COMPANY ANNOUNCEMENT

The following is a company announcement issued by the Company, in terms of the Capital Markets Rules issued by the Malta Financial Services Authority.

Publication of Financial Analysis Summary

QUOTE

The Company announces that, the Financial Analysis Summary for 2025 is now available, and can be accessed from the Company's website: https://pharmacarefinance.com/investor-relations-2/

UNQUOTE

By order of the Board

REFERENCE PHC81
30 June 2025

The Directors
Pharmacare Finance p.l.c.
HHF 003, Hal Far Industrial Estate
Birzebbugia BBG 3000
Malta

29 June 2025

Re: Financial Analysis Summary – 2025

Dear Board Members,

In accordance with your instructions, and in line with the requirements of the MFSA Listing Policies, we have compiled the Financial Analysis Summary (the "**Analysis**") set out on the following pages and which is being forwarded to you together with this letter.

The purpose of the financial analysis is that of summarising key financial data appertaining to Pharmacare Finance p.l.c. (the "**Issuer**") and Pharmacare Premium Limited (the "**Guarantor**"), where the latter is the parent company of the Issuer as explained in part 1 of the Analysis. The data is derived from various sources, including the prospectus dated 5 December 2022 published by the Issuer (the "**Prospectus**"), or is based on our own computations as follows:

(a) Historical financial data for the three years ended 31 December 2022, 2023 and 2024 has been extracted from the audited financial statements of the Issuer and Guarantor for the three years in question.

(b) The forecast data for the financial year ending 31 December 2025 has been provided by management.

(c) Our commentary on the Issuer and Guarantor's results and financial position is based on the explanations provided by management.

(d) The ratios quoted have been computed by us applying the definitions set out in Part 4 of the Analysis.

(e) The principal relevant market players listed in Part 3 of the document have been identified by management. Relevant financial data in respect of competitors has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies or websites providing financial data.

The Analysis is meant to assist investors in the Issuer's securities and potential investors by summarising the more important financial data of the Group. The Analysis does not contain all data that is relevant to investors or potential investors. The Analysis does not constitute an endorsement by our firm of any securities of the Issuer and should not be interpreted as a recommendation to invest in any of the Issuer's securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis. As with all investments, potential investors are encouraged to seek professional advice before investing in the Issuer's securities.

Yours sincerely,

Patrick Mangion
Head of Capital Markets

FINANCIAL ANALYSIS SUMMARY 2025

Pharmacare Finance p.l.c.

29 June 2025

Prepared by Calamatta Cuschieri Investment Services Limited

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Part 1 Information about the Group

1.1 Issuer's Key Activities and Structure

The Group structure is as follows:

The Issuer was incorporated on 30 April 2018 and has, at the date of this Analysis, an authorised and issued share capital of €250,000 made up of 250,000 Ordinary Shares of €1 each, all fully paid up. The Issuer was set up and established to act as a finance company. This means that the principal objectives of the Issuer include lending and advancing money, giving credit and granting guarantees or other security to or in favour of companies which form part of the same group of companies.

Pharmacare Premium Limited (the Guarantor or "**Pharmacare Premium**") is a private limited liability company registered in Malta on 1 October 2008, with registration number C 45245. The company is 61% owned by its holding company, Pharmacare Europe Limited, a limited liability company registered in Malta on 23 September 2008 which is ultimately owned by Dar Al Shifa Company plc. The authorised share capital of the Guarantor is €24,000,000 made up of 24,000,000 ordinary shares having a nominal value of €1 each. The issued share capital of the Guarantor is €17,628,715 made up of 17,628,715 ordinary shares of €1 each. The principal objective of Pharmacare Premium is to develop, register, manufacture and supply pharmaceutical products.

Dar Al Shifa Company p.l.c. ("**Dar Al Shifa**") was established in 1985 as a public limited company by a group of Palestinian entrepreneurs led by the late Mr Subhi Khoury, a pioneer pharmacist who started the first pharmaceutical manufacturing company in Jordan in 1962. It was listed on the Palestine Securities Exchange in June 2013 and later on became the first Palestinian pharmaceutical company to export internationally. Dar Al Shifa has specialised in the manufacturing and distribution of human and veterinary drugs. Dar Al Shifa changed its status to a private company and was delisted from the Palestinian Securities Exchange.

