holders of the Company |                     |                             |                              |                    |              |
|---|---|---------------------|-----------------------------|------------------------------|--------------------|--------------|
|   | Share capital                                 | Shares to be issued | Share based payment reserve | Currency translation reserve | Accumulated losses | Total equity |
|   | S\$'000                                       | S\$'000             | S\$'000                     | S\$'000                      | S\$'000            | S\$'000      |
| <b>2015</b>   |   |                     |                             |                              |                    |              |
| Beginning of financial year   | 21,438  | 134                 | 678                         | 40                           | (9,498)            | 12,792       |
| Loss for the year   | -   | -                   | -                           | -                            | (10,561)           | (10,561)     |
| Other comprehensive loss for the year   | -   | -                   | -                           | (55)                         | -                  | (55)         |
| Total comprehensive loss for the year   | -   | -                   | -                           | (55)                         | (10,561)           | (10,616)     |
| Share based payment scheme  |   |                     |                             |                              |                    |              |
| - Value of consultants' services  | -   | -                   | 245                         | -                            | -                  | 245          |
| - Value of employees' services  | -   | -                   | 376                         | -                            | -                  | 376          |
| Fair value of new shares issued to directors and employee as fully paid for nil consideration | 1,820   | -                   | -                           | -                            | -                  | 1,820        |
| Issue of new shares   | 5,761   | (134)               | -                           | -                            | -                  | 5,627        |
| Total transactions with owners, recognised directly in equity                                 | 7,581   | (134)               | 621                         | -                            | -                  | 8,068        |
| End of financial year   | 29,019  | -                   | 1,299                       | (15)                         | (20,059)           | 10,244       |
| <b>2014</b>   |   |                     |                             |                              |                    |              |
| Beginning of financial year   | 10,860  | 3,697               | -                           | 59                           | (6,465)            | 8,151        |
| Loss for the year   | -   | -                   | -                           | -                            | (3,033)            | (3,033)      |
| Other comprehensive loss for the year   | -   | -                   | -                           | (19)                         | -                  | (19)         |
| Total comprehensive loss for the year   | -   | -                   | -                           | (19)                         | (3,033)            | (3,052)      |
| Share based payment scheme  |   |                     |                             |                              |                    |              |
| - Value of consultants' services  | -   | -                   | 542                         | -                            | -                  | 542          |
| - Value of employees' services  | -   | -                   | 136                         | -                            | -                  | 136          |
| Issue of new shares   | 8,486   | (3,697)             | -                           | -                            | -                  | 4,789        |
| Issue of new shares as consideration paid for acquisition of subsidiaries                     | 2,190   | -                   | -                           | -                            | -                  | 2,190        |
| Receipts during the year for shares to be issued  | -   | 134                 | -                           | -                            | -                  | 134          |
| Less: Transaction costs for shares issued   | (98)  | -                   | -                           | -                            | -                  | (98)         |
| Total transactions with owners, recognised directly in equity                                 | 10,578  | (3,563)             | 678                         | -                            | -                  | 7,693        |
| End of financial year   | 21,438  | 134                 | 678                         | 40                           | (9,498)            | 12,792       |

| <b>Company</b>  | Share capital | Shares to<br>be issued | Share based<br>payment<br>reserve | Accumulated<br>losses | Total equity |
|---|---------------|------------------------|-----------------------------------|-----------------------|--------------|
|   | S\$'000       | S\$'000                | S\$'000                           | S\$'000               | S\$'000      |
| <b>2015</b>   |               |                        |                                   |                       |              |
| Beginning of financial year   | 21,438        | 134                    | 678                               | (10,039)              | 12,211       |
| Loss for the year   | -             | -                      | -                                 | (9,323)               | (9,323)      |
| Total comprehensive loss for<br>the year  | -             | -                      | -                                 | (9,323)               | (9,323)      |
| Share based payment scheme  |               |                        |                                   |                       |              |
| - Value of consultants' services  | -             | -                      | 245                               | -                     | 245          |
| - Value of employees' services  | -             | -                      | 376                               | -                     | 376          |
| Fair value of new shares issued<br>to directors and employee as<br>fully paid for nil consideration | 1,820         | -                      | -                                 | -                     | 1,820        |
| Issue of new shares   | 5,761         | (134)                  | -                                 | -                     | 5,627        |
| Total transactions with owners,<br>recognised directly in equity                                    | 7,581         | (134)                  | 621                               | -                     | 8,068        |
| End of financial year   | 29,019        | -                      | 1,299                             | (19,362)              | 10,956       |
| <b>2014</b>   |               |                        |                                   |                       |              |
| Beginning of financial year   | 10,860        | 3,697                  | -                                 | (6,466)               | 8,091        |
| Loss for the year   | -             | -                      | -                                 | (3,573)               | (3,573)      |
| Total comprehensive loss for<br>the year  | -             | -                      | -                                 | (3,573)               | (3,573)      |
| Share based payment scheme  |               |                        |                                   |                       |              |
| - Value of consultants' services  | -             | -                      | 542                               | -                     | 542          |
| - Value of employees' services  | -             | -                      | 136                               | -                     | 136          |
| Issue of new shares   | 8,486         | (3,697)                | -                                 | -                     | 4,789        |
| Issue of new shares as<br>consideration paid for<br>acquisition of subsidiaries                     | 2,190         | -                      | -                                 | -                     | 2,190        |
| Receipts during the year for<br>shares to be issued   | -             | 134                    | -                                 | -                     | 134          |
| Less: Transaction costs for<br>shares issued  | (98)          | -                      | -                                 | -                     | (98)         |
| Total transactions with owners,<br>recognised directly in equity                                    | 10,578        | (3,563)                | 678                               | -                     | 7,693        |
| End of financial year   | 21,438        | 134                    | 678                               | (10,039)              | 12,211       |

