



BIOALPHA HOLDINGS BERHAD
(Registration No: 201101021398 (949536-X))
(“BHB” OR THE “COMPANY”)

**INTERIM FINANCIAL REPORT FOR THE
FORTH (4TH) QUARTER ENDED 31 DECEMBER 2025**

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FORTH (4TH) QUARTER ENDED 31 DECEMBER 2025

	<--- Individual Quarter ---->		<---- Cumulative Quarter ---->	
	Unaudited 31 Dec 2025 RM'000	Unaudited 31 Dec 2024 RM'000	Unaudited 31 Dec 2025 RM'000	Audited 31 Dec 2024 RM'000
Revenue	3,246	17,124	11,483	62,025
Cost of sales	(2,721)	(18,225)	(12,399)	(65,802)
Gross profit/(loss)	525	(1,101)	(916)	(3,777)
Other incomes	215	7,717	2,135	850
Administrative expenses	(14,025)	(29,656)	(22,659)	(46,240)
Net loss on impairment of financial assets	(597)	(752)	(12,238)	(8,339)
Loss from operations	(13,882)	(23,792)	(33,678)	(57,506)
Finance costs	(47)	(82)	(249)	(371)
Loss before taxation	(13,929)	(23,874)	(33,927)	(57,877)
Taxation	3,869	(27)	4,019	1,596
Share of profit/(loss) of associated company	10	(65)	33	(57)
Loss for the financial period from continuing operations	(10,050)	(23,966)	(29,875)	(56,338)
(Loss)/Profit after taxation from discontinued operations	(2)	17	(52)	5,844
Loss for the financial period	(10,052)	(23,949)	(29,927)	(50,494)
Other comprehensive income/(loss)				
- Exchange differences on translation of foreign operation	782	724	(196)	1,344
Total comprehensive loss for the period	(9,270)	(23,225)	(30,123)	(49,150)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FORTH (4TH) QUARTER ENDED 31 DECEMBER 2025 (CONT'D)

	<--- Individual Quarter ---->		<---- Cumulative Quarter ---->	
	Unaudited 31 Dec 2025 RM'000	Unaudited 31 Dec 2024 RM'000	Unaudited 31 Dec 2025 RM'000	Audited 31 Dec 2024 RM'000
Loss for the financial period attributable to:				
- Owners of the parent				
- continuing operations	(10,018)	(22,776)	(29,600)	(54,397)
- discontinued operations	(2)	17	(52)	5,844
- Non-controlling interests	<u>(32)</u>	<u>(1,190)</u>	<u>(275)</u>	<u>(1,941)</u>
	<u>(10,052)</u>	<u>(23,949)</u>	<u>(29,927)</u>	<u>(50,494)</u>
Total comprehensive loss attributable to:				
- Owners of the parent				
- continuing operations	(8,689)	(19,451)	(29,686)	(53,280)
- discontinued operations	(2)	17	(52)	5,844
- Non-controlling interests	<u>(579)</u>	<u>(3,791)</u>	<u>(385)</u>	<u>(1,714)</u>
	<u>(9,270)</u>	<u>(23,225)</u>	<u>(30,123)</u>	<u>(49,150)</u>
Loss per share attributable to owners of the parent (sen):				
- Basic				
- continuing operations	(0.71)	(1.62)	(2.10)	(4.30)
- discontinued operations	-	-	-	0.46
	<u>(0.71)</u>	<u>(1.62)</u>	<u>(2.10)</u>	<u>(3.84)</u>
- Diluted				
- continuing operations	(0.60)	(1.47)	(1.76)	(3.54)
- discontinued operations	-	-	-	0.38
	<u>(0.60)</u>	<u>(1.47)</u>	<u>(1.76)</u>	<u>(3.16)</u>

Notes:

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements of BHB for the financial year ended ("FYE") 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Unaudited As at 31 Dec 2025 RM'000	Audited As at 31 Dec 2024 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	24,442	32,875
Intangible assets	28,232	37,634
	<u>52,674</u>	<u>70,509</u>
CURRENT ASSETS		
Biological assets	170	95
Inventories	3,485	3,699
Trade receivables	1,556	1,044
Other receivables	1,718	1,650
Tax recoverable	105	297
Other investments	13,729	25,966
Fixed deposits with licensed banks	2,155	3,631
Cash and bank balances	3,554	7,160
	26,472	43,542
Assets of disposal group classified as held for sale	-	4,940
	<u>26,472</u>	<u>48,482</u>
TOTAL ASSETS	<u>79,146</u>	<u>118,991</u>
EQUITY		
Share capital	76,192	186,191
ICPS	2,889	2,890
Reserves	(9,652)	(90,736)
Equity attributable to owners of the parent	<u>69,429</u>	<u>98,345</u>
Non-controlling interests	(1,013)	(629)
TOTAL EQUITY	<u>68,416</u>	<u>97,716</u>
NON-CURRENT LIABILITIES		
Lease liabilities	3,300	3,727
Bank borrowings	487	595
Deferred tax liabilities	-	3,864
	<u>3,787</u>	<u>8,186</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025 (CONT'D)

	Unaudited As at 31 Dec 2025 RM'000	Audited As at 31 Dec 2024 RM'000
CURRENT LIABILITIES		
Trade payables	597	1,918
Other payables	3,777	3,873
Contract liabilities	1,771	1,533
Lease liabilities	487	618
Bank borrowings	311	387
	6,943	8,329
Liabilities of disposal group classified as held for sale	-	4,760
	<u>6,943</u>	<u>13,089</u>
TOTAL LIABILITIES	<u>10,730</u>	<u>21,275</u>
TOTAL EQUITY AND LIABILITIES	<u>79,146</u>	<u>118,991</u>
NET ASSETS PER SHARE (sen)	4.86 ⁽¹⁾	7.73 ⁽²⁾

Notes:

(1) Based on 1,406,492,813 weighted average number of ordinary shares in BHB as at 31 December 2025.

(2) Based on 1,263,892,799 weighted average number of ordinary shares in BHB as at 31 December 2024.

The unaudited condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements of BHB for the FYE 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FORTH (4TH) QUARTER ENDED 31 DECEMBER 2025

	Attributable to owners of the Company							Non-Distributable		
	Share Capital	ICPS	Warrant Reserve	SIS Option Reserve	Merger Deficits	Foreign Currency Translation Reserve	Accumulated losses	Total	Non-Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2024	186,191	2,890	-	803	(4,569)	3,687	(61,634)	127,368	2,265	129,633
Continuing operations										
Loss for the financial year	-	-	-	-	-	-	(54,397)	(54,397)	(1,941)	(56,338)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	(97)	(97)
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(1,083)	(1,083)
Exchange differences on translation of foreign operation	-	-	-	-	-	1,117	-	1,117	227	1,344
Total comprehensive loss	-	-	-	-	-	1,117	(54,397)	(53,280)	(2,894)	(56,174)
Discontinuing operations										
Loss for the financial year	-	-	-	-	-	-	5,844	5,844	-	5,844
Total comprehensive loss	-	-	-	-	-	-	5,844	5,844	-	5,844
Transactions with owners										
Issuance of warrants	-	-	18,413	-	-	-	-	18,413	-	-
	-	-	18,413	-	-	-	-	18,413	-	18,413
Balance as at 31 December 2024	186,191	2,890	18,413	803	(4,569)	4,804	(110,187)	98,345	(629)	97,716

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FORTH (4TH) QUARTER ENDED 31 DECEMBER 2025 (CONT'D)

	Attributable to owners of the Company							Total	Non-Controlling Interests	Total Equity
	Non-Distributable									
	Share Capital	ICPS	Warrant Reserve	SIS Option Reserve	Merger Deficits	Foreign Currency Translation Reserve	Accumulated losses			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 1 January 2025	186,191	2,890	18,413	803	(4,569)	4,804	(110,187)	98,345	(629)	97,716
Continuing operations										
Loss for the financial year	-	-	-	-	-	-	(29,600)	(29,600)	(275)	(29,875)
Exchange differences on translation of foreign operation	-	-	-	-	-	(87)	-	(87)	(109)	(196)
Total comprehensive loss	-	-	-	-	-	(87)	(29,600)	(29,687)	(384)	(30,071)
Discontinued operations										
Loss for the financial year	-	-	-	-	-	-	(52)	(52)	-	(52)
Total comprehensive loss	-	-	-	-	-	-	(52)	(52)	-	(52)
Transactions with owners										
Conversion of ICPS	1	(1)	-	-	-	-	-	-	-	-
Shares capital reduction	(110,000)	-	-	-	-	-	110,000	-	-	-
Share-based payment	-	-	-	823	-	-	-	823	-	823
Derecognise SIS	-	-	-	(476)	-	-	476	-	-	-
	(109,999)	(1)	-	347	-	-	110,476	823	-	823
Balance as at 31 December 2025	76,192	2,889	18,413	1,150	(4,569)	4,717	(29,363)	69,429	(1,013)	68,416