1.2 Directors and Key Employees

Board of Directors - Issuer

As of the date of this Analysis, the following persons constitute the board of directors (the "**Directors**") of the Issuer:

Name	Office Designation
Mr Bassim S. F. Khoury Nasr	Chairman and Executive Director
Mr Amin Farah	Executive Director
Mr Hani Sarraf	Executive Director
Ms Marisa Tanti	Independent, non-Executive Director
Mr Louis Borg Manché	Independent, non-Executive Director
Mr Mark Vassallo	Independent, non-Executive Director

The business address of all of the directors is the registered office of the Issuer.

Finco Trust Services Limited (C 13078) is the company secretary of the Issuer.

The board of the Issuer is composed of 6 directors who are entrusted with its overall direction and management. The executive directors are in charge of the decision-making and the day-to-day management of the Issuer, whereas the non-executive directors, all of whom are independent of the Issuer, monitor the executive activity of the Issuer and contribute to the development of its corporate strategy, by providing objective and impartial scrutiny.

Board of Directors – Guarantor

As of the date of this Analysis, the board of directors of the Guarantor is constituted by the following persons:

Name	Office Designation
Mr Bassim S. F. Khoury Nasr	Chairman and Executive Director
Mr **Amin Farah**	Executive Director
Mrs Sandra Issa Tawfiq Habesch	Non-Executive Director
Mr Hani Sarraf	Executive Director
Mr Mohammad Tahseen Salim Said Sabbagh	Non-Executive Director
Mr Yousef Issa Tawfiq Habesch	Non-Executive Director

The business address of all of the directors is the registered office of the Issuer.

Finco Trust Services Limited (C 13078) is the company secretary of the Guarantor.

The board of the Guarantor is composed of 6 directors, who are entrusted with its overall direction and management of the day-to-day management.

1.3 Major Assets owned by the Group

1.3.1 Temporary emphyteusis – Land

On 12 June 2017 Pharmacare Premium entered into a 65-year temporary emphyteusis for a plot of land including buildings. The built-up area measures 4,596m^2 whilst the unbuilt area measures approximately 5,908m^2 and is bounded on all sides by Government property. Pharmacare Premium is permitted to use the property exclusively for an industrial purpose. The facility is an EU-GMP approved site equipped with leading technology, machinery and equipment. This asset is accounted for as a right of use asset (with a corresponding lease liability) in line with IFRS 16. The land was revalued in FY17 and then again in FY21. As at 31 December 2024, the right of use asset had a closing balance of €15.0m.

1.3.2 Intangible assets of the Group

Pharmacare Premium is approved for full chemical and microbiological testing and certification for any EU member state. Pharmacare Premium's intangible assets are made up of licences, internally generated intellectual property and product development.

Pharmacare Premium holds a licence to operate as a pharmaceutical company in Europe, Saudi Arabia, Turkey, Egypt and Iraq amongst others, which are issued by the Health Authorities of each country.

Internally generated intellectual property includes all own product developments and capitalisation of labour costs for such products. Pharmacare Premium also holds product-specific licences for such products once approved and registered.

Product development includes all development of Sunitinib, Sorafenib, Teriflunomide, Pazopanib and capitalisation of labour costs for these products (the development of Sunitinib and Sorafenib was initiated in 2022 following approval from the relevant authorities). Given that the value of Pharmacare Premium's intangible assets is based on cost, and is not revalued to reflect market value, there is potentially added value from the development of these products, which is not captured on the company's books.

1.3.3 Plant and equipment

Pharmacare Premium's equipment and machinery originally cost €11.3m. This consists of high-end equipment dedicated for high potency contained production, tablet coating and packaging of the tablets. Lab equipment includes mostly laboratory equipment used for quality control and quality assurance.

1.4 Operational Developments

1.4.1 Facility expansion

An agreement was signed with X-spray Pharma AB of Sweden in November 2020 whereby Pharmacare Premium was to provide a 10-year facility operation of equipment. X-spray contracted at least two production lines from Pharmacare Premium for €0.8m per annum over a 10-year period to make a €7.6m commitment.

This X-Spray project has been officially terminated upon X-Spray's request due to certain failures which they faced with the development of their products.

