

ASX Release

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Industry funding agreement finalised with Government

Sigma Healthcare Limited (ABN 15 088 417 403) advises that a new 5-year industry funding agreement has been reached between the Australian Government, Department of Health and Aged Care, and the NPSA, the peak industry body representing full-line medicine distributors.

The new Pharmaceutical Wholesaler Agreement (1PWA) is intended to govern the key commercial terms of pharmaceutical wholesaling in Australia, covering the regulated pharmaceutical wholesaler mark-up and the Community Service Obligation (CSO) funding pool. The NPSA media release is attached.

Sigma CEO and Managing Director Vikesh Ramsunder commented: "It is pleasing to reach agreement on what is an increased investment by government to help secure the long-term distribution of medicines throughout every part of Australia. Sigma thanks the Minister for Health and Aged Care, The Honourable Mark Butler MP, his team and department for their work in finalising the agreement."

The conditions of the new 1PWA will commence from 1 January 2025 and is therefore not expected to result in a material benefit to Sigma's existing FY25 EBIT guidance. Due to the staggered implementation of this agreement over the next 18-months, full run-rate benefits will be achieved from 1 July 2026.

This announcement is authorised by order of the Company Secretary.

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Media Release

NPSA reaches agreement with Government to secure the national PBS medicine supply chain

NPSA has welcomed a five-year agreement with the Commonwealth Government that will enable ongoing timely and equitable distribution of PBS medicines to patients throughout Australia.

The first Pharmaceutical Wholesaler Agreement (1PWA) is an agreement between the government and NPSA - the peak industry body representing full-line Community Service Obligation (CSO) medicine wholesalers. It addresses significant erosion of supply chain funding and means that Australians will continue to receive the uninterrupted medicine distribution service they have come to rely on.

The partnership between the Commonwealth and the CSO medicine wholesaler industry was established more than 20 years ago and underpins the ongoing reliability of the PBS, supporting the Commonwealth's promise of equity of access to all Australians set out in the National Medicines Policy.

NPSA Chair Richard Vincent said, "We are extremely pleased to have finalised this five-year agreement which secures medicine management and distribution and benefits all Australians. The 1PWA will enable available medicines, whether they be everyday tablets, high care specialised therapies or cold chain products to be carefully managed and distributed reliably to patients, no matter where they live.

"As climate-related disasters increase, our role is of heightened importance in reaching impacted communities during emergencies such as cyclone, flood or bushfire.

"Through our commitment to the CSO, we are proud to provide 24-hour service to Australia's 5900 community pharmacies, in the suburbs of our major cities and in rural and remote locations. With the benefit of this agreement, we look forward to supporting government health initiatives and pharmacy's wider role in providing healthcare services to patients."

Devoted to the healthcare sector, NPSA members API (Australian Pharmaceutical Industries), NPD (National Pharmacies Distribution), Sigma Healthcare and Symbion employ more than 3,400 people and operate a network of national distribution centres that safely distributes more than 316 million units of prescription medicines into community pharmacies each year and more than 2 million units of health-related products each day.

1PWA is a direct agreement between the government and NPSA and each CSO wholesaler will have its own supporting agreement, reflecting the terms of the 1PWA. Previously, funding for medicine distribution formed part of the Community Pharmacy Agreements with government.



1PWA represents a new level of collaboration with government to deliver for patients and the NPSA sincerely thanks the Minister for Health and Aged Care, The Honourable Mark Butler, his team and department for their work in finalising the agreement.

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ABOUT NPSA

Established in 1976, the NPSA is the peak industry body representing Community Service Obligation (CSO) medicine wholesalers. For over 100 years, our members have been supporting Australians with a strong and dependable supply chain, safeguarding medicine access around the country.

Our members are the vital link between the manufacturers of medicines and more than 5,900 community pharmacies, and hospitals and primary healthcare facilities. It is through the support of the NPSA medicine distribution network that the government can guarantee every Australian equal, timely, reliable and safe access to their PBS medicines and vaccines across the nation, typically within 24 hours.

As medicine wholesalers, NPSA members operate at the heart of the nation's health system underpinning Australia's Pharmaceutical Benefits Scheme (PBS). Our critical role in delivering the PBS is made possible by our direct partnership with government via the CSO. It is a guarantee that provides government with supply chain reliability and transparency and delivers on the principles of the National Medicine Policy (NMP) to provide timely access to medicines for all.