Save for the foregoing, there are no (i) changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

| <b>Company</b>  | <u>No. of ordinary shares</u> | <u>Amount</u> |
|---|-------------------------------|---------------|
|   |                               | S\$'000       |
| <b>2015</b>   |                               |               |
| Beginning of financial year                                   | 47,914,422                    | 21,438        |
| Shares issued   | 3,455,000                     | 5,761         |
| Shares issued to directors and employee for nil consideration | 1,100,000                     | 1,820         |
| Total before sub-division                                     | <u>52,469,422</u>             | <u>29,019</u> |
| Sub-division of shares  | <u>472,224,798</u>            | -             |
| End of financial year   | <u>524,694,220</u>            | <u>29,019</u> |

The Company issued 3,455,000 ordinary shares (before sub-division) for a total consideration of S\$5,761,000 during the year for cash to fund the expansion of the Group's operations and to finance the Group's working capital. The Company granted and issued 1,100,000 to its Directors and employee as remuneration paid for services rendered.

On 17 June 2015, the Company undertook a sub-division of 52,469,422 ordinary shares into 524,694,220 ordinary shares on the basis of every 1 share into 10 shares.

The unexercised share options granted to various consultants and employees for services rendered to the Group amounted to 14,700,000 after sub-division (30 June 2014: 1,070,000 share options before sub-division).

The Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 22 July 2015. Upon the initial public offering ("IPO"), the Company issued 65,500,000 ordinary shares for a total consideration of S\$30,130,000. The total number of shares after listing was 590,194,220.

#### Outstanding options

The movement in the number of unissued ordinary shares under options granted to various consultants and employees for services rendered to the Group are as follows:

| <b>Company</b>                             | <u>No. of ordinary shares under options</u> |
|--|---|
| <b>2015</b>                                |   |
| Beginning of financial year                | 1,070,000                                   |
| Granted during financial year              | 650,000                                     |
| Forfeited during financial year            | (250,000)                                   |
| Exercised during financial year            | -   |
| Expired during financial year              | -   |
| Total before sub-division of share options | <u>1,470,000</u>                            |
| Sub-division of share options              | <u>13,230,000</u>                           |
| End of financial year                      | <u>14,700,000</u>                           |



The Company had on 17 June 2015, adopted the "iX Employee Share Option Scheme" and "iX Performance Share Plan", and has not issued any options under these scheme as at the date of this announcement.

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

As at 30 June 2015 and 30 June 2014, there were no treasury shares.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

As at 30 June 2015, the number of issued shares excluding treasury shares was 524,694,220 (30 June 2014: 47,914,422 before sub-division).

**1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on.

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

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

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

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year compared with those of the audited financial statements as at 30 June 2014.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted all the applicable new and revised Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS") that are mandatory for the accounting periods beginning on or after 1 July 2014. The adoption of these new and revised FRS and INT FRS did not result in any substantial change to the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current financial reporting period.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:  
 (a) based on the weighted average number of ordinary shares on issue; and  
 (b) on a fully diluted basis (detailing any adjustments made to the earnings).

|   | Group              |             |
|---|--------------------|-------------|
|   | Year ended 30 June |             |
|   | 2015               | 2014        |
|   | S\$'000            | S\$'000     |
| Net loss attributable to equity holders of the Company                          | (10,561)           | (3,033)     |
| Weighted average number of ordinary shares outstanding for basic loss per share | 502,441,617        | 454,852,308 |
| Basic loss per share (Cents per share)  | (2.1)              | (0.7)       |

The weighted average number of ordinary shares were adjusted for the proportionate change in the sub-division of 1 ordinary share to 10 ordinary shares as if the event had occurred at the beginning of both financial years presented.

