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**HIGHER DEMAND ACROSS ALL BUSINESS SEGMENTS
CONTRIBUTED TO PHARMANIAGA'S COMMENDABLE
PERFORMANCE FOR Q2 2021**

KEY HIGHLIGHTS

- Revenue surged by 82% or RM1.2 billion
- Profit after taxation higher at RM14 million
- Profit before zakat and taxation grew to RM22.2 million
- Second interim dividend of 1.5 sen per share declared

SHAH ALAM, 20 August, 2021 – Pharmaniaga Berhad (Pharmaniaga) registered commendable results for the second quarter ended 30 June 2021, driven by improved performance across all business segments.

The Group recorded higher Profit Before Zakat and Taxation (PBT) for the quarter at RM22.2 million, from RM14.3 million in the previous year's corresponding quarter. Profit After Taxation (PAT) for the quarter surged 45% to RM13.9 million from RM9.6 million compared to the same quarter last year.

In the same quarter, Pharmaniaga registered RM1.2 billion in revenue, a tremendous jump of 82% from RM646 million in the previous year's corresponding quarter. This was mainly due to higher demand from the concession, non-concession and Indonesian businesses. The significant increase in the non-concession business was attributable to the sales of the Sinovac COVID-19 vaccine to the Ministry of Health (MOH).

The Group's gearing ratio stood at 3.1 due to high borrowings to procure the COVID-19 vaccine in support of the nation's urgent need for the National COVID-19 Immunisation Programme. These borrowings were secured against government contract and private sector purchasers. Without these borrowings, the gearing ratio would be significantly lower at 1.8.

For the first half of the year, we have spent RM2.2 million for various activities in supporting the Government's National Recovery Plan, which included private COVID-19 vaccination programme, as well as regular RTK antigen and PCR swab tests for all employees. The Group also extended aid to those affected by the pandemic by providing food, supplements and personal protection equipment. To date, the Group has allocated RM1.6 million for zakat on business.

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With the overall improved performance, the Group remains committed to delivering shareholder value and the Board of Directors declared a second interim dividend of 1.5 sen per share. The dividend will be paid on 30 September 2021 to shareholders on the register as of 8 September 2021.

Pharmaniaga Group Managing Director Datuk Zulkarnain Md Eusope said upon completing the Sinovac COVID-19 vaccine supply in Malaysia, the Group is looking at opportunities to export the vaccine overseas.

“We are in discussions with Sinovac Biotech Ltd to facilitate the export of the vaccine to countries that face challenges in securing sufficient supply, including Indonesia, the Philippines, Cambodia, Thailand, as well as several African nations. Pharmaniaga’s planning has allowed the Group to capitalise on these apt opportunities,” he said.

Domestically, Pharmaniaga’s well-calculated business strategy and plan have been fruitful, particularly in supplying and distributing the Sinovac COVID-19 vaccine to the Government.

“The Group has successfully delivered the last batch of the Sinovac COVID-19 vaccine supply, totalling 12.4 million doses to the Government on 21 July 2021, 4.5 months ahead of the initial contract schedule. We are proud to be the first company to meet the vaccine supply contractual obligation for the National COVID-19 Immunisation Programme.

“Moving forward, given Pharmaniaga’s capability to continuously manufacture fill and finish Sinovac COVID-19 vaccine, we are in a strategic position with the capacity to simultaneously supply the vaccine to the Federal Government, the State Governments as well as the private sector in ensuring that the administration of the vaccination process runs smoothly and speedily,” he said.

The Group’s high-tech plant under Pharmaniaga LifeScience Sdn Bhd (PLS) has recently obtained approval from the National Pharmaceutical Regulatory Agency (NPRA) to manufacture fill and finish Sinovac COVID-19 vaccine 2-dose per vial, which immediately ramps up the plant’s capacity from 2 million to 4 million doses per month, starting August 2021.

The continuous production of the vaccine will cater to the demand from the state governments and private sector, as well as provide national stockpile support in the event of delays in delivery by other vaccine manufacturers.

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Datuk Zulkarnain said that the Sinovac COVID-19 vaccine was approved for the adolescent population aged 12-17 years in Indonesia and China. He said, “We have submitted documents to NPRA to use the Sinovac COVID-19 vaccine for children in Malaysia as the increasing COVID-19 infectivity rate among children is alarming.

“We also expect Sinovac to offer booster shots soon, particularly for vulnerable and high-risk groups of the population in order to maintain protection against the virus, particularly from new variants,” he said.

With the prospect of high demand for the COVID-19 vaccine, the Group expects PLS to continue manufacturing fill and finish of the vaccine as the plant has sufficient capacity to produce 4 million doses per month. PLS is the only specialised sterile small volume injectable (SVI) plant in Malaysia and it was awarded with the European Union (EU) Good Manufacturing Practice in 2013 by Infarmed Portugal. PLS also is the first pharmaceutical plant in Malaysia to have Track and Trace system (serialisation) and has started supplying products to the EU market.

Datuk Zulkarnain said that the Group is aggressively pursuing the renewal of Pharmaniaga’s contract to supply medicine and medical supplies to MOH. He added, “Our strong and proven track record coupled with the Group’s high end and sophisticated facilities makes the renewal of the concession a viable prospect. In tandem, prospects for the Group’s non-concession business continue to be positive as we embark on strengthening our services in ensuring that the quality of our products meet with the specific requirement set by the customers.

“With population of close to 700 million, ASEAN countries offer significant opportunities to Pharmaniaga, despite the tough competition. We are focused on improving our Indonesian operations in order to capture the immense potential in the Republic,” concluded Datuk Zulkarnain.

Pharmaniaga Chairman Dato’ Sri Mohammed Shazalli Ramly said, “As the nation pushes forward amidst the continued resurgence of COVID-19 cases, Pharmaniaga is well-positioned to continuously support the Government and protect the *Rakyat* with our capabilities and facilities across various healthcare sectors.

“We remain committed to R&D despite the heightened activity seen by the Group in terms of COVID-19 vaccine production. The expansion of our product pipeline via R&D as well as the execution of our dynamic strategy to broaden Pharmaniaga’s presence in the private sector, particularly the consumer healthcare segment, is expected to allow the Group to record improved revenue beyond the COVID-19 vaccines in the coming quarters,” said Dato’ Sri Mohammed Shazalli.

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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.

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