However, the contract termination has not had a negative impact on operations as the Group has already secured agreements with new clients and is actively engaged in additional business development initiatives. Pharmacare Premium remains confident in their pipeline and continue to strengthen their client portfolio. The proposed expansion will still move forward.

This expansion is being part-financed by the €17,000,000 6% Unsecured Bonds 2033 pursuant to the Prospectus (the "**Bond Issue**").

1.4.2 Own Product Developments

The Guarantor's own products have been launched in Vietnam, Turkey and Canada. With more than 110 approved marketing authorizations around the world, more product/market launches are planned in 2025 worldwide.

During the year under review, the Guarantor was developing 4 products, namely Ruxolitinib, Cabozantinib, Palbociclib and Binimetinib. Ruxolitinib was completed and is currently being registered for marketing authorisation with a multinational partner in all EU countries. The other three developments are ongoing and are expected to be completed in 2026. An agreement for the co-development of 2 additional products with a European partner is at final stages and is expected to be initiated later in 2025.

1.5 Impact of the Israeli-Palestinian Conflict

The geopolitical instability has impacted the business environment of many organisations throughout the past few years. Whilst the impact on supply chains and potential customers has been relevant, the Group also suffered a direct impact due to having Palestinian shareholders and acting as a supplier to its Palestinian related company. However, through a mixture of reorganisation of supply structures and diversification of customers attained through entering new markets, the management expects the impact to be mitigated.

Part 2 Historical Performance and Forecasts

The financial information below is extracted from the audited financial statements of the Issuer and the Guarantor for the financial years ended 31 December 2022, 2023 and 2024. Group management has provided the forecast financial information for the year ending 31 December 2025.

The forecast financial information relates to events in the future and are based on assumptions which the management believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results may be material.

2.1 Issuer's Statement of Comprehensive Income

Statement of Comprehensive Income for the year ended 31 December	2022A	2023A	2024A	2025F
	€000s	**€000s**	**€000s**	**€000s**
Finance income	398	1,076	1,146	1,143
Finance costs	(288)	(950)	(1,020)	(1,020)
Net interest earned	**110**	**126**	**126**	**123**
Amortisation of issue costs	(12)	(44)	(43)	(46)
Administrative overheads	(41)	(75)	(82)	(77)
Other operating expenses	(66)	-	-	-
Profit / (loss) before tax	**(9)**	**8**	**0**	**-**
Tax	(36)	-	-	-
Profit / (loss) after tax	**(45)**	**8**	**0**	**-**

The Issuer was set up as the finance company of the Pharmacare group of companies, hence its revenue consists exclusively of interest income generated on the bond proceeds advanced to Pharmacare Premium, and its finance cost is the interest payable to bondholders.

Finance income and finance costs in FY24 are reflective of a full year of interest on the bond amount. Finance income for the year came in at €1.2m, slightly higher than the €1.1m in FY23. Finance costs followed a similar pattern increasing marginally over FY23 at €1.0m. This led to a net interest earned of €126k.

Bond issue costs are amortised over the duration of the bond, being 10 years. Administrative overheads primarily pertain to professional fees, director fees and auditor's remuneration. The marginal increase in administrative expenses in FY24 (compared to FY23 and forecasts) was due to an increase in legal and professional fees. No significant movements are forecasted for FY25.

2.2 Issuer's Statement of Financial Position

Statement of Financial Position as at 31 December	2022A	2023A	2024A	2025F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Interest bearing receivables	5,079	16,809	16,809	16,809
Total non-current assets	**5,079**	**16,809**	**16,809**	**16,809**
Current assets				
Other receivables	211	790	875	885
Cash and cash equivalents	2	3	10	9
Current tax asset	-	8	-	-
Total current assets	**213**	**801**	**885**	**894**
Total assets	**5,292**	**17,610**	**17,694**	**17,703**
Equity				
Share capital	250	250	250	250
Accumulated losses	(83)	(75)	(75)	(75)
Total equity	**167**	**175**	**175**	**175**
Liabilities				
Non-current liabilities				
Interest bearing borrowings	-	16,485	16,528	16,574
Total non-current liabilities	**-**	**16,485**	**16,528**	**16,574**
Current liabilities				
Interest bearing borrowings	4,993	-	-	-
Other payables	96	950	991	954
Taxation payable	36	-	-	-
Total current liabilities	**5,125**	**950**	**991**	**954**
Total liabilities	**5,125**	**17,435**	**17,519**	**17,528**
Total equity and liabilities	**5,292**	**17,610**	**17,694**	**17,703**

The Issuer's balance sheet size remained constant compared to the prior year, with the €16.8 loan to the Guarantor being the largest component of its assets base (95% of total assets in FY24). No significant movements are expected in FY25.