The company has 14,700,000 shares options (30 June 2014: 1,070,000 shares options before sub-division) 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 antidilutive for the financial years presented, having the effect of decreasing the loss per share.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:  
 (a) current financial period reported on; and  
 (b) immediately preceding financial year.

|   | Group        |              |                          | Company      |              |                          |
|---|--------------|--------------|--------------------------|--------------|--------------|--------------------------|
|   | 30 June 2015 | 30 June 2014 | 30 June 2014 (Adjusted)* | 30 June 2015 | 30 June 2014 | 30 June 2014 (Adjusted)* |
| Net asset value per ordinary share (in cents) | 2.0          | 26.7         | 2.7                      | 2.1          | 25.5         | 2.5                      |

\* For illustrative and comparison purposes, the adjusted net asset value per ordinary share for FY2014 was calculated assuming the sub-division of 1 ordinary share to 10 ordinary shares on 17 June 2015 had taken place at the end of the financial year.

The net asset value per ordinary share of the Group and the Company as at 30 June 2015 were calculated based on the total number of issued shares, excluding treasury shares, of 524,694,220 (30 June 2014: 47,914,422 before sub-division).

As of the respective dates, the share amounts and financial information used in the calculation of net asset value per ordinary share above were arrived at using data in existence prior to the IPO.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

### Review of performance

#### Revenue

The Group's revenue for the financial year ended 30 June 2015 ("FY2015") was S\$7.45 million, an increase of S\$6.15 million or 476% from S\$1.29 million for the financial year ended 30 June 2014 ("FY2014").

| Business segments        | FY2015<br>S\$'000 | FY2014<br>S\$'000 | Increase/<br>(Decrease)<br>% |
|--------------------------|-------------------|-------------------|------------------------------|
| Specialty Pharmaceutical | 111               | 355               | (69%)                        |
| Chemical Analysis        | 7,334             | 938               | 682%                         |
| Total revenue            | 7,445             | 1,293             | 476%                         |

The increase in total revenue in FY2015 was mainly due to the contribution of two subsidiaries, Syrinx Pharmaceuticals Pty Ltd ("Syrinx") and Chemical Analysis Pty Ltd ("CAPL"), that were acquired in May 2014. For FY2014, the group accounted for only 2 months of revenue contribution from Syrinx and CAPL.

The Group's revenue by business segments consists of:

- (1) the chemical analysis business, which is the provision of laboratory testing services, accounted for S\$7.33 million or 98.5% of our total revenue, an increase of S\$6.40 million or 682% from FY2014. This is because there were only 2 months of revenue reported in FY2014 following the acquisition of CAPL in May 2014.
- (2) the specialty pharmaceutical business, which is the manufacturing and sale of pharmaceutical products, accounted for S\$0.11 million or 1.5% of total revenue comprising of sales of pharmaceutical products. There were no consultancy and licence income in FY2015 compared to S\$0.35 million in FY2014, following the acquisition of Syrinx. (Previously, Syrinx had paid licence fees to iX Biopharma before the acquisition.)

#### Other income

Other income was S\$0.62 million, an increase of S\$0.31 million or 101% from S\$0.31 million in FY2014 mainly due to increase in research and development tax incentives of S\$0.24 million and government grants of S\$0.08 million.

#### Total expenses

Total expenses increased by S\$13.78 million or 296% to S\$18.44 million in FY2015 from S\$4.66 million in FY2014. For FY2015, the Group accounted for the full year expenses of Syrinx and CAPL compared to only 2 months of expenses in FY2014 which resulted in incremental expenses of S\$5.70 million, representing 41% of the increase in total expenses.

This increase in expenses of S\$5.70 million in Syrinx and CAPL are due to:

- (1) The increase in raw materials and consumables expense by S\$0.48 million;
- (2) The increase in depreciation expense by S\$0.69 million;
- (3) The increase in employee compensation by S\$3.44 million; and

(4) The increase in other expenses by S\$1.09 million.

