Hyphens

HYPHENS PHARMA INTERNATIONAL LIMITED

(Company Registration No. 201735688C)

Condensed Interim Financial Statements

For the six months ended 30 June 2026

Table of Contents

A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

		Group		
	Notes	6 months ended 30 June 2026	6 months ended 30 June 2025	Change
		$'000	$'000	%
Revenue	4	89,065	89,546	(0.5)
Cost of sales		(51,414)	(54,227)	(5.2)
Gross profit		37,651	35,319	6.6
Other income and gains		265	253	4.7
Distribution costs		(21,845)	(19,845)	10.1
Administrative expenses		(8,080)	(7,867)	2.7
Finance costs		(181)	(299)	(39.5)
Other losses		(1,473)	(4,676)	(68.5)
Profit before tax	6	6,337	2,885	>100.0
Income tax expense	7	(1,736)	(906)	91.6
Profit for the period		4,601	1,979	>100.0
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations, net of tax		345	172	>100.0
Other comprehensive income for the period, net of tax		345	172	>100.0
Total comprehensive income for the period		4,946	2,151	>100.0
Profit attributable to:				
Equity holders of the Company		4,353	1,682	
Non-controlling interests		248	297	
Total comprehensive income attributable to:				
Equity holders of the Company		4,679	1,905	
Non-controlling interests		267	246	
Earnings per share for profit for the period attributable to equity holders of the Company				
Earnings per share currency unit		Cents	Cents	
Basic				
Continuing operations		1.41	0.54	
Diluted				
Continuing operations		1.41	0.53	

B. Condensed Interim Statements of Financial Position

	Notes	Group		Company	
		30 Jun 2026	31 Dec 2025	30 Jun 2026	31 Dec 2025
		$'000	$'000	$'000	$'000
ASSETS					
Non-current assets					
Plant and equipment	11	6,485	3,866	5	4
Intangible assets	10	23,595	23,989	–	–
Investments in subsidiaries		–	–	19,986	19,986
Deferred tax assets		106	145	–	–
Total non-current assets		30,186	28,000	19,991	19,990
Current assets					
Inventories	13	28,193	29,335	–	–
Trade and other receivables	12	33,980	34,969	14,850	20,424
Prepayments		5,955	4,437	71	101
Other financial assets		–	20	–	–
Cash and cash equivalents		23,334	26,834	645	208
Total current assets		91,462	95,595	15,566	20,733
Total assets		121,648	123,595	35,557	40,723
EQUITY AND LIABILITIES					
Equity					
Share capital	15	35,216	35,216	35,216	35,216
Treasury shares		(77)	(87)	(77)	(87)
Retained earnings		39,191	43,499	(348)	4,674
Other reserves		(8,144)	(8,569)	3	–
Equity attributable to equity holders of the Company		66,186	70,059	34,794	39,803
Non-controlling interests		887	2,509	–	–
Total equity		67,073	72,568	34,794	39,803
Non-current liabilities					
Deferred tax liabilities		785	848	–	–
Other financial liabilities	14	4,667	3,108	–	–
Total non-current liabilities		5,452	3,956	–	–
Current liabilities					
Income tax payable		2,918	2,178	–	–
Other financial liabilities	14	6,492	6,320	–	–
Trade and other payables		39,713	38,573	763	920
Total current liabilities		49,123	47,071	763	920
Total liabilities		54,575	51,027	763	920
Total equity and liabilities		121,648	123,595	35,557	40,723

C. Condensed Interim Statements of Changes in Equity

	Attributable to equity holders of the Company						
	Share capital	Treasury shares	Retained earnings	Other reserves	Sub-total	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
Current period:							
Balance at 1 January 2026	35,216	(87)	43,499	(8,569)	70,059	2,509	72,568
Treasury shares re-issued	–	10	–	3	13	–	13
Acquisition of non-controlling interests without a change in control (Note 16)	–	–	(4,028)	96	(3,932)	(1,312)	(5,244)
Total comprehensive income for the period	–	–	4,353	326	4,679	267	4,946
Dividends paid (Note 8)	–	–	(4,633)	–	(4,633)	(577)	(5,210)
Balance at 30 June 2026	35,216	(77)	39,191	(8,144)	66,186	887	67,073
Previous period:							
Balance at 1 January 2025	35,216	(85)	45,231	(9,464)	70,898	3,568	74,466
Acquisition of non-controlling interests without a change in control (Note 16)	–	–	(2,943)	–	(2,943)	(472)	(3,415)
Total comprehensive income for the period	–	–	1,682	223	1,905	246	2,151
Dividends paid (Note 8)	–	–	(4,633)	–	(4,633)	(847)	(5,480)
Balance at 30 June 2025	35,216	(85)	39,337	(9,241)	65,227	2,495	67,722

