



HYPHENS PHARMA INTERNATIONAL LIMITED
(Company Registration No. 201735688C)

Condensed Interim Financial Statements

For the six months and full year ended 31 December 2024

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

| | Group | | | | | | |
|---|-------|--|--|-------------|---|---|-------------|
| | Notes | 6 months ended 31 Dec 2024 ("2H2024") | 6 months ended 31 Dec 2023 ("2H2023") | Change % | 12 months ended 31 Dec 2024 ("FY2024") | 12 months ended 31 Dec 2023 ("FY2023") | Change % |
| | | \$'000 | \$'000 | | \$'000 | \$'000 | |
| Revenue | 4 | 95,772 | 95,884 | (0.1) | 195,420 | 170,595 | 14.6 |
| Cost of sales | | (61,059) | (62,002) | (1.5) | (125,913) | (108,694) | 15.8 |
| Gross profit | | 34,713 | 33,882 | 2.5 | 69,507 | 61,901 | 12.3 |
| Other income and gains | | 388 | 377 | 2.9 | 693 | 735 | (5.7) |
| Distribution costs | | (21,080) | (18,711) | 12.7 | (39,739) | (35,891) | 10.7 |
| Administrative expenses | | (7,868) | (7,640) | 3.0 | (15,232) | (14,125) | 7.8 |
| Finance costs | | (366) | (123) | >100.0 | (565) | (278) | >100.0 |
| Other losses | | (285) | (1,624) | (82.5) | (1,705) | (2,322) | (26.6) |
| Share of profit of an equity-accounted associate | | – | 218 | (100.0) | – | 545 | (100.0) |
| Profit before tax | 6 | 5,502 | 6,379 | (13.7) | 12,959 | 10,565 | 22.7 |
| Income tax expense | 7 | (524) | (1,324) | (60.4) | (2,104) | (1,985) | 6.0 |
| Profit for the financial period/year, net of tax | | 4,978 | 5,055 | (1.5) | 10,855 | 8,580 | 26.5 |
| Other comprehensive income: | | | | | | | |
| Items that may be reclassified subsequently to profit or loss: | | | | | | | |
| Exchange differences on translating foreign operations, net of tax | | 482 | 129 | >100.0 | 625 | (189) | N.M. |
| Other comprehensive income/(loss) for the period/year | | 482 | 129 | >100.0 | 625 | (189) | N.M. |
| Total comprehensive income | | 5,460 | 5,184 | 5.3 | 11,480 | 8,391 | 36.8 |
| Profit attributable to: | | | | | | | |
| Equity holders of the Company | | 4,778 | 5,000 | | 10,194 | 8,568 | |
| Non-controlling interests | | 200 | 55 | | 661 | 12 | |
| Total comprehensive income attributable to: | | | | | | | |
| Equity holders of the Company | | 5,184 | 5,137 | | 10,760 | 8,383 | |
| Non-controlling interests | | 276 | 47 | | 720 | 8 | |
| Earnings per share | | <u>Cents</u> | <u>Cents</u> | | <u>Cents</u> | <u>Cents</u> | |
| Basic | | 1.55 | 1.62 | | 3.30 | 2.77 | |
| Diluted ¹ | | 1.52 | 1.61 | | 3.24 | 2.77 | |

N.M.: Not meaningful.

¹ This includes the effects of dilution from share awards granted under Hyphens Performance Share Plan (2H2023 and FY2023: 5,854,418 shares, granted on 8 December 2023).

B. Condensed Interim Statements of Financial Position

| | <u>Notes</u> | <u>Group</u> | | <u>Company</u> | |
|---|--------------|----------------|----------------|----------------|----------------|
| | | 31 Dec 2024 | 31 Dec 2023 | 31 Dec 2024 | 31 Dec 2023 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| ASSETS | | | | | |
| <u>Non-current assets</u> | | | | | |
| Plant and equipment | 11 | 4,898 | 4,864 | 8 | 9 |
| Intangible assets | 10 | 24,530 | 23,575 | – | – |
| Investment in subsidiaries | 16 | – | – | 19,986 | 19,886 |
| Deferred tax assets | | 234 | 172 | – | – |
| Total non-current assets | | 29,662 | 28,611 | 19,994 | 19,895 |
| <u>Current assets</u> | | | | | |
| Inventories | 13 | 34,445 | 25,529 | – | – |
| Trade and other receivables | 12 | 45,423 | 41,110 | 20,600 | 18,841 |
| Prepayments | | 2,530 | 2,056 | 119 | 77 |
| Other current financial assets | | 270 | 90 | – | – |
| Cash and cash equivalents | | 23,420 | 23,369 | 106 | 356 |
| Total current assets | | 106,088 | 92,154 | 20,825 | 19,274 |
| Total assets | | 135,750 | 120,765 | 40,819 | 39,169 |
| EQUITY AND LIABILITIES | | | | | |
| <u>Equity</u> | | | | | |
| Share capital | 15 | 35,131 | 35,216 | 35,131 | 35,216 |
| Retained earnings | | 45,231 | 37,765 | 4,654 | 2,837 |
| Other reserves | | (9,464) | (9,995) | – | 35 |
| Equity attributable to equity holders of the Company | | 70,898 | 62,986 | 39,785 | 38,088 |
| Non-controlling interests | | 3,568 | 2,876 | – | – |
| Total equity | | 74,466 | 65,862 | 39,785 | 38,088 |
| <u>Non-current liabilities</u> | | | | | |
| Deferred tax liabilities | | 1,024 | 1,253 | – | – |
| Other financial liabilities, non-current | 14 | 2,573 | 4,406 | – | – |
| Total non-current liabilities | | 3,597 | 5,659 | – | – |
| <u>Current liabilities</u> | | | | | |
| Income tax payable | | 2,576 | 2,535 | – | – |
| Trade and other payables | | 43,570 | 44,293 | 1,034 | 1,081 |
| Other financial liabilities, current | 14 | 11,541 | 2,416 | – | – |
| Total current liabilities | | 57,687 | 49,244 | 1,034 | 1,081 |
| Total liabilities | | 61,284 | 54,903 | 1,034 | 1,081 |
| Total equity and liabilities | | 135,750 | 120,765 | 40,819 | 39,169 |

