

Company Initiation

iX Biopharma Ltd

Singapore | Healthcare

Troy Cheng
Equity Research

Under the tongue, over the hurdle

Rating **BUY (as at 26 October 2026)**
Last Close SGD0.435
Fair Value SGD0.920

- The USD41m US Department of Defense (DoD) contract funds Wafermine's Phase 3 and Emergency Use Authorisation (EUA) work without dilution
- An EUA would provide an early regulatory and manufacturing proof-point, ahead of Phase 3 data that we see as the main value catalyst
- Initiate with BUY rating and fair value (FV) of SGD0.92, using a discounted cash flow (DCF) valuation of the operating business plus Wafermine's net present value (NPV)

Investment thesis

iX Biopharma Ltd (iX) is a Singapore-headquartered specialty pharmaceutical company listed on SGX Catalist, built on WaferiX, a patented sublingual wafer produced through a proprietary freeze-drying process. For most of its listed history, the group funded research and development (R&D) through Australian medicinal cannabis contract manufacturing and nutraceutical sales, and it ended FY26 (financial year ended 30 Jun 2026) with SGD14.7m of cash. The Feb 2026 DoD award changed the funding equation for Wafermine, its sublingual ketamine wafer for acute moderate-to-severe pain, and the group is now relocating manufacturing capacity from Australia to Nevada to serve both US military supply and a US compounding pharmacy business to be housed in Ligo Pharma. In our view, the DoD award has materially de-risked the investment case. Value is anchored on the Phase 3 readout and a subsequent monetisation event, while EUA revenue and compounding offer near-term validation and optionality along the way.

Investment summary

- **DoD funding converts Wafermine from an unfunded to a funded programme** – On 12 Feb 2026, iX announced a USD41m Other Transaction Agreement with the Defense Health Agency Contracting Activity (DHACA), awarded on a sole-source basis for a 36-month period of performance, to fund Phase 3 development and the activities required for a US Food and Drug Administration (FDA) EUA for DoD use. The significance lies less in the amount than in who carries the risk. Before the award, iX held SGD0.9m of cash in

Security information

Ticker	IXBIO SP EQUITY
Market Cap (SGD m)	477.93
Daily turnover (SGD m)	7.17
Free Float	70.1%
Shares Outstanding (m)	1098.7
Top Shareholder	Lee Yip Hang 22.7%

Price performance chart



Financial summary

SGD m	FY26	FY27E	FY28E
Revenue	6.9	13.7	53.1
EBITDA	-6.6	-9.1	1.3
PATMI	-8.0	-10.1	-2.3
EPS (S cents)	-0.8	-0.9	-0.2
P/B (x)	30.2	88.1	156.3

Key ratios

	FY26	FY27E	FY28E
Revenue growth (%)	-11.8	100.2	287.3
P/B (x)	30.2	88.1	156.3
ROE (%)	-51.9	-191.9	-77.5
ROA (%)	-30.9	-54.8	-6.2
Net debt to equity (%)	-61.0	69.4	253.2

Source: Bloomberg, Company, OCBC Group Research

FY25 and would likely have needed repeated dilutive raises to fund a Phase 3 programme of this scale. The programme is now externally funded, and iX retains the commercial rights. The contract also flows through the income statement. FY26 revenue included SGD1.2m of development services linked to the programme. The contract should likely give revenue visibility over the next two years.

- **EUA offers an early proof-point ahead of Phase 3** – The US Secretary of War's military emergency determination on 15 Jul 2026 and the declaration by the Secretary of Health and Human Services (HHS) on 31 Aug 2026 (published on 3 Sep 2026) created the legal pathway for FDA to consider emergency use of drugs for moderate-to-severe acute pain in military casualties. Wafermine is not named, but it is the programme DoD is funding, and iX could potentially complete its EUA filing in 4Q26, with approval potentially in 1Q27 and initial DoD supply potentially from 2Q27. Before Phase 3 data, an EUA would show that FDA accepts the chemistry, manufacturing and controls (CMC) package, that iX can manufacture at commercial scale in the US and that DoD demand is real. The direct financial contribution is likely to be modest at first. Management indicates potential EUA supply of about USD6.6–13.2m over the three-year contract. However, we think EUA approval would strengthen confidence in the platform and in Wafermine's path to full approval.
- **Phase 3 design risk is likely low, with commercial value tied to label and partner** – Wafermine's Phase 2b study in 125 post-surgical patients delivered a pooled effect size of 0.65 at the 75mg dose ($p < 0.01$) across bunionectomy and abdominoplasty models, and the Phase 3 programme is expected to use the same models and primary endpoint, with studies potentially starting in 3Q27 and topline data potentially in 2Q28. Repeating a successful design reduces protocol risk, and the Jan 2025 FDA approval of Vertex's Journavx (suzetrigine), whose pivotal trials used the same two surgical models, sets a recent precedent for a non-opioid on this endpoint. Beyond approval, commercial value depends on how Wafermine is positioned. Racemic ketamine is generic, a US Schedule III controlled substance, and its dissociative effects could invite prescribing restrictions in outpatient settings. A favourable label and a well-capitalised partner would therefore be key to unlocking Wafermine's full value.
- **US compounding offers a capital-light growth option** – iX is consolidating its compounding assets and nutraceuticals into Ligo Pharma, under a partnership framework with GLD Partners, LP and its wholly owned subsidiary Orion Specialty Labs, an FDA-registered 503B outsourcing facility in Nevada. The 503B route does allow sales to hospitals, clinics and 503A pharmacies without new clinical trials, and a pharmaceutical-grade freeze-dried wafer is differentiated in a segment dominated by basic reformulation.

