

iX Biopharma Ltd.
(Company Registration No. 200405621W)

UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2016

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 3 months ended			Group 9 months ended		
	31.03.16 S\$'000	31.03.15 S\$'000	Increase/ (Decrease) %	31.03.16 S\$'000	31.03.15 S\$'000	Increase/ (Decrease) %
Revenue	1,066	2,081	(49%)	4,092	5,208	(21%)
Other income	390	85	359%	800	557	44%
Expenses						
- Raw materials and consumables used	(103)	(101)	2%	(352)	(413)	(15%)
- Research and development	(975)	(985)	(1%)	(3,009)	(3,267)	(8%)
- Employee compensation	(1,874)	(3,028)	(38%)	(5,775)	(5,819)	(1%)
- Currency exchange losses - net	(850)	(270)	215%	(579)	(851)	(32%)
- Depreciation and amortisation	(240)	(188)	28%	(682)	(707)	(4%)
- Finance	(10)	(10)	0%	(28)	(38)	(26%)
- Others	(787)	(980)	(20%)	(2,712)	(2,243)	21%
Total expenses	(4,839)	(5,562)	(13%)	(13,137)	(13,338)	(2%)
Loss before income tax	(3,383)	(3,396)	0%	(8,245)	(7,573)	(9%)
Income tax credit/(expense)	70	(61)	n.m.	141	(84)	n.m.
Loss for the financial period	(3,313)	(3,457)	4%	(8,104)	(7,657)	(6%)
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation						
- Loss - net of tax	(17)	(13)	(31%)	(88)	(62)	(42%)
Total comprehensive loss	(3,330)	(3,470)	4%	(8,192)	(7,719)	(6%)

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:

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

	Note	Group 3 months ended			Group 9 months ended		
		31.03.16 S\$'000	31.03.15 S\$'000	Increase/ (Decrease) %	31.03.16 S\$'000	31.03.15 S\$'000	Increase/ (Decrease) %
<u>Other income</u>							
Research and development tax incentive	(i)	(366)	(65)	463%	(741)	(435)	70%
<u>Total expenses</u>							
Share based payment expense	(ii)	83	1,669	(95%)	342	1,897	(82%)
Initial public offering related expense	(iii)	-	355	n.m.	180	355	(49%)

(i) The research and development tax incentive is a programme administered jointly by the Australian Taxation Office and Innovation Australia to provide a 45% refundable tax offset for expenditure incurred for eligible research and development activities carried out in Australia.

(ii) The share based payment expense was due to amortisation of the fair value of the share options granted to employees and consultants over the vesting period.

In financial period ended 31 March 2015, the Company granted and issued 1,000,000 ordinary shares (before sub-division) to its directors as remuneration paid for services rendered during the year for nil consideration.

(iii) The initial public offering related expense was one-off expense for activities related to the Company's listing on the Catalist Board of the Singapore Securities Trading Limited.

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	
	31.03.16 S\$'000	30.06.15 S\$'000	31.03.16 S\$'000	30.06.15 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	28,259	8,891	28,196	7,837
Trade and other receivables	1,568	1,738	2,430	1,315
Other current assets	480	306	118	171
	<u>30,307</u>	<u>10,935</u>	<u>30,744</u>	<u>9,323</u>
Non-current assets				
Deposits – operating lease	60	60	60	60
Intangible assets	1,959	2,236	-	-
Property, plant and equipment	2,804	2,169	129	148
Investments in subsidiaries	-	-	3,819	3,819
	<u>4,823</u>	<u>4,465</u>	<u>4,008</u>	<u>4,027</u>
Total assets	<u>35,130</u>	<u>15,400</u>	<u>34,752</u>	<u>13,350</u>
LIABILITIES				
Current liabilities				
Trade and other payables	2,542	3,034	825	1,605
Current income tax liabilities	-	37	-	-
Borrowings	102	84	-	-
Contingent consideration payable	-	789	-	789
Provision	157	160	-	-
	<u>2,801</u>	<u>4,104</u>	<u>825</u>	<u>2,394</u>
Non-current liabilities				
Provision	20	14	-	-
Deferred government grant	78	104	-	-
Borrowings	379	397	-	-
Deferred income tax liabilities	392	537	-	-
	<u>869</u>	<u>1,052</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>3,670</u>	<u>5,156</u>	<u>825</u>	<u>2,394</u>
NET ASSETS	<u>31,460</u>	<u>10,244</u>	<u>33,927</u>	<u>10,956</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	59,352	29,019	59,352	29,019
Other reserves	271	1,284	374	1,299
Accumulated losses	(28,163)	(20,059)	(25,799)	(19,362)
Total equity	<u>31,460</u>	<u>10,244</u>	<u>33,927</u>	<u>10,956</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.

