

Media Release

Hyphens Pharma delivered Revenue of S\$123.7 million and Net Profit of S\$6.2 million for FY2020

- Proprietary Brands segment revenue grew by 25.9% in FY2020, led by Ceradan® and Ocean Health®
- Dividend of 0.62 Singapore cents per share proposed for FY2020

Singapore, 25 February 2021 – Hyphens Pharma International Limited (“凯帆药剂国际有限公司”, “Hyphens Pharma”, or the “Company”, and together with its subsidiaries, the “Group”), Singapore’s leading specialty pharmaceutical and consumer healthcare group, is pleased to announce its fourth quarter (“4Q2020”) and full year (“FY2020”) results ended 31 December 2020.

Financial Highlights

S\$’mil	4Q2020	4Q2019	Y-o-Y% Change	FY2020	FY2019	Y-o-Y% Change
Revenue	30.6	32.7	(6.5)	123.7	119.4	3.6
Gross Profit	11.9	12.2	(2.1)	43.8	42.7	2.6
Profit before tax	0.9	2.1	(56.0)	7.1	8.0	(11.0)
Profit after tax	1.0	1.7	(37.8)	6.2	6.5	(5.6)

For FY2020, revenue increased by 3.6% to S\$123.7 million from S\$119.4 million in the full year ended 31 December 2019 (“FY2019”). The increase was mainly due to higher sales in the proprietary brands segment which grew by 25.9%, with strong contributions from **Ceradan®** and **Ocean Health®** brands.

The Group's 4Q2020 revenue decreased year-on-year by 6.5% to S\$30.6 million from S\$32.7 million in the fourth quarter ended 31 December 2019 ("4Q2019"). The decrease was due to lower sales in both specialty pharma principals and medical hypermart & digital segments. The reduction in revenue was partially offset by a 21.6% increase in sales from the proprietary brands segment.

S\$'mil	4Q2020	4Q2019	Y-o-Y% Change	FY2020	FY2019	Y-o-Y% Change
Specialty pharma principals	16.2	18.8	(13.6)	64.6	65.2	(0.9)
Proprietary brands	4.6	3.8	21.6	18.2	14.5	25.9
Medical hypermart and digital	9.7	10.3	(3.8)	40.9	39.8	2.7
Total	30.6	32.7	(6.5)	123.7	119.4	3.6

Gross profit correspondingly rose by 2.6% in FY2020 to S\$43.7 million as compared to S\$42.7 million in FY2019. Gross profit margin remained relatively stable at 35.4% (FY2019: 35.7%).

Net profit after tax dropped by 5.6% to S\$6.2 million (FY2019: S\$6.5 million) due mainly to higher advertising and promotional expenses as well as allowance for inventories obsolescence, offset by increase in other income (government grants).

The Group has proposed a final dividend of 0.62 Singapore cents per share for FY2020, subject to shareholders' approval at the upcoming AGM.

Mr Lim See Wah, (“林世华”), Executive Chairman and CEO of Hyphens Pharma commented:

“We are heartened to see strong sales growth in our proprietary brands segment, particularly **Ceradan®** products. This reflects our Group's strategy to strengthen our focus on skin health. In addition, we have embarked on new digital initiatives such as e-commerce sales on various platforms and e-pharmacy to reinforce Hyphens' position as the leading specialty pharmaceutical and consumer healthcare group in ASEAN.”

Business Outlook

Internationalisation

The Group continues to actively pursue prospective partners in its internationalisation efforts to expand to other parts of Asia in relation to its proprietary brands. As a result of these efforts, the Group has signed distribution agreements for exclusive distributorship of **Ceradan®** products in China and **TDF Faience®** T-Complex in South Korea.

Investment in Proprietary Brands

The Group will continue to undertake further clinical developments to reinforce **Ceradan®**'s clinical positioning and to delve into applied research and development ("R&D") for new products through improved formulations.

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.

The Group will be launching its latest product, Erdomed 300mg Hard Capsule, in-licenced from Edmond Pharma S.r.l (Italy), in Singapore and Malaysia. Erdomed is the latest generation mucolytic for use in all acute and chronic respiratory disorders with excessive mucus and phlegm. Coupled with the latest evidence in the management of Chronic Obstructive Pulmonary Disease ("COPD"), Erdomed presents a new oral treatment option for COPD patients. The Group will be promoting this prescription-only medicine to healthcare professionals in the Respiratory and Ear, Nose, Throat ("ENT") specialties as well as the general practitioners.

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 with 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

The recovery of market demand in the regions had been inconsistent and unpredictable, and any further lockdown measures implemented is expected to have a negative impact on the Group's business.

Update on results release

Following the changes in SGX Listing Rules on quarterly reporting requirements last year, the Group will be adopting semi-annual reporting for FY2021 and the next results release will be for half-year ended 30 June 2021.

End.

Note: This media release is to be read in conjunction with the Company's SGXnet announcement of its financial results on the same date.

About Hyphens Pharma International Limited

(www.hyphensgroup.com)

Hyphens Pharma International Limited and its subsidiaries (the "**Group**") is Singapore's leading specialty pharmaceutical and consumer healthcare group leveraging on its diverse footprint in ASEAN countries. The Group has a direct presence in Singapore, Vietnam, Malaysia, Indonesia and the Philippines, and is supplemented by a marketing and distribution network covering 10 other markets – Bangladesh, Brunei, Cambodia, China, Hong Kong S.A.R., Macau S.A.R., Myanmar, Oman, South Korea and Sri Lanka.

Singapore is the Group's regional headquarters, where its strategic planning, finance, regulatory affairs, research and development, legal, business development and logistics operations are based. The Group's core business comprises the following segments: Specialty Pharma Principals, Proprietary Brands, and Medical Hypermart & Digital. Besides marketing and selling a range of specialty pharmaceutical products in selected ASEAN countries through exclusive distributorship or licensing and supply agreements with brand principals mainly from Europe and the United States, the Group also develops, markets and sells its own proprietary range of dermatological products and health supplement products. In addition, the Group operates a medical hypermart for healthcare professionals, healthcare institutions and retail pharmacies, to supply pharmaceutical products and medical supplies.

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