IX BIOPHARMA LTD.

(Company Registration No. 200405621W)
(Incorporated in the Republic of Singapore)

RESPONSES TO SIAS' QUESTIONS ON IX BIOPHARMA'S ANNUAL REPORT FY2017

iX Biopharma Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") has received questions from Securities Investors Association (Singapore) ("**SIAS**") relating to the Annual Report for FY2017 as part of their initiatives to improve the quality of Annual General Meetings ("**AGM**").

The Company's responses to these questions are set out in the Appendix.

By Order of the Board

Lee Wei Hsiung / Wang Shin Lin, Adeline
Company Secretaries

24 October 2017

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*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 SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.*

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 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 Yee Chia Hsing, Head, Catalist. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, telephone: (65) 6337-5115.

APPENDIX

RESPONSES TO SIAS' QUESTIONS ON IX BIOPHARMA'S ANNUAL REPORT FY2017

Q1. The Group report a revenue increase of 10% to $6.4 million in 2017, up from $5.8 million in 2016. As disclosed in Note 28 (page 84 – Segment information), the segment revenue and adjusted EBITDA are as follow:

The segment information for the reportable segments is as follows:

Group	Specialty Pharmaceutical		Chemical Analysis		Total	
	2017	2016	**2017**	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Revenue						
Total segment sales	**49**	103	**6,332**	5,694	**6,381**	5,797
Adjusted EBITDA	**(5,778)**	(6,165)	**1,232**	676	**(4,546)**	(5,489)

(Source: Company annual report)

Revenue from the Chemical Analysis segment increased by 7% in local currency terms and the segment saw an increase of by 11% year on year after taking account of the stronger Australian dollar (a 4% gain when translated into the reporting currency).

Question (a): What is the current utilisation of the Chemical Analysis operations? What are the growth prospects?

Reply: *Revenue of Chemical Analysis increased 7% in FY2017 over FY2016. There is sufficient capacity to maintain this level of growth in the next few years. Our Chemical Analysis capacity is also used to support the R&D and manufacturing operations of our Speciality Pharmaceutical segment.*

The Group's specialty pharmaceutical products have been on the market for more than a year[†], including:

Products	Markets	Year
Wafermine	Supplied to hospitals and registered pharmacies in Australia under Schedule 5A of the Therapeutic Goods Regulations 1990 of Australia	Since FY2016
BnoX	Supplied to hospitals and registered pharmacies in Australia under Schedule 5A of the Therapeutic Goods Regulations 1990 of Australia	2017
WafeRest	Nutraceutical product launched in Singapore	August 2017

The revenue from Specialty Pharmaceutical segment has dropped from $103,000 to $49,000 despite Wafermine being in the market for a second year and that the group having more drugs in the market.

[†] *Clarification by the Company:* *For clarity, the Group has only one product, Wafermine, being supplied for more than one year; BnoX and WafeRest were only launched in May and August 2017 respectively.*

Question (b): Can management help shareholders understand the way drugs are sold under the Special Access Scheme exemption set out in Schedule 5A of the Therapeutic Goods Regulations 1900 of Australia?

Reply: *Unregistered medicines, may be supplied within Australia provided certain criteria are met as stipulated by the Therapeutic Goods Regulations (TGR), Schedule 5A. Please refer to http://www.austlii.edu.au/cgi-bin/viewdoc/au/legis/cth/consol_reg/tgr1990300/sch5a.html for details of Schedule 5A of TGR.*

Question (c): What are the specific challenges that led to the drop in revenue in 2017?

Reply: *On the contrary, the revenue from sales of our products grew 63% from S$30,000 to S$49,000 during FY2017. Details of revenue for specialty pharmaceutical are disclosed under Note 4 (page 55 – Revenue) and set out below:*

	FY2017 S$'000	***FY2016 S$'000***
Sales of goods	*49*	*30*
Consultancy income	*-*	*73*
	49	*103*

Question (d): Has the market uptake of Wafermine met the management's expectation? What are management's plans to improve the commercialisation of Wafermine and BnoX?

