HYPHENS PHARMA
INTERNATIONAL LIMITED

Acquisition of Novem & 3Q2021 Business Update

16 November 2021

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1. NOVEM ACQUISITION

1.1 ABOUT NOVEM

+ **Singapore-based leading healthcare-focused distributor** of pharmaceutical products, nutraceutical products and medical devices
+ **20-year** stable operating track record
+ **>40 brand principals** mainly across Europe and Asia
+ Serves **>1,000 active customers** including hospitals, polyclinics, specialists and general practitioners
+ **>150 products** in its portfolio, including proprietary brand of generics and in-house developed nutraceutical products
+ Current headcount is **28**, mainly sales & marketing executives with **5** pharmacists (excluding Ardence)

+ Novem Sciences Private Limited, has 45% shareholding interest in Ardence Pharma Sdn Bhd, a **Malaysian wholesaler of pharmaceutical and medical goods**

1.2 ABOUT THE FOUNDER

- Albert Ng is a registered pharmacist with over 20 years of relevant industry experience in the distribution, sales and marketing of healthcare products
- Under his leadership, Novem has established itself as a reliable and trusted partner in Singapore's healthcare community
- Awarded Enterprising Distributor Award by Group Procurement Office of Singhealth in 2015
- As part of the Proposed Acquisition, he will enter into an employment contract to be appointed as the Managing Director and Director of each of the Target Companies
- Will continue to oversee and manage the operations of the Target Group after the completion of the Proposed Acquisition

1.3 NOVEM PRODUCTS

Novem's products cater for a variety of diseases and therapeutic areas such as musculoskeletal, cardiology, ophthalmology and general surgery.

Pharmaceuticals

- Tablet/Capsule/Injectable/Vaccines
- Proprietary Brand of Generics
- Distributed Generics & Vaccines

Evidence Based Nutraceuticals

Novem developed products

ActivQ™-50
Ubiquinol 50mg

ActivQ™-100
Ubiquinol 100mg

Helio-D3™
Vitamin D3
1000 IU (25 ug)

MarineMag™
Elemental Magnesium
200 mg

RemeCur™
Bioactive Curcumin
500mg

Orthotect
Glucosamine HCl
750mg

Super*Krill2 Forte*
Antarctic Krill Oil 500mg

Distributed brands

Lipesco®-E
Alpha-Lipoic Acid 600mg, Vit B1 50mg, Vit B6 50mg, Vit B12 100mcg, Vit E 8mg

NC2
Native Collagen II 10mg

Oxithion
Sublingual L-Glutathione 100mg & 250mg oral granules

1.4 NOVEM PRODUCTS

Medical Devices

Visco-supplement

KD Intra-articular Gel 2.2% and 2.5%
Sodium Hyaluronate
Intra-articular injection 2ml and 4.8ml

HAppyCross 1.6% (Malaysia Only)
Cross-Linked Hyaluronic acid 1.6% + Mannitol 3.5%
Intra-articular injection 2.2ml

Biosurgery

HaemoCer (& H Plus)
Plant-based Haemostatic Powder
Pack of 2g/5g

Collatamp G
Gentamicin Collagen Sponge
5x5cm / 10x10cm

Guardix Sol
Anti-Adhesion Barrier
1.5g/5g Syringe

Glove Port
Single Port Laparoscopic
Surgery

Vascular, Musculoskeletal, Infectious Control

Sigvaris® Medical Compression Stockings
For chronic venous insufficiency

Halyard Surgical Disposable Products
Purple Nitrile-Xtra Exam Gloves
Halyard Surgical Drapes
Fluidshield fog-free surgical mask
The Lite One Procedure Mask
Basic Impervious Full Back Gown
Wypall Quarter Fold Wipers
Sterile Surgical Sleeve