C. Condensed Interim Statements of Changes in Equity (cont'd)

	Share capital	Treasury shares	Retained earnings	Other reserves	Total equity
	$'000	$'000	$'000	$'000	$'000
Company					
Current period:					
Balance at 1 January 2026	35,216	(87)	4,674	–	39,803
Treasury shares re-issued	–	10	–	3	13
Total comprehensive loss for the period	–	–	(389)	–	(389)
Dividends paid (Note 8)	–	–	(4,633)	–	(4,633)
Balance at 30 June 2026	35,216	(77)	(348)	3	34,794
Previous period:					
Balance at 1 January 2025	35,216	(85)	4,654	–	39,785
Total comprehensive loss for the period	–	–	(647)	–	(647)
Dividends paid (Note 8)	–	–	(4,633)	–	(4,633)
Balance at 30 June 2025	35,216	(85)	(626)	–	34,505

D. Condensed Interim Consolidated Statement of Cash Flows

	Group	
	6 months ended 30 June 2026	**6 months ended 30 June 2025**
	$'000	**$'000**
Cash flows from operating activities		
Profit before tax	6,337	2,885
Adjustments for:		
Amortisation of intangible assets	331	517
Depreciation of plant and equipment	1,238	844
Interest income	(9)	(41)
Interest expense	181	299
Loss on disposal of intangible assets	65	–
Changes in fair value of derivative instruments at fair value through profit or loss	20	–
Net effect of exchange rate changes in consolidating foreign operations	350	123
Operating cash flows before changes in working capital	8,513	4,627
Trade and other receivables	989	1,329
Prepayments	(1,518)	(771)
Inventories	1,142	8,132
Trade and other payables	1,140	(5,307)
Net cash flows from operations	10,265	8,010
Income taxes paid	(1,020)	(741)
Net cash generated from operating activities	9,246	7,269
Cash flows from investing activities		
Acquisition of non-controlling interests (Note 16)	(5,244)	(3,415)
Purchase of plant and equipment (Note A)	(388)	(173)
Purchase of intangible assets	(221)	(251)
Proceeds from disposal of intangible assets	219	–
Interest received	9	41
Net cash used in investing activities	(5,625)	(3,798)
Cash flows from financing activities		
Dividends paid to equity owners of the Company (Note 8)	(4,633)	(4,633)
Dividends paid to non-controlling interests	(577)	(847)
Payment of principal portion of lease liabilities	(1,402)	(736)
Interest paid	(94)	(210)
Increase in new loans and borrowings	2,100	9,900
Loans and borrowings paid	(2,525)	(11,578)
Treasury shares re-issued - share awards (Note 15)	10	–
Net cash used in financing activities	(7,121)	(8,104)
Net decrease in cash and cash equivalents	(3,500)	(4,633)
Cash and cash equivalents, at beginning of the period	26,834	23,420
Cash and cash equivalents, at end of the period	23,334	18,787

E. Notes to Condensed Interim Consolidated Statement of Cash Flows

A. Purchase of plant and equipment

	1H2026	1H2025
	$'000	$'000
Acquisition of certain assets under plant and equipment under lease contracts	3,469	12

F. Notes to the Condensed Interim Consolidated Financial Statements

1. General

Hyphens Pharma International Limited (the "Company") is a public limited company incorporated and domiciled in Singapore. The Company is listed on the Catalist Board of Singapore Exchange Securities Trading Limited.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2026 are presented in Singapore dollars (which is the Company's functional currency) and they cover the Company and the subsidiaries (collectively, the "Group").

The Company's principal activities are those of an investment holding company and the provision of management services. The principal activities of the subsidiaries are disclosed in Note 4 on segment and revenue information.

2. Basis of preparation

The condensed interim consolidated financial statements for the six months ended 30 June 2026 ("1H2026") have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2025.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

2.1. New and amended standards adopted by the Group

A number of amendments to SFRS(I)s have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, revenue and expenses. Actual results could differ from those estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2025.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

- Note 4 – Revenue recognition

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 10 - Assessment of impairment of goodwill
- Note 12 - Expected credit loss allowance on trade receivables
- Note 13 - Allowance on inventories

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organised into the following main business segments:

(1) Pharmaceutical and Medical Aesthetics segment ("Pharmaceutical and Medical Aesthetics") is in the business of marketing and selling a range of pharmaceutical and medical aesthetics products with exclusivity in the relevant ASEAN countries.

(2) Proprietary Brands segment ("Proprietary Brands") which is in the business of developing, marketing and selling its own proprietary range of dermatological, pharmaceuticals and health supplement products where the Group licenses or owns some or all of the related intellectual property.

(3) Digital Platform and E-Pharmacy segment ("Digital Platform and E-Pharmacy") is a digital platform servicing procurement needs of healthcare professionals, healthcare institutions and retail pharmacies, primarily in Singapore.

These operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments. They are managed separately because each business requires different strategies.

