

PRESS RELEASE
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**PHARMANIAGA CHARTS STRATEGIC INITIATIVES TO
OVERCOME PN17 STATUS AND DRIVE
RECOVERY RESILIENCE**

PETALING JAYA, 12 June 2023 – Pharmaniaga Berhad (Pharmaniaga) outlines a strategic plan to address the challenges presented by its Practice Note 17 (PN17) status, with a strong focus on financial recalibration and a resolute commitment to overcome obstacles. The Group charts a path towards a resilient recovery and rapid progress across its business segments.

During the 25th Annual General Meeting (AGM), held at The Bousteador and broadcasted live today, Pharmaniaga's Executive Committee (EXCO) Chairman Ahmad Shahredzuan Mohd Shariff emphasised that, "Our strategic plan encompasses targeted initiatives aimed at streamlining business activities, optimising overall business operations and costs, as well as finding synergies across all business units.

"The Group has placed great emphasis on expanding our capabilities in the field of biopharmaceuticals, with a focus on the establishment of state-of-the-art manufacturing facilities for vaccines and insulin to address the increasing needs in these therapeutic areas.

"We are targeting vaccines primarily under the National Immunisation Programme (NIP). The work is progressing well and is scheduled for commercialisation in 2025 for vaccines and 2026 for insulin," he said.

The Group is also expecting the negotiation of the concession renewal will be concluded very soon. "We have been engaged in positive discussions with the Ministry of Health (MoH) and building upon our exceptional 28-year track record in logistics and distribution, we will continue to provide exceptional service.

"Meanwhile in the private generic drugs market, Pharmaniaga commands a significant market share of close to 10%. Our projected growth in the private market for the year 2023 stands at an impressive 20%, surpassing the annual market growth rate of 7%," he said.

For the international footprint, Ahmad Shahredzuan said the Group's logistics and distribution arm in Indonesia PT Millenium Pharmacon International Tbk (MPI) is aiming at double digits sales compared to the last year's achievement.

"As part of MPI's comprehensive expansion strategy, we are establishing new branches in 2023 to further strengthen our logistics and distribution capabilities throughout the region. Meanwhile, our manufacturing arm in Bandung, Pt Errita Pharma will focus on expanding its market penetration, as well increasing production capacity," he noted.

Optimistic of the Group's continuous potential growth, Pharmaniaga Chairman Izaddeen Daud said, "Moving forward, our goal is to diversify our business. To achieve this, we continuously exploring non-concession healthcare opportunities and expanding our logistics business. Leveraging our core strengths in pharmaceuticals and healthcare products, particularly in biopharma, both in drugs and non-drugs, will remain a key focus in driving growth.

"We are also pursuing global and regional ventures in order to maintain and expand our presence in private and international markets. By taking these steps, our ultimate aim is to solidify our position as a leader in the healthcare industry and achieve sustainable growth over the long-term," he concluded.

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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, MoH

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. For more information, please log on to <https://pharmaniaga.com/>

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