

HYPHENS PHARMA INTERNATIONAL LIMITED
(Company Registration No. 201735688C)
(Incorporated in the Republic of Singapore)

**RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM
SHAREHOLDERS ON ANNUAL REPORT 2025**

The Board of Directors of Hyphens Pharma International Limited (“**Hyphens**”, “**HPIL**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) would like to thank shareholders who have submitted questions in advance of the Company’s Annual General Meeting (“**AGM**”) which will be held at 16 Tai Seng Street, #05-01/02, Singapore 534138 on Tuesday, 28 April 2026 at 10:00 a.m.

Please refer to the Appendix below setting out the Company’s responses to substantial and relevant questions from shareholders on the annual report for the financial year ended 31 December 2025 (“**Annual Report 2025**”).

BY ORDER OF THE BOARD

Lim See Wah
Executive Chairman and Chief Executive Officer
21 April 2026

This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the “**Sponsor**”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Lee Khai Yinn (Tel: +65 6232 3210) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.

APPENDIX

1. General / Overall Business

1.1 Will the company apply for admission to the main board?

Company's Response

The Company continually evaluates opportunities to enhance shareholder value, including a potential transfer to the Mainboard. Any such move will depend on, inter alia, the Group meeting the relevant listing requirements and prevailing market conditions. The Company will make the necessary announcements should there be any material developments.

1.2 How has the closure of the Strait of Hormuz impacted the Company's operations?

Company's Response

The Group has not experienced any material financial impact or disruption to its operations arising from the closure of the Strait of Hormuz. However, we have observed an increase in freight costs, longer order lead times, and heightened uncertainty across the supply chain.

Notwithstanding the above, prolonged geopolitical uncertainties and potential inflationary pressures may affect overall market demand in the regions the Group operates in. The Group will continue to monitor developments and adapt accordingly.

1.3 What is the current status of Wynzora and Amenalief and when do management expect sales to begin?

Company's Response

Both products are at various stages of regulatory approval and commercial preparation across selected markets. The Group will commence sales upon receipt of the relevant approvals and completion of market readiness activities.

1.4 Can you provide more colour on the impact of the Iran war, Strait of Hormuz blockade and the rise in energy prices on the company? Please explain and elaborate.

Company's Response

Please refer to the Company's response to Question 1.2.

1.5 Based on the past few years of sustainability reports since 2021, the employee turnover rate for Hyphens Pharma (HPIL) has been more than 20% and remaining at 25% from 2023 till end of 2025. With ¼ of the workforce leaving the company every year, this means every 3 employees could be working with 1 new colleague every year. Some research states that employee turnover directly impacts the bottom line. (<https://wreninsightgroup.com/news-%26-insights/f/the-hidden-power-of-employee-retention-in-driving-profitability>) Hence, there could be doubts on whether affected departments are functioning less effectively.

From 2018 till 2025, HPIL's net profit has only exceeded \$10m in 2 years (FY2022 and FY2024) (<https://www.hyphensgroup.com/investor-relations/financial-highlights/> and <https://www.hyphensgroup.com/wp-content/uploads/2023/04/Hyphens-Pharma-Annual-Report-2022.pdf> AR2022 pg 14.)

This is despite HPIL's acquisitions (Novem and Ardence Pharma) as well as new distributorships/licensing agreements signed over the years. The track record for net profit may lead to shareholders/investors to consider HPIL more a slow growth/dividend than a growth stock.

Could management help assure shareholders that its growth plans are still very much in play, i.e.:

- 1.5.1 Notwithstanding external factors like geopolitical tensions, economic uncertainty etc, are the headwinds faced by HPIL mostly structural issues e.g. size of the company, nature of the industry?

Company's Response

The Group acknowledges the shareholder's observations and would like to provide the following clarifications.

On employee turnover, the reported rates reflect, in part, ongoing business expansion and organisational adjustments across markets and business segments. The Group continues to strengthen its talent retention and development efforts, and we have not observed any material disruption to operations or execution.