4.1 Reportable segments

4.1.1 Profit or loss from continuing operations and reconciliations

	Pharmaceutical and Medical Aesthetics		Proprietary Brands		Digital Platform and E-Pharmacy		Unallocated		Total	
	1H2026	1H2025	1H2026	1H2025	1H2026	1H2025	1H2026	1H2025	1H2026	1H2025
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue by segment										
Total revenue by segment	48,906	51,688	20,590	17,458	19,569	20,400	–	–	89,065	89,546
Total revenue	48,906	51,688	20,590	17,458	19,569	20,400	–	–	89,065	89,546
EBITDA	7,044	3,890	2,223	2,614	84	227	(1,264)	(2,186)	8,087	4,545
Finance costs	–	–	–	–	–	–	(181)	(299)	(181)	(299)
Depreciation and amortisation	(304)	(310)	(27)	(206)	–	–	(1,238)	(845)	(1,569)	(1,361)
Profit/(loss) before tax	6,740	3,580	2,196	2,408	84	227	(2,683)	(3,330)	6,337	2,885
Income tax expense									(1,736)	(906)
Profit, net of tax									4,601	1,979

The unallocated expenses mainly included the Group's headquarters expenses such as employee benefits expenses, statutory and regulatory expenses and foreign exchange translation losses (Note 6.1). Foreign exchange differences are not reported as part of operating segments as they are considered as financial items.

4.1.2 Assets and reconciliations

	Pharmaceutical and Medical Aesthetics		Proprietary Brands		Digital Platform and E-Pharmacy		Unallocated		Total	
	30 Jun 2026	31 Dec 2025	30 Jun 2026	31 Dec 2025	30 Jun 2026	31 Dec 2025	30 Jun 2026	31 Dec 2025	30 Jun 2026	31 Dec 2025
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Total assets for reportable segments	38,418	42,977	34,728	34,134	10,771	9,511	–	–	83,917	86,622
Unallocated:										
Plant and equipment	–	–	–	–	–	–	6,485	3,866	6,485	3,866
Prepayments	–	–	–	–	–	–	5,955	4,437	5,955	4,437
Other receivables	–	–	–	–	–	–	1,957	1,816	1,957	1,816
Other financial assets	–	–	–	–	–	–	–	20	–	20
Cash and cash equivalents	–	–	–	–	–	–	23,334	26,834	23,334	26,834
Total Group assets	38,418	42,977	34,728	34,134	10,771	9,511	37,731	36,973	121,648	123,595

4.1.3 Liabilities and reconciliations

	Pharmaceutical and Medical Aesthetics		Proprietary Brands		Digital Platform and E-Pharmacy		Unallocated		Total	
	30 Jun 2026	31 Dec 2025	30 Jun 2026	31 Dec 2025	30 Jun 2026	31 Dec 2025	30 Jun 2026	31 Dec 2025	30 Jun 2026	31 Dec 2025
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Total liabilities for reportable segments	15,874	16,314	5,362	4,511	14,405	12,539	–	–	35,641	33,364
Unallocated:										
Deferred and current tax liabilities	–	–	–	–	–	–	3,703	3,026	3,703	3,026
Other financial liabilities	–	–	–	–	–	–	11,159	9,428	11,159	9,428
Trade and other payables	–	–	–	–	–	–	4,072	5,209	4,072	5,209
Total Group liabilities	15,874	16,314	5,362	4,511	14,405	12,539	18,934	17,663	54,575	51,027

4.1.4 Other material items and reconciliations

	Pharmaceutical and Medical Aesthetics		Proprietary Brands		Digital Platform and E-Pharmacy		Unallocated		Total	
	1H2026	1H2025	1H2026	1H2025	1H2026	1H2025	1H2026	1H2025	1H2026	1H2025
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Allowance for impairment on trade receivables and inventories loss	329	2,266	298	523	90	(106)	–	–	717	2,683
Expenditures for non-current assets	–	28	222	224	–	–	3,856	184	4,078	436

4.2 Disaggregation of revenue

	Group	
	1H2026	1H2025
	$'000	$'000
Types of goods or service:		
Sale of goods	88,208	89,187
Commission income	240	228
Marketing services fee and advertisement	251	120
Other revenue	366	11
Total revenue	89,065	89,546
Geographical information:		
Singapore	47,883	46,997
Vietnam	20,517	20,101
Malaysia	13,651	12,716
Others	7,014	9,732
Total revenue	89,065	89,546

Judgement is required in determining when the control of the inventories have passed to the distributors. Management has reviewed the Group's distribution agreements and arrangements with the distributors and concluded that the control of the inventories is passed to the distributors upon delivery unless for those inventories specified under consignment arrangements. The distributors are considered as a principal and not an agent because the distributors are independent operating parties that bear both the credit risk of their customers and inventory risk of the purchased goods. Accordingly, revenue is recognised based on point in time when delivery of goods has been made.