	31.03.16		30.06.15	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	102	-	84	-
Amount repayable after one year	<u>95</u>	<u>284</u>	<u>129</u>	<u>268</u>
Total borrowings	<u>197</u>	<u>284</u>	<u>213</u>	<u>268</u>

Details of any collateral:

The loans are secured over certain plant and equipment and a motor vehicle of subsidiaries 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 3 months ended		Group 9 months ended	
	31.03.16 S\$'000	31.03.15 S\$'000	31.03.16 S\$'000	31.03.15 S\$'000
Cash flows from operating activities				
Total loss after tax	(3,313)	(3,457)	(8,104)	(7,657)
Adjustments for:				
- Deferred government grant income	(8)	(8)	(25)	(73)
- Depreciation and amortisation expense	240	188	682	707
- Income tax (credit)/expense	(70)	61	(141)	84
- Interest income	(10)	(11)	(27)	(49)
- Interest expense	10	10	28	38
- Provision expense	10	1	4	45
- Research and development tax incentive	(366)	(65)	(741)	(435)
- Share based payment expense	83	1,669	342	1,897
- Change in fair value of contingent consideration payable	(24)	(41)	(23)	(92)
- Unrealised currency exchange losses – net	408	114	561	496
	<u>(3,040)</u>	<u>(1,539)</u>	<u>(7,444)</u>	<u>(5,039)</u>
Changes in working capital:				
- Trade and other receivables	169	(593)	624	(1,061)
- Other current assets	(279)	(89)	(174)	(207)
- Trade and other payables	<u>(175)</u>	<u>(497)</u>	<u>(490)</u>	<u>865</u>
Cash used in operations	<u>(3,325)</u>	<u>(2,718)</u>	<u>(7,484)</u>	<u>(5,442)</u>
Interest received	8	11	25	49
Research and development tax incentive received	-	-	264	142
Net cash used in operating activities	<u>(3,317)</u>	<u>(2,707)</u>	<u>(7,195)</u>	<u>(5,251)</u>
Cash flows from investing activities				
Additions to property, plant and equipment	(168)	(45)	(1,039)	(258)
Additions to intangible assets	(2)	(142)	(18)	(142)
Payment of contingent consideration payable	(767)	-	(767)	-
Proceeds from government grant	-	-	-	132
Net cash used in investing activities	<u>(937)</u>	<u>(187)</u>	<u>(1,824)</u>	<u>(268)</u>
Cash flows from financing activities				
Proceeds from issuance of ordinary shares and shares to be issued	-	2,500	30,130	5,627
Transaction costs paid pursuant to the initial public offering	-	-	(1,064)	-
Repayment of borrowings	(24)	(8)	(69)	(464)
Proceeds from borrowings	-	-	53	-
Interest paid	(5)	(4)	(12)	(16)
Increase in pledged fixed deposits	-	-	(400)	-
Net cash (used in)/from financing activities	<u>(29)</u>	<u>2,488</u>	<u>28,638</u>	<u>5,147</u>
Net (decrease)/increase in cash and cash equivalents	<u>(4,283)</u>	<u>(406)</u>	<u>19,619</u>	<u>(372)</u>
Cash and cash equivalents				
Beginning of financial period	32,562	11,896	8,891	12,083
Effects of currency translation on cash and cash equivalents	(420)	(75)	(651)	(296)
End of financial period	<u>27,859</u>	<u>11,415</u>	<u>27,859</u>	<u>11,415</u>

Cash and cash equivalents comprise the following:

	Group	
	31.03.16	30.06.15
	S\$'000	S\$'000
Cash and cash equivalents in Balance Sheet	28,259	8,891
Less: Bank deposits pledged	(400)	-
Cash and cash equivalents per consolidated statement of cash flows	27,859	8,891

Bank deposits are pledged in relation to the security granted for a foreign exchange facility.