Ear, Nose, Throat

bioXtra oral care for xerostomia

NePlus
Mesh Nebulizer

Drossa-Nose®
Sal Marinum 1%
Tube of 20g

1.5 PRODUCT SPOTLIGHT

Oxithion

Sublingual L-Glutathione 100mg & 250mg oral granules

ActivQ™-50

Ubiquinol 50mg

ActivQ™-100

Ubiquinol 100mg

RemeCur™

Bioactive Curcumin 500mg

1.6 RATIONALE

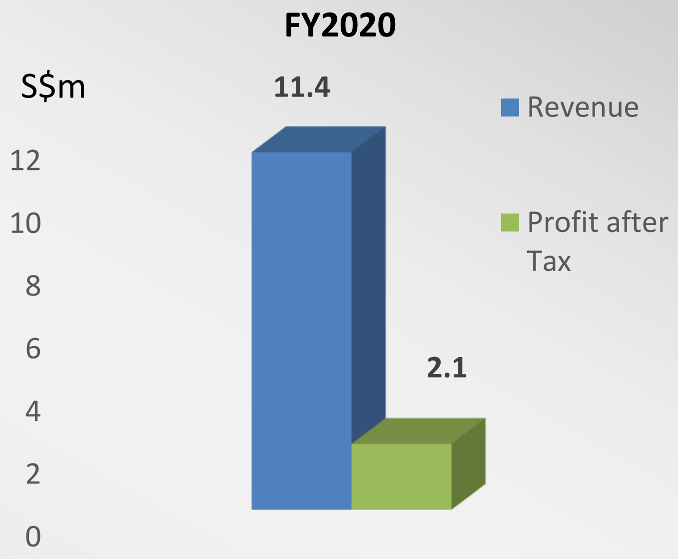
+ Strategic opportunity to acquire a portfolio of businesses with a good management team
+ Financially attractive from a revenue scale and earnings accretion perspective
+ Gain access to new brand principals, products and customers to enhance and enlarge revenue and profits, and strengthen presence in the Singapore market
+ Strengthen market leadership position in Singapore
+ Enhances ability to deliver a variety of high quality healthcare products and services to an enlarged customer base comprising both private and public sectors
+ Further strengthen proprietary brands business segment with addition of Novem's proprietary brand of products

1.7 PURCHASE CONSIDERATION

Total	:	**S$16,280,000**
Cash (85%)	:	S$13,838,000
Shares (15%)*	:	8,345,800 (S$2,442,000)
Dilution	:	2.70% (enlarged share capital)

