

HYPHENS PHARMA INTERNATIONAL LIMITED

(Company Registration No. 201735688C)

(Incorporated in the Republic of Singapore)

**Quarterly Business Update
For the First Quarter Ended 31 March 2021**

Following the changes in SGX Listing Rules on quarterly reporting requirements in Feb 2020, the Group has adopted semi-annual reporting and the next results release will be for the half-year ended 30 June 2021. The Group wishes to provide the investing community with a quarterly business update for the first quarter ended 31 March 2021 ("1Q2021").

Financial Highlights

	1Q2021 S\$'000	1Q2020 S\$'000	Change %
Revenue	33,790	31,441	7.5
Gross profit	12,124	10,902	11.2
Profit before tax	2,619	2,589	1.2
Profit, net of tax	2,136	2,124	0.6

	As at 31 March 2021 S\$'000	As at 31 December 2020 S\$'000
Cash and cash equivalents	34,402	27,526

Financial Review

The Group's revenue increased by 7.5% or S\$2.3 million from S\$31.4 million in 1Q2020 to S\$33.8 million in 1Q2021. The increase in revenue was contributed by an increase in sales from the specialty pharma principals segment, resulting mainly from increased demand in Vietnam. The increase in revenue was partially offset by reduction in sales from the proprietary brands and hypermart and digital segments due to a high base effect in 1Q2020.

Gross profit correspondingly rose by 11.2% in 1Q2021 to S\$12.1 million (1Q2020: S\$10.9 million) with gross profit margin improving to 35.9% (1Q2020: 34.7%).

The Group's net profit after tax in 1Q2021 improved marginally by 0.6% to S\$2.1 million. The higher gross profit was partially offset by increased advertising and promotional expenses to promote its products in proprietary brands and specialty pharma principals segments.

The Group delivered strong operating cash inflow and lifted cash and cash equivalents to S\$34.4 million as of 31 March 2021 (31 December 2020: S\$27.5 million).

Outlook

Internationalisation and Investment in Proprietary Brands

The Group continues to actively pursue prospective partners in its internationalisation efforts to expand to other parts of Asia with its proprietary brands. The Group will continue to undertake further clinical developments to reinforce Ceradan®'s clinical positioning and to invest into applied research and development ("R&D") for new products through improved formulations.

As a result of its R&D efforts, the Group has recently launched its latest TDF® product, TDF® Blu Voile Sunscreen SPF50 PA+++, which is an advanced mineral sunscreen with protection against effects of UV rays. It is tested to filter out more than 90% of blue light, protecting skin against photodamage and hyperpigmentation.

Strengthen specialty pharma portfolio

The Group remains focused on further cementing its leadership position and deepening its presence in the ASEAN region and is actively seeking licencing opportunities for new products.

Going Digital

With rising acceptance of telemedicine, the Group intends to enhance its service offering to capture this growing opportunity. The Group has been awarded an e-pharmacy licence for its WellAway Pharmacy by the Health Sciences Authority. The e-pharmacy is set to provide a reliable and convenient medication delivery service to residential homes, complementing the increasing usage of telemedicine by the Group's medical partners in Singapore.

Impact from COVID-19

Market recovery in the region has been inconsistent and unpredictable. With the recent lockdowns in several ASEAN countries, demand in certain markets may be affected. The Group will remain agile and vigilant to respond to market conditions.

BY ORDER OF THE BOARD

Lim See Wah

Chairman and Chief Executive Officer

12 May 2021

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor, DBS Bank Ltd. ("Sponsor") for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. 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.

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