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	Share based payment reserve	Currency translation reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 July 2015	29,019	1,299	(15)	(20,059)	10,244
Loss for the period	-	-	-	(4,791)	(4,791)
Other comprehensive loss for the period	-	-	(71)	-	(71)
Total comprehensive loss for the period	-	-	(71)	(4,791)	(4,862)
Share based payment scheme					
- Value of employees' services	-	259	-	-	259
Share options exercised	1,009	(1,009)	-	-	-
Shares issued pursuant to the initial public offering	30,130	-	-	-	30,130
Transaction costs pursuant to the initial public offering	(1,064)	-	-	-	(1,064)
Total transactions with owners, recognised directly in equity	30,075	(750)	-	-	29,325
At 31 December 2015	59,094	549	(86)	(24,850)	34,707
Loss for the period	-	-	-	(3,313)	(3,313)
Other comprehensive loss for the period	-	-	(17)	-	(17)
Total comprehensive loss for the period	-	-	(17)	(3,313)	(3,330)
Share based payment scheme					
- Value of employees' services	-	83	-	-	83
Share options exercised	258	(258)	-	-	-
Total transactions with owners, recognised directly in equity	258	(175)	-	-	83
At 31 March 2016	59,352	374	(103)	(28,163)	31,460

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
At 1 July 2014	21,438	134	678	40	(9,498)	12,792
Loss for the period	-	-	-	-	(4,200)	(4,200)
Other comprehensive loss for the period	-	-	-	(49)	-	(49)
Total comprehensive loss for the period	-	-	-	(49)	(4,200)	(4,249)
Share based payment scheme						
- Value of consultants' services	-	-	142	-	-	142
- Value of employees' services	-	-	86	-	-	86
Issue of new shares	3,229	(102)	-	-	-	3,127
Total transactions with owners, recognised directly in equity	3,229	(102)	228	-	-	3,355
At 31 December 2014	24,667	32	906	(9)	(13,698)	11,898
Loss for the period	-	-	-	-	(3,457)	(3,457)
Other comprehensive loss for the period	-	-	-	(13)	-	(13)
Total comprehensive loss for the period	-	-	-	(13)	(3,457)	(3,470)
Share based payment scheme						
- Value of consultants' services	-	-	71	-	-	71
- Value of employees' services	-	-	118	-	-	118
Issue of new shares	2,532	(32)	-	-	-	2,500
Fair value of new shares issued to directors as fully paid for nil consideration	1,480	-	-	-	-	1,480
Total transactions with owners, recognised directly in equity	4,012	(32)	189	-	-	4,169
At 31 March 2015	28,679	-	1,095	(22)	(17,155)	12,597

Company	Share capital	Share based payment reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
At 1 July 2015	29,019	1,299	(19,362)	10,956
Loss for the period	-	-	(3,767)	(3,767)
Total comprehensive loss for the period	-	-	(3,767)	(3,767)
Share based payment scheme				
- Value of employees' services	-	259	-	259
Share options exercised	1,009	(1,009)	-	-
Shares issued pursuant to the initial public offering	30,130	-	-	30,130
Transaction costs pursuant to the initial public offering	(1,064)	-	-	(1,064)
Total transactions with owners, recognised directly in equity	30,075	(750)	-	29,325
At 31 December 2015	59,094	549	(23,129)	36,514
Loss for the period	-	-	(2,670)	(2,670)
Total comprehensive loss for the period	-	-	(2,670)	(2,670)
Share based payment scheme				
- Value of employees' services	-	83	-	83
Share options exercised	258	(258)	-	-
Total transactions with owners, recognised directly in equity	258	(175)	-	83
At 31 March 2016	59,352	374	(25,799)	33,927