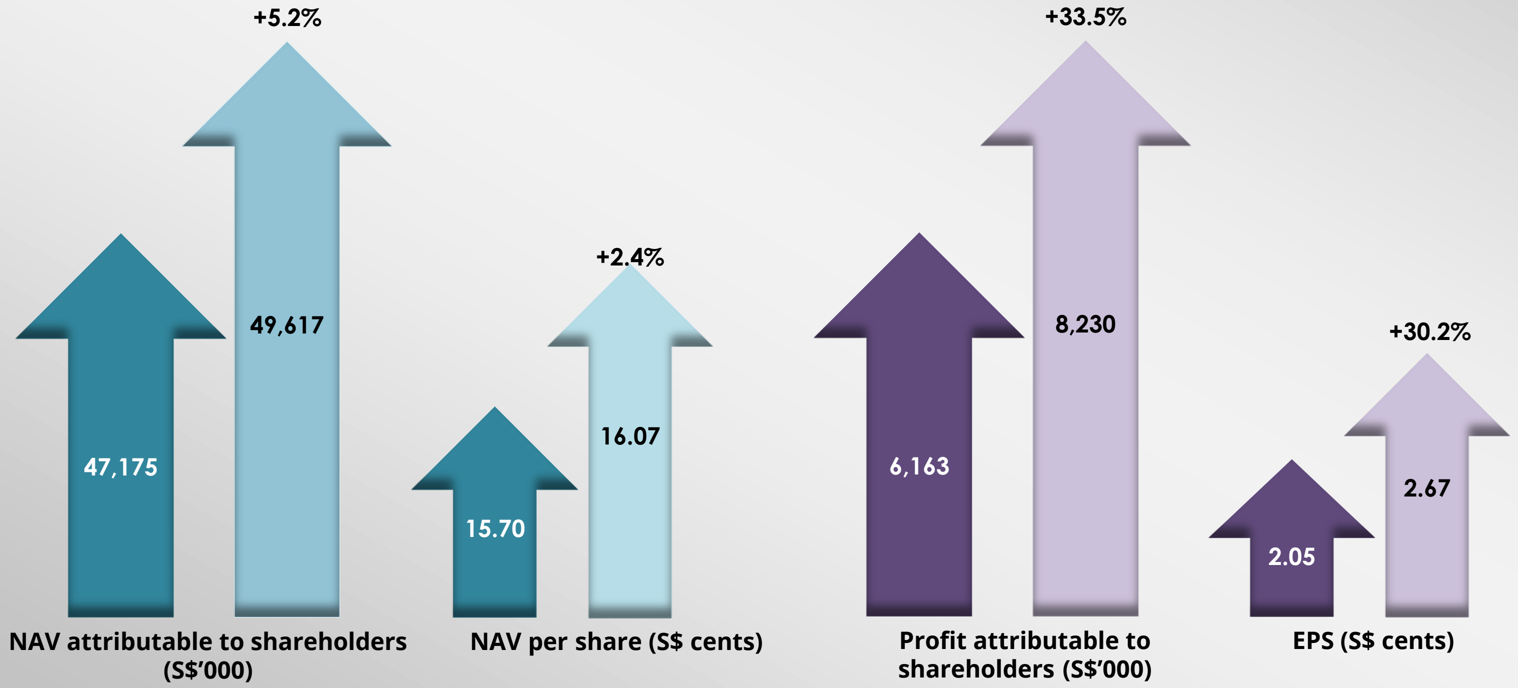
** 5,563,800 shares (appox 2/3 of consideration shares) are subject to 3-year moratorium after completion*

Novem has a proven stable financial performance over the years



1.8 FINANCIAL EFFECTS ILLUSTRATION FOR FY2020

Before Proposed Acquisition vs After Proposed Acquisition



*Assuming Proposed Acquisition completed on 31 December 2020

*Assuming Proposed Acquisition completed on 1 January 2020

Note:
Financial effects do not take into consideration: (i) expenses incurred or to be incurred in connection with the Proposed Acquisition; and (ii) effect of purchase price allocation exercise
in relation to the Proposed Acquisition to be conducted post-completion