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2026 and 31 December 2025:

	Group		Company	
	30 Jun 2026	31 Dec 2025	30 Jun 2026	31 Dec 2025
	$'000	$'000	$'000	$'000
Financial assets:				
Financial assets at amortised cost	57,314	61,803	15,495	20,632
Financial assets at fair value through profit and loss	–	20	–	–
	57,314	61,823	15,495	20,632
Financial liabilities:				
Financial liabilities at amortised cost	50,872	48,001	763	920
	50,872	48,001	763	920

6. Profit before taxation

6.1 Significant items

	Group	
	1H2026	**1H2025**
	$'000	**$'000**
Income		
Government grants	256	212
Interest income	9	41
Expenses		
Advertising and promotional expenses	4,896	3,728
Allowance for impairment on trade receivables	–	8
Allowance for inventories obsolescence	146	2,149
Bad debts written off	2	–
Depreciation and amortisation	1,569	1,361
Employee benefits expenses	16,564	15,558
Foreign exchange translation losses	672	1,993
Inventories written off	569	526
Loss on disposal of intangible assets	65	–
Research and development expenses	311	72

6.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements. Intragroup transactions and balances that have been eliminated in these consolidated financial statements.

7. Taxation

Components of income tax recognised in profit or loss:

	Group	
	1H2026	**1H2025**
	$'000	**$'000**
Current tax		
Current tax expense	1,605	1,104
Under/(over) adjustment in respect of prior periods	194	(226)
Deferred tax		
Deferred tax (income)/expense	(63)	28
Total income tax expense	1,736	906

8. Dividends

	Group	
	1H2026	1H2025
	$'000	$'000
Dividends paid during the reporting period:		
Paid by the Company to owners of the Company		
Final exempt (1-tier) dividends paid of 1.50 cents (1H2025: 1.50 cents) per share	4,633	4,633

No dividend has been declared or recommended for the current reporting period. On the grounds of prudence, the Board will review the dividend pay-out after close of the financial year.

9. Net asset value

	Group		Company	
	30 Jun 2026	31 Dec 2025	30 Jun 2026	31 Dec 2025
Net asset value per ordinary share (Singapore cents per share)	21.43	22.68	11.26	12.89

10. Intangible assets

	Group		
	Goodwill	Distribution rights and trademarks	Total
	$'000	$'000	$'000
At 31 December 2025			
Cost	16,389	14,485	30,874
Accumulated impairment and amortisation	(993)	(5,892)	(6,885)
Net book value at 31 December 2025	15,396	8,593	23,989
6 months ended 30 June 2026			
Cost:			
As at 1 January 2026	16,389	14,485	30,874
Additions	–	221	221
Disposal	–	(284)	(284)
Balance at 30 June 2026	16,389	14,422	30,811
Accumulated impairment and amortisation:			
As at 1 January 2026	993	5,892	6,885
Amortisation for the period	–	331	331
Balance at 30 June 2026	993	6,223	7,216
Net book value at 30 June 2026	15,396	8,199	23,595

10. Intangible assets (cont'd)

10.1 Goodwill

There was no movement in the amount of goodwill during the current reporting period. In assessing the goodwill impairment, management has determined the recoverable amount of the cash generating unit as at 30 June 2026 based on its value in use. Value in use was determined by discounting the future cash flows similar to the 31 December 2025 goodwill impairment test. There is no change to the key assumptions used.

11. Plant and equipment

	Group				
	Plant and equipment $'000	**Hardware and software $'000**	**Fixtures and equipment $'000**	**Motor vehicles $'000**	**Total $'000**
Cost:					
At 1 January 2025	5,268	2,458	3,894	366	11,986
Additions	55	698	20	32	805
Disposals	(121)	(190)	(2,668)	–	(2,979)
Foreign exchange adjustments	15	–	12	(14)	13
At 31 December 2025	5,217	2,966	1,258	384	9,825
Additions	3,480	84	268	25	3,857
Disposals	(59)	(18)	–	–	(77)
Foreign exchange adjustments	–	(2)	1	(7)	(8)
At 30 June 2026	8,638	3,030	1,527	402	13,597
Accumulated depreciation:					
At 1 January 2025	2,298	1,189	3,443	158	7,088
Depreciation for the year	1,250	313	131	73	1,767
Disposals	(133)	(113)	(2,645)	–	(2,891)
Foreign exchange adjustments	(6)	–	6	(5)	(5)
At 31 December 2025	3,409	1,389	935	226	5,959
Depreciation for the period	962	173	67	36	1,238
Disposals	(59)	(18)	–	–	(77)
Foreign exchange adjustments	(3)	(1)	(1)	(3)	(8)
At 30 June 2026	4,309	1,543	1,001	259	7,112
Carrying value:					
At 1 January 2025	2,970	1,269	451	208	4,898
At 31 December 2025	1,808	1,577	323	158	3,866
At 30 June 2026	4,329	1,487	526	143	6,485

