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Media Release

Hyphens Pharma records a net profit of S$6.1 million for FY2025

- **Gross profit and gross profit margin achieved historical highs, driven by portfolio optimisation initiatives**
- **Proprietary brands delivered 33.1% growth, supported by portfolio expansion, strong demand for Ceradan® dermatological products and Ocean Health® health supplements**
- **Full-year strong net operating cash inflow of S$18.7 million**
- **The Group proposes a final dividend of 1.5 Singapore cents for FY2025 to reward shareholders**
- **Despite near-term headwinds, the Group remains resilient, with a continued focus on execution, risk management, and long-term value creation**

Singapore, 24 February 2026 – 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, today announced its results for the financial year ended 31 December 2025 ("**FY2025**").

Financial Highlights			
S$ million	**FY2025**	**FY2024**	**Change (%)**
Revenue	177.4	195.4	(9.2)
Gross Profit	72.2	69.5	3.8
GP Margin (%)	*40.7*	*35.6*	*5.1 ppt*
Profit Before Tax	8.1	13.0	(37.8)
Profit After Tax	6.1	10.9	(43.6)
PAT Margin (%)	*3.4*	*5.6*	*(2.2 ppt)*

Commenting on the FY2025 results, **Mr Lim See Wah (林世华), Executive Chairman and CEO of Hyphens Pharma said:** "*Our FY2025 financial results reflect our ongoing efforts to improve the quality of our earnings as we optimise our product portfolios with a focus on higher margins. However, we continue to operate against a backdrop of persistent macroeconomic and industry challenges, including foreign exchange volatility, elevated operating costs, and evolving regulatory and market conditions across regional markets. This has inevitably led to changes in the demand dynamics for selected product categories, and we have adjusted our operations accordingly. Nevertheless, our Proprietary Brands segment continues to show strong growth potential as we further enhance our market access and penetration, while our Pharmaceutical and Medical Aesthetics segment continues to deliver improved gross profit margin following the portfolio optimisation. Our Digital Platform and e-Pharmacy segment continues to evolve as we tap emerging technologies like artificial intelligence to develop a regional PhamaTech platform that supports and enhances healthcare practices. We believe our diversified business model, regional footprint and portfolio across three business segments, provides resilience as we navigate near-term external headwinds while focusing on execution, risk management and long-term value creation.*"

Financial Review

In FY2025, the Group recorded a 9.2% decrease in revenue to S$177.4 million from S$195.4 million in the financial year ended 31 December 2024 ("**FY2024**"). This was primarily driven by lower revenue contributions from the Pharmaceutical and Medical Aesthetics segment as well as the Digital Platform and E-pharmacy segment, partially offset by revenue growth in the Proprietary Brands segment.

The Pharmaceutical and Medical Aesthetics segment had a 18.4% decrease in revenue mainly due to lower sales in Vietnam, the brand transition of Vivomixx® to Visiopro®, and the reclassification of Fenosup®. We have reported these two brands under the Proprietary Brands segment.

The Digital Platform and E-Pharmacy segment posted a 9.8% revenue decrease, reflecting the Group's strategic shift to optimise its portfolio mix for sustaining gross profit margins, amid intensified market competition.

Conversely, the Proprietary Brands segment grew by 33.1%, driven by product expansion such as the addition of Visiopro® and Fenosup®, and higher demand for Ceradan® dermatological products and Ocean Health® health supplements.

Gross profit rose 3.8% to S$72.2 million in FY2025 from S$69.5 million in FY2024, with gross profit margins improving from 35.6% to 40.7% for the period under review, reflecting a shift in sales mix as the Group continued to expand product portfolios with higher margins.

Other income and gains decreased by 44.3% from S$0.7 million in FY2024 to S$0.4 million in FY2025. The decline was mainly due to reduced interest income and the recognition of a fair value loss of S$0.25 million on derivative instruments, compared to a fair value gain of S$0.18 million in FY2024. The reduction in the valuation of derivative instruments was due to the exercise of Tranche 2 of the Ardence Pharma acquisition in FY2025.

Segmental Revenue			
S$ million	**FY2025**	**FY2024**	**Change (%)**
Pharmaceutical and Medical Aesthetics	101.3	124.2	(18.4)
Proprietary Brands	36.7	27.6	33.1
Digital Platform and E-Pharmacy	39.4	43.6	(9.8)
Total	177.4	195.4	(9.2)

Distribution costs increased slightly by 2.8% to S$40.9 million in FY2025, primarily due to higher manpower-related expenses. Administrative expenses rose by 1.9% to S$15.5 million in FY2025, mainly due to an increase in manpower-related costs and IT expenses. In FY2025, finance costs decreased by 8.0% to S$0.5 million, which reflected lower interest rates and loan repayments.

