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HYPHENS PHARMA INTERNATIONAL LIMITED

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Lim See Wah

Designation

Executive Chairman and Chief Executive Officer

Description (Please provide a detailed description of the event in the box below)

Please refer to the attached.

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The contact person for the Sponsor is Ms Lee Khai Yinn (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

Attachments

[Hyphens - Novem Briefing.pdf](#)

Total size =1636K MB



HYPHENS PHARMA INTERNATIONAL LIMITED

Acquisition of Novem & 3Q2021 Business Update

16 November 2021



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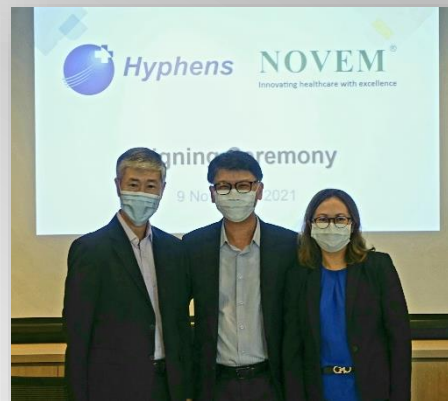


1. NOVEM ACQUISITION



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



Helio-D3™
Vitamin D3
1000 IU (25 ug)



MarineMag™
Elemental Magnesium
200 mg



RemeCur™
Bioactive Curcumin
500mg



Orthotect
Glucosamine HCl
750mg



SuperKrill2 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



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



VEINOPLUS back
EMS/TENS DEVICE +
ELECTRODES 1 SET



Halvard Surgical Disposable Products

Purple Nitrile-Xtra Exam Gloves
Halvard Surgical Drapes
Fluorshield fog-free surgical mask
The Life One Procedure Mask
Basic Imperious 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 ActivQ™-100