11. Plant and equipment (cont'd)

	Company		
	Hardware and software $'000	**Fixtures and equipment $'000**	**Total $'000**
Cost:			
At 1 January 2025	19	221	240
Disposals	(2)	(219)	(221)
At 31 December 2025	17	2	19
Additions	3	–	3
At 30 June 2026	20	2	22
Accumulated depreciation:			
At 1 January 2025	11	221	232
Depreciation for the year	4	–	4
Disposals	(2)	(219)	(221)
At 31 December 2025	13	2	15
Depreciation for the period	2	–	2
At 30 June 2026	15	2	17
Carrying value:			
At 1 January 2025	8	–	8
At 31 December 2025	4	–	4
At 30 June 2026	5	–	5

12. Trade and other receivables

	Group		Company	
	30 Jun 2026 $'000	**31 Dec 2025 $'000**	**30 Jun 2026 $'000**	**31 Dec 2025 $'000**
Trade receivables:				
Outside parties	32,333	33,463	–	–
Less: Allowance for impairment	(310)	(310)	–	–
Subsidiaries	–	–	251	308
Net trade receivables - subtotal	32,023	33,153	251	308
Other receivables:				
Staff advances	82	14	–	–
Deposits to secure services	612	707	–	–
Subsidiaries	–	–	14,561	20,078
Goods and services tax receivables	72	93	–	–
Other receivables	1,774	1,580	38	38
Less: Allowance for impairment	(583)	(578)	–	–
Other receivables – subtotal	1,957	1,816	14,599	20,116
Total trade and other receivables	33,980	34,969	14,850	20,424

12. Trade and other receivables (cont'd)

	Group		Company	
	30 Jun 2026	31 Dec 2025	30 Jun 2026	31 Dec 2025
	$'000	$'000	$'000	$'000
Movements in above allowance on trade receivables				
At beginning of the period/year	310	290	–	–
Allowance charged to profit or loss included in other losses	–	28	–	–
Used	–	(8)	–	–
At end of the period/year	310	310	–	–
Movements in above allowance on other receivables				
At beginning of the period/year	578	–	–	–
Allowance charged to profit or loss included in other losses	–	588	–	–
Foreign exchange adjustments	5	(10)	–	–
At end of the period/year	583	578	–	–

There are no collaterals held as security and other credit enhancements for the trade receivables.

The expected credit losses ("ECL") on the above trade receivables are based on the simplified approach to measuring ECL which uses a lifetime ECL allowance approach for all trade receivables recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL. The allowance matrix is based on the historical observed default rates (over a period of 36 months) over the expected life of the trade receivables and is adjusted for forward-looking. At every reporting date. the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The receivables have common risk characteristics as compared to previous years. There were no significant bad debts noted in the previous years. The Group assesses the credit risk of major customers and risk of default rates of the customers using audited financial statements, management accounts, and available press information about the customers and applying experienced credit judgement.

The other receivables shown above are also subject to the ECL allowance assessment under the financial reporting standard on financial instruments. At end of reporting period, the Group made an allowance of $583,000 on other receivables, relating to a loan extended to support the Vietnam Hypermart platform. This was necessitated by slower-than-expected sales uptake in the Vietnam market.

13. Inventories

	Group	
	30 Jun 2026	31 Dec 2025
	$'000	$'000
Raw materials and supplies	1,395	1,357
Finished goods and goods for resale [(1)]	26,798	27,978
	28,193	29,335
Inventories are stated after allowance.		
Movement in allowance:		
At beginning of the year	3,233	1,089
Charge to profit or loss included in other losses	146	2,335
Used	(179)	(191)
At end of the period/year	3,200	3,233
The amount of inventories included in cost of sales	50,840	104,078
The inventories written off charged to profit or loss included in other losses	569	1,552

Management applied judgement in determining the appropriate allowance for inventories by taking into consideration various factors, including the recent sales experience, the ageing of inventories, other factors that affect inventory obsolescence and subsequent events. Possible changes in these estimates could result in revisions to the stated value of the inventories.

There are no inventories pledged as security for liabilities.

(1) Included in finished goods and goods for resale are inventories under consignment with distributors amounted to $3,691,000 (31 December 2025: $6,417,000).

14. Other financial liabilities

	Group			
	30 Jun 2026		31 Dec 2025	
	Secured	Unsecured	Secured	Unsecured
	$'000	$'000	$'000	$'000
Repayable in one year or less, or on demand:				
Bank borrowings	–	5,229	–	4,904
Lease liabilities	3	1,260	9	1,407
Subtotal	3	6,489	9	6,311
Repayable after one year:				
Bank borrowings	–	1,875	–	2,625
Lease liabilities	1	2,791	3	480
Subtotal	1	4,666	3	3,105
Total	4	11,155	12	9,416

14. Other financial liabilities (cont'd)

Details of any collaterals:

All banking facilities are covered by corporate guarantee provided by the Company and its subsidiaries Hyphens Pharma Pte. Ltd. or Pan-Malayan Pharmaceuticals Pte Ltd.