Company	Share capital	Shares to be issued	Share based payment reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 July 2014	21,438	134	678	(10,039)	12,211
Loss for the period	-	-	-	(1,437)	(1,437)
Total comprehensive loss for the period	-	-	-	(1,437)	(1,437)
Share based payment scheme					
- Value of consultants' services	-	-	142	-	142
- Value of employees' services	-	-	86	-	86
Issue of new shares	3,229	(102)	-	-	3,127
Total transactions with owners, recognised directly in equity	3,229	(102)	228	-	3,355
At 31 December 2014	24,667	32	906	(11,476)	14,129
Loss for the period	-	-	-	(2,722)	(2,722)
Total comprehensive loss for the period	-	-	-	(2,722)	(2,722)
Share based payment scheme					
- Value of consultants' services	-	-	71	-	71
- Value of employees' services	-	-	118	-	118
Issue of new shares	2,532	(32)	-	-	2,500
Fair value of new shares issued to directors as fully paid for nil consideration	1,480	-	-	-	1,480
Total transactions with owners, recognised directly in equity	4,012	(32)	189	-	4,169
At 31 March 2015	28,679	-	1,095	(14,198)	15,576

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.

Company	<u>No. of ordinary shares</u>	<u>Amount</u>
		S\$'000
At 1 July 2015	524,694,220	29,019
Shares issued pursuant to the initial public offering	65,500,000	30,130
Share options exercised	7,600,000	1,009
Less: Transaction costs pursuant to the initial public offering	-	(1,064)
At 31 December 2015	597,794,220	59,094
Share options exercised	2,000,000	258
At 31 March 2016	599,794,220	59,352

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 for the purpose of the IPO.

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 Company issued 9,600,000 ordinary shares to its consultants and employees through exercise of the share acquisition rights during the financial period ended 31 March 2016.

The unexercised share options granted to various consultants and employees for services rendered to the Group amounted to 5,000,000 (31 March 2015: 1,720,000 share options before sub-division).

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

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

As at 31 March 2016 and 31 March 2015, 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 31 March 2016, the number of issued shares excluding treasury shares was 599,794,220 (30 June 2015: 524,694,220).

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 period compared with those of the audited financial statements as at 30 June 2015.

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 2015. 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 3 months ended		Group 9 months ended	
	31.03.16 S\$'000	31.03.15 S\$'000	31.03.16 S\$'000	31.03.15 S\$'000
Net loss attributable to equity holders of the Company	(3,313)	(3,457)	(8,104)	(7,657)
Weighted average number of ordinary shares outstanding for basis loss per share	599,398,616	512,588,664	590,143,675	495,178,892
Basic loss per share (Cents per share)	(0.6)	(0.7)	(1.4)	(1.5)

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 periods presented.

The Company has 5,000,000 shares options (31 March 2015: 1,720,000 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 anti-dilutive for the financial periods 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	
	31.03.16	30.06.15	31.03.16	30.06.15
Net asset value per ordinary share (in cents)	5.2	2.0	5.7	2.1

The net asset value per ordinary share of the Group and the Company as at 31 March 2016 were calculated based on the total number of issued shares, excluding treasury shares, of 599,794,220 (30 June 2015: 524,694,220).

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 quarter ended 31 March 2016 ("3Q16") was S\$1.07 million as compared to S\$2.08 million for the same quarter last year ("3Q15"). Revenue for the nine months ended 31 March 2016 ("9M16") was S\$4.09 million as compared to S\$5.21 million for the corresponding period last year ("9M15"). A breakdown of revenue by business segments is provided in the table below.

Business segments	3Q16 S\$'000	3Q15 S\$'000	Incr/ (Decr) %	9M16 S\$'000	9M15 S\$'000	Incr/ (Decr) %
Specialty Pharmaceutical	10	59	(83%)	96	88	9%
Chemical Analysis	1,056	2,022	(48%)	3,996	5,120	(22%)
Total revenue	1,066	2,081	(49%)	4,092	5,208	(21%)

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\$1.06 million or 99% of our total revenue in 3Q16, and S\$4.00 million or 98% of total revenue in 9M16.