The remaining incremental expenses of S\$8.08 million, representing 59% of the increase in total expenses are mainly due to:

- (1) Research and development expense increased by S\$2.74 million or 272% mainly due to activities on phase 2 clinical trials for Wafermine in FY2015;
- (2) Other employee compensation increased by S\$2.69 million mainly due to new employees hired during the year of S\$0.63 million to support the listing requirements and clinical trials, and increase in share based payments to directors and executives of S\$2.06 million for their services to the Group;
- (3) Currency exchange losses was S\$1.06 million, which was an increase of S\$1.17 million from S\$0.11 million currency exchange gain in FY2014. This was mainly attributed to amounts in Australian dollar denominated bank accounts and receivables from subsidiaries, as the exchange rate depreciated against Singapore dollar; and
- (4) A one-off IPO expenses of S\$1.36 million.

#### Income tax

Income tax expense of the Group for FY2015 was S\$0.19 million, which was an increase of S\$0.21 million from S\$0.03 million tax credit in FY2014. This was mainly attributed to income tax on higher profits from the chemical analysis business, offset by deferred tax benefit arising from the amortisation of intangible assets.

As a result, loss after tax of the Group was S\$10.56 million in FY2015, an increase of S\$7.53 million or 248% from loss of S\$3.03 million in FY2014.

#### Review of financial position

As at FY2015, the Group's cash and cash equivalents was S\$8.89 million. This was a decrease of S\$3.19 million or 26% from FY2014, mainly due to spending on research and development activities, IPO activities, repayment of borrowings and contingent consideration payable, partially offset by proceeds from the issuance of ordinary shares during the year.

Trade and other receivables was S\$1.74 million at FY2015. This was an increase of S\$0.55 million or 47% from FY2014, mainly attributed to higher sales from the chemical analysis business.

Property, plant and equipment and intangible assets was S\$4.41 million, a decrease of S\$1.12 million or 20% from FY2014. This was mainly due to depreciation and amortisation of S\$0.89 million.

Trade and other payables was S\$3.03 million at FY2015, an increase of S\$1.33 million or 78% from FY2014 mainly due to accruals for one-off IPO-related activities.

Current and non-current borrowings was S\$0.48 million at FY2015, a decrease of S\$1.14 million or 70% from S\$1.62 million in FY2014 mainly attributed to the repayment of shareholders loan and other related parties loans. This loan arose from the acquisition of Syrinx and was owed to its former shareholders and other related parties. It was fully repaid in FY2015.

Current and non-current contingent consideration payable was S\$0.79 million at FY2015, a decrease of S\$0.84 million or 52% from S\$1.63 million in FY2014. As part of the consideration in the acquisition of Syrinx, certain "earn-out" milestones were established based on revenue growth and pretax profit margin. The earn-out is payable in two tranches over a period of two years. The first milestone was met and the payment of S\$0.73 million was made in FY2015. The remaining and final payment, if the specific milestones are achieved, will be due in FY2016.

### **Cash flow analysis**

The Group recorded net cash used in operating activities of S\$6.45 million for FY2015, which comprised operating cash outflows before working capital changes of S\$7.05 million, offset by net working capital inflow of S\$0.40 million, research and development tax incentive received of S\$0.14 million and interest income received of S\$0.06 million.

Net cash used in investing activities was S\$1.01 million, which comprised mainly cash outflow from the first earn-out payment of S\$0.73 million.

Net cash from financing activities was S\$4.64 million, which comprised mainly proceeds from new share issuance of S\$5.63 million, offset by full repayment of the shareholders loan of S\$0.96 million.

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

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

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

As our clinical studies are conducted mostly in the United States and our operations are in Singapore and Australia, fluctuations in USD and AUD currencies will have a financial impact to the Group. The Group will closely monitor the global currency trends and the impact of the foreign exchange fluctuations on its financial position.

**11. If a decision regarding dividend has been made:**

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

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

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

Not applicable.

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

Not applicable.

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

Not applicable.

**(d) The date the dividend is payable**

Not applicable.

**(e) Books closure date**

Not applicable.

