

21 March 2025

BEXIMCO PHARMACEUTICALS LIMITED

Response to reports in Bangladesh media and update on BSEC order

Beximco Pharmaceuticals Limited ("the Company"; AIM Symbol: BXP, LEI No.: 213800IMBBD6TIOQGB56), the fast-growing manufacturer of generic pharmaceutical products and active pharmaceutical ingredients, has given the below statement denying all media allegations of corruption in the Covid-19 vaccine procurement process, which have circulated across the Bangladesh media on the 17 and 18 March 2025. The media reports follow the launch of an Anti-Corruption Commission (ACC) investigation following a complaint submitted to the ACC by Moidul Islam, an official of the Bangladesh Medical Research Council.

The Company also provides a further update on the Company's previous statement, dated 6 March 2025, on the Bangladesh Securities and Exchange Commission (BSEC)'s proposed appointment of an additional nine independent non-executive directors to the Company's Board of Directors (the "BSEC Order"). Following an appeal from BSEC against the High Court's initial decision, the Appellate Division of the Supreme Court of Bangladesh did not uphold the High Court Stay Order, and directed the High Court to dispose of the writ petition of the Company before 19 March 2025. However, the date of the High Court hearing has now been postponed to after 20 April 2025 and is expected to be heard by 20 May 2025. Further announcements will be made as appropriate.

The Company's statement, reproduced below, was originally distributed to Bangladesh media via the Company's local PR firm on 19 March 2025. Please note, 1 Crore = 10 million.

Beximco Pharma rejects the allegations of corruption in Covid-19 vaccine procurement and protests the misleading news involving it to a government fund mismanagement.

Dhaka, 19 March 2025: Beximco Pharmaceuticals Ltd. (Beximco Pharma) is deeply concerned and disappointed by the misleading and defamatory news published on March 17 and 18, 2025 in several news portals, dailies and TV channels. These reports alleged Company's involvement in the corruption during the procurement of Covid-19 vaccines. The Company rejects these baseless allegations and protests the sensationalized and slanderous headlines, that not only tarnished corporate reputation as a globally known pharmaceutical manufacturer and exporter but also confused thousands of its valued shareholders, especially many foreign investors who currently hold more than 32% of company's shares.

Beximco Pharma was involved with the procurement of 15 million (1.5 crore) doses of Oxford / AstraZeneca vaccine (Covishield) from Serum Institute of India (SII), the world's largest vaccine producer, costing USD 60 million (BDT 480 crore) and Beximco Pharma received USD 1 (one) per dose totaling USD 15 million (BDT 120 crore) for supplying the same. Thus, the total cost incurred for 15 million Covishield doses stood at BDT 600 crore while several media and news portals clearly attempted to malign Beximco Pharma with headlines saying the company is being investigated for BDT 22,000 crore corruption in connection to Covid-19 vaccine purchase.

The reports claimed that The Anti-Corruption Commission (ACC) has decided to launch an inquiry against a syndicate involving Salman F Rahman, Beximco Pharma and others over alleged embezzlement of BDT 22,000 crore government funds during the Covid-19 vaccine procurement process. It further alleged that the government bypassed competitive bidding and negotiations by pursuing a single source for vaccine procurement.

Company's response:

During the Covid-19 pandemic, wealthy nations had pre-booked nearly all available vaccine doses, leaving low and middle-income countries like Bangladesh in a precarious position. The Bangladesh government made desperate efforts to secure vaccine doses from multiple sources, but the global situation was very complex, and no manufacturer could guarantee doses. Recognizing the urgency, Beximco Pharma focused on the AstraZeneca vaccine (Covishield), which showed early promise in trial, did not require ultra-cold storage like Pfizer or Moderna vaccines, and presumed to be relatively cheaper as this was being developed by Oxford University. Beximco Pharma started negotiations with SII, the world's largest vaccine producer and authorized manufacturer of Covishield. In August 2020, Beximco Pharma and SII agreed to cooperate on Covid-19 vaccine, Beximco Pharma being the exclusive distributor for Bangladesh to facilitate the need of Bangladesh government. Despite all out efforts from government and private sector, there was serious shortage of vaccine doses, and no potential vaccine manufacturer could commit any dose to anyone. Bangladesh received the first consignment of 5 million Covishield doses on 25 January 2021. Mass vaccinations began on February 7, 2021, ahead of many developed countries. This achievement was made possible by Beximco Pharma's professionalism, global reputation, and relentless efforts.

The reports also claimed that government procurement rules were not followed in the vaccine purchase agreement between the government, Beximco Pharma, and SII. Beximco Pharma was included as a third party without a valid reason, leading Bangladesh to purchase the vaccine at a higher price than other countries.