C. Condensed Interim Statements of Changes in Equity

| | Share capital | Treasury shares | Retained earnings | Other reserves | Attributable to Company Sub-total | Non- controlling interests | Total equity |
|--|------------------|--------------------|----------------------|-------------------|---|----------------------------------|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Group | | | | | | | |
| Current period: | | | | | | | |
| Balance at 1 January 2024 | 35,216 | – | 37,765 | (9,995) | 62,986 | 2,876 | 65,862 |
| Share-based payment under Hyphens Share Plan | – | – | – | (35) | (35) | – | (35) |
| Purchase of treasury shares (Note 15) | – | (85) | – | – | (85) | – | (85) |
| Acquisition of non-controlling interests without a change in control (Note 16) | – | – | (72) | – | (72) | (28) | (100) |
| Total comprehensive income for the year | – | – | 10,194 | 566 | 10,760 | 720 | 11,480 |
| Dividends paid (Note 8) | – | – | (2,656) | – | (2,656) | – | (2,656) |
| Balance at 31 December 2024 | 35,216 | (85) | 45,231 | (9,464) | 70,898 | 3,568 | 74,466 |
| Previous period: | | | | | | | |
| Balance at 1 January 2023 | 35,083 | – | 43,760 | (9,816) | 69,027 | 1,245 | 70,272 |
| Issue of share capital to non-controlling interests in subsidiary | – | – | – | (29) | (29) | 319 | 290 |
| Issue of new shares pursuant to share awards under Hyphens Share Plan | 133 | – | – | – | 133 | – | 133 |
| Share-based payment under Hyphens Share Plan | – | – | – | 35 | 35 | – | 35 |
| Arising from acquisition of a subsidiary | – | – | – | – | – | 1,304 | 1,304 |
| Total comprehensive income/(loss) for the year | – | – | 8,568 | (185) | 8,383 | 8 | 8,391 |
| Dividends paid (Note 8) | – | – | (14,563) | – | (14,563) | – | (14,563) |
| Balance at 31 December 2023 | 35,216 | – | 37,765 | (9,995) | 62,986 | 2,876 | 65,862 |

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

| | <u>Share capital</u> | <u>Treasury shares</u> | <u>Retained earnings</u> | <u>Other reserves</u> | <u>Total equity</u> |
|---|--------------------------|----------------------------|------------------------------|---------------------------|-------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| <u>Company</u> | | | | | |
| Current period: | | | | | |
| Balance at 1 January 2024 | 35,216 | – | 2,837 | 35 | 38,088 |
| Share-based payment under Hyphens Share Plan | – | – | – | (35) | (35) |
| Purchase of treasury shares (Note 15) | – | (85) | – | – | (85) |
| Total comprehensive income for the year | – | – | 4,473 | – | 4,473 |
| Dividends paid (Note 8) | – | – | (2,656) | – | (2,656) |
| Balance at 31 December 2024 | <u>35,216</u> | <u>(85)</u> | <u>4,654</u> | <u>–</u> | <u>39,785</u> |
| Previous period: | | | | | |
| Balance at 1 January 2023 | 35,083 | – | 8,714 | – | 43,797 |
| Issue of new shares pursuant to share awards under Hyphens Share Plan | 133 | – | – | – | 133 |
| Share-based payment under Hyphens Share Plan | – | – | – | 35 | 35 |
| Total comprehensive income for the year | – | – | 8,686 | – | 8,686 |
| Dividends paid (Note 8) | – | – | (14,563) | – | (14,563) |
| Balance at 31 December 2023 | <u>35,216</u> | <u>–</u> | <u>2,837</u> | <u>35</u> | <u>38,088</u> |

D. Condensed Interim Consolidated Statement of Cash Flows

| | FY2024 | FY2023 |
|---|---------|----------|
| | \$'000 | \$'000 |
| <u>Cash flows from operating activities</u> | | |
| Profit before tax | 12,959 | 10,565 |
| Adjustments for: | | |
| Amortisation of intangible assets | 1,043 | 702 |
| Depreciation of plant and equipment | 2,012 | 2,096 |
| Interest income | (150) | (341) |
| Interest expense | 565 | 278 |
| Gain on disposal of plant and equipment | (5) | (5) |
| Fair value gain on derivative instruments at fair value through profit or loss | (181) | – |
| Fair value gain arising from remeasurement of interest in associate as a result of business combination | – | (165) |
| Expenses in connection with acquisition of a subsidiary | – | 65 |
| Share of profit of an equity-accounted associate | – | (545) |
| Net effect of exchange rate changes in consolidating foreign operations | 672 | (166) |
| Operating cash flows before changes in working capital | 16,915 | 12,484 |
| Trade and other receivables | (4,182) | (9,239) |
| Prepayments | (474) | (1,130) |
| Inventories | (8,916) | (3,524) |
| Trade and other payables | (915) | 9,653 |
| Net cash flows from operations | 2,428 | 8,244 |
| Income taxes paid | (2,355) | (2,599) |
| Net cash flows from operating activities | 73 | 5,645 |
| <u>Cash flows from investing activities</u> | | |
| Acquisition of a subsidiary, net of cash acquired | – | (751) |
| Dividend received from an associate | – | 123 |
| Purchase of plant and equipment (Note A) | (1,183) | (304) |
| Purchase of intangible assets | (1,998) | (896) |
| Proceeds from disposal of plant and equipment | 10 | 7 |
| Interest received | 150 | 341 |
| Net cash flows used in investing activities | (3,021) | (1,480) |
| <u>Cash flows from financing activities</u> | | |
| Dividends paid to equity owners | (2,656) | (14,563) |
| Payment of principal portion of lease liabilities | (1,340) | (1,185) |
| Interest paid | (565) | (278) |
| Proceeds from borrowings | 8,995 | – |
| Repayment of borrowings | (1,250) | (1,250) |
| Acquisition of non-controlling interests (Note 16) | (100) | – |
| Treasury shares acquired | (85) | – |
| Net cash flows from/(used in) financing activities | 2,999 | (17,276) |
| Net increase/(decrease) in cash and cash equivalents | 51 | (13,111) |
| Cash and cash equivalents, at beginning of the year | 23,369 | 36,480 |
| Cash and cash equivalents, at end of the year | 23,420 | 23,369 |

E. Notes to Condensed Interim Consolidated Statement of Cash Flows

A. Purchase of plant and equipment

| | FY2024 \$'000 | FY2023 \$'000 |
|--|--------------------------|--------------------------|
| Acquisitions of certain assets under plant and equipment under lease contracts | 874 | 3,591 |

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 (the “Catalist”) of Singapore Exchange Securities Trading Limited.

These condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2024 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.

The financial information contained in this announcement has neither been audited nor reviewed by the auditors.

The latest audited annual financial statements were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

2. Basis of preparation

The condensed interim consolidated financial statements for the six months and full year ended 31 December 2024 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 interim financial statements for the period ended 30 June 2024.

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 2023.

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 year.

4. Segment and revenue information

The Group is organised into the following main business segments:

- (1) Specialty pharma principals segment ("Specialty pharma principals") which is in the business of marketing and selling a range of specialty pharmaceutical 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 products and health supplement products.
- (3) Medical hypermart and digital segment ("Medical hypermart and digital") which is a wholesaler of pharmaceuticals and medical supplies in Singapore, which the Group positions itself as a medical hypermart for healthcare professionals, healthcare institutions and retail pharmacies.