Other losses increased to S$5.9 million in FY2025 from S$1.7 million in FY2024. The rise was mainly attributable to foreign exchange losses of S$2.8 million arising from a strengthened EUR coupled with weakened IDR, PHP and VND, stock provisions and write-offs of S$3.9 million largely related to excess

Sterimar® inventory built up in FY2024[1], a provision on other receivables of S$0.6 million linked to a loan for the Vietnam Hypermart platform, and a fair value loss of S$0.3 million on derivative instruments in relation to the exercise of Tranche 2 of Ardence Pharma acquisition.

As a result of the above, the Group's net profit after tax decreased by 43.6% to S$6.1 million in FY2025 from S$10.9 million in FY2024, which translates to a basic earnings per share of 1.89 Singapore cents for FY2025 (FY2024: 3.30 Singapore cents).

In FY2025, the Group generated S$18.7 million in net cash from operating activities, representing a significant year-on-year improvement and reflecting the Group's ongoing efforts to enhance working capital efficiency. The Group had cash and cash equivalents of S$26.8 million as at 31 December 2025 (FY2024: S$23.4 million).

Rewarding Shareholders

To reward our shareholders for their steadfast support, the Board is pleased to propose a final dividend of 1.50 Singapore cents per share for FY2025, which is above the Company's established dividend policy of distributing at least 30% of net profits attributable to shareholders. The proposed dividend underscores the Board's confidence in the Group's financial position and long-term prospects. In addition, the Company intends to continue seeking shareholders' approval for the renewal of its share buy-back mandate at the upcoming Annual General Meeting. The share buy-back mandate provides the Board with flexibility to enhance shareholder value when appropriate and reflects the Board's confidence in the Group's long-term fundamentals.

Business Outlook

Growing the Proprietary Brands

[1] During current year, the Group has made an inventory obsolescence provision of $2.0 million for the elevated stock holding of Sterimar®. In FY2023, the brand experienced stockout issues, which created a mismatch with the anticipated surge in demand. This imbalance led to excess inventory being accumulated in FY2024. To address the potential risk of write-offs, the Group has made provisions for these surplus stocks. As a preventive measure, the Group has also enhanced its supply chain capabilities and tightened demand planning.

The Group's Proprietary Brands portfolio continues to form an important component of its pharmaceutical business, comprising a number of established products across key therapeutic segments. Key brands in the portfolio include Ceradan®, Ocean Health, Visiopro®, Winlevi® and Cerapro® MED.

Winlevi®, a first-in-class treatment for acne, was launched in Singapore and Malaysia in FY2025, with encouraging adoption among dermatologists and other medical practitioners. Additional country approvals and launches are anticipated in 2026, and approval in Thailand would enable the Group to establish direct in-market commercial operations there.

At the start of 2026, the Group successfully out-licensed Cerapro® MED, a CE-marked cream for treatment of atopic dermatitis, to Louis Widmer across six European countries. Building on this milestone, the Group will continue to explore additional out-licensing opportunities in other markets.

Looking ahead, the Group will continue to unlock the long-term brand value of its Proprietary Brands portfolio by sharpening its focus on key strategic brand pillars, enhancing multi-channel customer access, and pursuing selective geographic expansion. These initiatives are intended to strengthen brand equity, broaden market reach and support the sustainable scaling of the Group's proprietary products across existing and new markets.

Strengthening the Pharmaceutical and Medical Aesthetics Portfolio

The Group has been diligently looking into portfolio optimisation for its pharmaceutical portfolio and this effort has borne fruit, leading to an improved gross profit margin in FY2025. The Group will continue to rationalise and drive the growth of this portfolio.

Medical Aesthetics remains a strong growth pillar for the Group in 2026. Markets where the Group has already established an initial scale are expected to continue delivering steady growth as its market position strengthens. Meanwhile, earlier-stage markets are well positioned to generate stronger growth momentum as penetration deepens and the Group expands its presence. In parallel, the Group will explore opportunities to enter new territories that align with its strategic priorities and commercial objectives.

The Group's existing Exclusive License and Supply agreement with Favorex Pte. Ltd. for Ustekinumab biosimilar that was originally announced in 2021, has been terminated with no revenue impact arising from this termination. This was due to changes in the upstream commercial arrangement, which were beyond the Group's control. The product is still under regulatory review in various markets and as a consequence of this termination, the Group is re-assessing the business viability of the product.