Secured lease liabilities relate to leased assets under finance leases. All leases are on fixed repayment basis and no arrangements have been entered into for contingent rental payments. The obligations under finance leases are secured by the lessor's charge over the leased assets.

15. Share capital

	Group and Company			
	Number of shares issued '000	Share capital $'000	Treasury shares $'000	Total $'000
Ordinary shares of no par value:				
Balance at 1 January 2025	308,877	35,216	(85)	35,131
Purchase of treasury shares	(7)	–	(2)	(2)
Balance at 31 December 2025	308,870	35,216	(87)	35,129
Treasury shares re-issued	39	–	10	10
Balance at 30 June 2026	308,909	35,216	(77)	35,139

During 2025, the Company purchased 7,000 treasury shares.

On 8 December 2023, the Company granted share awards (the "Share Awards") to eligible employees of the Group pursuant to the Hyphens Performance Share Plan. The Board, having determined that the vesting conditions of the Share Awards have been satisfied in respect of certain eligible employees, has approved the vesting of the Share Awards. Accordingly, on 2 June 2026, an aggregate of 38,742 treasury shares were transferred to those eligible employees.

Save as disclosed above, there has been no change in the Company's share capital since 31 December 2025.

The total number of issued shares as at 30 June 2026 was 309,198,200 (31 December 2025: 309,198,200), of which 289,458 were held by the Company as treasury shares (30 June 2025: 321,200 and 31 December 2025: 328,200).

The treasury shares held by the Company represented 0.1% of the total number of issued shares (excluding treasury shares) as at 30 June 2026 and 31 December 2025.

The Company did not hold any other convertible instruments as at 30 June 2026, 31 December 2025 and 30 June 2025.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2026, 31 December 2025 and 30 June 2025.

16. Acquisition of non-controlling interests ("NCI")

On 29 April 2026, the Group acquired an additional 18% interest in Ardence Pharma Sdn. Bhd. ("Ardence Pharma"), increasing its ownership from 82% to 100%. The carrying amount of Ardence Pharma's net assets in the Group's consolidated financial statements on the date of the acquisition was $2,570,000.

	$'000
Carrying amount of NCI acquired	1,312
Consideration paid to NCI	5,244
Decrease in equity attributable to owners of the Company	(3,932)

17. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

G. Other Information Required by Appendix 7C of the Catalist Rules

1. Review

The condensed interim statements of financial position of Hyphens Pharma International Limited (the "Company") and its subsidiaries (collectively, the "Group") as at 30 June 2026 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditors.

The Group's latest audited financial statements for the financial year ended 31 December 2025 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

2. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business.

Consolidated Statement of Comprehensive Income

1H2026 compared to 1H2025

	1H2026 $'000	1H2025 $'000	Change %
Revenue by business segments			
Pharmaceutical and Medical Aesthetics	48,906	51,688	(5.4)
Proprietary Brands	20,590	17,458	17.9
Digital Platform and E-Pharmacy	19,569	20,400	(4.1)
	89,065	89,546	(0.5)

	1H2026 $'000	1H2025 $'000	Change %
Revenue by geographical locations			
Singapore	47,883	46,997	1.9
Vietnam	20,517	20,101	2.1
Malaysia	13,651	12,716	7.4
Others	7,014	9,732	(27.9)
	89,065	89,546	(0.5)

Consolidated Statement of Comprehensive Income (cont'd)

1H2026 compared to 1H2025 (cont'd)

Revenue

The Group's revenue decreased by 0.5% or $0.4 million from $89.5 million in 1H2025 to $89.1 million in 1H2026.

The drop in revenue was attributable to decreased revenue in both Pharmaceutical and Medical Aesthetics segment and Digital Platform and E-pharmacy segment, mitigated by increased revenue in Proprietary Brands segment:

- Revenue from Pharmaceutical and Medical Aesthetics segment decreased by 5.4%, due to the following reasons:
  - Winding down of Vivomixx® sales following the transition of the brand Vivomixx® to Visiopro®. The sales of Vivomixx® are classified under Pharmaceutical and Medical Aesthetics segment, while the sale of Visiopro® are classified under Proprietary Brands segment;
  - Changes in product portfolio with a focus on higher gross profit margins.

- Digital Platform and E-Pharmacy segment revenue dropped marginally by 4.1%, reflecting the Group's strategy to improve portfolio mix to achieve higher gross profit margin.

- Revenue from Proprietary Brands segment grew by 17.9%, contributed by expansion and growth of portfolio (Visiopro® and Winlevi®) and higher demand for Ceradan® dermatological products and Ocean Health® health supplements.

Gross profit

Gross profit increased by 6.6% or $2.4 million from $35.3 million in 1H2025 to $37.7 million in 1H2026.

Gross profit margin has improved by 2.9% as compared to 1H2025 from 39.4% in 1H2025 to 42.3% in 1H2026 due to change in sales mix. The Group has made a conscious effort to grow its product portfolios with a focus on higher gross profit margins.