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

| | <u>Specialty pharma principals</u> | | <u>Proprietary brands</u> | | <u>Medical hypermart and digital</u> | | <u>Unallocated</u> | | <u>Total</u> | |
|-------------------------------|------------------------------------|---------------|---------------------------|---------------|--------------------------------------|---------------|--------------------|---------------|---------------|---------------|
| | <u>2H2024</u> | <u>2H2023</u> | <u>2H2024</u> | <u>2H2023</u> | <u>2H2024</u> | <u>2H2023</u> | <u>2H2024</u> | <u>2H2023</u> | <u>2H2024</u> | <u>2H2023</u> |
| | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| Revenue by segment | | | | | | | | | | |
| Total revenue by segment | 60,540 | 60,198 | 13,290 | 13,837 | 21,942 | 21,849 | – | – | 95,772 | 95,884 |
| Total revenue | 60,540 | 60,198 | 13,290 | 13,837 | 21,942 | 21,849 | – | – | 95,772 | 95,884 |
| EBITDA | 6,912 | 5,577 | 1,440 | 2,463 | (664) | (171) | (254) | 103 | 7,434 | 7,972 |
| Finance costs | – | – | – | – | – | – | (366) | (123) | (366) | (123) |
| Depreciation and amortisation | (317) | (184) | (207) | (216) | – | – | (1,042) | (1,070) | (1,566) | (1,470) |
| Profit/(loss) before tax | 6,595 | 5,393 | 1,233 | 2,247 | (664) | (171) | (1,662) | (1,090) | 5,502 | 6,379 |
| Income tax expense | | | | | | | | | (524) | (1,324) |
| Profit, net of tax | | | | | | | | | 4,978 | 5,055 |

The unallocated expenses mainly included the Group's corporate expenses such as employee benefits expenses, statutory and regulatory expenses.

4.1.1 Profit or loss from continuing operations and reconciliations (cont'd)

| | Specialty pharma principals | | Proprietary brands | | Medical hypermart and digital | | Unallocated | | Total | |
|----------------------------------|--------------------------------|------------------|--------------------|------------------|----------------------------------|------------------|------------------|------------------|------------------|------------------|
| | FY2024 \$'000 | FY2023 \$'000 | FY2024 \$'000 | FY2023 \$'000 | FY2024 \$'000 | FY2023 \$'000 | FY2024 \$'000 | FY2023 \$'000 | FY2024 \$'000 | FY2023 \$'000 |
| Revenue by segment | | | | | | | | | | |
| Total revenue by segment | 124,245 | 102,195 | 27,546 | 25,651 | 43,629 | 42,749 | – | – | 195,420 | 170,595 |
| Total revenue | 124,245 | 102,195 | 27,546 | 25,651 | 43,629 | 42,749 | – | – | 195,420 | 170,595 |
| EBITDA | 14,808 | 9,511 | 3,826 | 3,839 | (1,365) | 243 | (690) | 48 | 16,579 | 13,641 |
| Finance costs | – | – | – | – | – | – | (565) | (278) | (565) | (278) |
| Depreciation and amortisation | (623) | (288) | (419) | (414) | – | – | (2,013) | (2,096) | (3,055) | (2,798) |
| Profit/(loss) before tax | 14,185 | 9,223 | 3,407 | 3,425 | (1,365) | 243 | (3,268) | (2,326) | 12,959 | 10,565 |
| Income tax expense | | | | | | | | | (2,104) | (1,985) |
| Profit, net of tax | | | | | | | | | 10,855 | 8,580 |

The unallocated expenses mainly included the Group's corporate expenses such as employee benefits expenses, statutory and regulatory expenses.

4.1.2 Assets and reconciliations

| | <u>Specialty pharma principals</u> | | <u>Proprietary brands</u> | | <u>Medical hypermart and digital</u> | | <u>Unallocated</u> | | <u>Total</u> | |
|--------------------------------------|------------------------------------|--------------------|---------------------------|--------------------|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>31 Dec 2024</u> | <u>31 Dec 2023</u> | <u>31 Dec 2024</u> | <u>31 Dec 2023</u> | <u>31 Dec 2024</u> | <u>31 Dec 2023</u> | <u>31 Dec 2024</u> | <u>31 Dec 2023</u> | <u>31 Dec 2024</u> | <u>31 Dec 2023</u> |
| | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| Total assets for reportable segments | 60,716 | 53,087 | 30,801 | 22,715 | 10,848 | 13,108 | – | – | 102,365 | 88,910 |
| Unallocated: | | | | | | | | | | |
| Plant and equipment | – | – | – | – | – | – | 4,898 | 4,864 | 4,898 | 4,864 |
| Prepayments | – | – | – | – | – | – | 2,530 | 2,056 | 2,530 | 2,056 |
| Cash and cash equivalents | – | – | – | – | – | – | 23,420 | 23,369 | 23,420 | 23,369 |
| Other receivables | – | – | – | – | – | – | 2,267 | 1,476 | 2,267 | 1,476 |
| Other financial assets | – | – | – | – | – | – | 270 | 90 | 270 | 90 |
| Total Group assets | 60,716 | 53,087 | 30,801 | 22,715 | 10,848 | 13,108 | 33,385 | 31,855 | 135,750 | 120,765 |

4.1.3 Liabilities and reconciliations

| | <u>Specialty pharma principals</u> | | <u>Proprietary brands</u> | | <u>Medical hypermart and digital</u> | | <u>Unallocated</u> | | <u>Total</u> | |
|---|------------------------------------|--------------------|---------------------------|--------------------|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>31 Dec 2024</u> | <u>31 Dec 2023</u> | <u>31 Dec 2024</u> | <u>31 Dec 2023</u> | <u>31 Dec 2024</u> | <u>31 Dec 2023</u> | <u>31 Dec 2024</u> | <u>31 Dec 2023</u> | <u>31 Dec 2024</u> | <u>31 Dec 2023</u> |
| | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| Total liabilities for reportable segments | 27,648 | 27,258 | 2,660 | 3,193 | 9,269 | 10,674 | – | – | 39,577 | 41,125 |
| Unallocated: | | | | | | | | | | |
| Income tax payable | – | – | – | – | – | – | 2,576 | 2,535 | 2,576 | 2,535 |
| Financial liabilities | – | – | – | – | – | – | 14,114 | 6,822 | 14,114 | 6,822 |
| Trade and other payables | – | – | – | – | – | – | 5,017 | 4,421 | 5,017 | 4,421 |
| Total Group liabilities | 27,648 | 27,258 | 2,660 | 3,193 | 9,269 | 10,674 | 21,707 | 13,778 | 61,284 | 54,903 |