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

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

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

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

**14. Use of IPO net proceeds**

Pursuant to the IPO, the Company received gross proceeds of S\$30.1m ("IPO Proceeds"). As at the date of this announcement, the IPO proceeds has been utilised as follows:

|  | Amount<br>allocated<br>S\$'000 | Amount<br>utilised<br>S\$'000 | Balance<br>S\$'000 |
|--|--------------------------------|-------------------------------|--------------------|
| Use of Proceeds  |                                |                               |                    |
| To fund the clinical trials for the development of our products, and for preparing and submitting an ANDA or NDA as the case may be, to the FDA for marketing approval and commercialisation of our products in the United States, and where it is commercially viable to do so, in other parts of the world upon receipt of the relevant regulatory approvals | 26,200                         | -                             | 26,200             |
| General working capital purposes   | 1,413                          | -                             | 1,413              |
| Listing expenses   | 2,517                          | (2,479)                       | 38                 |
| Total  | <u>30,130</u>                  | <u>(2,479)</u>                | <u>27,651</u>      |

The above utilisation of the Company's IPO Proceeds is in accordance with the intended use as stated in the Offer Document dated 10 July 2015.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. **Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**(a) Business segments**

The Group's business comprise of the Specialty Pharmaceutical and Chemical Analysis segments. Specialty Pharmaceutical primary business activities are the manufacturing and sale of pharmaceutical products and Chemical Analysis primary business activities are the provision of laboratory testing services.

| <b>Group</b>                                      | Specialty<br>Pharmaceutical | Chemical<br>Analysis | Total          |
|---|-----------------------------|----------------------|----------------|
|   | S\$000                      | S\$000               | S\$000         |
| <u>2015</u>                                       |                             |                      |                |
| <b>Revenue</b>                                    |                             |                      |                |
| Total segment sales                               | 111                         | 7,364                | 7,475          |
| Inter-segment sales                               | -                           | (30)                 | (30)           |
| Sales to external parties                         | 111                         | 7,334                | 7,445          |
| <b>Adjusted EBITDA</b>                            | <b>(11,091)</b>             | <b>2,478</b>         | <b>(8,613)</b> |
| Depreciation                                      | 124                         | 262                  | 386            |
| Amortisation                                      | -                           | 506                  | 506            |
| Share based payment expense                       | 2,441                       | -                    | 2,441          |
| <b>Segment assets</b>                             | <b>9,763</b>                | <b>5,291</b>         | <b>15,054</b>  |
| Additions of:                                     |                             |                      |                |
| Property, plant and equipment                     | 215                         | 50                   | 265            |
| Intangible assets                                 | -                           | 142                  | 142            |
| <b>Segment liabilities</b>                        | <b>2,343</b>                | <b>969</b>           | <b>3,312</b>   |
| <br>  |                             |                      |                |
| <b>Group</b>                                      | Specialty<br>Pharmaceutical | Chemical<br>Analysis | Total          |
|   | S\$000                      | S\$000               | S\$000         |
| <u>2014</u>                                       |                             |                      |                |
| <b>Revenue</b>                                    |                             |                      |                |
| Sales to external parties                         | 355                         | 938                  | 1,293          |
| <b>Adjusted EBITDA</b>                            | <b>(3,259)</b>              | <b>157</b>           | <b>(3,102)</b> |
| Depreciation                                      | 52                          | 67                   | 119            |
| Amortisation                                      | -                           | 88                   | 88             |
| Loss on disposal of property, plant and equipment | -                           | 48                   | 48             |
| Share based payment expense                       | 678                         | -                    | 678            |
| <b>Segment assets</b>                             | <b>12,128</b>               | <b>6,236</b>         | <b>18,364</b>  |
| Additions of:                                     |                             |                      |                |
| Property, plant and equipment                     | 71                          | 142                  | 213            |
| <b>Segment liabilities</b>                        | <b>930</b>                  | <b>979</b>           | <b>1,909</b>   |

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

|   | <u>Year ended 30 June</u> |                |
|---|---------------------------|----------------|
|   | 2015                      | 2014           |
|   | S\$'000                   | S\$'000        |
| Adjusted EBITDA for reportable segments           | (8,613)                   | (3,102)        |
| Research and development tax incentive            | 478                       | 237            |
| Depreciation                                      | (386)                     | (119)          |
| Amortisation                                      | (506)                     | (88)           |
| Finance expense                                   | (47)                      | (6)            |
| Interest income                                   | 57                        | 67             |
| Listing expenses                                  | (1,358)                   | -              |
| Loss on disposal of property, plant and equipment | -                         | (48)           |
| <b>Loss before income tax</b>                     | <b>(10,375)</b>           | <b>(3,059)</b> |

Segment assets are reconciled to total assets as follows:

|   | 30 June 2015  | 30 June 2014  |
|---|---------------|---------------|
|   | S\$'000       | S\$'000       |
| Segment assets for reportable segments            | 15,054        | 18,364        |
| Unallocated:                                      |               |               |
| Research and development tax incentive receivable | 346           | 459           |
| <b>Total assets</b>                               | <b>15,400</b> | <b>18,823</b> |

