

**PROPOSED PLACEMENT OF 13,710,000 NEW ORDINARY SHARES
IN THE CAPITAL OF IX BIOPHARMA LTD.**

1. INTRODUCTION

- 1.1. The board of directors (the "**Directors**") of iX Biopharma Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce that the Company has on 12 July 2022 entered into a subscription agreement (the "**Subscription Agreement**") with C2C Biopharma Holdings Pte. Ltd. ("**C2C Biopharma**" or the "**Investor**") pursuant to which the Investor has agreed to subscribe for 13,710,000 new ordinary shares in the capital of the Company (the "**Subscription Shares**") at S\$0.20 per Subscription Share (the "**Subscription Price**"), amounting to a total of S\$2,742,000 (the "**Subscription Consideration**"), on the terms and subject to the conditions of the Subscription Agreement (the "**Placement**").
- 1.2. The Subscription Shares represent approximately 1.83% of the existing share capital of the Company of 751,189,934 Shares and 1.79% of the enlarged share capital of the Company immediately following the completion of the Placement (the "**Completion**") of 764,899,934 Shares assuming there are no changes in the Company's share capital up to Completion. Completion will take place on a date falling no later than three business days from the receipt of the Subscription Consideration by the Company, subject to the conditions in paragraph 3.2 having been fulfilled or waived or such other date as the Company and the Investor may mutually agree in writing (the "**Completion Date**").
- 1.3. The Subscription Shares when allotted and issued, shall be free from all claims, charges, liens, mortgages, securities, pledges, equities, encumbrances and other interests whatsoever and shall rank *pari passu* in all respects with and carry all rights similar to existing Shares as at the Completion Date, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the Completion Date.
- 1.4. The Placement will be undertaken pursuant to the private placement exemption under Section 272B of the Securities and Futures Act, Chapter 289 of Singapore. As such, no offer information statement, prospectus or other information statement will be issued by the Company and lodged with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") acting as agent on behalf of the Monetary Authority of Singapore in connection with the allotment and issue of the Placement Shares. No placement agent has been appointed in respect of the Placement.

2. AUTHORITY TO ISSUE NEW SHARES

- 2.1. The Subscription Shares will be issued pursuant to the general share issue mandate given by the shareholders of the Company at the annual general meeting of the Company held on 15 October 2021 for the issuance of Shares (including the making or granting of offers, agreements or options (collectively, the "**Instruments**") that might or would require Shares to be issued) (the "**General Mandate**").
- 2.2. The General Mandate authorises the Directors to allot and issue new Shares not exceeding 100.0% of the Company's total number of issued Shares (excluding treasury shares and

subsidiary holdings) as at 15 October 2021, 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 the Instruments made or granted pursuant to the General Mandate) shall not exceed 50.0% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) as at 15 October 2021.

- 2.3. As at 15 October 2021, the Company had 746,167,734 Shares in issue. Accordingly, the total number of shares that may be issued pursuant to the General Mandate is 746,167,734 Shares, of which up to 373,083,867 Shares may be issued other than on a *pro rata* basis. The proposed allotment and issuance of 13,710,000 Subscription Shares will fall within the maximum number of 373,083,867 Shares that may be issued pursuant to the General Mandate on a non *pro rata* basis, and as such, the prior approval of shareholders of the Company is not required for the allotment and issue of the Subscription Shares under the Placement.

3. PRINCIPAL TERMS OF THE PLACEMENT

3.1 Placement Price

The Subscription Price of S\$0.20 per Subscription Share represents a premium of approximately 15% to the volume weighted average price ("**VWAP**") of S\$0.1743 per Share for trades done on Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 12 July 2022, which is the full market day on which the Subscription Agreement was signed.

3.2 Conditions Precedent to the Completion

Pursuant to the terms of the Subscription Agreement, Completion is conditional upon, *inter alia*:

- (a) the listing and quotation notice being obtained from SGX-ST approving, *inter alia*, the listing of and quotation for the Subscription Shares on the Official List of SGX-ST's Catalyst Board ("**Catalist**") and such approval not having been revoked or amended and, where such approval is subject to conditions, such conditions being acceptable to the Company, and to the extent that any conditions for the listing of and quotation for the Placement Shares on SGX-ST are required to be fulfilled on or before the Completion Date, they are so fulfilled;
- (b) the subscription for the Subscription Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Subscription Agreement by any legislative, executive or regulatory body or authority of the Republic of Singapore (including without limitation, the SGX-ST, the Monetary Authority of Singapore and/or the Securities Industry Council of Singapore) or elsewhere which is applicable to the Company or the Investor; and
- (c) the respective representations, warranties and undertakings of the Investor and the Company as set out in the Subscription Agreement remaining true, accurate and not misleading in all respects as at the date of the Subscription Agreement and up to and including the Completion Date.

3.3 Additional Listing Application

The sponsor of the Company, UOB Kay Hian Private Limited, will make an application on behalf of the Company to SGX-ST for the listing of and quotation for the Subscription Shares

on Catalist of the SGX-ST. The Company will make the necessary announcement(s) in due course when the listing and quotation notice from SGX-ST for the listing of and quotation for the Subscription Shares on Catalist has been obtained.