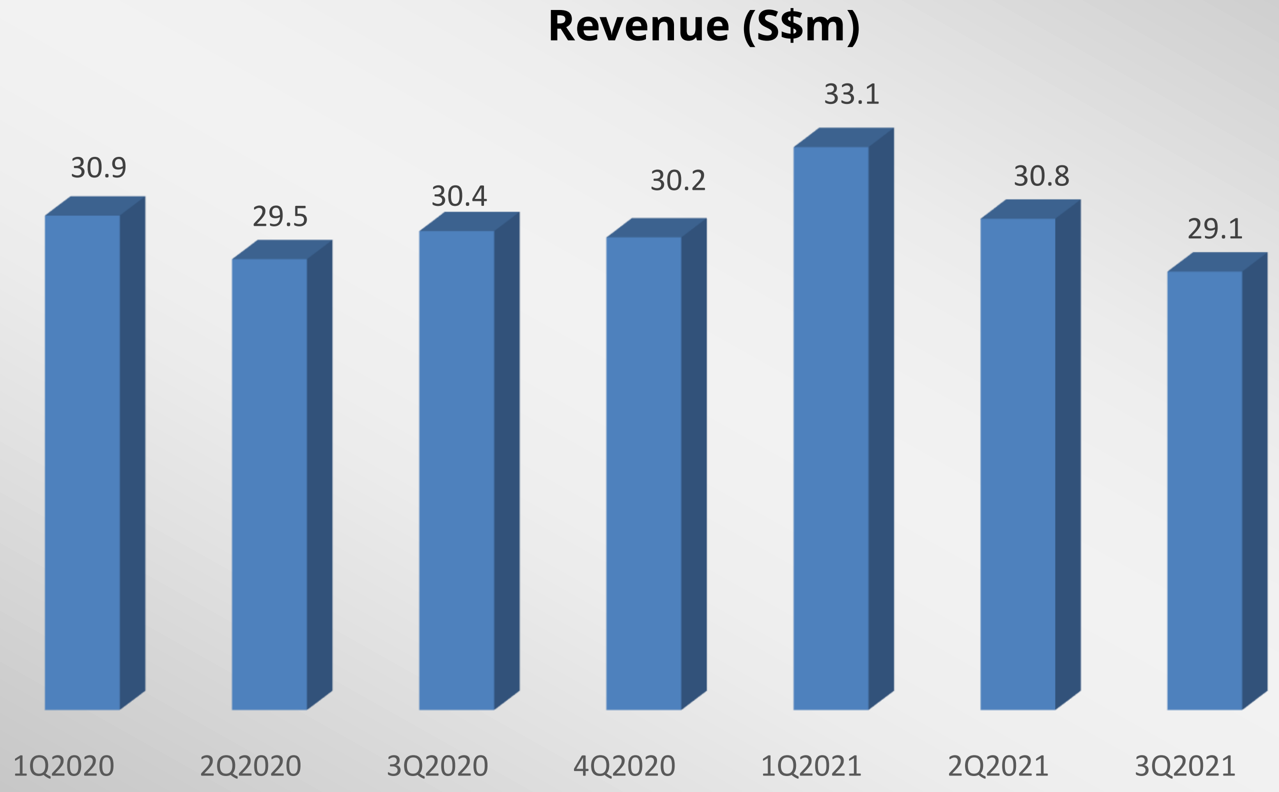
2. 3Q2021 BUSINESS UPDATE

2.1 FINANCIAL HIGHLIGHTS

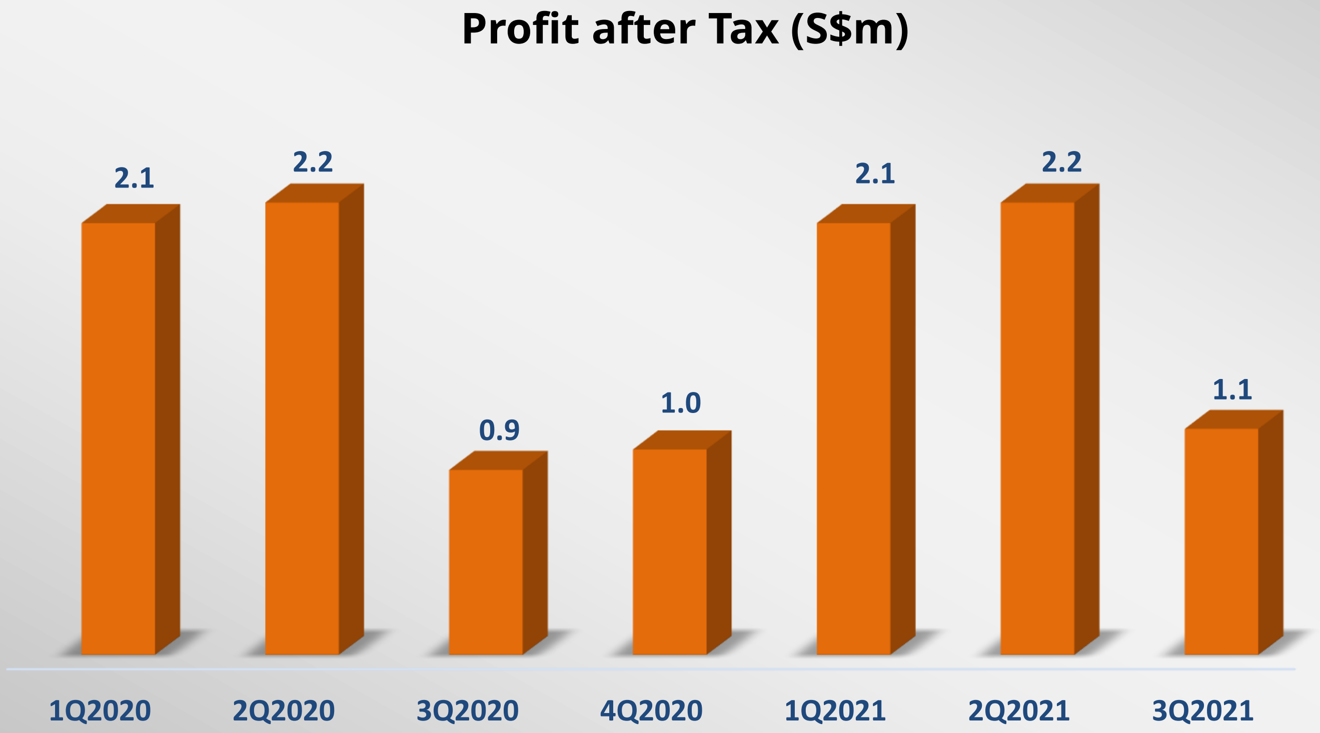
	3Q2021 S$'000	3Q2020 S$'000	Change %	9M2021 S$'000	9M2020 S$'000	Change %
Revenue	29,135	30,359	-4.0	92,942	90,747	2.4
Gross profit	10,640	10,347	2.8	35,392	31,452	12.5
Profit before tax	1,519	1,053	44.3	6,749*	6,202*	8.8
Profit, net of tax	1,091	847	28.8	5,405*	5,129*	5.4

** Included JSS of S$0.1m in 9M2021 & S$1.2m in 9M2020.*

2.2 FINANCIAL HIGHLIGHTS



2.3 FINANCIAL HIGHLIGHTS



2.4 CASH POSITION

S$33.6m @
30 Sep 2021

Acquisition needs of S$13.8m to be financed by cash & bank loans.

Dividend policy maintains at: to pay at least 30% of its net profits attributable to shareholders, subject to the Board's approval.

BUSINESS OUTLOOK

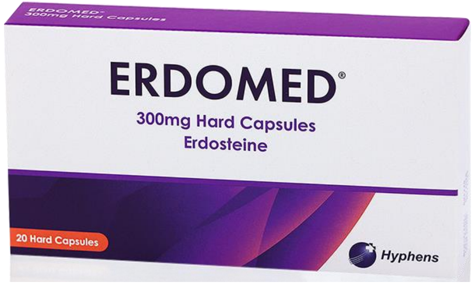
3.1 GROWING OUR PROPRIETARY BRANDS

+ Proprietary Brand business remains key focus
+ **Ocean Health®**, **Ceradan®**, **TDF®** and **CG210®** enjoyed robust growth in sales and brand equity

+ Further nurturing of these brands in markets where it already has presence, seek out new international partnership opportunities and invest in innovation
+ Latest product – **Ceramoz® Mosquito Repellent Patch** – a 100% natural patch with ingredients that is US EPA approved and regulated and protects up to 12 hours indoors and outdoors

3.2 STRENGTHEN SPECIALTY PHARMA PORTFOLIO

+ Remains focused on further cementing leadership position and deepening presence in the ASEAN region
+ Continue to capture market opportunities with existing products, build brand equity for newly launched products, and actively seek licensing opportunities for new products



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