Note:

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements of BHB for the FYE 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FORTH (4TH) QUARTER ENDED 31 DECEMBER 2025

	Unaudited Current Period to date 31 Dec 2025 RM'000	Audited Preceding Corresponding Period to date 31 Dec 2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation		
- Continued operation	(33,927)	(57,877)
- Discontinued operation	(52)	5,860
Adjustments for:		
Amortisation of intangible assets	1,688	2,732
Amortisation of deferred capital grant	(3)	(24)
Amortisation of biological assets and bearer plant	27	-
Amortisation of right-of-use assets	461	-
Bad debt written off	289	377
Deposit written off	17	-
Depreciation of property, plant and equipment	3,986	8,531
Fair value (gain)/loss on biological assets	(75)	5
Fair value loss on quoted shares investments	12,238	8,339
Share-based payment	823	-
Gain on disposal of property, plant and equipment	(5)	(5,280)
Loss/(Gain) on disposal of subsidiary	275	(674)
Allowance of expected credit losses		
- Trade receivables	-	1,660
- Other receivables	-	6,947
Reversal of allowance for expected credit losses		
- Trade receivables	(577)	(101)
- Other receivables	(320)	(3,262)
Waiver of debts		
- Trade payables	-	(4,262)
- Other payables	-	(99)
Reversal of waiver of debts	12	-
Impairment losses on		
- Goodwill	-	4,449
- Intangible assets	7,085	8,146
- Investment in associate	33	3,237
- Property, plant and equipment	3,617	10,645
Modification of lease term	1	-
Gain on early termination of lease contract	-	(91)
Property, plant and equipment written off	134	410
Reversal of provision of slow-moving inventories	-	(581)
Unrealised (gain)/loss on foreign exchange	(10)	396
Operating loss before working capital changes	(4,283)	(10,517)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FORTH (4TH)
QUARTER ENDED 31 DECEMBER 2025 (CONT'D)**

	Unaudited Current Period to date 31 Dec 2025 RM'000	Unaudited Preceding Corresponding Period to date 31 Dec 2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)		
Changes in working capital:		
Contract liabilities	638	383
Inventories	213	2,396
Trade receivables	(998)	2,594
Other receivables	(110)	2,125
Trade payables	(1,333)	4,100
Other payables	(489)	(1,311)
	<hr/>	<hr/>
Cash used in operations	(6,362)	(230)
Interest expense	249	608
Interest income	(63)	(242)
Tax paid	(25)	(53)
Tax refund	372	9
	<hr/>	<hr/>
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	(5,829)	92
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of intangible assets	-	(1,064)
Purchase of property, plant and equipment	(433)	(1,229)
Increase in short-term placement	-	(12,828)
Net placement of fixed deposit	-	(500)
Net cash outflows from loss of control of subsidiary companies	(48)	(110)
Proceeds from disposal of property, plant and equipment	337	6,084
Proceeds from disposal of subsidiary	180	-
Interest received	63	242
	<hr/>	<hr/>
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	99	(9,405)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FORTH (4TH) QUARTER ENDED 31 DECEMBER 2025 (CONT'D)