The segment recorded lower revenue in 3Q16 and 9M16 mainly due to:

- (a) the weakening of the Australian dollar when translated into the reporting currency (Singapore dollars), resulted in decrease of S\$0.1 million and S\$0.4 million in revenue for 3Q16 and 9M16 respectively.
- (b) The reduction in market demand for Essential Similarity ("ES") testing services for 3Q16 and 9M16

FY2015 was a bumper year for our ES testing business where a large number of molecules (oral dosage form) were coming off patent. Consequently, ES testing revenue was lower by S\$0.5 million and S\$0.7 million for 3Q16 and 9M16 respectively.

- (2) The specialty pharmaceutical business accounted for S\$0.01 million or 1% of total revenue in 3Q16, and S\$0.10 million or 2% of total revenue in 9M16. Supplies and sales of our Wafermine™ product to hospitals in Australia under the exemption set out in Schedule 5A of the TGR were limited.

Total expenses

Total expenses decreased by S\$0.72 million or 13% to S\$4.84 million in 3Q16 as compared to S\$5.56 million in 3Q15. For nine-month period, total expenses decreased by S\$0.20 million or 2% to S\$13.14 million in 9M16 as compared to S\$13.34 million in 9M15.

The decrease in 3Q16 was mainly due to the following one-off expenses in comparative quarter (3Q15):

- (1) One-off share based payments to directors in 3Q15 for their services to the Group of S\$1.48 million.

(2) IPO listing expenses of S\$0.36 million in 3Q15.

Excluding the one-off expenses, total expenses increased by S\$1.11 million or 30% in 3Q16 mainly due to the following:

- (3) Employee compensation increased by S\$0.33 million or 21% (excluding one-off share based payments to directors) mainly due to:
- additional headcounts hired to support the clinical trials and corporate function of S\$0.23 million; and
 - increase in directors' fees of S\$0.07 million due to the appointment of additional directors for listing compliance pursuant to the IPO.
- (4) Other expenses increased by S\$0.16 million or 25% (excluding one-off IPO listing expenses) mainly due to increase in professional fees for listing compliance of S\$0.07 million, and office rental and related expenses of S\$0.05 million.
- (5) Currency exchange losses increased by S\$0.58 million or 215% mainly due to the depreciation of the US dollar against the Singapore dollar for the Group's US dollar cash deposits.

For 9M16, total expenses increased by S\$1.45 million or 13% (excluding one-off expenses above) mainly due to the following:

- (1) Employee compensation increased by S\$1.44 million or 33% mainly due to:
- additional headcounts hired to support the clinical trials and corporate function of S\$0.98 million;
 - increase in directors' fees of S\$0.21 million due to the appointment of additional directors for listing compliance; and
 - increase in share based payments to employees of S\$0.14 million.
- (2) Other expenses increased by S\$0.64 million or 34% mainly due to increase in professional fees for listing compliance of S\$0.20 million, and office rental and related expenses of S\$0.16 million.

The increase was offset by:

- (3) Currency exchange losses decreased by S\$0.27 million or 32% to S\$0.58 million in 9M16, an improvement from currency exchange losses of S\$0.85 million in 9M15. In 9M16, the US dollar depreciated against the Singapore dollar for the Group's US dollar cash deposits. In 9M15, the Australian dollar depreciated against the Singapore dollar for the Australian dollar denominated cash deposits and receivables from subsidiaries.
- (4) Research and development expense decreased by S\$0.26 million or 8% from lower activities due to the timing of clinical trials. In 9M15, phase 2a and 2b clinical trials for Wafermine™ were in progress throughout the period, whereas in 9M16, a pilot study of PheoniX™ and a Phase 2c clinical trial for Wafermine™ were completed, and a pivotal study of PheoniX™ commenced in 3Q16.

As a result, loss after tax of the Group was S\$3.31 million in 3Q16, a decrease of S\$0.15 million or 4% from loss of S\$3.46 million in 3Q15. For the nine-month period, loss after tax was S\$8.10 million in 9M16, an increase of S\$0.44 million or 6% from loss of S\$7.66 million in 9M15.