Advancing PharmaTech

The Group's digital health initiatives continue to evolve under its Digital Platform and e-Pharmacy[2] segment. The latest version of the POM[3] platform is now available in both Singapore and Malaysia, with further enhancements to its functionality and user experience. The adoption of the Group's Wellaway e-pharmacy has also been very encouraging. It has enjoyed strong double-digit growth, and this trend is anticipated to continue, albeit from a low base. Moreover, with the public healthcare sector moving towards tapping private sector resources for home medication delivery, the Group is well positioned to compete for the provision of such services.

AI and Technology Adoption

With the indisputable growing importance of AI, the Group's CTO, CEO and management has been very forward-looking and pragmatic in exploring the adoption of relevant technologies for the Company. For example, the Group has developed and deployed AI-based solutions in POM, specifically a module known as e-MSL, which simulates a medical representative having a conversation with a doctor on specific products. There has been significant interest from pharmaceutical companies regarding the deployment of this tool. Additionally, the Group will be actively exploring the use of relevant AI agents in ways that will help to enhance operational productivity. The Group anticipates exploring agentic AI in the near future to aid its employees in efficiency and effectiveness.

Expanding through Acquisitions

The Group expects to complete the final tranche of its acquisition of Ardence Pharma in FY2026. In addition, it will continue to actively assess acquisition and strategic investment opportunities aligned with

[2] Such as WellAway, Singapore's first Health Sciences Authority registered e-pharmacy, which is a digital platform where patients can receive e-prescriptions from a qualified medical doctor and have the prescribed medicine delivered directly to them in a safe and secure manner.

[3] POM is a B2B digital pharmacy solutions platform that connects healthcare stakeholders like healthcare practitioners and institutions with industry stakeholders such as pharmaceutical companies and medical consumables manufacturers, to empower them to meet patients' needs more efficiently. POM has established a presence in Singapore, Malaysia, and Vietnam.

its long-term growth strategy. The Company maintains a disciplined approach, focusing on opportunities that complement existing capabilities, broaden geographic reach, or strengthen specialty offerings.

Navigating a Challenging Business Environment with Strengthened Management

The volatility in the external environment, including market and regulatory changes, has impacted the Group's business and this has led to the significant inventory provision and write off in FY2025. Nevertheless, the leadership additions in 2024 and 2025, including the Director for Supply Chain & Alliance Management and the Chief Commercial Officer respectively, are expected to strengthen the Group's ability to navigate the challenges ahead.

During the second half of FY2025, foreign exchange fluctuations continued to impact the Group's financial performance, resulting in foreign exchange losses, with a greater impact seen in Vietnam, the Philippines and Indonesia due to the relative weakening of local currencies against the USD and EUR. Looking ahead, the Group will continue to employ various measures to enhance its business resilience and cushion foreign exchange exposure, including prudent pricing adjustments and cost management initiatives.

The Group remains mindful of ongoing pressures related to working capital management, inventory optimisation and demand variability across certain product segments. Management continues to prioritise prudent cost control, enhanced inventory oversight and disciplined capital allocation to mitigate these external headwinds. Despite the challenging operating environment, the Group's diversified business model, regional footprint and portfolio spanning Pharmaceutical and Medical Aesthetics, Proprietary Brands, and Digital Platform and e-Pharmacy provide a degree of resilience. Going forward, the Group remains focused on execution, risk management and long-term value creation while navigating near-term uncertainties.

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 (www.hyphensgroup.com)

Hyphens Pharma International Limited and its subsidiaries (the "Group") is Singapore's leading specialty pharmaceutical and consumer healthcare group, driven by the belief that everyone deserves access to a better quality of life.

From its headquarters in Singapore, it maintains a direct presence in Malaysia, Vietnam, Indonesia and the Philippines, with extended reach into Thailand, Cambodia, Brunei, Bangladesh, Myanmar, Hong Kong S.A.R. and Oman. Its five key entities — Hyphens Pharma, DocMed Technology, Ocean Health, Novem, and Ardence Aesthetics, collectively advance three core business areas: Pharmaceutical and Medical Aesthetics, Proprietary Brands, and Digital Platform and E-Pharmacy.

Beyond marketing and distributing specialty pharmaceutical products across selected ASEAN markets through exclusive partnerships with global brand principals, the Group develops and commercialises proprietary dermatological and health supplement products. The Group's integrated ecosystem extends to a medical hypermart and digital pharmacy platform, enabling seamless prescription fulfillment and direct-to-patient medication delivery for healthcare providers.

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