4.1.4 Other material items and reconciliations

| | <u>Specialty pharma principals</u> | | <u>Proprietary brands</u> | | <u>Medical hypermart and digital</u> | | <u>Unallocated</u> | | <u>Total</u> | |
|--|------------------------------------|--------|---------------------------|--------|--------------------------------------|--------|--------------------|--------|--------------|--------|
| | 2H2024 | 2H2023 | 2H2024 | 2H2023 | 2H2024 | 2H2023 | 2H2024 | 2H2023 | 2H2024 | 2H2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Allowance for impairment on trade receivables and inventories loss | 145 | 220 | 416 | 279 | 193 | 129 | – | – | 754 | 628 |
| Expenditures for non-current assets | 27 | – | 176 | 50 | – | – | 819 | 6,104 | 1,022 | 6,154 |

| | <u>Specialty pharma principals</u> | | <u>Proprietary brands</u> | | <u>Medical hypermart and digital</u> | | <u>Unallocated</u> | | <u>Total</u> | |
|--|------------------------------------|--------|---------------------------|--------|--------------------------------------|--------|--------------------|--------|--------------|--------|
| | FY2024 | FY2023 | FY2024 | FY2023 | FY2024 | FY2023 | FY2024 | FY2023 | FY2024 | FY2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Allowance for impairment on trade receivables and inventories loss | 320 | 219 | 650 | 467 | 388 | 208 | – | – | 1,358 | 894 |
| Expenditures for non-current assets | 168 | 212 | 1,831 | 74 | – | – | 2,056 | 6,286 | 4,055 | 6,572 |

4.2 Disaggregation of revenue

| | <u>Group</u> | | | |
|--|--------------|--------|---------|---------|
| | 2H2024 | 2H2023 | FY2024 | FY2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| <i>Types of goods or service:</i> | | | | |
| Sale of goods | 95,273 | 95,427 | 194,456 | 169,697 |
| Commission income | 191 | 194 | 409 | 386 |
| Marketing services fee and advertisement | 293 | 250 | 532 | 497 |
| Other revenue | 15 | 13 | 23 | 15 |
| Total revenue | 95,772 | 95,884 | 195,420 | 170,595 |
| <i>Geographical information:</i> | | | | |
| Singapore | 45,039 | 43,378 | 90,894 | 84,996 |
| Vietnam | 25,297 | 29,249 | 57,110 | 49,012 |
| Malaysia | 12,831 | 9,495 | 25,784 | 17,225 |
| Others | 12,605 | 13,762 | 21,632 | 19,362 |
| Total revenue | 95,772 | 95,884 | 195,420 | 170,595 |

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 31 December 2024 and 31 December 2023:

| | <u>Group</u> | | <u>Company</u> | |
|---|----------------|----------------|----------------|----------------|
| | 31 Dec 2024 | 31 Dec 2023 | 31 Dec 2024 | 31 Dec 2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| <u>Financial assets:</u> | | | | |
| Financial assets at amortised cost | 69,113 | 64,569 | 20,706 | 19,197 |
| | 69,113 | 64,569 | 20,706 | 19,197 |
| <u>Financial liabilities:</u> | | | | |
| Financial liabilities at amortised cost | 57,684 | 51,115 | 1,034 | 1,081 |
| | 57,684 | 51,115 | 1,034 | 1,081 |

6. Profit before taxation

6.1 Significant items

| | | <u>Group</u> | | |
|---|--------|--------------|--------|--------|
| | 2H2024 | 2H2023 | FY2024 | FY2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| <i>Income</i> | | | | |
| Government grants | 140 | 27 | 357 | 209 |
| Interest income | 67 | 166 | 150 | 341 |
| Fair value gain on derivative instruments at fair value through profit or loss | 181 | – | 181 | – |
| Fair value gain arising from remeasurement of interest in associate as a result of business combination | – | 165 | – | 165 |
| <i>Expenses (income/ gain)</i> | | | | |
| Advertising and promotional expenses | 5,494 | 4,428 | 9,262 | 8,867 |
| Allowance for inventories obsolescence | 146 | 199 | 489 | 291 |
| Depreciation and amortisation | 1,566 | 1,470 | 3,055 | 2,798 |
| Employee benefits expenses | 14,764 | 13,524 | 29,063 | 25,347 |
| Foreign exchange translation (gains)/ losses | (467) | 975 | 347 | 1,413 |
| Inventories written off | 568 | 412 | 774 | 580 |
| Research and development expenses | 272 | 212 | 403 | 439 |
| Allowance for/(reversal of) impairment on trade receivables | 21 | (22) | 76 | (15) |
| Bad debts written off | 19 | 38 | 19 | 38 |

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 expense recognised in profit or loss:

| | <u>Group</u> | | | |
|---|------------------|------------------|------------------|------------------|
| | 2H2024 \$'000 | 2H2023 \$'000 | FY2024 \$'000 | FY2023 \$'000 |
| <u>Current tax expense</u> | | | | |
| Current tax expense | 1,216 | 1,614 | 2,922 | 2,525 |
| Over adjustment in respect of prior periods | (579) | (192) | (579) | (268) |
| <u>Deferred tax income</u> | | | | |
| Deferred tax income | (113) | (98) | (239) | (272) |
| Total income tax expense | <u>524</u> | <u>1,324</u> | <u>2,104</u> | <u>1,985</u> |

8. Dividends

| | <u>Group</u> | |
|--|------------------|------------------|
| | FY2024 \$'000 | FY2023 \$'000 |
| Dividends paid during the reporting year: | | |
| Final exempt (1-tier) dividends paid of 0.86 cents (FY2023: 1.11 cents) per share | <u>2,656</u> | <u>3,432</u> |
| Interim exempt (1-tier) dividends paid of Nil cents (1H2023: 3.60 cents) per share | <u>—</u> | <u>11,131</u> |
| Proposed dividends on ordinary shares: | | |
| Final exempt (1-tier) proposed dividends of 1.50 cents (FY2023: 0.86 cents) per share | <u>4,633</u> | <u>2,659</u> |

Proposed dividends on ordinary shares are subject to approval by shareholders at the annual general meeting (“AGM”) and are not recognised as a liability as at 31 December. There are no income tax consequences on the reporting entity. The proposed dividend is payable in respect of all ordinary shares in issue at the end of the reporting year and including any new qualifying shares issued up to the date the dividend becomes payable. The dividend payable date and the record date will be announced separately.

9. Net asset value

| | <u>Group</u> | | <u>Company</u> | |
|---|----------------|----------------|----------------|----------------|
| | 31 Dec 2024 | 31 Dec 2023 | 31 Dec 2024 | 31 Dec 2023 |
| Net asset value per ordinary share (Singapore cents per share) | <u>22.95</u> | <u>20.37</u> | <u>12.88</u> | <u>12.32</u> |

10. Intangible assets

| | Goodwill | Group Distribution rights and trademarks | Total |
|---|-----------------|---|---------------|
| | \$'000 | \$'000 | \$'000 |
| At 31 December 2023 | | | |
| Cost | 16,389 | 11,984 | 28,373 |
| Accumulated impairment and amortisation | (993) | (3,805) | (4,798) |
| Net book value at 31 December 2023 | 15,396 | 8,179 | 23,575 |
| Year ended 31 December 2024 | | | |
| <i>Cost:</i> | | | |
| As at 1 January 2024 | 16,389 | 11,984 | 28,373 |
| Additions | — | 1,998 | 1,998 |
| Balance as at 31 December 2024 | 16,389 | 13,982 | 30,371 |
| <i>Accumulated impairment and amortisation:</i> | | | |
| As at 1 January 2024 | 993 | 3,805 | 4,798 |
| Amortisation for the year | — | 1,043 | 1,043 |
| Balance as at 31 December 2024 | 993 | 4,848 | 5,841 |
| Net book value at 31 December 2024 | 15,396 | 9,134 | 24,530 |

The goodwill was tested for impairment at the end of the reporting year. An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The recoverable amount of a cash-generating unit ("CGU") has been measured based on the fair value less cost of disposal method or the value in use method (whichever is higher) as appropriate for the separate CGUs.