On profitability, the healthcare industry typically requires sustained investment and is influenced by factors such as product mix, market expansion, and foreign exchange movements. As such, earnings progression may not be linear in the short term.

1.5.1 Structural vs External Factors

The Group continues to view itself as a growth company. We operate in the healthcare sector, which remains a defensive and structurally growing industry. While we are still relatively small, this also presents opportunities for further expansion.

We have strengthened our overall product portfolio, grown our brands, enhanced the quality and depth of our team, and scaled our sales and marketing capabilities across new channels and geographies.

While these efforts are targeted towards top-line growth, the full benefits are not yet reflected in profitability due to the upfront investments required to build scale. As such, the headwinds faced are not structural in nature, but reflect a transitional phase as we invest for sustainable growth.

- 1.5.2 Does HPIL currently have in place concrete plans to achieve sustained and resilient net profit growth or strong confidence to achieve the next bracket of higher earnings (\$10m - \$20m range per year) in the near future, especially when HPIL is approaching its 10 year listing milestone?

Company's Response

The Group has clear strategies in place to support long-term earnings growth, including unlocking the brand equity of proprietary brands, expanding its higher-

margin portfolio, growing its presence in existing and new markets, and improving operational and working capital efficiency.

While near-term performance may be affected by macroeconomic uncertainties, management remains confident in the Group's ability to deliver more sustainable growth over time and continue creating value for shareholders.

- 1.5.3. HPIL brought Nabota to Malaysia and Singapore in 2023. (<https://www.hyphens.com.sg/nabota-approved-for-use-in-malaysia/>)

Nabota was able to do very well in the US, with an average annual sales growth rate of 62% over two years. (<https://www.asiae.co.kr/en/article/2023082809301318236>)

Last year, AGM management cited confidentiality when asked about the growth rate in the AGM Q&A 2025 Q3.3.1(<https://links.sgx.com/FileOpen/Hyphens%20-%20Responses%20to%20Questions%20from%20Shareholders.ashx?App=Announcement&FileID=841955>)

While understandably, there is a need for business confidentiality, providing context into HPIL's performance relative to its peers within the industry can help shareholders appreciate more about the operational capabilities of our company. If no information/context is provided with simply citing confidentiality, conservative shareholders may assume the worst, e.g. the business is not doing well. Would management be able to share the growth prospects of Nabota and whether it would be a strong driver for the group?

Company's Response

Nabota has demonstrated encouraging sales momentum since its launch in Malaysia and Singapore with growth trending positively.

However, as the product is still in the early stages of its commercialisation in these markets, the absolute contribution to the Group remains relatively small at this point.

- 1.5.4. Has the board reviewed the current competency matrix of the Board and identified any gaps in skills or competencies that need to be addressed, especially to take HPIL to the next level e.g. growing and qualifying for mainboard listing?

Company's Response

The Board has reviewed its current composition and competency matrix as part of the annual evaluation process and is of the view that it collectively possesses the appropriate mix of skills, experience and expertise to support the Group's current operations and growth strategy. This is also reflected in the Group being awarded Gold for *The Best Managed Board* at the Singapore Corporate Awards 2024.

At the same time, the Board remains mindful of the Group's future development, including potential scale-up and evolving governance requirements It will continue to assess and, where appropriate, strengthen its competencies when appointing new Board Directors as part of the Board renewal process, to address any emerging gaps and to support the Group's next phase of growth

2. Pharmaceuticals and Medical Aesthetics

2.1. The acquisition of Ardence has paid off

Revenue	9,433	7,183
Profit for the year	2,901	2,379

Which markets are expected to experience growth?

Company's Response

The Group notes the shareholders' observation. Ardence has contributed positively to the Group's performance and remains aligned with the Group's strategy to strengthen its presence in the medical aesthetics segment.