However, a 503B facility may compound from a bulk drug substance only where FDA has listed that substance for clinical need or the drug is in shortage, and FDA's ongoing review of which peptides may be compounded shows the perimeter is still being redrawn. We therefore take a measured approach, assuming a subset of the pipeline launches at the outset, with further products offering upside as eligibility is clarified.

- **Balance sheet repaired, with further funding likely in FY28E** – Placements of 67m shares at SGD0.10 (31 Oct 2025) and 75.8m shares at SGD0.198 (24 Feb 2026), together with warrant exercises, lifted cash and cash equivalents to SGD14.7m at 30 Jun 2026 from SGD0.9m a year earlier, and net assets to SGD15.4m from SGD0.4m. The share count rose to about 1.07b in FY26 from 888m over the year. We forecast operating cash outflow of SGD12.0m in FY27E as working capital builds ahead of DoD and compounding revenue, so cash is likely to fall to about SGD5.0m by end-FY27E. We assume the shortfall is bridged by short-term borrowings, which could potentially rise to SGD18.4m by end-FY28E. With Phase 3 externally funded, any further funding need is likely to be driven by Ligo Pharma and corporate overheads rather than by Wafermine.
- **Initiate coverage with a BUY rating and FV estimate of SGD0.92** – We value ix's operating business on a DCF basis and add an NPV for Wafermine in acute moderate-to-severe pain. Our FV is most sensitive to the Phase 3 outcome and deal terms. This implies upside of about 111% from the last close of SGD0.435.

Potential catalysts

- Submission and FDA acceptance of the Wafermine EUA filing (potentially in 4Q26), followed by first DoD supply orders
- Commissioning of the relocated freeze dryer at Orion's Nevada facility and first 503B product launches under Ligo Pharma
- A potential Type C meeting with FDA in 2Q27 to finalise the Phase 3 protocol, and a clean audit opinion on the FY27 accounts

Investment risks

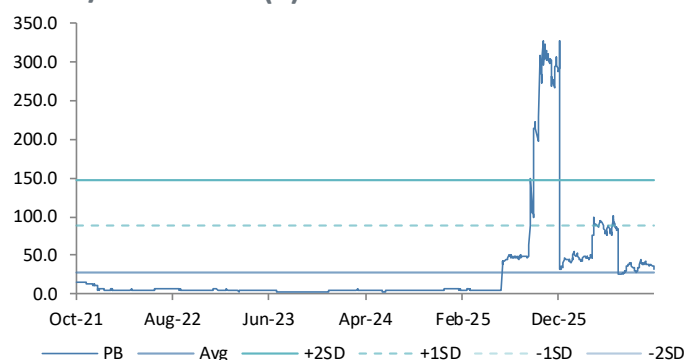
- Phase 3 failure, or a treatment effect materially below Phase 2b, would impair the bulk of our valuation
- Tighter FDA or state oversight of 503B compounding could limit the number of launchable Ligo Pharma products
- Further equity issuance to fund US expansion, or a further modified audit opinion on the FY27 accounts, would weigh on valuation

Valuation analysis

	Price/Earnings		Price/Book		EV/EBITDA		Dividend Yield (%)		ROE (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
IX BIOPHARMA LTD (IXBIO SP Equity)	NA	1.1	0.5	0.3	NA	NA	NA	NA	NA	9.3
HYPHENS PHARMA INTERNATIONAL (HYP SP Equity)	8.8	8.3	1.3	1.2	7.2	7.4	4.6	4.6	16.1	15.3
HAW PAR CORP LTD (HPAR SP Equity)	13.1	12.1	0.6	0.5	8.6	7.7	3.3	3.5	4.8	4.7
CLINUVEL PHARMACEUTICALS LTD (CUV AU Equity)	10.3	9.9	1.2	1.1	2.0	1.1	0.7	0.8	11.5	11.0
NXERA PHARMA CO LTD (4565 JP Equity)	36.4	32.1	1.9	1.8	15.3	13.3	0.0	0.0	5.6	5.5

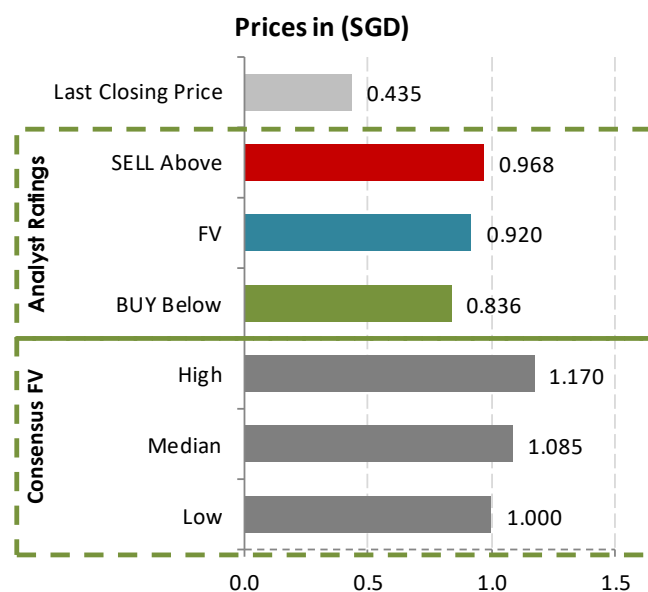
Source: Bloomberg

Price/Book chart (x)