The value in use was measured by management. The value in use is a recurring fair value measurement (Level 3). The quantitative information about the value in use measurement using significant unobservable inputs for the CGU are consistent with those used for the measurement last performed.

11. Plant and equipment

| | <u>Group</u> | | | | |
|--|----------------------------------|------------------------------------|-------------------------------------|-----------------------------|-----------------|
| | Plant and equipment \$'000 | Hardware and software \$'000 | Fixtures and equipment \$'000 | Motor vehicles \$'000 | Total \$'000 |
| <u>Cost:</u> | | | | | |
| At 1 January 2023 | 5,120 | 1,811 | 3,562 | 314 | 10,807 |
| Arising from acquisition of a subsidiary | — | — | 21 | 33 | 54 |
| Additions | 3,591 | 78 | 138 | 88 | 3,895 |
| Disposals | (3,889) | (134) | (8) | (66) | (4,097) |
| Foreign exchange adjustments | (10) | (4) | (8) | (2) | (24) |
| At 31 December 2023 | 4,812 | 1,751 | 3,705 | 367 | 10,635 |
| Additions | 874 | 819 | 319 | 45 | 2,057 |
| Disposals | (425) | (115) | (135) | (46) | (721) |
| Foreign exchange adjustments | 7 | 3 | 5 | — | 15 |
| At 31 December 2024 | 5,268 | 2,458 | 3,894 | 366 | 11,986 |
| <u>Accumulated depreciation:</u> | | | | | |
| At 1 January 2023 | 3,839 | 1,016 | 2,784 | 151 | 7,790 |
| Depreciation for the year | 1,226 | 188 | 631 | 51 | 2,096 |
| Disposals | (3,889) | (133) | (7) | (66) | (4,095) |
| Foreign exchange adjustments | (9) | (3) | (6) | (2) | (20) |
| At 31 December 2023 | 1,167 | 1,068 | 3,402 | 134 | 5,771 |
| Depreciation for the year | 1,544 | 234 | 164 | 70 | 2,012 |
| Disposals | (425) | (115) | (130) | (46) | (716) |
| Foreign exchange adjustments | 12 | 2 | 7 | — | 21 |
| At 31 December 2024 | 2,298 | 1,189 | 3,443 | 158 | 7,088 |
| <u>Carrying value:</u> | | | | | |
| At 1 January 2023 | 1,281 | 795 | 778 | 163 | 3,017 |
| At 31 December 2023 | 3,645 | 683 | 303 | 233 | 4,864 |
| At 31 December 2024 | 2,970 | 1,269 | 451 | 208 | 4,898 |

11. Plant and equipment (cont'd)

| | <u>Company</u> | | Total \$'000 |
|----------------------------------|------------------------------------|-------------------------------------|-----------------|
| | Hardware and software \$'000 | Fixtures and equipment \$'000 | |
| <u>Cost:</u> | | | |
| At 1 January 2023 | 7 | 221 | 228 |
| Additions | 8 | – | 8 |
| At 31 December 2023 | 15 | 221 | 236 |
| Additions | 4 | – | 4 |
| At 31 December 2024 | 19 | 221 | 240 |
| <u>Accumulated depreciation:</u> | | | |
| At 1 January 2023 | 4 | 187 | 191 |
| Depreciation for the year | 2 | 34 | 36 |
| At 31 December 2023 | 6 | 221 | 227 |
| Depreciation for the year | 5 | – | 5 |
| At 31 December 2024 | 11 | 221 | 232 |
| <u>Carrying value:</u> | | | |
| At 1 January 2023 | 3 | 34 | 37 |
| At 31 December 2023 | 9 | – | 9 |
| At 31 December 2024 | 8 | – | 8 |

12. Trade and other receivables

| | <u>Group</u> | | <u>Company</u> | |
|------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 31 Dec 2024 \$'000 | 31 Dec 2023 \$'000 | 31 Dec 2024 \$'000 | 31 Dec 2023 \$'000 |
| <u>Trade receivables:</u> | | | | |
| Outside parties | 43,445 | 39,848 | – | – |
| Less: Allowance for impairment | (290) | (214) | – | – |
| Subsidiaries | – | – | 430 | 353 |
| Net trade receivables – subtotal | 43,155 | 39,634 | 430 | 353 |
| <u>Other receivables:</u> | | | | |
| Staff advances | 13 | 11 | – | – |
| Deposits to secure services | 699 | 720 | – | – |
| Subsidiaries | – | – | 20,130 | 18,488 |
| Goods and services tax receivables | 136 | 80 | – | – |
| Other receivables | 1,420 | 665 | 40 | – |
| Other receivables – subtotal | 2,268 | 1,476 | 20,170 | 18,488 |
| Total trade and other receivables | 45,423 | 41,110 | 20,600 | 18,841 |

12. Trade and other receivables (cont'd)

| | <u>Group</u> | | <u>Company</u> | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | 31 Dec 2024 \$'000 | 31 Dec 2023 \$'000 | 31 Dec 2024 \$'000 | 31 Dec 2023 \$'000 |
| Movements in above allowance: | | | | |
| At beginning of the year | 214 | 229 | – | – |
| (Reversed)/charge to profit or loss included in (other income and gains)/other losses | 76 | (15) | – | – |
| At end of the year | <u>290</u> | <u>214</u> | <u>–</u> | <u>–</u> |

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 estimates. 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 amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period. There is no collateral held as security and other credit enhancements for the trade receivables.

13. Inventories

| | <u>Group</u> | |
|---|--------------------------|--------------------------|
| | 31 Dec 2024 \$'000 | 31 Dec 2023 \$'000 |
| Raw materials and supplies | 1,184 | 1,308 |
| Finished goods and goods for resale ⁽¹⁾ | <u>33,261</u> | <u>24,221</u> |
| | <u>34,445</u> | <u>25,529</u> |
| Inventories are stated after allowance. | | |
| Movement in allowance: | | |
| At beginning of the year | 817 | 875 |
| Charge to profit or loss included in other losses | 489 | 291 |
| Used | <u>(218)</u> | <u>(349)</u> |
| At end of the year | <u>1,088</u> | <u>817</u> |
| The amount of inventories included in cost of sales | 125,402 | 108,294 |
| The inventories written off charged to profit or loss included in other losses | <u>774</u> | <u>580</u> |

13. Inventories (cont'd)

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 \$8,168,000 (2023: \$390,000).