Company's response:

Despite repeated requests, SII was unwilling to deal with government directly because of their inability to perform regulatory formalities in Bangladesh and to avoid bureaucratic delays. Also, government do not purchase directly from overseas manufacturers. Such requirements are always met by dealing with a credible entity or organization. Beximco Pharma acted as a responsible intermediary, ensuring delivery and distribution of vaccines.

The complaint further claimed that if the government had procured the vaccine directly from the Serum Institute, the savings per dose could have been used to secure an additional 6.8 million doses.

Company's response:

The vaccine purchase agreement (available for viewing at <https://beximco-pharma.com/cdn/bpl/bdesh-signed-purchase-agreementdt.18.12.2020.pdf>) was signed on December 13, 2020 with the vaccine price settled at USD 4 (four) per dose. There was an exceptional clause in the agreement saying if SII sells the vaccine at a lower price in India, Bangladesh would pay the lower price, and if the Indian price is higher, Bangladesh would still pay USD 4 (four) per dose. Although the supply agreement was done for a total of 30 million (3 crore) doses, SII eventually delivered 15 million (1.5 crore) doses costing USD 60 million (BDT 480 crore). Beximco Pharma received USD 1 (one) per dose totaling USD 15 million (BDT 120 crore) for supply of 15 million (1.5 crore) doses. Thus, the total cost incurred for 15 million Covishield doses stood at BDT 600 crore while several media and news portals clearly attempted to malign Beximco Pharma with headlines saying the company is being investigated for BDT 22,000 crore corruption in connection to Covid-19 vaccine purchase.

The USD 1 (one) distribution service fee per dose was given to Beximco Pharma for rendering its services that included completion of all regulatory formalities, importation, storage, and distribution of vaccines nationwide strictly maintaining cold chain in every step. This also included risk coverage during transportation (damage due to mishandling, temperature fluctuations during storage etc.). Beximco Pharma also took full financial liabilities in the absence of the insurance coverage. This service fee was very much in compliance with local regulatory authority (DGDA) norms for imported medicines.

With a total cost of USD 5 (BDT 400) per dose, this was the lowest price paid by Bangladesh Government for any Covid-19 vaccine. Beyond the agreement terms, Beximco Pharma also supported the government by storing and distributing nationwide an additional 32 million doses of Pfizer, Moderna, Sinopharm, Sinovac vaccines, absolutely free of any charge. For its outstanding role in combating the pandemic, Beximco Pharma won the highly prestigious CPhI Pharma Awards 2020 in the category of "Innovation in Response to Covid-19" competing against top pharma companies from around the world. While such a remarkable accomplishment truly represented Bangladesh and its pharma industry to the world, especially for its positive role during the unprecedented humanitarian crisis, it's really heartbreaking to see Beximco Pharma has now become a target of malicious media trial in its own country.

Beximco Pharma firmly asserts that it conducted all transactions with necessary approvals from the regulatory authorities. As a company listed on the AIM of London Stock Exchange, Beximco Pharma maintains full transparency in its operational and financial disclosures. The company has never been involved in any corruption, rather it has been making significant contribution to economy being the largest exporter of medicines in the country with a global footprint in more than 60 countries and winning the National Export Trophy (Gold) a record nine times.

The allegations that came out in the media are entirely baseless, distorted, and part of a smear campaign. Beximco Pharma reserves the right to take appropriate legal action against such defamatory reporting as it hampers Company's reputation. The Company urges media to exercise responsibility professionally and verify facts before publishing. Beximco Pharma remains committed to transparency and is always available to provide clarifications or additional information as needed.

For further information please visit www.beximcopharma.com or enquire to:

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Notes to Editors

About Beximco Pharmaceuticals Limited

Beximco Pharma is a leading manufacturer and exporter of medicines based in Bangladesh. Since its inception in 1976, the Company remains committed to health and wellbeing of people across all the continents by providing access to contemporary medicines. Company's broad portfolio of generics encompasses diverse delivery systems such as tablets, capsules, liquids, semi-solids, intravenous fluids, metered dose inhalers, dry powder inhalers, sterile ophthalmic drops, insulins, prefilled syringes, injectables, nebuliser solutions, oral soluble films etc. The Company also undertakes contract manufacturing for multinational and leading global generic pharmaceutical companies.

Beximco Pharma's state-of-the-art manufacturing facilities are certified by global regulatory authorities of USA, Europe, Australia, Canada, GCC and Latin America, among others and it has a geographic footprint in more than 50 countries. More than 6000 employees are driving the company towards achieving its aspiration to be among the most admired companies in the region.

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