Reply: *We are very pleased with the market uptake of Wafermine by hospitals and medical practitioners. To date, we have supplied over 48,000 wafers throughout Australia, and have established 35 supply contracts with various hospitals and registered pharmacies across 5 States and Territories.*

At the request of medical practitioners who wanted access to this novel, non-opioid alternative for pain management, Wafermine was made available for supply in Australia through the Schedule 5A exemption of the TGR. We have received very positive and ongoing feedback from medical practitioners who have used Wafermine both as standalone and as adjunct therapy to manage various pain conditions. We are delighted with the high level of acceptance of our Wafermine and this will certainly enhance its value proposition when out-licensing opportunity presents itself.

The Schedule 5 Supply platform provided us the opportunity to create product awareness and gain a better understanding on the clinical utilisation of Wafermine whilst it is still under clinical development.

Please note that Wafermine is currently being developed under an Investigational New Drug application with the Food and Drug Administration (FDA) in the United States. Wafermine has just commenced a multiple-dose Phase 2 efficacy study in the USA. As Wafermine is still under development and being evaluated by the FDA, the Company has elected to manage the supply of Wafermine in a measured and discerning manner.

We will continue to increase the awareness about our products through participation at targeted medical conferences and educational events. Over the past two years, we have exhibited and sponsored oral presentations by an industry key opinion leader at the respective Annual Scientific Meetings of Australian Pain Society and Australian New Zealand College of Anaesthetists.

Q2. The Group has developed a new pipeline of nutraceutical products and intends to market such products in traditional mediums (such as print advertisements, product placements, event sponsorships, trade shows and conferences) as well as e-commerce platforms.

Question (a): Apart from Singapore, what are the regional markets that the Group intends to enter (for the nutraceuticals business)?

Reply: We have identified 5 major regions in which we are exploring launching our nutraceutical line of products. Our management is currently considering and refining our expansion strategy and will make the necessary announcements on SGXNET when there are further developments on this front.

Question (b): As the Company has pointed out, "online channels are unhindered by national barriers". How does the group ensure that the products that are sold meet the local regulatory requirements of the customers?

Reply: We have in-house personnel who are experienced in dealing with the regulatory requirements of the markets we are exploring. In addition, we have access to, and may engage, external consultants who are able to assist us with navigating the regulatory requirements in these markets if the need arises.

Question (c): The specialty pharmaceutical and the nutraceutical segments are different in terms of marketing channels, distribution and network. What are the expertise or experience in the Group that would allow the Group to successfully grow the new nutraceutical business?

Reply: We intend to out-license the distribution of our pharmaceutical products to pharmaceutical distributors in the regions that we intend to launch our products in.

As for our nutraceutical business, our plan at launch is to commercialise our products through the e-commerce platform, and to manage sales in Singapore and Australia through our own sales and marketing teams. We have also commenced discussions with potential partners for the distribution of our products in certain regions with larger markets.

Q3. As disclosed in the Corporate Governance Report (page 29), a sum of $130,000 was paid to Centrum Capital Pte. Ltd. for the provision of consultancy services to the group. The Company's non-executive director, Mr. Albert Ho Shing Tung, is a director and shareholder of Centrum Capital Pte. Ltd.

Question (a): Can shareholders understand the nature and range of consultancy services provided by Centrum Capital?

Reply: *During FY2017, Centrum Capital had been engaged to provide advisory services relating to integration matters arising from post-acquisition of our Australian subsidiaries.*

As noted on Centrum Capital's website, Mr Low Weng Keong serves on the Advisory Committee of Centrum Capital (http://www.centrumcapital.com/low.html).

Question (b): As Mr Low is an independent director of the Company, would Mr Low be put in a position where he is frequently asked to review the work of Centrum? As an independent director of the company, how does Mr Low mitigate the risk of potential conflict of interest, self-review or advocacy threats?

Reply: *The Company understands from Centrum Capital that its Advisory Committee is an advisory panel to the board of directors and management of Centrum Capital on an as and when needed basis. The Advisory Committee members, including Mr. Low, did not participate in, hold any influence over, or receive remuneration for, the work done by Centrum Capital for clients who engage it to provide consultancy services.*

The Company has been further advised by Centrum Capital that Mr. Low had left its Advisory Committee since 2011. Due to an administrative oversight, this was not reflected on its website but we understand that it will be corrected shortly. We have also been informed by Mr. Low that he has not rendered any service to Centrum Capital nor has he received any compensation or benefit from Centrum Capital throughout the period to date.

The Board of Directors has accepted that there has been no conflict of interest so far as Mr. Low is concerned.