14. Borrowings

| | <u>Group</u> | | | |
|--|--------------|---------------|-------------|--------------|
| | 31 Dec 2024 | | 31 Dec 2023 | |
| | Secured | Unsecured | Secured | Unsecured |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Repayable in one year or less, or on demand: | | | | |
| Bank borrowings | – | 10,258 | – | 1,250 |
| Lease liabilities | 46 | 1,237 | 50 | 1,116 |
| Subtotal | <u>46</u> | <u>11,495</u> | <u>50</u> | <u>2,366</u> |
| Repayable after one year: | | | | |
| Bank borrowings | – | 729 | – | 1,979 |
| Lease liabilities | 12 | 1,832 | 59 | 2,368 |
| Subtotal | <u>12</u> | <u>2,561</u> | <u>59</u> | <u>4,347</u> |
| Total | <u>58</u> | <u>14,056</u> | <u>109</u> | <u>6,713</u> |

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 | Share | Treasury | Total |
| | shares issued | capital | shares | Total |
| | '000 | \$'000 | \$'000 | \$'000 |
| <u>Ordinary shares of no par value:</u> | | | | |
| Balance at 1 January 2023 | 308,776 | 35,083 | – | 35,083 |
| Issuance of new shares pursuant to share awards under Hyphens Performance Share Plan | 422 | 133 | – | 133 |
| Balance at 31 December 2023 | 309,198 | 35,216 | – | 35,216 |
| Purchase of treasury shares | (321) | – | (85) | (85) |
| Balance at 31 December 2024 | <u>308,877</u> | <u>35,216</u> | <u>(85)</u> | <u>35,131</u> |

During the financial year, the Company purchased 321,200 treasury shares (2023: nil).

Save as disclosed above, there has been no change in the Company's share capital since 31 December 2023.

The total number of issued shares as at 31 December 2024 was 309,198,200 (31 December 2023: 309,198,200), of which 321,200 were held by the Company as treasury shares (31 December 2023: nil).

As at 31 December 2024, the treasury shares held by the Company represented 0.1% (31 December 2023: nil) of the total number of issued shares (excluding treasury shares).

The Company did not hold any other convertible instruments as at 31 December 2024 and 31 December 2023.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2024 and 31 December 2023.

16. Acquisition of non-controlling interests

On 15 July 2024, the Group acquired an additional 0.24% interest in DocMed Technology Pte. Ltd. ("**DocMed**"), increasing its ownership from 89.76% to 90.00%. The carrying amount of DocMed's net assets in the Group's consolidated financial statements on the date of the acquisition was \$11,657,000.

| | \$'000 |
|--|-------------|
| Carrying amount of NCI acquired | 28 |
| Consideration paid to NCI | 100 |
| Decrease in equity attributable to owners of the Company | <u>(72)</u> |

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 Catalyst Rule Appendix 7C

1. 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

| | 2H2024 | 2H2023 | Change | FY2024 | FY2023 | Change |
|-------------------------------------|---------------|---------------|--------------|----------------|----------------|-------------|
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Revenue by business segments | | | | | | |
| Specialty pharma principals | 60,540 | 60,198 | 0.6 | 124,245 | 102,195 | 21.6 |
| Proprietary brands | 13,290 | 13,837 | (4.0) | 27,546 | 25,651 | 7.4 |
| Medical hypermart and digital | 21,942 | 21,849 | 0.4 | 43,629 | 42,749 | 2.1 |
| | <u>95,772</u> | <u>95,884</u> | <u>(0.1)</u> | <u>195,420</u> | <u>170,595</u> | <u>14.6</u> |

| | 2H2024 | 2H2023 | Change | FY2024 | FY2023 | Change |
|--|---------------|---------------|--------------|----------------|----------------|-------------|
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Revenue by geographical locations | | | | | | |
| Singapore | 45,039 | 43,378 | 3.8 | 90,894 | 84,996 | 6.9 |
| Vietnam | 25,297 | 29,249 | (13.5) | 57,110 | 49,012 | 16.5 |
| Malaysia | 12,831 | 9,495 | 35.1 | 25,784 | 17,225 | 49.7 |
| Others | 12,605 | 13,762 | (8.4) | 21,632 | 19,362 | 11.7 |
| | <u>95,772</u> | <u>95,884</u> | <u>(0.1)</u> | <u>195,420</u> | <u>170,595</u> | <u>14.6</u> |

2H2024 compared to 2H2023

Revenue

The Group's revenue experienced a slight reduction of 0.1% or S\$0.1 million from S\$95.9 million in 2H2023 to S\$95.8 million in 2H2024.

The drop in revenue was attributable to reduced revenue in proprietary brands segment, mitigated by increased revenue in the other two business segments:

- Specialty pharma principals segment achieved the same level of revenue compared to 2H2023 with a marginal S\$0.3 million growth. The increased demand in Singapore and Malaysia, was offset by reduction in sales in Vietnam and other geographies.
- Proprietary brands segment experienced a reduction in sales by 4.0% or S\$0.5 million, mainly driven by lower demand for Ceradan® dermatological products and Ocean Health® health supplement products.
- Revenue from the medical hypermart and digital segment grew by 0.4%.

Gross profit

Gross profit rose by 2.5% or S\$0.8 million from S\$33.9 million in 2H2023 to S\$34.7 million in 2H2024.

Gross profit margin improved from 35.3% in 2H2023 to 36.2% in 2H2024 due to change in sales mix in FY2024. The Group has made a conscious effort to grow the portfolios with higher gross profit margins.

Other income and gains

Other income and gains increased by 2.9% or S\$0.01 million from S\$0.38 million in 2H2023 to S\$0.39 million in 2H2024, mainly due to S\$0.18 million fair value gain on derivative instruments at fair value through profit or loss, offset by absence of S\$0.17 million fair value gain in associate before business combination.

Distribution costs

Distribution costs increased by 12.7% or S\$2.4 million from S\$18.7 million in 2H2023 to S\$21.1 million in 2H2024, mainly from increase in advertising and promotion expenses of S\$1.1 million and increase in manpower related costs of S\$1.2 million.

Administrative expenses

Administrative expenses increased by 3.0% or S\$0.2 million from S\$7.6 million in 2H2023 to S\$7.8 million in 2H2024 mainly due to increase in manpower related cost and amortisation of intangible assets.

Finance costs

Finance cost increased by 197.6% or S\$0.2 million from S\$0.1 million in 2H 2023 to S\$0.3 million in 2H2024 mainly due to increase in interest expenses on short-term revolving loans of S\$9.0 million.

Other losses

Other losses decreased by 82.5% or S\$1.3 million from S\$1.6 million in 2H2023 to S\$0.3 million in 2H2024 mainly due to more favourable exchange differences in the 2H2024 which resulted in a foreign exchange gain of S\$1.4 million, offset by increase in inventory provision and write-off of S\$0.1 million.

Share of profit of an equity-accounted associate

As a result of the increased shareholding in Ardence Pharma in November 2023, the Group ceased to account its share of profit from 8 November 2023 and included Ardence Pharma post-acquisition financial results in its consolidated financial statements. This resulted in a reduction in share of profit of an associate by S\$0.2 million in 2H2024.