Looking ahead, the Group will continue to explore growth opportunities in both existing and new markets. In particular, Singapore and Malaysia are expected to remain key contributors, supported by stable demand and continued portfolio expansion. The Group has also observed initial momentum in newer markets such as the Philippines, Indonesia and Thailand, which are expected to contribute progressively over time.

2.2. Are measures in place to reduce write-downs and write-offs of inventories?

Company's Response

The Group has strengthened its inventory management processes, including enhanced demand planning, closer monitoring of stock levels, and improved coordination with principals and distributors. These measures are expected to reduce the risk of inventory obsolescence going forward.

2.3. Can management elaborate on the regulatory conditions that led to the softened Vietnam sales in the past year?

Company's Response

The softer performance in Vietnam was primarily attributable to increased regulatory enforcement in the healthcare retail sector. This includes stricter implementation of Good Pharmacy Practice ("GPP") requirements, enhanced inspections of pharmacies and distributors, as well as tighter controls over product registration and distribution channels.

2.4. Have there been any recent or anticipated healthcare policy changes in Vietnam, Singapore, or Malaysia that could impact the Company going forward?

Company's Response

The Group operates in regulated markets and continues to monitor policy developments closely. While regulatory changes are part of the normal course of business, the Group does not expect any material adverse impact at this juncture and remains committed to ensuring compliance across all markets.

2.5. Is the revenue decline in countries categorized under Others part of the strategic move to shift away from lower margin products?

Company's Response

Yes, the decline in revenue in the “Others” category is attributable to the Group’s ongoing portfolio optimisation efforts, including a selective shift away from lower-margin products and markets, in line with its strategy to enhance overall profitability. The impact on gross profit is minimal.

3. Proprietary Brands

3.1. Despite the revenue improvement in the Proprietary Brands segment year over year, why has the segment’s EBITDA margin contracted?

Company’s Response

The contraction in EBITDA margin was mainly due to the Proprietary Brands segment delivering strong growth and increasing its share of Group revenue. This shift in revenue mix resulted in higher allocation of overhead costs to the segment, which in turn affected its reported profitability.

3.2. I note that in "February 2024 – In partnership with Cooper Pharma, Hyphens Pharma’s flagship dermatological brand, Ceradan®, is poised to bring relief to eczema sufferers in the Middle East, including Saudi Arabia, United Arab Emirates, Kuwait, Qatar and Bahrain." How have sales in the region been impacted by the Iran war? Have any of the retailers or hospitals or pharmacies or distribution points been closed due to the war? Please detail and elaborate.

<https://www.hyphens.com.sg/ceradan-products-to-expand-into-middle-east/>

Company’s Response

The Group has not recorded any material sales contribution from this partnership to date, and therefore its current exposure to the region remains limited.

We have encountered challenges in progressing market entry, arising from evolving market conditions and commercial considerations. As such, the parties are currently evaluating the commercial arrangement.

3.3. In the event that drones, bombs or missiles destroy our medical goods, are we covered by insurance? Or do we just need to bite the bullet and write off damages caused by drones, bombs or missiles? What is the level of insurance coverage, if any, that we possess? Please explain and elaborate.

Company’s Response

The Group’s shipments are generally covered by cargo insurance, subject to standard terms and conditions in line with industry practice.

The Group does not currently ship to or operate in active war zones, and therefore its direct exposure to such risks is limited.

3.4. It seems common for skincare brands to use up-to-date marketing (Chinese Zodiac related promos), hopped on the popularity of blind boxes or even embarked on aggressive marketing campaigns (e.g lucky draw for Taylor Swift concert tickets) to attract retail customers. On the other hand, HPIL’s skin care related retail brands like CG210, TDF, Ceradan, seem to focus more on marketing through doctors and not as aggressive as its

competitors, in terms of marketing directly to consumers. As HPIL onboards more brands(organic / inorganic growth), does HPIL have plans to place marketing at the center of the company's growth strategy to be more prominent(strong brand association e.g. the Ya Kun of the local coffee scene) than their competitors and stand out in the crowded field?