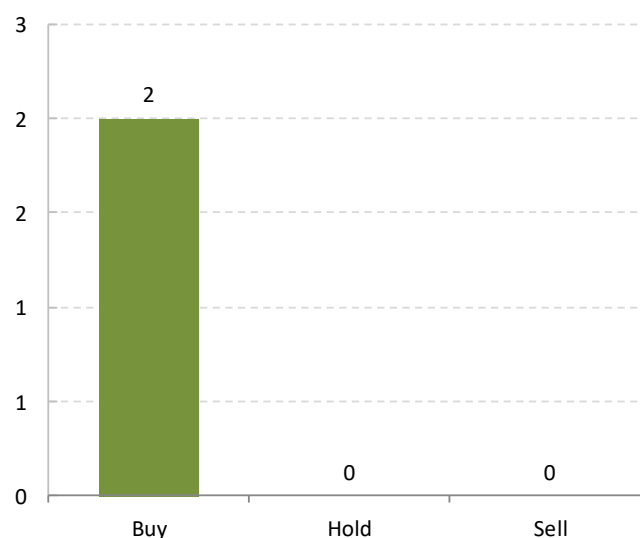
Source: Bloomberg

Analyst ratings vs street ratings



Source: Bloomberg, OCBC Group Research

No. of analyst(s)



SWOT analysis

We conducted a SWOT analysis in Exhibit 1 to assess iX's internal capabilities and external operating environment.

Exhibit 1: iX Biopharma's SWOT analysis

Strengths	Weaknesses
Non-dilutive, sole-source DoD funding. The USD41m contract funds Phase 3 and EUA activities over 36 months while iX retains commercial rights. Few SGX-listed biotechs can point to comparable external validation. Proprietary platform with manufacturing know-how. WaferiX combines patented formulations with a proprietary freeze-drying process, which is harder to replicate than the formulation patents alone. Repurposing strategy under the FDA 505(b)(2) pathway. Building on previously approved molecules shortens development timelines and lowers safety risk relative to new chemical entities.	Single-asset valuation concentration. Wafermine accounts for most of the group's value, leaving the equity exposed to one Phase 3 readout. Declining legacy revenue base. Medicinal cannabis manufacturing revenue fell 46% YoY to SGD3.5m in FY26 as Australian customers faced import-permit delays and softer demand. Governance and reporting history. The FY24 and FY25 accounts both received a disclaimer of audit opinion, the FY26 accounts a qualified opinion limited to comparative figures, and the Chairman also serves as Chief Executive Officer.
Opportunities	Threats
Structural shift to non-opioid analgesia. The US Non-Opioids Prevent Addiction in the Nation (NOPAIN) Act, effective 2025, removes reimbursement barriers for non-opioid post-surgical pain treatments. US compounding market growth. The US compounding pharmacy market is estimated at USD6.3b in 2024 and is projected to reach USD10.7b by 2033, representing a 6.1% CAGR. (Source: BioSpace). Indication expansion. Ketamine's activity in depression and other central nervous system indications offers optionality beyond acute pain, although none of these programmes is funded today.	Controlled-substance scrutiny. Ketamine is a Schedule III drug in the US; restrictive labelling or risk-management requirements could narrow Wafermine's outpatient market. Competitive non-opioid pipeline. Journavx and other non-opioids backed by large pharmaceutical companies will compete for the same formulary positions. Compounding regulation. 503B eligibility rules and FDA enforcement priorities can change quickly, as recent actions on GLP-1 and peptide compounding have shown. US policy concentration. DoD funding, EUA supply and US Government sourcing requirements tie the thesis to US government priorities, which can shift with budgets and administrations. Currency volatility. Australian dollar-denominated intercompany balances produced a SGD3.4m foreign exchange loss in FY25 and a SGD2.6m gain in FY26, distorting reported earnings.

Source: OCBC Group Research, Company

Investment highlights

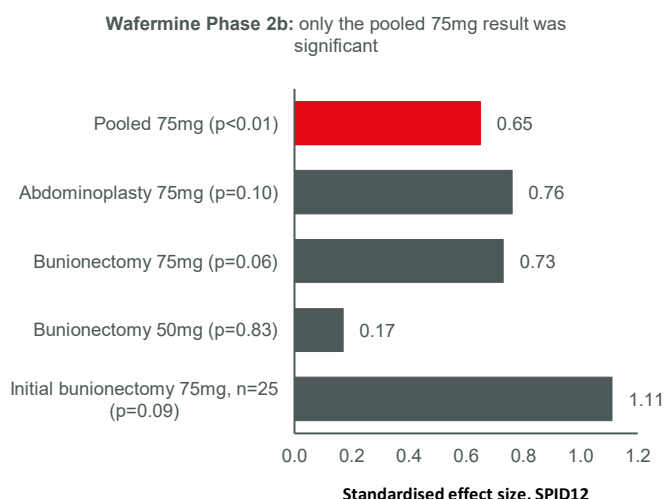
iX Biopharma is a specialty pharmaceutical company founded by its Chairman and Chief Executive Officer, Eddy Lee, and listed on SGX Catalist since 2015. Its operations span a Singapore headquarters, R&D and good manufacturing practice (GMP)-certified manufacturing in Australia, and a growing US presence built around the DoD programme and compounding.

1) Wafermine's approval risk is lower than that of a typical Phase 3 asset, with commercial upside tied to label breadth

Wafermine is a sublingual racemic ketamine wafer developed under the FDA 505(b)(2) pathway for acute moderate-to-severe pain. Ketamine is an N-methyl-D-aspartate (NMDA) receptor antagonist that causes little of the respiratory depression associated with opioids and has been used in hospital anaesthesia for decades. iX's contribution is a non-invasive, rapid-onset dosage form that can be used outside an intravenous setting, including in the field.