	Unaudited Current Period to date 31 Dec 2025 RM'000	Unaudited Preceding Corresponding Period to date 31 Dec 2024 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease/(Increase) in fixed deposit pledged and maturity more than 3 months	476	(2,113)
Net change of banker acceptance	(151)	(1,290)
Net placement of fixed deposits	1,000	-
Repayment of lease liabilities	(750)	(1,220)
Drawdown of term loans	-	1,161
Repayment of term loans	(33)	(2,985)
Proceeds from issuance of shares upon exercise of warrant		18,413
Interest paid	(197)	(555)
NET CASH FROM FINANCING ACTIVITIES	345	11,411
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(5,385)	2,098
EFFECT OF EXCHANGE TRANSLATION DIFFERENCES	1,731	(5,315)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	7,208	10,425
CASH AND CASH EQUIVALENTS UNDER ASSETS HELD FOR SALES	-	(48)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	3,554	7,160
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD COMPRISES:		
Cash and bank balances	3,554	7,160
Fixed deposits with licensed banks	2,155	3,631
	5,709	10,791
Less: Fixed deposits pledged with licensed banks	(955)	(1,431)
Less: Fixed deposits maturity more than 3 months	(1,200)	(2,200)
	3,554	7,160

Note:

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements of BHB for the FYE 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FORTH (4TH) QUARTER ENDED 31 DECEMBER 2025

A. EXPLANATORY NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE FORTH (4TH) QUARTER ENDED 31 DECEMBER 2025

A1. Accounting policies and methods of computation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“**MFRS**”) 134: Interim Financial Reporting, paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”).

The condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements of the Company for the FYE 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

The financial information presented herein has been prepared in accordance with the accounting policies to be used in preparing the annual consolidated financial statements for the FYE 31 December 2024 under the MFRS framework. These policies do not differ significantly from those used in the audited consolidated financial statements for the FYE 31 December 2024 except as disclosed below:

Standard and amendments to published standards that are effective

On 1 January 2025, the Group applied the following new published standard and amendments to published standards:

- Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

The adoption of the above amendments to published standards did not have any significant impact on the current period or any prior period and is not likely to affect future periods.

Standards issued but not yet effective:

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standard Board (“**MASB**”) where the effective has been deferred to a date to be determined by MASB and have not been applied by the Group:

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FORTH (4TH) QUARTER ENDED 31 DECEMBER 2025 (CONT'D)

A. EXPLANATORY NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE FORTH (4TH) QUARTER ENDED 31 DECEMBER 2025 (CONT'D)

A1. Accounting policies and methods of computation (Cont'd)

Standards issued but not yet effective (Cont'd):

		Effective dates for financial periods beginning on or after
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	Annual Improvement to MFRS Accounting Standards – Volume 11	1 January 2026
Amendments to MFRS 9 and MFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contract Referencing Nature-dependent Electricity	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability; Disclosure	1 January 2027
Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

A2. Auditors' report of preceding annual financial statements

There was no qualification to the audited consolidated financial statements of the Company for the FYE 31 December 2024.

A3. Seasonal or cyclical factors

The Group's operations are not subject to any significant seasonal or cyclical factors.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FORTH (4TH) QUARTER ENDED 31 DECEMBER 2025 (CONT'D)

A. EXPLANATORY NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE FORTH (4TH) QUARTER ENDED 31 DECEMBER 2025 (CONT'D)

A4. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial period-to-date.

A5. Material changes in estimates

There were no material changes in estimates of amounts reported in prior interim periods or prior year that would have a material effect on the current quarter's results.

A6. Debt and equity securities

There was no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial period-to-date.

A7. Segmental information

The Group's revenue based on the geographical location of its customers is presented as follows:

	Current quarter ended		Financial period-to-date	
	Unaudited 31 Dec 2025 RM'000	Unaudited 31 Dec 2024 RM'000	Unaudited 31 Dec 2025 RM'000	Audited 31 Dec 2024 RM'000
Malaysia	3,047	8,554	10,902	11,560
China	-	8,535	41	50,228
Others	199	35	540	237
Total	3,246	17,124	11,483	62,025

The Group has reinforced its core strength by channelling its resources in the manufacturing of health supplement and functional food products, with emphasis on in-demand health categories such as anti-ageing, immunity and other benefits that drives market demand. Efforts taken include communicating with local prospective customers since the cessation of China supply contracts recently, as well as to provide new product development to current existing customers.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FORTH (4TH) QUARTER ENDED 31 DECEMBER 2025 (CONT'D)

A. EXPLANATORY NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE FORTH (4TH) QUARTER ENDED 31 DECEMBER 2025 (CONT'D)

A8. Valuation of property, plant and equipment

The Group has not carried out any valuation of its property, plant and equipment in the current quarter.