Distribution costs

Distribution costs increased by 10.1% or $2.0 million from $19.8 million in 1H2025 to $21.8 million in 1H2026 mainly due to increased advertising and promotional expenses and continued investment in human capital to support the Group's long-term growth strategy.

Administrative expenses

Administrative expenses increased by 2.7% or $0.2 million from $7.9 million in 1H2025 to $8.1 million in 1H2026 primarily driven by higher R&D-related costs and depreciation from office expansion.

Consolidated Statement of Comprehensive Income (cont'd)

1H2026 compared to 1H2025 (cont'd)

Administrative expenses

Administrative expenses increased by 2.7% or $0.2 million from $7.9 million in 1H2025 to $8.1 million in 1H2026 primarily driven by higher R&D-related costs and depreciation from office expansion.

Other losses

Other losses reduced by 68.5% or $3.2 million from $4.7 million in 1H2025 to $1.4 million in 1H2026, mainly due to reduction in foreign exchange translation losses and inventory obsolescence provision.

Profit before tax

Profit before tax increased by 119.7% or $3.5 million from $2.9 million in 1H2025 to $6.3 million in 1H2026, mainly due to improved gross profit margin and reduction in other losses, partially offset by the increased distribution costs.

Income tax expense

Income tax expense increased by $0.8 million from $0.9 million in 1H2025 to $1.7 million in 1H2026 as a result of increased profit for the period.

Profit after tax

As a result of the foregoing, the Group's net profit after tax increased by 132.5% or $2.6 million, from $2.0 million in 1H2025 to $4.6 million in 1H2026.

Consolidated Statements of Financial Position

The comparative performance for both the assets and liabilities are based on the Group's financial statements as at 30 June 2026 and 31 December 2025.

Non-current assets

The Group's non-current assets increased by $2.2 million from $28.0 million as at 31 December 2025 to $30.2 million as at 30 June 2026 primarily due to the acquisition of trademarks and in-licensing rights as well as plant and equipment of $4.1 million, partially offset by the depreciation of plant and equipment of $1.2 million, amortisation and disposal of distribution rights and trademarks of $0.6 million and disposal of plant and equipment of $0.1 million.

Current assets

The Group's current assets decreased by $4.1 million from $95.6 million as at 31 December 2025 to $91.5 million as at 30 June 2026 mainly due to decrease in cash and cash equivalents by $3.5 million, inventories by $1.1 million and trade and other receivables by $1.0 million, partially offset by increase in prepayments by $1.5 million.

Non-current liabilities

The Group's non-current liabilities increased by $1.5 million from $4.0 million as at 31 December 2025 to $5.5 million as at 30 June 2026 mainly due to new leases entered in the period.

Current liabilities

The Group's current liabilities increased by $2.0 million from $47.1 million as at 31 December 2025 to $49.1 million as at 30 June 2026. This was mainly attributable to the increase in trade and other payables by $1.1 million, increase in income tax payable of $0.7 and an increase of $0.3 million in loans reclassified from non-current to current, partially offset by a $0.1 million decrease in current lease liabilities.

Consolidated Statements of Cash Flows

1H2026

The Group generated net cash of $9.2 million from operating activities in 1H2026, mainly due to operating cash flows before changes in working capital of $8.5 million and net working capital inflows of $1.7 million, partially offset by income taxes paid of $1.0 million.

The net working capital inflows were attributable to (i) decrease in inventories of $1.1 million, (ii) increase in trade and other payables of $1.1 million, (iii) decrease in trade and other receivables of $1.0 million, partially offset by (iv) increase in prepayments of $1.5 million.

Net cash flows used in investing activities amounted to $5.6 million during 1H2026, mainly attributable to (i) acquisition cost of $5.2 million for an additional 18% interest in Ardence Pharma, and (ii) plant and equipment addition and acquisition of trademark and in-licensing rights of $0.6 million, partially offset by (iii) disposal of trademark and in-licensing rights of $0.2 million.

Net cash flows used in financing activities amounted to $7.1 million during 1H2026, resulting mainly from (i) dividend payment of $5.2 million, (ii) repayment of borrowings of $2.5 million, (iii) payment of principal portion of lease liabilities of $1.4 million and, partially offset by (iv) proceeds from borrowings of $2.1 million.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There was no forecast or a prospect statement.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

A Reshaped Pharmaceutical & Medical Aesthetics Portfolio Delivering a Better Margin Mix

The portfolio optimisation exercise initiated in FY2025 continued to deliver benefits in 1H2026. Revenue from the Pharmaceutical and Medical Aesthetics segment decreased year-on-year, besides the brand transition of Visiopro® to Proprietary Brands, the decrease also reflected the deliberate rationalisation and discontinuation of lower-margin and non-core product lines. Notwithstanding the lower segment revenue, the segment recorded an increase in EBITDA and an improvement in EBITDA margin, reflecting the improved profitability of the remaining portfolio.