The Phase 2b study, a randomised, double-blind, placebo-controlled trial of 125 subjects in the US, tested Wafermine in bunionectomy and abdominoplasty models. The 75mg arm delivered a pooled effect size of 0.65 ($p < 0.01$) on the primary endpoint, the Summed Pain Intensity Difference over 12 hours (SPID12). Following the End-of-Phase 2 meeting in Dec 2019, the Phase 3 programme is expected to comprise two pivotal studies in the same models, on the same primary endpoint. Enabling work is under way. Dosing is complete in the KET004 pharmacokinetic study, and Good Laboratory Practice (GLP) toxicology studies are progressing.

Exhibit 2: Wafermine Phase 2b results versus acute pain comparators



- Pooled 75mg:** The pooled 75mg cohort delivered the most robust result, with a standardised effect size of 0.65 and high statistical significance of $p < 0.01$. Although it is not the furthest-right data point, combining all 75mg patients provided sufficient statistical power to demonstrate a genuine treatment effect. This pooled analysis provides the most robust evidence that the 75mg dose delivers meaningful pain relief.
- The Grey Bars:** While several subgroups reported larger effect sizes, ranging up to 1.11, none achieved statistical significance as their p-values exceeded 0.05. For example, the Initial Bunionectomy subgroup showed the largest apparent reduction in pain, but its p-value of 0.09 means the result remains inconclusive. These findings may indicate a promising treatment effect, but the smaller subgroup sizes limit confidence in the results.

Source: Company, OCBC Group Research

Two factors shape our view of approval risk. First, effect sizes from small acute-pain studies tend to shrink in larger trials as placebo responses vary, so we do not extrapolate 0.65 into Phase 3. Second, the approval bar is set by precedent. Journavx was approved in Jan 2025 on pivotal trials in the same two surgical models. A Wafermine treatment effect meaningfully below Phase 2b could therefore still be approvable. In our view, the market overweights the first factor and underweights the second.

The commercial opportunity depends on the label. Racemic ketamine is generic and inexpensive in intravenous form, it is a Schedule III controlled substance, and its dissociative effects make outpatient prescribing sensitive. A label confined to supervised settings would limit peak sales; a label that permits short outpatient courses after surgery would expand them substantially. iX is likely to seek to monetise Wafermine through an out-licence or trade sale after Phase 3 data, so deal terms, rather than an in-house commercial build, will determine the value that accrues to shareholders. The earlier licence of Wafermine to Seelos Therapeutics, signed in Nov 2021 and terminated in FY24, demonstrated early partner interest, and iX would now enter any future negotiation with a funded Phase 3 programme and full commercial rights.

Exhibit 3: Wafermine development and regulatory timeline

Milestone	Expected timing	Status
DoD Other Transaction Agreement awarded	Announced 12 Feb 2026	Completed
KET004 pharmacokinetic study dosing	By Aug 2026	Completed
Secretary of War military emergency determination	15 Jul 2026	Completed
HHS EUA declaration (section 564)	Published 3 Sep 2026	Completed
GLP toxicology studies	Ongoing	In progress
Freeze dryer relocated to Orion, Nevada	Potentially in 4Q26	In progress
EUA filing completed	Potentially in 4Q26	In progress
First US production line	Potentially in 4Q26	Expected
EUA decision	Potentially in 1Q27	Expected
EUA production / initial DoD supply	Potentially in 2Q27	Expected
Pre-Phase 3 (Type C) FDA meeting	Potentially in 2Q27	Pending
Phase 3 initiation (KET006, KET007)	Potentially in 3Q27	Pending
NDA submission	Potentially in 4Q28	Pending
FDA marketing authorisation	Potentially in 2Q29	Pending

Source: Company, OCBC Group Research; Note: The timelines provided are forward-looking statements based on management guidance or our estimates as at the date of this initiation report and are subject to change.

2) The DoD contract reduces funding risk while anchoring US manufacturing

The DoD award is an Other Transaction Agreement with DHACA, under the Program Executive Office Operational Medical Systems (PEO OPMED), for USD41m over a 36-month period of performance. It funds two workstreams, namely an EUA that would allow DoD to use Wafermine before full approval, and the Phase 3 programme required for a full New Drug Application (NDA). The stated long-term goal is deployment of Wafermine into operational military medical use.

We believe investors should separate the contract's economic effects. On funding, Phase 3 costs are borne by the US Government, removing the largest source of prospective dilution. On accounting, development services linked to the programme are recognised as revenue (SGD1.2m in FY26) and are broadly matched by Wafermine-related R&D of about SGD1.7m, so the contract supports revenue rather than margin. Commercially, EUA supply creates a paying customer before approval. Emergency use is limited to DoD, but inclusion in standard-issue field kits, which we do not yet model, would represent upside.

We also see potential value in manufacturing. Management has highlighted domestic-sourcing requirements for US Government supply. The relocation of iX's freeze dryer from Australia to Orion's Nevada facility, announced in Jun 2026, should help meet them and also avoid prospective US tariffs on Australian imports. Once commissioned, potentially in 4Q26, the same US capacity could serve both DoD supply and the compounding business, which we see as the main operational synergy.

