

Media Release

Hyphens Pharma FY2021 net profit rose 11.1% to S\$6.8 million

- Posted record sales of S\$125.9 million
- Proposes first and final dividend of 0.67 Singapore cents for FY2021

Singapore, 23 February 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 financial year ended 31 December 2021 (“**FY2021**”), which saw its net profit increase by 11.1% to S\$6.8 million on the back of a 4.1% increase in revenue to S\$125.9 million.

FY2021 Financial Highlights			
S\$ million	FY2021	FY2020	Change
Revenue	125.9	121.0	4.1%
Gross Profit	48.1	43.6	10.2%
GP Margin (%)	38.2	36.1	2.1 pts
Profit Before Tax	8.3	7.1	16.2%
Profit After Tax	6.8	6.2	11.1%
PAT Margin (%)	5.4	5.1	0.3 pts

Commenting on the FY2021 results, **Mr Lim See Wah (“林世华”)**, **Executive Chairman and CEO of Hyphens Pharma** said: *“I am happy that the team has delivered a good set of results for FY2021 despite the many challenges that we faced last year due to the effects of the COVID-19 pandemic on our regional markets. At the same time, we also completed the acquisition of Novem Group, which will not only enhance our top and bottom line but also help us further entrench our leading position in Singapore while boosting our proprietary brands business.”*

Dividend

After considering the Company's FY2021 results performance, outlook, cashflows and capital expenditure needs, the Board of Hyphens Pharma proposes a first and final dividend of 0.67 Singapore cents (FY2020: 0.62 Singapore cents) which is subject to shareholder approval at the upcoming annual general meeting. The dividend amount is approximately 30.2% of the net profit after tax for FY2021.

Financial Review

FY2021 Segmental Revenue			
S\$ million	FY2021	FY2020	Change
Specialty Brand Principals	65.6	62.0	5.9%
Proprietary Brands	19.1	18.1	5.3%
Medical Hypermart and Digital	41.2	40.9	0.7%
Total	125.9	121.0	4.1%

In FY2021, the Group's revenue increased by 4.1% to S\$125.9 million from S\$121.0 million in the financial year ended 31 December 2020 ("FY2020") with all three business segments contributing to the revenue increase.

The Group's Specialty Pharma Principals segment revenue increased by 5.9% with improved demand in Singapore, Malaysia and Indonesia, while its Proprietary Brands segment contributed 5.3% in revenue growth with higher demand for dermatological products under Ceradan® and for hair growth products under CG 210®.

Higher revenue and gross profit, partially offset by lower government grant income and higher operating expenses, contributed to an increase in the Group's net profit after tax by 11.1% to S\$6.8 million in FY2021 from S\$6.2 million in FY2020. This translated into a basic earnings per share of 2.27 Singapore cents.

Business Outlook

Growing Proprietary Brands

The Proprietary Brand business remains the Group's key focus and the various brands under the Group including Ocean Health®, Ceradan®, TDF® and CG 210®, have all enjoyed robust growth in sales and brand equity. The Group will continue to nurture these brands in markets where it has a presence, while seeking

out new international partnership opportunities to enter new markets. The Group will also continue to invest into innovation to further develop new and improved products under the respective brands.

The Group has received patents in Singapore and USA for Ceradan® Advanced, a next generation emollient therapy which is scientifically formulated for eczema-prone skin conditions. To date, the Group has three patent approvals for Ceradan® Advanced, with 11 patents pending approval in countries/regions such as Malaysia, Vietnam, China, and Europe. The Group believes that the patent approvals of Ceradan® Advanced will assist its market entry and development by enhancing the brand's equity in those markets and leveraging on a research-based approach to reach clinicians. As part of its on-going efforts to build the Ceradan® brand, the Group will continue its product development efforts.

Going Digital

With the official launch of WellAway e-pharmacy (“**WellAway**”) in January 2022, the Group is accelerating its investment in digital initiatives to spearhead business expansion in its Medical Hypermart and Digital segment. Since its incorporation in 4Q2021, the Group's subsidiary, DocMed Technology Pte Ltd, is actively pursuing strategic collaboration opportunities with like-minded partners to develop an integrated digital healthtech platform, incorporating various healthtech solutions, to cater to various healthcare stakeholders in Singapore and the region.

Other Growth Strategies

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

Going forward, the Group will continue to seek out acquisition opportunities that align with its strategic goals. The Novem Group will commence its full year contribution to the Group's results for the financial year ending 31 December 2022.

Impact from COVID-19

The speed and consistency of market recovery from COVID-19 in the region remains uncertain in FY2022. The Group will remain agile and vigilant to respond to market conditions.

End.

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 e-pharmacy for doctors to prescribe and have medications delivered to their patients' homes.

Issued on behalf of : **Hyphens Pharma International Limited**

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