PRESS RELEASE

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PHARMANIAGA MAINTAINS UPWARD MOMENTUM IN Q2 FY2025, REINFORCING TURNAROUND STRATEGY

Key takeaways:

- *Profit after taxation increased by 9.5% year-on-year to RM4.2 million.*
- *Revenue grew by 10.6% to RM926.9 million.*
- *EBITDA rose by 9.2% to RM34.2 million.*
- *Manufacturing division continued to be the main driver towards the Group's profitability*

SHAH ALAM, 26 August 2025 – Pharmaniaga Berhad (Pharmaniaga or the Group) continues its positive momentum in the second quarter of its financial year ended 30 June 2025 (Q2 FY2025), marking key milestones across its financial, pharmaceutical, and logistics segments. Reinforcing its steady progress towards exiting Practice Note 17 (PN17) status, the Group recorded a Profit After Taxation (PAT) of RM4.2 million, a 9.5% increase from RM3.8 million posted in the corresponding quarter of the previous financial year (Q2 FY2024).

The Group recorded a higher revenue of RM926.9 million for Q2 FY2025, an increase of 10.6% from RM838.3 million in Q2 FY2024, mainly supported by stronger demand in the concession segment, due to the higher volume of orders by government hospitals and the addition of new products to the Approved Products Purchase List (APPL).

In line with the increase in revenue, the Group recorded higher earnings before interest, taxation, depreciation, and amortisation (EBITDA) of RM34.2 million, representing a 9.2% increase from RM31.3 million in the corresponding quarter of the previous financial year.

Performance for the first six months financial year ended 30 June 2025 (1H FY2025)

Pharmaniaga recorded RM2.0 billion in revenue during the first half of the year, which is a steady increase of 9.9% from the corresponding period of the previous financial year. This growth was primarily driven by heightened customer demand in the concession segment.

During the period, 86 in-house products were manufactured under the Ministry of Health (MOH) contracts, focusing on key therapeutic areas including cardiovascular, alimentary tract and metabolism, as well as anti-infectives. The increase in production reflects stronger demand and highlights the Group's expanding role in supporting the national supply of essential medicines.

The Group's cost optimisation initiatives, including effective inventory management, also delivered encouraging results, generating approximately RM1.7 million in operating expense savings and RM1.0 million in interest savings.

As a result of both higher revenue and improved cost efficiency, EBITDA rose to RM106.3 million from RM97.8 million in the same period last year, while Profit Before Zakat and Taxation (PBT) increased to RM52.9 million from RM42.4 million in the corresponding period of the previous financial year.

The performances of the Group's Divisions for 1H FY2025 are as follows:

Manufacturing Division

- The Manufacturing Division reported an EBITDA of RM50.3 million, a significant improvement compared with RM31.6 million in the same period last year. This improvement was driven by higher demand from government hospital for in-house manufactured products.
- The Division continued to the be main driver towards the Group's profitability by contributing 81.2% of the Group's net profit.

- The long-term outlook for the Group's Manufacturing Division remains positive, primarily as a result of the ongoing expansion of the vaccine manufacturing business coupled with sustained demand.

Logistics & Distribution Division

- The Logistics and Distribution Division recorded a lower EBITDA of RM37.2 million for the financial period under review, compared with RM45.9 million in the corresponding period of the previous financial year.
- The decrease was primarily due to the increase in cost of goods sold resulting from new pricing under the new concession agreement. However, the decrease in EBITDA was cushioned by the growth in revenue for the concession segment, driven by higher demand during the year, attributed to the higher volume of orders by government hospitals and the addition of new products to the APPL.
- The Group maintains its commitment to the Ministry of Health Malaysia by efficiently managing logistics and distribution services to ensure the timely delivery of critical medical supplies to healthcare facilities.

Indonesia Division

- The Indonesia Division recorded a 1% increase in revenue (in IDR), supported by stronger sales of in-house manufactured products.
- EBITDA for the period stood at RM17.4 million, compared with RM19.8 million in the corresponding period last year, reflecting a moderation of 12.3%.
- The higher marketing and promotional investments, which rose by IDR4.16 billion, were directed at expanding market reach and strengthening product visibility. While this temporarily impacted EBITDA, these efforts are expected to support longer-term growth.
- Performance was also influenced by currency fluctuations, yet the Division remains resilient with encouraging sales momentum in core products.

Pharmaniaga Managing Director Dato' Zulkifli Jafar said, "We are pleased to have sustained the positive momentum from the first quarter into the second quarter of

2025, with Manufacturing Division continued to become the main driver for our profitability. This encouraging performance reinforces our financial recovery and paves the way for Pharmaniaga's eventual exit from PN17 status.

"In our biopharmaceutical segment, we are encouraged by the progress made in the human insulin programme. We recently secured additional tenders from several major teaching hospitals and completed nine process validation batches in May 2025. The stability data is currently being generated, and we aim to initiate registration by year end.

"On the pharmaceutical front, we continued to grow our product portfolio with the launch of two new offerings in the anti-infectives and urology therapeutic areas. These additions reflect our commitment to portfolio diversification and meeting the evolving needs of patients and healthcare providers.

"We are also pleased to share that our logistics and distribution segment remains steadfast in its role as a trusted partner to the Ministry of Health. In the first half of the year, we saw more than 10% increase in order volumes from government hospitals, largely due to the expansion of the APPL with more than 140 new products were added, bringing to a total of more than 830 products. This will significantly contribute to revenue and higher operational profitability.

"Meanwhile in Indonesia, we are pushing forward with our network expansion. We are in the final stages of opening our 37th branch in Palu, Sulawesi targeted for launch in Q4 FY2025. We also rolled out two new products in Q2 FY2025 as part of our ongoing efforts to grow our pain management and anti-infectives portfolios in that market," he added.

Earlier this month, Pharmaniaga completed its Regularisation Plan, a significant milestone and a major turning point in the Group's financial recovery journey. The successfully concluded Rights Issue and Private Placement exercises on 31 July 2025, followed by the Capital Reduction exercise on 6 August 2025, Pharmaniaga has restored its financial footing and is now fully compliant with the Main Market Listing Requirements of Bursa Malaysia.

"This marks a major step forward and we are confident in our path to exit PN17 status latest by the first quarter of 2026. We remain focused on achieving our growth targets for the remainder of 2025, strengthening our financial foundation and expanding our presence across key markets.

"It has been a transformative journey, and I want to thank our dedicated employees, partners, financiers, shareholders and stakeholders for their continued support. Together, we are building a stronger, more resilient Pharmaniaga for the future," he said.

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About Pharmaniaga Berhad

Pharmaniaga is the pharmaceutical arm of Boustead Holdings Berhad Group of Companies, which together with the Armed Forces Fund Board, are the substantial shareholders of the Company. Listed on the Main Market of Bursa Malaysia Securities Berhad, Pharmaniaga's core businesses are generic pharmaceuticals manufacturing; research and development; marketing and sales; warehousing and distribution of pharmaceutical and medical products. With a vision to be the premier Malaysian pharmaceutical company, its operations are strengthened by five manufacturing plants, as well as extensive logistics and distribution network in Malaysia and Indonesia. Pharmaniaga Group is positioned to be a regional player in the international pharmaceutical industry.

For more information, please visit https://pharmaniaga.com/.

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