Review of financial position

As at 31 March 2016, the Group's cash and cash equivalents was S\$28.26 million. This was an increase of S\$19.37 million or 218% from 30 June 2015 ("FY2015"), mainly due to proceeds from the issuance of ordinary shares pursuant to the IPO of S\$30.13 million, offset by transaction costs related to the listing of S\$1.06 million and cash outflows in operating activities of S\$7.20 million.

Trade and other receivables was S\$1.57 million, a decrease of S\$0.17 million from FY2015 mainly due to lower sales activities in the chemical analysis business of S\$0.62 million, offset by higher research and development tax incentive receivable of S\$0.45 million.

Property, plant and equipment and intangible assets were S\$4.76 million, a net increase of S\$0.36 million from FY2015 mainly due to additions of S\$1.06 million, including a freezer dryer of S\$0.62 million. This was offset by depreciation and amortisation expense of S\$0.68 million.

Trade and other payables was S\$2.54 million, a decrease of S\$0.49 million mainly due to one-off IPO-related accruals in FY2015.

Cash flow analysis

For 3Q16, the Group recorded a net cash used in operating activities of S\$3.32 million, which comprised mainly cash outflows from operating activities of S\$3.04 million and net decrease in working capital of S\$0.29 million.

Net cash used in investing activities in 3Q16 was S\$0.94 million, which comprised mainly additions to property, plant and equipment of S\$0.17 million and payment of S\$0.77 million for second earn-out as part of the consideration in the acquisition of subsidiary.

Net cash used in financing activities in 3Q16 was S\$0.03 million, which comprised mainly repayment of borrowings.

For 9M16, cash outflows from operating activities was S\$7.44 million, and partially offset by research and development tax incentive received of S\$0.26 million. As a result, the Group recorded net cash used in operating activities of S\$7.20 million.

Net cash used in investing activities in 9M16 was S\$1.82 million, which comprised mainly additions to property, plant and equipment of S\$1.04 million and payment of S\$0.77 million for second earn-out as part of the consideration in the acquisition of subsidiary.

Net cash from financing activities in 9M16 was S\$28.64 million, which comprised mainly proceeds from the issuance of ordinary shares pursuant to the IPO of S\$30.13 million, offset by transaction costs related to the listing of S\$1.06 million and increase in pledged fixed deposits of S\$0.40 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 reporting currency is SGD whereas our clinical studies and major operation are conducted mostly in the United States and Australia, fluctuations in USD and AUD currencies will have a financial impact to the Group. The Group will continue to monitor closely the global currency trends and the impact of the foreign exchange fluctuations on its financial position and take risk management measures where appropriate.

Further, in the ensuing quarters, iX Biopharma expects its GMP-compliant facility in Australia to be significantly utilised. The Group has since commenced on schedule its pivotal study of PheoniX™. Upon successful conclusion of this study, the Group will proceed to submit for registration of PheoniX™ with the relevant regulatory authority for commercialisation.

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 and private placement net proceeds

Pursuant to the IPO, the Company received total proceeds of S\$30.13 million ("IPO Proceeds"). As at 31 March 2016, the IPO Proceeds has been utilised as follows:

<u>Use of Proceeds</u>	Amount allocated S\$'000	Amount utilised S\$'000	Balance S\$'000
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	(2,762)	23,438
General working capital purposes	1,413	-	1,413
Listing expenses	2,517	(2,517)	-
Total	30,130	(5,279)	24,851

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.

Subsequent to the financial period, pursuant to the private placement of 14,358,000 shares on 21 April 2016, the Company received net proceeds of S\$4.84 million ("Placement Proceeds"). As at the date of this announcement, the Placement Proceeds have not been utilised.

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

The Board of Directors of the Company confirm that to the best of their knowledge, nothing has come to their attention which may render the financial results for the period ended 31 March 2016 to be false or misleading in any material aspect.

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

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

On behalf of the Board of Directors

Eddy Lee Yip Hang
Chairman & CEO

Albert Ho Shing Tung
Director

11 May 2016

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 person for the Sponsor is 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.