Profit before tax

Profit before tax decreased by 13.7% or S\$0.9 million from S\$6.4 million in 2H2023 to S\$5.5 million in 2H2024, mainly due to increase in distribution expenses, administrative expenses, partially offset by the improved gross profit and exchange gains as explained above.

Income tax expense

Income tax expense decreased by S\$0.8 million from S\$1.3 million in 2H2023 to S\$0.5 million in 2H2024 as Group enjoys tax benefits from in-licensing of new pharmaceutical products during the year.

Profit after tax

As a result of the foregoing, the Group's net profit after tax decreased by 1.5% or S\$0.1 million from S\$5.1 million in 2H2023 to S\$5.0 million in 2H2024.

FY2024 compared to FY2023

Revenue

The Group's revenue increased by 14.6% or S\$24.8 million from S\$170.6 million in FY2023 to S\$195.4 million in FY2024. The newly acquired Ardence Pharma contributed S\$7.2 million in revenue.

All three business segments contributed to the revenue increase:

- Specialty pharma principals segment led the growth with 21.6% increase in revenue. The growth was contributed by all geographies.
- Proprietary brands segment grew by 7.4%, contributed by higher demand for Ceradan® dermatological products, Ocean Health® health supplement products, TDF® dermocosmetic products and Novem® nutraceutical products.
- Revenue from the medical hypermart and digital segment increased by 2.1%.

Gross profit

Gross profit increased by 12.3% or S\$7.6 million from S\$61.9 million in FY2023 to S\$69.5 million in FY2024.

Gross profit margin had decreased marginally from 36.3% in FY2023 to 35.6% in FY2024 due to increase in cost of sales from the principals and suppliers.

Other income and gains

Other income and gains decreased by 5.7% or S\$0.04 million from S\$0.73 million in FY2023 to S\$0.69 million in FY2024 mainly due to reduced interest income coupled with absence of S\$0.17 million fair value gain in associate before business combination, offset by S\$0.18 million fair value gain on derivative instruments at fair value through profit or loss.

Distribution costs

Distribution costs increased by 10.7% or S\$3.8 million from S\$35.9 million in FY2023 to S\$39.7 million in FY2024, in tandem with the higher sales achieved.

Administrative expenses

Administrative expenses increased by 7.8% or S\$1.1 million from S\$14.1 million in FY2023 to S\$15.2 million in FY2024 mainly increase in manpower related cost and amortisation of intangible assets.

Finance costs

Finance cost increased by 103.2% or S\$0.3 million from S\$0.3 million in FY2023 to S\$0.6 million in FY2024 mainly due to increase in interest expenses on short-term revolving loans of S\$9.0 million.

Other losses

Other losses decreased by 26.6% or S\$0.6 million from S\$2.3 million in FY2023 to S\$1.7 million in FY2024 due mainly to foreign exchange gains.

Share of profit of an equity-accounted associate

Share of profit from associate related to share of profit from Ardence Pharma. As a result of the increased shareholding in Ardence Pharma in November 2023, the Group ceased to account its share of profit from 8 November 2023 and included Ardence Pharma post-acquisition financial results in its consolidated financial statements. This resulted in a reduction in share of profit of an associate by S\$0.5 million in FY2024.

Profit before tax

Profit before tax increased by 22.7% or S\$2.4 million from S\$10.6 million in FY2023 to S\$13.0 million in FY2024, mainly due to increase in gross profit coupled with less than proportional increase in expenses.

Income tax expense

Income tax expense increased by 6% or S\$0.1 million from S\$2.0 million to S\$2.1 million despite the more than proportional increase in profit before tax. This is due to the tax benefits enjoyed by the Group from in-licensing of new pharmaceutical products during the year.

Profit after tax

As a result of the foregoing, the Group's net profit after tax increased by 26.5% or S\$2.3 million, from S\$8.6 million in FY2023 to S\$10.9 million in FY2024.

Consolidated Statements of Financial Position

The comparative performance for both the assets and liabilities are based on the Group's financial statements as at 31 December 2024 and 31 December 2023.

Non-current assets

The Group's non-current assets increased by S\$1.1 million from S\$28.6 million as at 31 December 2023 to S\$29.7 million as at 31 December 2024 primarily due to increase in intangible assets arising from increase in distribution rights and trademarks arising from in-licensing of Wyzora® during the year.

Current assets

The Group's current assets increased by S\$13.8 million from S\$92.2 million as at 31 December 2023 to S\$106.0 million as at 31 December 2024 mainly due to increase in trade and other receivables and inventories by S\$4.3 million and S\$8.9 million respectively.

Non-current liabilities

The Group's non-current liabilities decreased by S\$2.1 million from S\$5.7 million as at 31 December 2023 to S\$3.6 million as at 31 December 2024 mainly due to shifting of a portion of the term loan and office lease from non-current liabilities to current liabilities.

Current liabilities

The Group's current liabilities increased by S\$8.5 million from S\$49.2 million as at 31 December 2023 to S\$57.7 million as at 31 December 2024. This was mainly due to borrowing of short-term revolving loans of S\$9.0 million.

Consolidated Statement of Cash Flows

FY2024

The Group generated net cash of S\$0.07 million from operating activities in FY2024, mainly due to operating cash inflows before changes in working capital of S\$16.9 million, netting off working capital outflows of S\$14.5 million and income taxes paid of S\$2.4 million.

The net working capital outflows were due to (i) increase in inventories of S\$8.9 million; (ii) increase in trade and other receivables and prepayments of S\$4.7 million; and (iii) decrease in trade and other payables of S\$0.9 million.

Net cash flows used in investing activities during FY2024 amounted to S\$3.0 million, mainly attributable to acquisition of intangible assets for S\$2.0 million, plant and equipment additions of S\$1.2 million, partially offset by S\$0.2 million interest received.

Net cash inflows from financing activities amounted to S\$3.0 million during FY2024, mainly due increase in new bank borrowing of S\$9.0 million, partially offset by dividend payment of S\$2.7 million, lease payment of S\$1.3 million and bank borrowing repayment of S\$1.3 million.

2. 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.

3. 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

Growing our Proprietary Brands

Growing Hyphens' Proprietary Brands and unlocking their brand value will remain a key area of focus for the Group. Hyphens' brands, including Ocean Health®, Ceradan®, TDF®, and CG 210®, have experienced robust growth in both sales and brand equity throughout the year.

In September 2024, we launched Ceradan® Advanced Hand Balm in Singapore—the first and only hand balm with patented pH control technology—jointly developed with the Agency for Science, Technology, and Research (“A*STAR”).

Ocean Health® has continued to achieve strong growth throughout the year despite fierce competition. It has successfully expanded into Indonesia, Malaysia, and Vietnam, establishing a solid foundation to become a truly regional brand. Ocean Health® Joyful Gummies have also demonstrated remarkable growth since their launch, and we remain very excited about this product range in 2025.