A9. Capital commitments

	Unaudited Current quarter ended 31 Dec 2025 RM'000	Audited Financial year-to- date 31 Dec 2024 RM'000
Authorised and contracted for:		
Purchase of property, plant and equipment	4,500	4,500

A10. Changes in the composition of the Group

On 1 January 2025, Mediconstant Holding Sdn Bhd ceased to be a subsidiary of Botanical Distribution Sdn Bhd following the disposal of its 100% equity interest comprising 5,150,000 ordinary shares for a total cash consideration of RM180,000/=.

Other than the above, there were no other major changes in the composition of the Group during the period ending 31 December 2025.

A11. Contingent liabilities

	Unaudited Current quarter ended 31 Dec 2025 RM'000	Audited Financial year-to- date 31 Dec 2024 RM'000
Unsecured:		
Performance bonds in relation to the management of Herbal Integrated Cluster Development	200	200

BIOALPHA HOLDINGS BERHAD (Registration No: 201101021398 (949536-X))

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FORTH (4TH) QUARTER ENDED 31 DECEMBER 2025 (CONT'D)

A. EXPLANATORY NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE FORTH (4TH) QUARTER ENDED 31 DECEMBER 2025 (CONT'D)

A12. Material events subsequent to the end of the quarter

There were no other material events subsequent to the end of the current quarter and financial period-to-date that have not been reflected in this interim financial report.

A13. Related party transactions

There was no additional related party transaction entered into with related parties during the current financial quarter.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FORTH (4TH) QUARTER ENDED 31 DECEMBER 2025 (CONT'D)

B1. Analysis of performance

The Group's current quarter revenue for the financial period ended 31 December 2025 ("4QFY25") dropped by 81.3% year-on-year ("YoY") to RM3.2 million, as compared to RM17.1 million in the preceding year's corresponding quarter ("4QFY24"). The softer performance was primarily due to contract cessation of the Group's supply of health foods operations in China, and disposal of retail pharmacies business recently.

In 4QFY25, revenue for our manufacturing operations decreased by 3% year-on-year ("YoY") to RM3.2 million (4QFY24: RM3.3 million). Specifically, domestic manufacturing turnover increased by 15.4% YoY to RM3.0 million (4QFY24: RM2.6 million).

In 4QFY25, no revenue was recorded for the Group's supply of health foods business to China, against RM8.5 million in 4QFY24, mainly due to the cessation of the health food supply contract with the China counterparts.

In 4QFY25, no revenue was recorded for the retail pharmacy division, compared with RM5.3 million in 4QFY24, as the Company have disposed retail pharmacy business in January 2025.

During the quarter under review, the Group's gross profit amounted to RM0.5 million, compared to a gross loss of RM1.1 million in 4QFY24. Consequently, net loss attributable to the owners of the parent ("net loss") decreased to RM10.0 million in 4QFY25 (4QFY24: net loss of RM22.8 million).

However, the Group also recognised a net loss on impairment of financial assets of RM0.6 million in 4QFY25.

Comparison with immediate preceding quarter's results

The Group's revenue for the 4QFY25, contributed solely from manufacturing had increased to RM3.2 million, against RM3.0 million in the fourth (4th) quarter ended 31 December 2024. The increase is the result of orders from new customers during the quarter, as the Company continue to introduce new products that meet the market's evolving needs.

Net loss for 4QFY25 increased to RM10.0 million from RM4.8 million in the preceding quarter.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FORTH (4TH) QUARTER ENDED 31 DECEMBER 2025 (CONT'D)

B2. Prospects for the financial year ending 31 December 2025

The global economic climate for 2025 remains complex, with heightened geopolitical tensions and lingering economic uncertainties. Nonetheless, the gradual easing of inflationary pressures suggests a potential path towards recovery.

At Bioalpha, we continue to focus on our business strategies, and on optimising costs to navigate external headwinds and seize emerging opportunities.

Bioalpha remains committed to focus on its manufacturing operations, especially on the domestic front, by leveraging resources to expand our offerings with products promising benefit that are in high market demand. At the same time, we are working to secure additional new customers.

