

**Media Release**

## Hyphens Pharma 1H2022 net profit grew 44.6% Y-O-Y to S\$6.2 million

- 1H2022 revenue grew 26.5% Y-O-Y to S\$80.7 million
- All three of the Group's business segments contributed to the 1H2022 revenue increase

Singapore, 11 August 2022 – Hyphens Pharma International Limited (“Hyphens Pharma”, “凯帆药剂国际有限公司”, or the “Company”, and together with its subsidiaries, the “Group”), Singapore’s leading specialty pharmaceutical and consumer healthcare group, is pleased to announce its results for the six months ended 30 June 2022 (“1H2022”), which saw a 26.5% increase in revenue to S\$80.7 million and a net profit increase of 44.6% to S\$6.2 million.

Financial Highlights			
S\$ million	1H2022	1H2021	Change (%)
Revenue	80.7	63.8	26.5
Gross Profit	31.1	24.8	25.6
GP Margins (%)	38.5	38.8	-0.3pts
Profit Before Tax	7.8	5.2	49.7%
Profit After Tax	6.2	4.3	44.6
PAT Margins (%)	7.7	6.8	0.9 pts

Commenting on the 1H2022 results, **Mr Lim See Wah (林世华)**, Executive Chairman and CEO of Hyphens Pharma said: “We have achieved a good set of results for 1H2022, amidst the backdrop of a challenging and volatile global environment. With COVID-19 restrictions easing in those countries where we have a

*presence, we are now able to work towards a normalisation of business activities. Our 1H2022 results also affirm our long-term strategy to grow both organically and inorganically, and we will continue to strategically advance the growth of all our business segments and deliver greater shareholder value.”*

## Financial Review

In 1H2022, the Group’s revenue increased by 26.5% to S\$80.7 million from S\$63.8 million for the six months ended 30 June 2021 (“**1H2021**”) with all three business segments contributing to the revenue positively and the Group’s newly acquired subsidiaries (“**Novem**”) contributing 11.4% of revenue.

Segmental Revenue			
S\$ million	1H2022	1H2021	Change (%)
Specialty Pharma Principals	48.2	33.3	44.7
Proprietary Brands	10.8	9.3	15.9
Medical Hypermart and Digital	21.7	21.1	2.4
<b>Total</b>	<b>80.7</b>	<b>63.8</b>	<b>26.5</b>

The Group’s Specialty Pharma Principals segment led the growth with a 44.7% increase in revenue to S\$48.2 million, with increased demand in Singapore, Vietnam and Malaysia, coupled with the sales contribution from Novem. The Proprietary Brands segment grew by 15.9% to S\$10.8 million, contributed by the higher demand for Ceradan® and TDF® dermatological products, Ocean Health® health supplement products and Novem® nutraceutical products. Revenue from the Medical Hypermart and Digital segment continued to remain stable with a growth of 2.4% to S\$21.7 million.

The Group’s profit before tax increased by 49.7% from S\$5.2 million in 1H2021 to S\$7.8 million in 1H2022, mainly due to the higher revenue which was partially offset mainly by increased distribution costs which rose in tandem with the higher sales achieved and increased administrative expenses due to higher cost base with inclusion of Novem. As a result, the Group’s net profit after tax increased 44.6% to S\$6.2 million in 1H2022 from S\$4.3 million in 1H2021.

## Business Outlook

### Growing Proprietary Brands

The Group continues to focus on growing its Proprietary Brand business and Hyphens' brands which include Ocean Health®, Ceradan®, TDF® and CG 210® continue to enjoy robust growth in sales and brand equity. The Group will continue to nurture these brands in markets where it already has presence while seeking out new international partnership opportunities to enter new markets and investing in innovation in order to develop new and improved products under the respective brands.