Ubiquinol 50mg

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



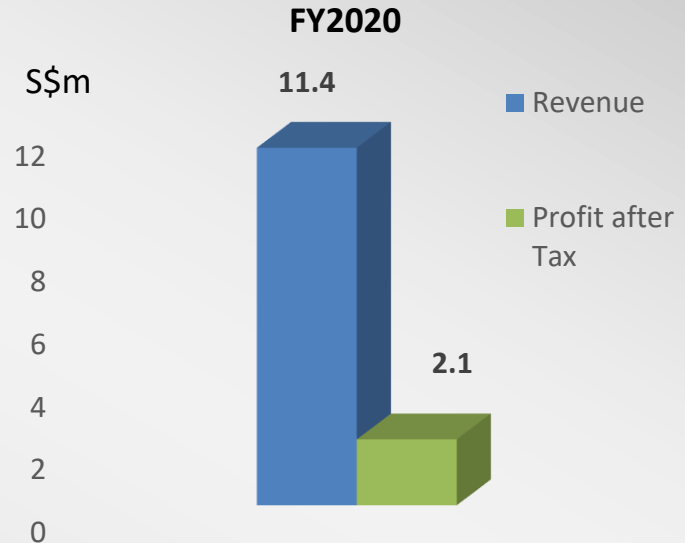
1.7

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*

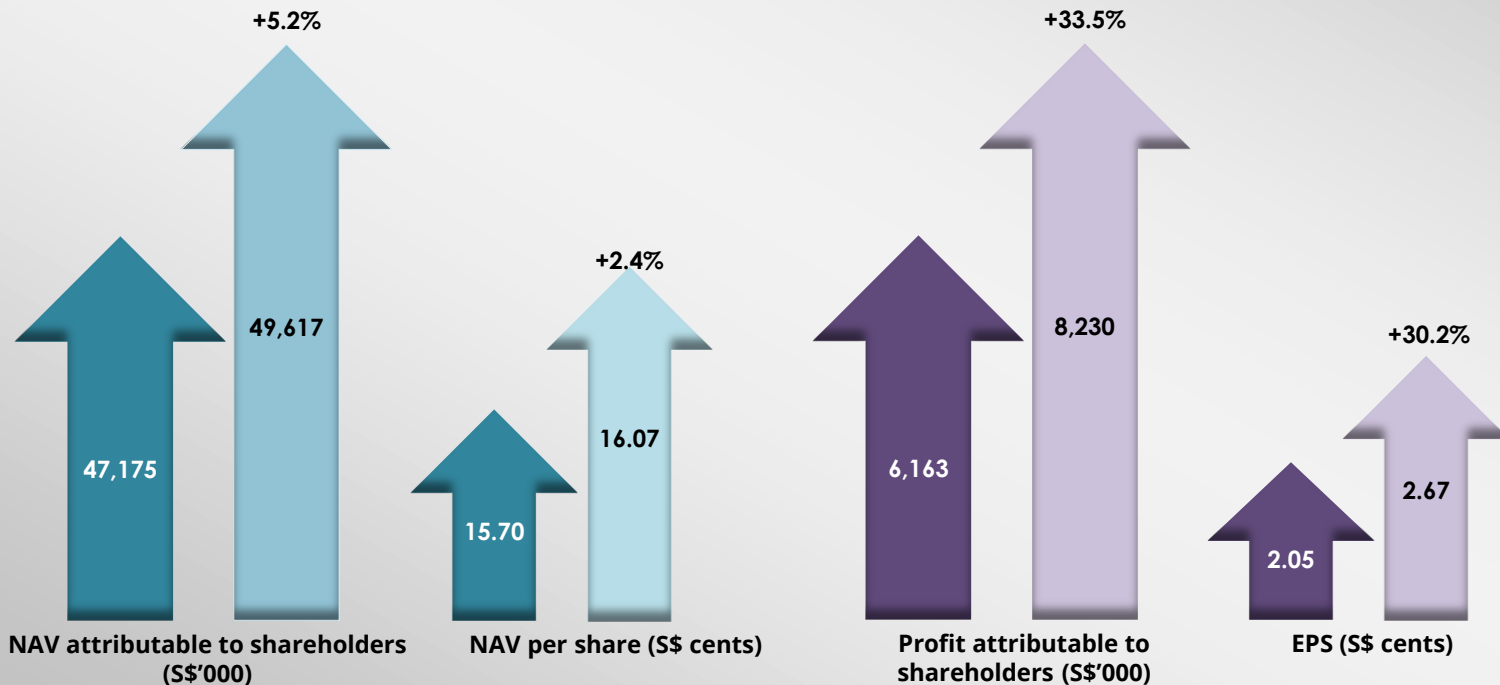
Novem has a proven stable financial performance over the years



1.8

FINANCIAL EFFECTS ILLUSTRATION FOR FY2020

Before Proposed Acquisition vs After Proposed Acquisition



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

*Assuming Proposed Acquisition completed on 31 December 2020

*Assuming Proposed Acquisition completed on 1 January 2020



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



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 |

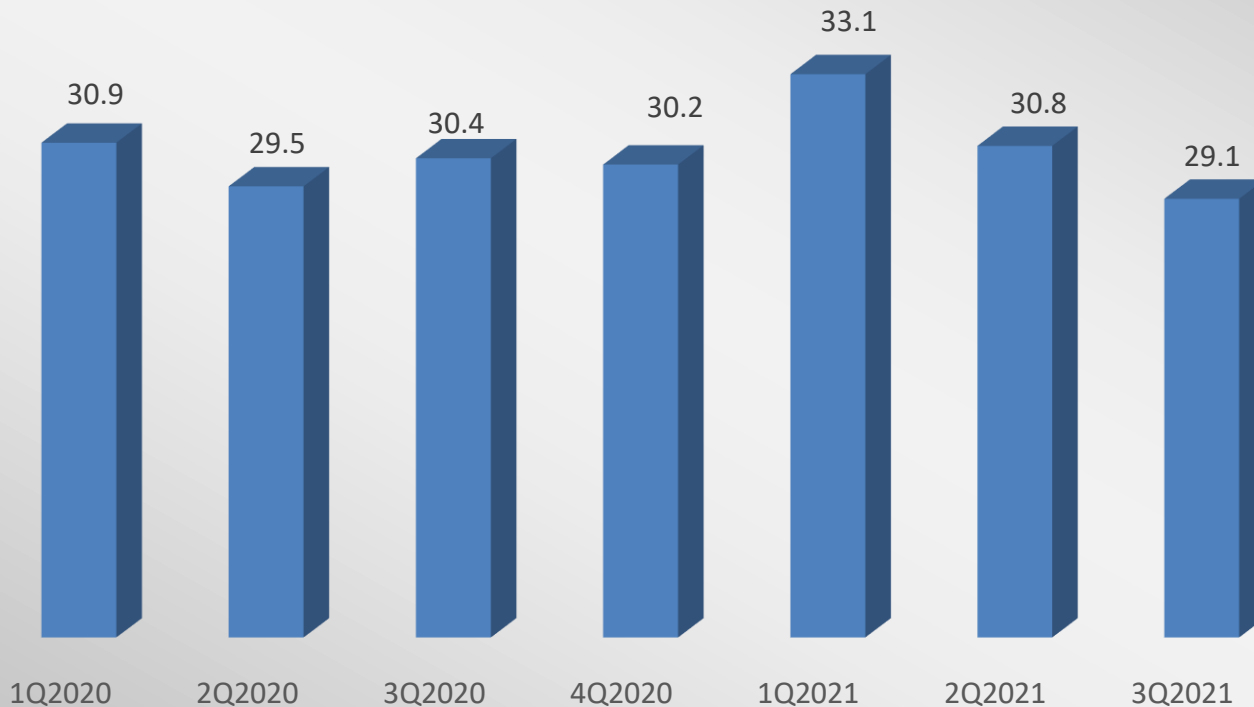
** Included JSS of S\$0.1m in 9M2021 & S\$1.2m in 9M2020.*