Bioalpha is also embarking on the development of an 8-acre agro park in Langkawi, Kedah. This project aims to boost agro-tourism in the region and generate new revenue streams for Bioalpha through the commercialization of high-value herbal products. LADA proposed new allocation of the land, and Board still in consideration.

As we navigate through 2025, the Group shall stay adaptable and resolute in carrying out our strategic initiatives, while maintaining cost efficiency. All in all, we believe that FY2025 performance to be supported by positive contributions from all our segments, barring unforeseen circumstances.

B3. Profit forecast or profit guarantee

The Group has not issued any profit forecast or profit guarantee in any public documents.

B4. Foreign Exchange Exposure / Hedging policy

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are United States Dollar (“USD”), Chinese Renminbi (“CNY”), Hong Kong Dollar (“HKD”), Indonesian Rupiah (“IDR”) and Singapore Dollar (“SGD”).

The Group has not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. However, the exposure to foreign currency risk is monitored from time to time by management.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FORTH (4TH) QUARTER ENDED 31 DECEMBER 2025 (CONT'D)

B5. Taxation

	Current quarter ended		Financial period-to-date	
	Unaudited 31 Dec 2025 RM'000	Unaudited 31 Dec 2024 RM'000	Unaudited 31 Dec 2025 RM'000	Audited 31 Dec 2024 RM'000
Tax expense recognised in profit or loss:				
- Current tax provision	(5)	27	(155)	61
- Deferred tax	(3,864)	-	(3,864)	(1,657)
	<u>(3,869)</u>	<u>27</u>	<u>(4,019)</u>	<u>(1,596)</u>
Effective tax rate (%)	-	-	-	-

Bioalpha East Coast Agro Sdn Bhd (“**BECASB**”), a wholly-owned subsidiary of the Group, was awarded a tax incentive by the Malaysian Investment Development Authority, which grants BECASB a 100% tax exemption on income for a period of ten (10) years after commercial production date is determined by the relevant authorities.

Bioalpha R&D Sdn Bhd (“**BRDSB**”), a wholly-owned subsidiary of the Group, was awarded BioNexus Status by the Malaysian Bioeconomy Development Corporation Sdn Bhd, which grants BRDSB a 100% tax exemption on income from qualifying activities for a period of ten (10) years ended 30 June 2018 and 20% concessionary tax rate on statutory income for a further ten (10) years, from the financial year ended 2023 to 2032.

Bioalpha (Johor Herbal) Sdn Bhd (“**BJHSB**”), a subsidiary of the Group, was awarded an incentive by Ministry of Agriculture and Agro-Based Industry Malaysia, which allows BJHSB to enjoy 100% tax exemption on income for a period of ten (10) years commencing from 1 January 2018.

Meanwhile, the Group’s other subsidiaries are taxed at the statutory rate of 24% on their chargeable incomes.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FORTH (4TH) QUARTER ENDED 31 DECEMBER 2025 (CONT'D)

B6. Trade receivables

	Unaudited 31 Dec 2025 RM'000
Trade receivables	6,651
Less: Accumulated impairment losses	(5,095)
	<u>1,556</u>

The Group's normal trade credit terms ranged from 30 to 180 days. Other credit terms are assessed and approved on a case-to-case basis. Trade receivables are recognised at their original invoice amounts which represent their fair value on initial recognition.

B7. Borrowings

The Group's borrowings as at 31 December 2025 are as follows:

	Short term RM'000	Long term RM'000	Total RM'000
Secured			
Bankers' acceptance	203	-	203
Term loans	108	487	595
Total bank borrowings	<u>311</u>	<u>487</u>	<u>798</u>

All the borrowings were secured and denominated in Ringgit Malaysia.

B8. Material litigation

As at the date of this report, there is no litigation or arbitration, which has a material effect on the financial position of the Group, and the Board is not aware of any other proceedings pending or threatened or of any fact likely to give rise to any other proceedings.