To date, the Group has received four patent approvals for its Ceradan® Advanced product. Ceradan® Advanced is a next generation emollient therapy that is scientifically formulated for eczema-prone skin conditions and currently has patents pending approval in 10 countries/regions such as Vietnam, China and Europe. The Group believes that the patent approvals of Ceradan® Advanced will assist in its market entry and development by enhancing the brand's equity in those markets and by leveraging on a research-based approach to reach clinicians. As part of its ongoing efforts to build the Ceradan® brand, the Group will continue its product development efforts.

To further extend the regional footprint of the Group's Ocean Health® brand of health supplements, the Group has launched its Omega-3 product in Vietnam and D-Vita product in Malaysia. More new regional launches are being planned, including Vitamin D3 and High Strength Omega-3 Vitamin D3-Enriched in Vietnam, as well as Omega-3 + Vitamin D in Malaysia and Bicol in Indonesia.

### Going Digital

The Group has been accelerating its investment in digital initiatives to spearhead business expansion in its Medical Hypermart and Digital segment. Following the official launch of WellAway e-pharmacy ("**WellAway**") in January 2022, the Group completed an internal restructuring to consolidate all of its digital assets under its subsidiary DocMed Technology Pte Ltd ("**DocMed**") in May 2022 to develop an integrated digital healthtech platform. DocMed subsequently completed a share subscription exercise to Metro ARC Investments Pte. Ltd. ("**Investor**"), a wholly-owned subsidiary of Metro Holdings Limited, in June 2022, which resulted in a capital injection of S\$6 million in DocMed. This fund injection will be utilised

to further the growth of DocMed, which includes developing an integrated healthtech platform, incorporating various healthtech solutions to cater to healthcare stakeholders in Singapore and the Asia-Pacific region, as well as for working capital purposes. The collaboration with the Investor, an established and reputable corporation, will be synergistic as DocMed can leverage on the Group's and Metro's regional presence to bring its business to the next level.

#### Expanding Through Acquisitions

As seen in the 1H2022 results, Novem has contributed positively to the Group's revenue and profits, following its acquisition by the Group in December 2021. Furthermore, the acquisition has cemented the Group's market leadership position in Singapore and enhanced its ability to deliver high quality healthcare products and services to an enlarged customer base that comprises both the private and public sectors. The Group will continue to seek out acquisition opportunities that are in alignment with its strategic goals to advance its position as a leading pharmaceutical and consumer healthcare company in Asia.

#### Strengthening Specialty Pharma Portfolio

The Group remains focused on further cementing its leadership position and deepening its presence in the ASEAN region. The Group will continue to actively seek licencing opportunities, and register new products for its Specialty Pharma Principals segment.

The Group's distributorship agreement with principal Biosensors Interventional Technologies Pte. Ltd., with Vietnam as the only territory, is expected to lapse by mutual and amicable decision when its current term of agreement ends by 31 December 2022. Revenue from this portfolio accounted for 6% of total revenue for 1H2022 (this portfolio accounted for 3% of total FY2021 revenue).

#### Impact from COVID-19

The global environment continues to remain volatile and challenging. Although countries where the Group has operations in are easing their COVID-19 related restrictions, other challenges such as supply chain disruptions and inflationary pressures are gathering pace. The Group will continue to remain agile and vigilant, so as to respond to these changing market conditions.

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**Note: This media release is to be read in conjunction with the SGXNET announcement issued on the same day.**

**About Hyphens Pharma International Limited (<https://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 and an online pharmacy for doctors to prescribe and have medications delivered to their patients' homes.

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Issued on behalf of	: <b>Hyphens Pharma International Limited</b>
For media enquires contact	: Mr Ivan Hong / Mr Gerald Woon
Email / DID / Mobile	: <a href="mailto:ivanhong@cogentcomms.com">ivanhong@cogentcomms.com</a> / (65) 6704 9287 / (65) 9055 8883
	: <a href="mailto:woon@cogentcomms.com">woon@cogentcomms.com</a> / (65) 6704 9268 / (65) 9694 8364

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*The contact person for the Sponsor is Ms Lee Khai Yinn (Tel: (65) 6232 3210) at 1 Robinson Road, #21- 00 AIA Tower, Singapore 048542.*