The Medical Aesthetics business continued to grow in 1H2026, although growth moderated from the pace recorded in FY2025 as earlier markets matured and competition intensified. The Group will continue to scale the business selectively, with an emphasis on markets and channels where sustainable returns and pricing discipline can be maintained.

Inventory levels decreased during 1H2026, while the Group continued to generate positive operating cash flow, supported by working capital movements. Over the next reporting period and the next 12 months, the Group will continue to focus on growing its core, higher-margin brands, maintaining disciplined inventory and receivables management, and pursuing further supply chain efficiencies. These initiatives are intended to support the improved margin mix.

The Group remains exposed to foreign exchange volatility, particularly movements in the USD and EUR against the VND, PHP and IDR, which may affect purchase costs and the translation of in-market revenue. To mitigate these effects, the Group will continue to consider prudent pricing adjustments, hedging high-risk currencies and active cost management.

Growing Proprietary Brands

The Proprietary Brands segment was the Group's strongest performer in 1H2026, with revenue increasing by 17.9% year-on-year. Both Ceradan®, the Group's flagship dermatological range, and Ocean Health®, the Group's health supplement brand, have achieved encouraging year-on-year growth. These brands remain key pillars of the Group's portfolio and will continue to be a key area of focus.

Winlevi®, a first-in-class treatment for acne launched in Singapore and Malaysia in FY2025, continued to gain traction among dermatologists and general practitioners, with sequential growth recorded in each quarter since launch. Subject to obtaining the relevant regulatory approvals, the Group plans to progressively introduce Winlevi® in selected additional markets over the next 12 months. Following the out-licensing of Cerapro® MED to Louis Widmer for six European countries in early 2026, the Group will continue to evaluate further out-licensing and selective geographic expansion opportunities to support the long-term development of its proprietary portfolio.

<u>Digital Platform and E-Pharmacy — A Stable Core with Emerging Growth</u>

The Group's pharmaceutical distribution and retail pharmacy business under Pan-Malayan Pharmaceuticals remained a stable, cash-generative core of the segment. Segment revenue was broadly steady year-on-year. Management will continue to prioritise operational efficiency, including warehouse and logistics productivity, tighter inventory and order management, and better utilisation of the Group's distribution infrastructure. These initiatives are intended to support the segment's margins and cash contribution over the next 12 months.

The Group's WellAway e-pharmacy continues to record encouraging adoption and strong growth, albeit from a low base. The Group will continue to develop the WellAway platform and pursue business opportunities.

<u>Selective Expansion Through Acquisitions</u>

The Group continues to assess potential acquisition and strategic investment opportunities that are consistent with its long-term growth priorities. Management will maintain a disciplined approach, focusing on opportunities with a clear strategic fit and the potential to complement the Group's existing capabilities, extend its geographic reach or strengthen its specialty offerings.

<u>Geopolitical, Supply Chain and Cost Headwinds</u>

The operating environment continues to be shaped by geopolitical tensions and trade policy uncertainties. Shipping route disruptions have placed upward pressure on inbound and outbound freight rates, while tight supply and higher prices for plastics and other packaging materials may affect both the Group's proprietary manufactured products and, where passed through by principals, its distributed product portfolio. Tariff developments and related currency volatility add further cost uncertainty. The financial impact of these factors has not been significant to the Group to date. Nevertheless, the Group continues to monitor these developments closely.

Barring unforeseen circumstances and any material deterioration in the external environment, the Group will remain focused on steadily growing our business, improving margin quality, generating cash and managing risks, while navigating near-term cost and currency uncertainties.

5. If the Group has obtained a general mandate from shareholders for interested person transactions (‘IPT’), the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Catalist Rules. If no IPT mandate has been obtained, a statement to that effect

The Group does not have a general mandate from shareholders for interested person transactions.

6. Dividend

(a) Any dividend declared for the current financial period reported on?

No dividend has been declared or recommended for 1H2026. On the grounds of prudence, the Board will review the dividend pay-out after close of the financial year.

(b) Corresponding period of the immediately preceding financial year

No.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated.)

Not applicable.

(d) Date payable

Not applicable.

(e) Record date

Not applicable.

7. Negative confirmation of Interim Financial Results pursuant to Rule 705(5) of the Catalist Rules

The Board of Directors of the Company confirms that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Company and the Group for 1H2026 to be false or misleading in any material aspect.

8. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7(H) under Rule 720(1) of the Catalist Rules

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

9. Disclosures on acquisition or sale of shares pursuant to Rule 706A of the Catalist Rules

The Group has completed the Tranche 3 acquisition of Ardence Pharma on 29 April 2026. Accordingly, subsequent to the Tranche 3 Completion, Ardence Pharma is 100% wholly-owned subsidiary of the Group. Please refer to announcements dated 17 October 2023, 19 October 2023, 8 November 2023, 9 May 2025 and 30 April 2026 for more information.

BY ORDER OF THE BOARD

Flora Zhang
Chief Financial Officer

13 August 2026