B9. Dividends

The Board did not recommend any dividend during the financial period ended ("FPE") 31 December 2025 (FYE 31 December 2024: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FORTH (4TH) QUARTER ENDED 31 DECEMBER 2025 (CONT'D)

B10. Loss per share

The basic loss per share is calculated as follows:

	Current quarter ended		Financial period-to-date	
	Unaudited 31 Dec 2025 RM'000	Unaudited 31 Dec 2024 RM'000	Unaudited 31 Dec 2025 RM'000	Audited 31 Dec 2024 RM'000
Net loss attributable to owners of the parent	(10,020)	(22,759)	(29,652)	(48,553)
Weighted average number of ordinary shares in issue ('000)	1,406,493	1,263,893	1,406,493	1,263,893
Basic loss per share (sen)	<u>(0.71)</u>	<u>(1.8)</u>	<u>(2.11)</u>	<u>(3.84)</u>

The diluted loss per share is calculated as follows:

	Current quarter ended		Financial period-to-date	
	Unaudited 31 Dec 2025 RM'000	Unaudited 31 Dec 2024 RM'000	Unaudited 31 Dec 2025 RM'000	Unaudited 31 Dec 2024 RM'000
Net loss attributable to owners of the parent	(10,020)	(22,759)	(29,652)	(48,553)
Weighted average number of ordinary shares in issue ('000)	1,680,227	1,537,626	1,680,227	1,537,626
Diluted loss per share (sen)	<u>(0.60)</u>	<u>(1.48)</u>	<u>(1.76)</u>	<u>(3.16)</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FORTH (4TH) QUARTER ENDED 31 DECEMBER 2025 (CONT'D)

B11. Disclosure on selected expense/(income) items as required by the Listing Requirements

Included in loss before taxation are the following expense/(income) items:

	Current quarter ended		Financial period-to-date	
	Unaudited 31 Dec 2025 RM'000	Unaudited 31 Dec 2024 RM'000	Unaudited 31 Dec 2025 RM'000	Audited 31 Dec 2024 RM'000
Allowance for expected credit losses on:				
- Trade receivables	181	3,216	-	1,660
- Other receivables	-	-	-	6,947
Reversal of allowance for expected credit losses on:				
- Trade receivables	-	-	(577)	(101)
- Other receivables	(261)	-	(320)	(3,262)
Bad debts written off	289	780	289	377
Depreciation and amortisation expenses	1,094	3,404	6,159	11,239
Fair value (gain)/loss on:				
- Biological assets	-	-	(75)	5
- Quoted shares investments	(197)	1,898	12,238	8,339
Share-based payment	823	-	823	-
Loss/(Gain) on disposal of property, plant and equipment	103	(3,471)	(5)	(5,280)
Loss/(Gain) on disposal of subsidiary	1,139	3,534	275	(674)
Gain on early termination of lease contract	-	-	-	(91)
Loss/(Gain) on foreign exchange:				
- Realised	-	(8)	(2)	-
- Unrealised	4	185	(10)	396
Impairment loss on:				
- Goodwill	-	-	-	4,449
- Intangible assets	5,768	6,189	7,085	8,146
- Investment in associates	11	3,193	33	3,237
- Property, plant and equipment	3,617	10,157	3,617	10,645
Property, plant and equipment written off	19	285	134	410
Provision of slow-moving inventories	-	545	-	-
Reversal of provision of slow-moving inventories	-	-	-	(581)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FORTH (4TH) QUARTER ENDED 31 DECEMBER 2025 (CONT'D)

B11. Disclosure on selected expense/(income) items as required by the Listing Requirements (Cont'd)

Included in loss before taxation are the following expense/(income) items (Cont'd):

	Current quarter ended		Financial period-to-date	
	Unaudited	Unaudited	Unaudited	Audited
	31 Dec	31 Dec	31 Dec	31 Dec
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Waiver of debts				
- Trade payables	(12)	(3,014)	12	(4,262)
- Other payables	-	(99)	-	(99)
Interest expenses	47	82	249	608
Interest income	(6)	(56)	(63)	(242)

There was no provision for gain or loss on disposal of properties and exceptional items for the current quarter and financial period-to-date.

C. AUTHORISATION FOR ISSUE

The interim financial report was authorised for issue by the Board in accordance with a resolution of the Board dated 25 February 2026.

By Order of the Board,

Tan Tong Lang (MAICSA 7045482)

Thien Lee Mee (LS0010621)

Company Secretaries

Kuala Lumpur

Dated: 25 February 2026