3) US compounding through Ligo Pharma offers a scalable, capital-light growth opportunity

Compounding pharmacies prepare medications where approved products are unsuitable, such as for patients who cannot swallow tablets, need a different dose or are allergic to an excipient. Section 503A pharmacies compound patient-specific prescriptions under state oversight; 503B outsourcing facilities compound in bulk for hospitals, clinics and 503A pharmacies, are registered with FDA and are inspected against current good manufacturing practice. iX cites a US compounding market of USD6.3b in 2024, growing at a 6.1% compound annual growth rate (CAGR) to USD10.7b by 2033. (Source: BioSpace)

iX's route into the market is a partnership framework with GLD Partners, LP (GLD) and its wholly owned subsidiary Orion Specialty Labs, an FDA-registered 503B facility in Nevada. In May 2026 the group began restructuring its consumer and compounding activities into Ligo Pharma, which is likely to hold the repurposed sublingual formulations and the nutraceutical range (including SL-NAD+ and the glutathione-based LumeniX). The group is also in advanced discussions on a joint venture with GLD, which would likely contribute its compounding pharmacy assets, including Orion, to form an integrated compounding and telehealth business. A separate listing of Ligo Pharma on SGX Catalyst could potentially follow from 4Q27.

iX cites some 40 formulations that can be sold without further trials. We take a more measured view of near-term breadth. A 503B facility may compound from a bulk drug substance only where FDA has listed it for clinical need or the drug appears on FDA's shortage list, and may not compound products that are essentially copies of approved drugs. Peptides, among the most commercially attractive categories, remain under FDA review for compounding eligibility. Our base case is a small number of launch products in hormone replacement, men's health and nutraceuticals, with the rest of the portfolio offering upside as regulatory eligibility is confirmed.

Where we do see genuine differentiation is in dosage form and quality. Most compounders reformulate generics using basic methods; a pharmaceutical-grade, freeze-dried sublingual wafer offers a needle-free alternative in categories now dominated by injectables. That positions Ligo Pharma as a supplier to direct-to-consumer telehealth platforms rather than a competitor. This capital-light model lets Ligo Pharma scale across multiple platforms without building its own customer acquisition, although it concedes some pricing power. The group could potentially add a telehealth offering of its own from 2028, which we do not model.

Exhibit 4: Initial Ligo Pharma product categories

Product	Therapeutic category	Active ingredient
SL-NAD+	Longevity	NAD+
LumeniX	Skin health	Glutathione
WafeRest	Sleep	Melatonin
iXB 401	Weight management	Semaglutide
iXB 402	Weight management / type 2 diabetes	Liraglutide / SGLT2 inhibitor
Testosterone wafer	Hormone replacement / men's health	Testosterone
Wafesil	Men's health	Sildenafil
Ignite	Men's health	Sildenafil + tadalafil
iXB 801 to 804	Peptide therapy	Various incl. BPC-157

Source: Company, OCBC Group Research

4) Footprint is evolving across Singapore, Australia and the US

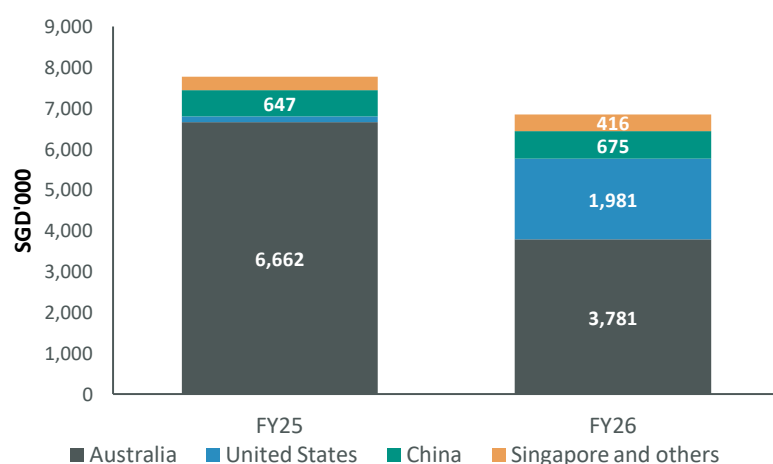
iX's operating footprint has three legs. Singapore is the listing venue and corporate headquarters. Australia hosts R&D through iX Biopharma Pty Ltd and GMP-certified manufacturing through iX Syrinx Pty Ltd, which also provides medicinal cannabis contract manufacturing; the group has historically benefited from Australia's R&D tax incentive, a 43.5% rebate on eligible Australian R&D expenditure. The US is now the growth market. US revenue rose to SGD2.0m

in FY26 from SGD0.1m in FY25, and it is where the DoD programme, compounding and any future Wafermine commercialisation sit.

The shift also carries transition costs for the Australian business. Moving capacity to Nevada lowers utilisation of the Australian plant at a time when cannabis manufacturing volumes are already falling, with FY26 Australian revenue down 43% YoY to SGD3.8m. The group also impaired SGD0.3m of goodwill in its Specialty Pharmaceutical cash-generating unit in FY26. As development activity moves to the US under DoD funding, the benefit of the Australian R&D rebate should also diminish. We expect further rationalisation of the Australian operations over time, which should sharpen the group's focus on the higher-growth US market.

The footprint also creates currency noise. Australian dollar-denominated intercompany loans generated a SGD3.4m foreign exchange loss in FY25 and a SGD2.6m gain in FY26. Adjusted for these movements, the FY26 loss widened rather than narrowed (see financial highlights).

Exhibit 5: Revenue by geography and segment, FY25 vs FY26



Source: Company

5) Financial highlights

FY26 revenue fell 12% YoY to SGD6.9m. Medicinal cannabis fell 46% to SGD3.5m, partly offset by nutraceuticals, up 52% to SGD1.7m, and a new SGD1.2m development-services line tied to the DoD programme. Excluding development services, revenue fell 28% YoY. Gross margin rose to 36% from 26% on a more favourable mix, reaching 48% in 4Q26.