We are pleased with the new additions to our proprietary portfolio in 2024. In March 2024, the Group entered into an exclusive license, supply, and commercialization agreement with MC2 Therapeutics, securing the exclusive rights to register and commercialize Wynzora® Cream—along with all future product extensions and/or improvements—for the topical treatment of plaque psoriasis in the 10 ASEAN countries.

Strengthening Specialty Pharma Portfolio

The Specialty Pharma portfolio remains the key revenue driver of the business. Hyphens Pharma works closely with our specialty pharma principals on product registration and commercialization. With our strong regulatory, sales, and marketing capabilities, we position ourselves as the ASEAN expert, working alongside our specialty pharma principals to achieve mutual success in the region.

2024 has been a fruitful year for our Specialty Pharma portfolio:

- We signed an exclusive license, development, and commercialization agreement with Maruho Co., Ltd. for the exclusive rights to register and commercialize Amenalief® in 10 ASEAN countries for the treatment of shingles.
- We achieved significant milestones in our Medical Aesthetics portfolio. Plinest® was successfully launched in Indonesia, the Philippines, and Thailand during the year. Additionally, NCTF®—a facial rejuvenation injection designed to improve skin quality and texture, developed by Laboratoires Fill-Med—was added to the portfolio in 2024. The product is now available in Singapore and Malaysia.

Going Digital

DocMed Technology Pte Ltd ("**DocMed**") powers the Group's pharmaceutical product marketplace ("**POM**"). POM is a business-to-business ("**B2B**") digital pharmacy solutions platform that connects healthcare stakeholders—including healthcare practitioners and institutions—with industry stakeholders such as pharmaceutical companies and medical consumables manufacturers, enabling them to meet patients' needs more efficiently. POM has established a presence in Singapore, Malaysia, and Vietnam.

DocMed also powers WellAway, Singapore's first and largest HSA-registered e-pharmacy, where licensed doctors can manage e-prescriptions and arrange for direct delivery to patients. In 2024, WellAway reached the milestone of 100,000 e-prescriptions.

Expanding through Acquisitions

After increasing the Group's stake in Ardence Pharma in November 2023, Ardence Pharma has delivered remarkable performance. This contribution by Ardence Pharma validates Hyphens Pharma's strategy of expansion through prudent and accretive acquisitions. The Group has the strategic goal and the discipline to continuously look for acquisition targets that contribute to the accelerated growth the Group is trying to achieve. We seek out partnership opportunities to enter new markets, widen our product offerings and bring innovation into the business.

Navigating a Challenging Business Environment

Looking ahead, we anticipate a challenging operating environment driven by external market factors, including geopolitical tensions, potential trade wars, and economic weakness in certain regions.² One of the key pressures we face is the rising cost of our principals, which has led to a squeeze on the Group's gross profit margins. Global inflationary trends and increased manufacturing costs have contributed to higher procurement prices. While we continue to work closely with our partners to optimize cost structures, these external factors remain a headwind in the near term.

² <https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025>

In addition, currency fluctuations present another challenge, particularly the depreciation of ASEAN currencies against the EUR and USD, our primary payment currencies for supplier transactions. A weaker local currency increases the cost of imports, adding further strain to our margins. To mitigate this impact, we continuously explore opportunities to enhance pricing strategies, implement dynamic rates negotiations, and improve operational efficiencies.

Despite these challenges, we remain confident in our ability to navigate market volatility. Our strong fundamentals, diversified portfolio, and strategic initiatives will enable us to stay resilient and agile. With a steadfast focus on long-term growth, we are well-positioned to ride the waves and continue delivering value to our stakeholders.

Rewarding Shareholders

We are pleased to propose a dividend of 1.50 Singapore cents per share for FY2024, which represents a payout of 45.4% of the net profits attributable to shareholders, reflecting our commitment to delivering value to investors. This exceeds our established dividend policy of 30% of the net profits attributable to shareholders, demonstrating our confidence in the Group's financial position and future growth. While this enhanced payout acknowledges our strong performance, the Company remains committed to its long-term dividend policy of distributing at least 30% of net profits attributable to shareholders to ensure sustainable returns.

In addition, the Company will continue to propose to shareholders the renewal of the share buy-back mandate at the upcoming AGM. A share buy-back program allows the Company to enhance shareholder value and reflects the Board's confidence in the Group's long-term growth prospects.

Change in Results Announcements Schedule

Moving forward, we will streamline our financial reporting to focus on half-year and full-year results announcements. As such, we will no longer be publishing quarterly updates. We remain committed to keeping our shareholders informed and engaged, and we look forward to sharing our progress in our upcoming reports. We appreciate the continued support and interest in Hyphens Pharma International Limited.

4. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? **Yes**

| | FY2024 |
|---|--------------------------------|
| Name of Dividend | Final Dividend Exempt (1-tier) |
| Type of Dividend | Cash |
| Total number of issued ordinary shares (excludes treasury shares) | 308,877,000 |
| Dividend per share | 1.50 cents |

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? **Yes**

| | FY2023 |
|---|--------------------------------|
| Name of Dividend | Final Dividend Exempt (1-tier) |
| Type of Dividend | Cash |
| Total number of issued ordinary shares (excludes treasury shares) | 309,198,200 |
| Dividend per share | 0.86 cents |

(c) Date payable

To be announced later.

(d) Record date

To be announced later.

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

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

7. Breakdown of sales

| | FY2024 | Group | |
|---|----------------|----------------|---------------|
| | S\$'000 | FY2023 | Change |
| | | S\$'000 | % |
| Revenue reported for first half year | 99,648 | 74,711 | 33.4 |
| Net profit after tax for first half year | 5,877 | 3,525 | 66.7 |
| Revenue reported for second half year | 95,772 | 95,884 | (0.1) |
| Net profit after tax for second half year | 4,978 | 5,055 | (1.5) |

8. Breakdown of the total annual dividend (in dollar value) for the issuer’s latest full year and its previous full year.

| Annual dividend | FY2024 S\$'000 | FY2023 S\$'000 |
|-----------------------------|---------------------------|---------------------------|
| Ordinary dividend – Interim | – | 11,131 |
| Ordinary dividend – Final * | 4,633 | 2,659 |
| | <u>4,633</u> | <u>13,790</u> |

* The final dividend for FY2024 is subject to shareholders’ approval at the AGM.

9. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(10) of the Catalist Rules, the Company confirms that during FY2024 and up to the date hereof, there has not been any person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

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

On 15 July 2024, the Company’s shareholding interest in DocMed Technology Pte. Ltd. (“**DocMed**”) has changed from 89.76% to 90.00% following transfer of 8,488 shares from DocMed’s former Chief Executive Officer, Mr Chen Funn Yii Timothy, for a consideration of S\$100,000. The consideration value was based on same share subscription price which Mr Chen had paid in June 2022.

BY ORDER OF THE BOARD

Flora Zhang
Chief Financial Officer

25 February 2025

This announcement has been reviewed by the Company’s Sponsor, SAC Capital Private Limited (the “Sponsor”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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