2.2 FINANCIAL HIGHLIGHTS

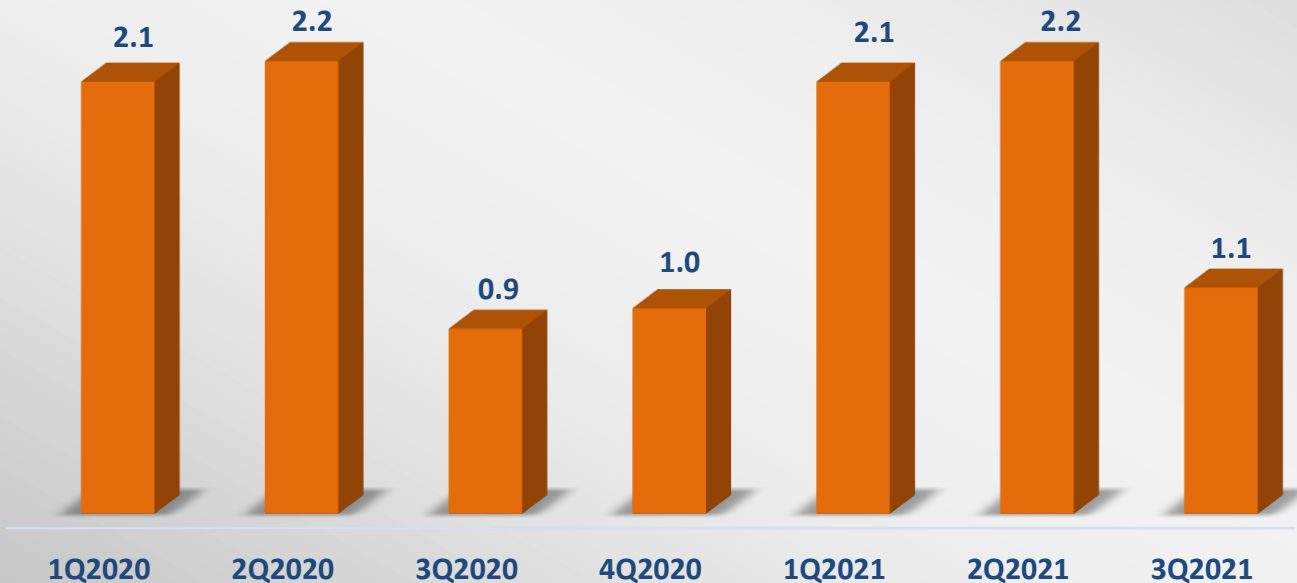
Revenue (\$m)



2.3

FINANCIAL HIGHLIGHTS

Profit after Tax (S\$m)



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



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



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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