The reported net loss narrowed 21% to SGD8.0m, but this includes a SGD2.6m foreign exchange gain. Excluding it, the loss was about SGD10.5m, against about SGD6.7m in FY25 on the same basis (excluding a SGD3.4m exchange loss). The increase reflects about SGD1.7m of Wafermine-related R&D, SGD2.1m of share-based compensation granted in May 2026 and higher finance costs. Net cash used in operating activities doubled to SGD7.5m.

We forecast revenue of SGD13.7m in FY27E and SGD53.1m in FY28E, up from SGD6.9m in FY26. Growth is likely to be driven by DoD programme revenue of SGD7.4m and SGD23.9m as Phase 3 work ramps up, initial EUA supply of SGD1.3m and SGD4.2m, and Ligo Pharma compounding sales of SGD1.0m and SGD20.0m. Gross margin could potentially widen to about 74% in FY27E and 77% in FY28E, as direct DoD programme costs are booked in R&D rather than cost of sales. We expect a net loss of SGD10.1m in FY27E, likely narrowing to SGD2.3m in FY28E, as DoD-funded R&D of SGD9.2m and SGD26.8m absorbs most of the revenue gain. On our numbers, cash is likely to fall to about SGD5.0m by end-FY27E, with the shortfall potentially bridged by short-term borrowings of SGD8.7m in FY27E and SGD18.4m in FY28E. Our forecasts exclude Wafermine licence income, which we assume falls beyond FY28E.

Key risks

1) Phase 3 outcome and label

Our valuation is dominated by Wafermine, and a Phase 3 failure, or a treatment effect too small to support a competitive label, would remove most of it. The EUA pathway does not mitigate this, as emergency use is limited to DoD. Even on a positive outcome, ketamine's Schedule III status and abuse potential mean FDA could require a restrictive risk evaluation and mitigation strategy (REMS), as it has for esketamine nasal spray, confining use to supervised settings and reducing what a licensee would pay. Development timelines are management estimates, and the Phase 3 protocol is likely to be finalised only after a Type C meeting with FDA, potentially in 2Q27.

2) Compounding regulation and execution

Ligo Pharma's product breadth depends on FDA's eligibility lists for bulk drug substances and on enforcement priorities that have shifted repeatedly, including for GLP-1 and peptide products. The proposed joint venture with GLD has not been completed and its terms have not been disclosed, and the relocated freeze dryer has yet to be commissioned. Delays in any of these would push out the first meaningful compounding revenue.

3) Funding, dilution and governance

The share count rose by about 20% in FY26 through placements, warrant exercises and share awards, and US expansion and corporate costs not covered by the DoD contract may require further equity. The FY24 and FY25 accounts received disclaimers of audit opinion, and the FY26 accounts received a qualified opinion, which the Board says is confined to the FY25 comparative figures. A further modified opinion could delay a potential transfer to the SGX Mainboard, which management is likely to pursue in 2027, and limit institutional participation. The combination of the Chairman and Chief Executive Officer roles also places weight on the independence of the Board.

Valuation

We value iX's operating business on a DCF basis and add a separate NPV for Wafermine. The operating business, comprising Ligo Pharma compounding, nutraceuticals, third-party manufacturing and the DoD contract, is valued over a five-year explicit forecast period with a terminal growth rate of 2%. Wafermine is valued at SGD1,080m for acute moderate-to-severe pain, assuming an out-licence is likely to be signed after Phase 3 topline data. We assume a headline deal value of USD1.1b, comprising an upfront payment of USD110m, an FDA approval milestone of USD165m and sales milestones of USD825m, plus a 17% royalty on licensee peak sales of USD1.0b. We add net cash of SGD10.9m as at 30 Jun 2026, including SGD1.5m of warrant proceeds received after the period. We ascribe no value to the remaining pipeline, EUA supply beyond the current contract, or the telehealth option, which we treat as upside.

This yields a FV estimate of SGD0.92per share on a share base of 1.09b, including 25.1m shares issued on warrant exercise after 30 Jun 2026, implying upside of about 111% from the last close of SGD0.435. **We initiate coverage on iX with a BUY rating and FV estimate of SGD0.92.**

Company overview (as of 23 Oct 2026)

Company description

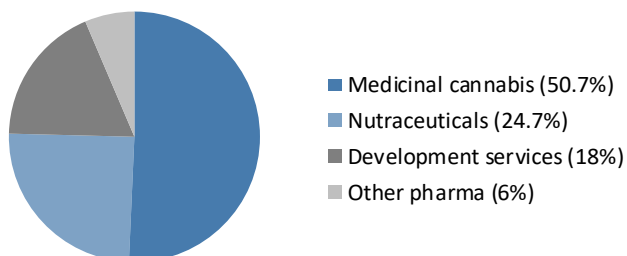
iX Biopharma Ltd is a Singapore-headquartered specialty pharmaceutical company listed on the Catalist board of the SGX-ST since 2015. It develops and commercialises sublingual drug products using WaferiX, a patented wafer formulation produced through a proprietary freeze-drying process, and WaferlogiX, an extension of the platform to biologics. Its strategy is drug repurposing under the FDA 505(b)(2) pathway, reformulating previously approved molecules into new dosage forms or for new indications.