4. USE OF PROCEEDS

- 4.1 The Directors are of the view that the Placement is beneficial to the Group as it will support the future growth of the Group.
- 4.2 The net cash proceeds of approximately S\$2.71 million from the Placement (after deducting estimated expenses (including professional fees and expenses) of approximately S\$0.03 million) (the “**Net Proceeds**”), which will be utilised as follows:
- (i) approximately 60.0% of the Net Proceeds will be used for the development, manufacturing and marketing activities required to expand the Group’s nutraceutical and medicinal cannabis businesses into new markets including the United States; and
 - (ii) approximately 40.0% of the Net Proceeds will be used for general working capital.
- 4.3 The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the Net Proceeds are materially disbursed, including whether the use was in accordance with the intended use as announced, and will provide a status report on the use of the Net Proceeds in the Company’s interim and full-year financial statements and annual report. The Company will also disclose a breakdown with specific details on the use of proceeds for working capital in the announcements and annual reports. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.
- 4.4 Pending the deployment of the Net Proceeds from the Placement, such Net Proceeds may be placed as deposits with financial institutions or invested in short term money markets or debt instruments or for any other purposes on a short term basis as the Directors may in their absolute discretion deem fit.
- 4.5 The Company continuously evaluates its sources of funding and may in the future require additional funding in the form of equity or debt for its future growth. The Company will make an announcement if and when there are any material developments.

5. DETAILS ON THE INVESTOR AND RATIONALE FOR PLACEMENT

C2C Biopharma is the investment vehicle of Mr. Lundy Nath (“**Mr. Nath**”), who has more than 20 years of corporate experience in USA and Cambodia. Mr. Nath is the Chairman and Chief Executive Officer of the Investor, where he is responsible for the overall strategic vision of the company. Mr. Nath has interests in the health and wellness sector in the US. Mr. Nath was introduced to the Company’s management in 2019 by a former consultant of the Company.

C2C Biopharma’s and Mr. Nath’s extensive global networks will provide new opportunities for iX Biopharma and its nutraceuticals business, particularly at this time in its push to expand into the US health and wellness market. The Directors are of the view that the Investor is an important strategic investor and the Placement is beneficial to the Group as it will support the future growth of the Group.

Under the terms of the Placement, the Investor shall not directly or indirectly sell, dispose, transfer or assign any of the Subscription Shares for a period of twelve months from the

Completion Date.

As of the date of the announcement, the Investor and its ultimate beneficial owner, Mr. Nath, do not hold any shares in the Company.

To the best of the Company's knowledge, the Investor does not have any connection (including business relationship) with the Company, its Directors and substantial shareholders and is not a person to whom the Company is prohibited from placing its Shares to, as provided for under Rule 812(1) of SGX-ST Listing Manual Section B: Rules of Catalyst.

6. FINANCIAL EFFECTS OF THE PLACEMENT

6.1 The financial effects of the Placement set out below were prepared based on the audited consolidated financial statements of the Group for the year ended 30 June 2021 ("**FY2021**"). The financial effects are strictly for illustrative purposes and do not necessarily reflect the actual future financial position and results of the Group following Completion.

6.2 For the purpose of illustrating the financial effects of the Placement, the financial effects of the Placement are computed based on, *inter alia*, the following assumptions:

- (a) the financial effects on the Group's net tangible assets ("**NTA**") attributable to the equity holders of the Company and the NTA per Share are computed assuming that the Placement was completed on 30 June 2021;
- (b) the financial effects on the Group's loss attributable to the equity holders of the Company and the loss per Share are computed assuming that the Placement was completed on 1 July 2020; and
- (c) the expenses incurred by the Company in connection with the Placement are approximately S\$0.03 million

6.3 NTA per Share

The effect of the Placement on the NTA per Share of the Group is as follows:

	Before the Placement	After the Placement
Consolidated NTA attributable to equity holders of the Company (S\$'000)	11,298	14,010
Number of Shares ('000)	697,353	711,063
Consolidated NTA per Share attributable (Singapore cents)	1.62	1.97

6.4 Loss per Share ("LPS")

The effect of the Placement on the LPS of the Group is as follows:

	Before the Placement	After the Placement
Loss attributable to equity holders of the Company (S\$'000)	8,234	8,234
Weighted average number of Shares ('000)		
- Basic	687,409	701,119
- Diluted	687,409	701,119
LPS (Singapore cents)		
- Basic	1.20	1.17
- Diluted	1.20	1.17

7. **CONFIRMATION BY THE DIRECTORS**

The Directors are of the opinion that after taking into consideration the Group's present bank facilities, the working capital available to the Group is sufficient to meet its present requirements, and the reason for the Placement is as disclosed in Section 5 above. The Directors are of the opinion that after taking into consideration the Group's present bank facilities and Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

8. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or substantial shareholders of the Company, as well as their respective associates, has any interest, direct or indirect, in the Placement (other than through their respective shareholdings in the Company).

The dilution effect to the shareholdings of the Directors, substantial Shareholders and Investor immediately before and after Completion will be as follows:

	Before Completion		After Completion	
Directors				
Eddy Lee Yip Hang ⁽¹⁾	196,552,801	26.2%	196,552,801	25.7%
Albert Ho Shing Tung	9,266,705	1.2%	9,266,705	1.2%
Low Weng Keong	1,252,169	0.2%	1,252,169	0.2%
Patrick Donald Davies	-	-	-	-
Angeline Tham Xiwen	-	-	-	-

Substantial shareholder Anson Properties Pte. Ltd. ⁽²⁾	66,748,029	8.9%	66,748,029	8.7%
C2C Biopharma	-	0.0%	13,710,000	1.8%

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.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Subscription Agreement is available for inspection at the Company's registered office at 105 Cecil Street, #12-02, The Octagon, Singapore 069534, for a period of three (3) months from the date of this announcement.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement 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 announcement in its proper form and context.

11. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading in trading the Shares. The completion of the Placement is subject to certain conditions. As at the date of this announcement, there is no certainty or assurance that the Placement will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Lai Kuan Loong, Victor/ Gwendolin Lee Soo Fern
Company Secretaries

12 July 2022

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.

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

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.