Company's Response

The Group adopts a targeted and disciplined approach to marketing, aligned with the nature of its products and brand positioning. For clinically-driven skincare brands such as Ceradan®, the focus has been on building credibility through healthcare professionals, including doctors and pharmacists, where product efficacy and trust are key considerations.

Ceradan® has also gained increasing recognition at the consumer level, including awards in 2025 such as *Best Trusted Brand* by Unity, *Best Selling Skin Barrier Cream for Sensitive Skin* by Watsons, and *Best Seller Soothing Cream for Eczema-Prone Skin* by Guardian. In parallel, Ocean Health® remains the No. 1 Omega-3 brand in Singapore, reflecting strong brand equity and broad distribution.

As the Group continues to expand its portfolio, we recognise the importance of further strengthening consumer awareness. We will continue to calibrate our marketing strategies, including selectively increasing consumer-facing initiatives where appropriate, while maintaining our core emphasis on clinical credibility and sustainable brand building.

4. Digital Platform and e-Pharmacy

4.1. The Digital Platform and E-Pharmacy has continued to face profitability challenges (inconsistent profitability). Notwithstanding the continued evolution featuring enhanced functionality and user experience, the segment seems to be struggling as far back as management addressed shareholders' questions in AGM2022. (https://links.sgx.com/FileOpen/Hyphens%20AGM2021%20QA_Final.ashx?App=Announcement&FileID=713081) HPIL has also mentioned that the Medical Hypermart and Digital segment is operating in a very competitive market and deemed it as a start-up at that point in time.

Can management help shareholders understand by elaborating on the answers given in the AGM2022 questions as well as addressing the following:

- 4.1.1 In AGM Q&A 2024 (<https://links.sgx.com/FileOpen/Hyphens%20-%20Responses%20to%20Questions%20from%20Shareholders.ashx?App=Announcement&FileID=841955>), HPIL mentioned that its Docmed Technology's business model aims to revolutionise the pharmaceutical industry value chain. Could HPIL share with us how Docmed Technology's regional business model ultimately strengthens the group's bottom line?
- 4.1.2 Would management continue to invest in the Digital Platform and E-Pharmacy despite persisting unfavourable circumstances? Under what circumstances would HPIL consider a change of strategy?
- 4.1.3 The article "<https://www.nytimes.com/2026/04/02/technology/ai-billion-dollar-company-medvi.html>" describes how AI tools are used to build a healthcare startup. Does HPIL have plans to use AI tools to help overcome challenges in the digital platform?

Company's Response

4.1.1 The Group's investment in DocMed Technology reflects our longer-term strategy to enhance efficiency and connectivity across the pharmaceutical value chain through digitalisation. While the development of technology platforms is inherently complex and growth has been slower than initially anticipated, the Group has largely completed its primary investment phase.

At this stage, the focus is on unlocking value from the investments made. While we do not expect exponential growth in the near term, we will remain watchful on resource efficiency and value extraction from the platform.

4.1.2 The Group will continue to invest prudently in the Digital Platform and E-Pharmacy segment, with a focus on improving operational efficiency and driving scale. Investments are regularly reviewed against performance and strategic objectives. The Group remains disciplined and will recalibrate its approach if the segment does not meet its intended strategic and financial outcomes over time.

4.1.3 The Group recognises the growing relevance of Artificial Intelligence ("AI") and has selectively explored its application within our digital platform. We have deployed certain AI-based features within POM, including a module known as e-MSL, which simulates product-related interactions with healthcare professionals, and this has generated some initial interest.

That said, our approach to AI remains measured and pragmatic. We view these tools primarily as enablers to support specific functions and improve productivity, rather than as a fundamental driver that will materially transform the business or create a standalone growth engine.

The Group will continue to monitor developments in this space and adopt relevant technologies where appropriate, with a focus on practicality and value contribution.