The group reports two segments. Specialty Pharmaceuticals comprises the Wafermine programme, contract manufacturing of medicinal cannabis products in Australia through iX Syrinx, other pharmaceutical products and, from FY26, development services under the DoD contract. Nutraceuticals comprises sublingual wellness products including SL-NAD+, LumeniX (glutathione) and WafeRest (sleep), sold in the US, China, Australia and other markets.

The group is in transition. Following the USD41m DoD award in Feb 2026, it is advancing Wafermine through Phase 3 and an EUA for DoD use, relocating manufacturing capacity to Nevada, and restructuring its consumer and compounding activities into Ligo Pharma to enter the US 503B compounding market alongside Orion Specialty Labs.

FY26 revenue breakdown

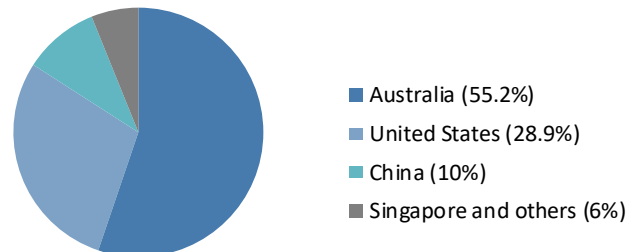
By segment



Source: Company

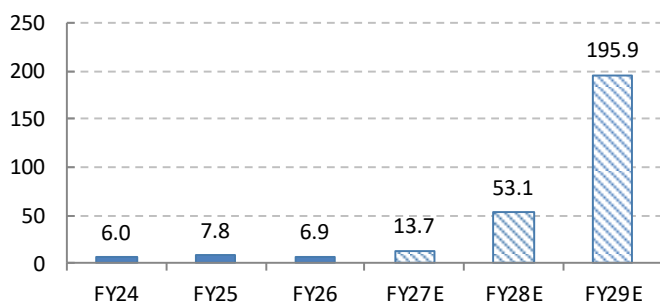
FY26 revenue breakdown

By geography



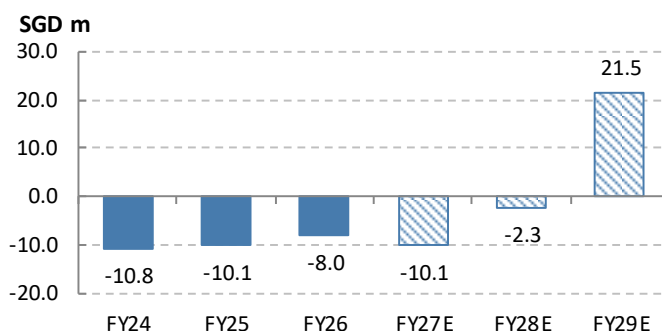
Source: Company

Revenue SGD m



Source: Company

PATMI



Source: Company

Company financials

Income statement

Year Ended 30 Jun (SGD m)	FY25	FY26	FY27E	FY28E
Revenue	7.8	6.9	13.7	53.1
Gross profit	2.0	2.4	10.1	40.7
Research and development (incl. DoD programme cost)	-1.6	-2.5	-9.2	-26.8
Depreciation and amortisation	-0.9	-0.7	-0.8	-0.8
EBITDA	-9.0	-6.6	-9.1	1.3
Finance costs	-0.3	-0.7	-0.5	-0.7
Interest income	0.0	0.0	0.3	0.1
Earnings before tax	-10.1	-8.0	-10.0	-0.1
Income tax	0.0	0.0	0.0	0.0
PATMI	-10.1	-8.0	-10.1	-2.3

Balance sheet

As at 30 Jun (SGD m)	FY25	FY26	FY27E	FY28E
Trade and other receivables	1.9	2.0	4.3	16.7
Inventories	0.9	1.2	0.8	2.8
Cash and cash equivalents	0.9	14.7	5.0	5.0
Total current assets	4.2	18.6	11.3	29.0
PPE	6.4	6.7	6.6	7.7
Total assets	11.3	25.9	18.5	37.3
Total debt	5.6	5.3	8.7	18.4
Total liabilities	10.9	10.5	13.1	32.0
Shareholders equity	0.4	15.4	5.3	3.0
Total equity and liabilities	11.3	25.9	18.5	37.3

Key rates & ratios

	FY25	FY26	FY27E	FY28E
Gross profit margin (%)	26.3	35.5	73.7	76.7
Net profit margin (%)	-130.6	-116.6	-73.8	-4.3
Earnings per share (S cents)	-1.2	-0.8	-0.9	-0.2
EBITDA margin (%)	-115.7	-96.5	-66.1	2.4
P/B (x)	nm	30.2	88.1	156.3
R&D/revenue (%)	21.1	36.3	67.3	50.3
Interest coverage ratio (x)	-29.6	-10.3	-58.3	2.1
Net debt to equity (%)	nm	-61.0	69.4	253.2
ROE (%)	nm	-51.9	-191.9	-77.5
ROA (%)	-89.9	-30.9	-54.8	-6.2

Source: Company, OCBC Group Research

Appendix A: Company structure

iX's operational footprint comprises:

Exhibit 6: Geographic operating footprint

Geography	Operations
Singapore	• Corporate headquarters and SGX Catalist listing • Group strategy, finance and capital markets • Nutraceutical marketing (Entity Health Pte Ltd)
Australia	• R&D (iX Biopharma Pty Ltd) • GMP-certified manufacturing and medicinal cannabis contract manufacturing (iX Syrinx Pty Ltd) • Industrial property leased to iX Syrinx (Arrow Property Trust)
United States	• DoD-funded Wafermine Phase 3 and EUA programme • Manufacturing at Orion Specialty Labs' 503B facility in Nevada (freeze dryer relocated from Australia) • Nutraceutical sales (Entity Health, Inc.)
Other (China, Hong Kong, Ireland, Cayman Islands)	• Nutraceutical promotion and marketing (Entity Health entities) • European marketing (iX Biopharma Europe Limited) • Holding vehicle for the US compounding business (Ligo Pharma Limited)