Segment liabilities are reconciled to total liabilities as follows:

|   | 30 June 2015 | 30 June 2014 |
|---|--------------|--------------|
|   | S\$'000      | S\$'000      |
| Segment liabilities for reportable segments | 3,312        | 1,909        |
| Unallocated:                                |              |              |
| Current income tax liabilities              | 37           | -            |
| Deferred income tax liabilities             | 537          | 875          |
| Borrowings                                  | 481          | 1,618        |
| Contingent consideration payable            | 789          | 1,629        |
| <b>Total liabilities</b>                    | <b>5,156</b> | <b>6,031</b> |

#### (b) Geographical segments

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

|           | <u>Sales</u>              |              |
|-----------|---------------------------|--------------|
|           | 2015                      | 2014         |
|           | S\$'000                   | S\$'000      |
| Singapore | -                         | 353          |
| Australia | 7,445                     | 940          |
|           | <u>7,445</u>              | <u>1,293</u> |
|           |                           |              |
|           | <u>Non-current assets</u> |              |
|           | 2015                      | 2014         |
|           | S\$'000                   | S\$'000      |
| Singapore | 208                       | 10           |
| Australia | 4,257                     | 5,514        |
|           | <u>4,465</u>              | <u>5,524</u> |



**16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to paragraph 8 for the analysis of revenue by operating segments.

An analysis of the Group's adjusted EBITDA by business segments consists of:

- (1) the chemical analysis business with adjusted EBITDA of S\$2.48 million at 34% margin as compared to FY2014 EBITDA of S\$0.16 million at 17% margin. This is because there were only 2 months of revenue in FY2014 following the acquisition of CAPL in May 2014. Higher margin was primarily attributed to better sales performance in FY2015.
- (2) the specialty pharmaceutical business with adjusted EBITDA loss of S\$11.09 million as compared to the loss of S\$3.26 million in FY2014. The increase of S\$7.83 million was mainly due to the following:
  - (a) higher research and development activities on clinical trials of S\$2.74 million;
  - (b) increase in share based payments to directors and executives for their services to the Group of S\$2.06 million;
  - (c) increase in currency exchange losses on Australian dollar denominated balances of S\$1.17 million;
  - (d) higher expenses of S\$0.80 million following the acquisition of Syrinx in May 2014. There were only 2 months expenses in FY2014 as compared to 12 months in FY2015; and
  - (e) increase in employee compensation of S\$0.63 million due to new employees hired during the year to support the listing requirements and clinical trials.

**17. A breakdown of sales as follows:**

|   | Group                |                         |                         |
|---|----------------------|-------------------------|-------------------------|
|   | Year ended 30 June   |                         |                         |
|   | 2015                 | 2014                    | Increase/<br>(Decrease) |
|   | S\$'000              | S\$'000                 | %                       |
| Sales reported for first half year                              | 3,127 <sup>(1)</sup> | 158                     | 1879%                   |
| Operating profit/(loss) after tax reported for first half year  | (4,200)              | (1,574)                 | (167%)                  |
| Sales reported for second half year                             | 4,318 <sup>(1)</sup> | 1,135 <sup>(1)(2)</sup> | 280%                    |
| Operating profit/(loss) after tax reported for second half year | (6,361)              | (1,459)                 | (336%)                  |

<sup>(1)</sup> Sales are mainly contributed from the chemical analysis business segment.

<sup>(2)</sup> There were only 2 months of revenue in FY2014 following the acquisition of CAPL in May 2014.

**18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable. No dividends have been declared or recommended for the financial years ended 30 June 2015 and 30 June 2014.

**19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(10) of the Catalist Rules, there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is related to a director or chief executive officer or substantial shareholder of the Company as at 30 June 2015.

BY ORDER OF THE BOARD

Eddy Lee Yip Hang  
Chairman & CEO

Albert Ho Shing Tung  
Director

26 August 2015

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor"), for compliance with the relevant rules of the SGX-ST, this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement, including the correctness of any the figures used, statements or opinions made.

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

The contact persons for the Sponsor are Mr. Yee Chia Hsing, Head, Catalist, Investment Banking and Mr. Tony Toh, Director, Investment Banking, CIMB Bank Berhad, Singapore Branch. The contact particulars are 50 Raffles Place #09-01 Singapore Land Tower Singapore 048623, telephone: (65) 6337-5115.