

FOR IMMEDIATE RELEASE

MEDIA RELEASE

PHARMANIAGA RETURNS TO BLACK WITH PROFIT AFTER TAXATION OF RM26 MIL FOR FY2020

Declares Fourth Interim Dividend of 1.0 sen per share

KEY HIGHLIGHTS

- Profit after taxation for FY2020 up more than 100% to RM26 million.
- Revenue stood at RM2.7 billion for the financial year.
- Fourth interim dividend of 1.0 sen per share declared.
- Pharmaniaga secures agreement to supply MOH with 12 million doses of COVID-19 vaccine

SHAH ALAM, 17 MARCH 2021: Pharmaniaga Berhad (Pharmaniaga) is firmly on a stronger footing after returning to the black with a profit after taxation (PAT) of RM26 million in its financial year ended 31 December 2020.

This reflects an increase of more than 100% from the deficit of RM149 million in the previous fiscal year, mainly due to full recognition of remaining unamortised Pharmacy Information System (PhIS) costs amounting to RM247 million in 2019, which was a one-off non-cash item. Profit before zakat and taxation (PBT) for the year under review grew to RM36 million, while revenue came in at RM2.7 billion.

For the fourth quarter ended 31 December 2020, the Group fared better with a lower loss after taxation of RM7 million compared with the loss after taxation of RM179 million in the same quarter last year. Revenue for the quarter under review stood at RM635 million.

Datuk Zulkarnain Md Eusope, Group Managing Director Pharmaniaga Berhad said, "The year 2020 has been challenging as COVID-19 pandemic impacted all industries in general including us which resulted in lower demands from Government hospitals and clinics. The situation is similar for our Indonesia operations.

"Moving forward, we will face this pandemic with the spirit of reinvention and innovation - with fortified strategies in place by focusing on our strong Research & Development Team to pave the way for the future of Halal medicines, invest in digitalisation of supply chain managements towards Industrial Revolution (IR) 4.0, as well as on a multitude of e-commerce platforms to capture the changing consumers' dynamic trends."

FOR IMMEDIATE RELEASE

MEDIA RELEASE

Datuk Zulkarnain added that the Group is honoured to be selected by the Government for the COVID-19 vaccine fill and finish manufacturing.

"We have all the facilities and workforce needed to carry out this mandate entrusted by the Government. Our EU certified high-tech Small Volume Injectable plant has been retrofitted and repurposed in December 2020 with a slight investment to conduct the fill and finish manufacturing of the vaccine.

"On 26 January 2021, we have signed an agreement with the Ministry of Health Malaysia (MOH) to supply 12 million doses of the COVID-19 vaccine to its designated health facilities nationwide, and we are firmly committed to meeting the healthcare requirements of the *Rakyat*," he said.

The logistics and distribution of the vaccine will be carried out by Pharmaniaga Logistics Sdn Bhd, which has 26 years of experience managing vaccine distribution and has a well-established infrastructure to support the needs.

Apart from the COVID-19 vaccine programme, Datuk Zulkarnain said the Group has also placed strategic plans to strengthen its vaccine business and create an additional income stream.

In line with this, a Memorandum of Understanding (MOU) was inked with a leading Indian biotechnology company, the Serum Institute of India Private Limited (Serum), for the pneumococcal vaccine in October last year.

"The MOU aimed to allow us to purchase pneumococcal vaccines from Serum and subsequently use the technology and know-how licensed by them for the fill and finish manufacturing. The vaccine will be marketed, distributed and sold exclusively in Malaysia by Pharmaniaga," he said.

In contributing to the performance for the year ahead, the Group's contract with MOH for the provision of medicines and medical supplies continues until November 2024.

Dato' Sri Mohammed Shazalli Ramly, the newly appointed Pharmaniaga Chairman said, the Group is poised to be the most respected tech-viable pharmaceutical company in Malaysia and is now positioned to lead in premier Halal drugs manufacturing.

"We have refined the strategies to achieve the target and this is aligned with our parent company's strategy of Reinventing Boustead. This involves speedier value creation within the Group's existing core businesses, adopting new business models for new revenue generators, rationalising a few non-strategic assets, as well as venturing into

FOR IMMEDIATE RELEASE

MEDIA RELEASE

relevant digital services to support a smarter spending and cost saving management,” he said.

The Group is committed to delivering shareholder value, with total dividends of 10.0 sen per share have been paid out for the nine-month period ended 30 September 2020. The Board of Directors also declared a fourth interim dividend of 1.0 sen per share. The dividend will be paid on 22 April 2021 to shareholders on the register as of 31 March 2021.

Forward-looking statements

This release may contain certain forward-looking statements with respect to the financial conditions, results of operations and business of the Group and certain plans and objectives of Pharmaniaga Berhad with respect to these items. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

-Ends-

ABOUT PHARMANIAGA BERHAD

Pharmaniaga is the leading pharmaceutical company of Boustead Holdings Berhad Group of Companies, which together with the Armed Forces Fund Board, are the major shareholders of the Company. Listed on the Main Board of Bursa Malaysia, Pharmaniaga’s core businesses are generic pharmaceuticals manufacturing; research and development; marketing and sales; warehousing and distribution of pharmaceutical and medical products; supply, trading and installation of medical and hospital equipment as well as community pharmacy.

With a vision to be the premier Malaysian pharmaceutical company, Pharmaniaga is guided by its philosophy of ‘Do It Right Always’ and is empowered by its motto of Passion for Patients. Strengthened by nine manufacturing plants, nationwide logistics and distribution in Malaysia and Indonesia as well as products registered in 15 countries, Pharmaniaga Group is positioned to be a regional player in the international pharmaceutical arena.

Issued for Pharmaniaga Group by Corporate Communications Department, Pharmaniaga Berhad.

FOR IMMEDIATE RELEASE

MEDIA RELEASE

For media enquiries, please contact Dato' Zuhri Iskandar Kamarzaman, Head of Corporate Communications Department, Pharmaniaga Berhad at 03 3342 999 ext 434 or by email zuhri@pharmaniaga.com