Source: Company, OCBC Group Research

iX Biopharma Ltd was incorporated in Singapore in 2004 and admitted to the Catalist board of the SGX-ST in 2015. Founder Eddy Lee Yip Hang joined the Board in 2008, serves as Chairman and Chief Executive Officer, and is one of the inventors of the WaferiX technology. As at the FY25 annual report, the group comprised wholly-owned subsidiaries in Australia, Hong Kong, Singapore, China, Ireland, the US and the Cayman Islands. Its main operating pillars are:

Exhibit 7: Key subsidiaries and operating pillars

Pillar / Key Subsidiary	Geography	Nature of operations
Pharmaceutical R&D (iX Biopharma Pty Ltd)	Australia	Research and experimental development, including clinical programmes
Manufacturing (iX Syrinx Pty Ltd)	Australia	Manufacture and sale of pharmaceutical and nutraceutical products, including medicinal cannabis contract manufacturing
Nutraceuticals (Entity Health group)	Hong Kong, Singapore, Australia, China, US	Promotion and marketing of sublingual nutraceutical products
US compounding (Ligo Pharma Limited)	Cayman Islands / US	Vehicle for the restructured consumer and compounding business (dormant in FY25)

Source: Company, OCBC Group Research

Appendix B: Management team

iX Biopharma is led by founder Eddy Lee Yip Hang, who is both Chairman and Chief Executive Officer and one of the inventors of the WaferiX technology. His background is in building consumer and hospitality businesses rather than pharmaceuticals, including senior roles at Resorts World (Genting Group), CDL Hotels International and Star Cruises. The clinical and operating team therefore carries much of the execution. Dr Janakan Krishnarajah, Chief Operating Officer and Chief Medical Officer, leads product development and clinical programmes and oversees Australian manufacturing; Eva Tan, Chief Commercial Officer, leads global commercial strategy; and Chew Sien Lup is Chief Financial Officer. The Board includes a Lead Independent Director with a healthcare distribution background, which provides an additional element of independent oversight.

Exhibit 8: iX Biopharma key management and roles

Name & Role	Responsibilities
Mr Eddy Lee Yip Hang Chairman & Chief Executive Officer	Founder of the Company and co-inventor of the WaferiX technology; appointed to the Board on 17 January 2008. Responsible for the development and execution of the Group's strategic vision and expansion plans. Previously Senior Vice President of Resorts World (Genting Group), Chief Executive of CDL Hotels International, President & Chief Executive of Star Cruises PLC and Managing Director & Chief Executive of Amcom Telecommunications. Bachelor of Business, Curtin University.
Dr Janakan Krishnarajah Chief Operating Officer & Chief Medical Officer	Joined as Chief Medical Officer in April 2016 and designated Chief Operating Officer on 1 April 2019. Responsible for pharmaceutical and nutraceutical product development, including clinical trial design and implementation, and oversees the Group's GMP manufacturing facility in Australia. Previously CEO and Medical Director of Linear Clinical Research; Fellow of the Royal Australasian College of Physicians.
Ms Eva Tan Chief Commercial Officer	Responsible for developing and executing the Group's global commercial strategies across all segments. Previously a corporate lawyer at Wong Partnership specialising in capital markets, including work on iX's 2015 Catalist listing. LLB, National University of Singapore.
Mr Chew Sien Lup Chief Financial Officer	Joined in April 2016; oversees the Group's accounting, financial, taxation and investment matters. Previously CFO of Singapore eDevelopment and Metech International, both SGX-listed, and spent more than nine years with an international public accounting firm. Certified Practising Accountant of CPA Australia since 1993.
Dr Iain Cook Chief Scientist	More than 30 years' experience in the analysis of complex pharmaceutical and biological samples. Previously director of Chemical Analysis Pty Ltd and analytical chemist at ICI/Orica. PhD in Nuclear Magnetic Resonance and Synthetic Organic Chemistry, La Trobe University.

Source: Company (FY25 annual report), OCBC Group Research

Appendix C: Corporate history

Year	Milestone
2004	Incorporation iX Biopharma Ltd was incorporated in Singapore.
2015	SGX Catalist listing The Company was admitted to the Catalist board of the SGX-ST.
2019	End-of-Phase 2 meeting Completed the Phase 2b study of Wafermine and held an End-of-Phase 2 meeting with the US FDA.
2021	Wafermine licence Licensed Wafermine to Seelos Therapeutics in November 2021, receiving an upfront payment that included Seelos shares.
2024	Licence termination and rights issue Terminated the Seelos licence agreement, returning Wafermine rights to iX; completed a rights cum warrants issue in July 2024.
2025	Recapitalisation Placement of 67m shares at SGD0.10 in October 2025, restoring working capital after a disclaimer of audit opinion on the FY25 accounts.
Feb 2026	DoD award Awarded a USD41m sole-source DoD contract to fund Wafermine Phase 3 and EUA activities; placement of 75.8m shares at SGD0.198.
May–Sep 2026	US pivot Began restructuring consumer and compounding businesses into Ligo Pharma (May), announced relocation of freeze-drying equipment to Nevada (June); HHS emergency use declaration for military acute pain drugs published on 3 September 2026.

Source: Company, OCBC Group Research

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