Current assets of the Issuer are mainly other receivables in the form of accrued interest from the Guarantor as the receiver of the net proceeds from the Bond Issue.

The Issuer's equity is mainly made up of its €250k share capital and accumulated losses. Non-current liabilities of the Issuer are solely its outstanding bonds. These increased slightly in FY24 and are expected to increase further in FY25 due to amortisation of the Bond Issue expenses.

The Issuer's current liabilities for FY24 are its payables, being the interest payable on the outstanding bonds, which were in line with previous forecasts.

2.3 Issuer's Statement of Cash Flows

Statement of Cash Flows for the year ended 31 December	2022A	2023A	2024A	2025F
	€000s	€000s	€000s	€000s
Cash Flows from Operating Activities				
Profit / (loss) before tax	(9)	8	0	-
Adjustments				
Amortisation of bond costs	12	44	43	46
Interest income on loans receivable	(398)	(1,076)	(1,146)	(1,143)
Interest expense on debt securities in issue	288	950	1,020	1,020
Write-off bond issuance costs	66	-	-	-
Changes In:				
Changes in net working capital	54	112	82	76
Cash flows from operations	**13**	**38**	**(1)**	**(1)**
Taxation paid	(15)	(44)	8	-
Net cash generated from / (used in) operating activities	**(2)**	**(6)**	**7**	**(1)**
Cash Flows from Investing Activities				
Loan advanced to parent company	(200)	(11,730)	-	-
Net cash used in investing activities	**(200)**	**(11,730)**	**-**	**-**
Cash Flows from Financing Activities				
Issue of share capital	203	-	-	-
Bond Issue proceeds	-	11,738	-	-
Net cash generated from financing activities	**203**	**11,738**	**-**	**-**
Movement in cash and cash equivalents	**1**	**2**	**7**	**(1)**
Cash and cash equivalents at start of year	-	2	3	10
Cash and cash equivalents at end of year	**2**	**3**	**10**	**9**

Given the Issuer's function as explained in sub-section 1.1., its main cash movements, other than that of raising and repaying debt instruments, is to advance loans to its Parent against an annual interest charge of 6.8% (as from 3rd February 2024 onwards). The interest rate on this loan advancement was set at an additional rate of 0.8% over the bond coupon, so that the spread allows the Issuer to pay for any administrative expenses it incurs to administer its debt instrument on behalf of Pharmacare Premium.

There were no notable cash movements during the year under review. The Issuer does not anticipate any major cash movements in FY25.

2.4 Guarantor's Statement of Comprehensive Income

Statement of Comprehensive Income for the year ended 31 December	FY2022A	FY2023A	FY2024A	FY2025F
	€000s	€000s	€000s	€000s
Revenue	8,839	8,361	11,809	12,618
Cost of sales	(4,439)	(5,887)	(7,892)	(9,119)
Gross profit	**4,400**	**2,473**	**3,917**	**3,499**
Overheads	(2,104)	(3,180)	(1,998)	(2,398)
EBITDA	**2,296**	**(707)**	**1,919**	**1,101**
Depreciation and amortisation	(1,264)	(1,723)	(1,867)	(1,988)
Net equity movement in subsidiary	(46)	10	0	-
Finance income	36	12	-	-
Finance costs	(756)	(1,423)	(1,665)	(1,350)
Write off of property, plant and equipment	(46)	-	-	-
Profit / (loss) before tax	**220**	**(3,831)**	**(1,612)**	**(2,237)**
Taxation	(42)	(52)	(39)	-
Profit / (loss) after tax	**178**	**(3,883)**	**(1,651)**	**(2,237)**

Ratio Analysis	2022A	2023A	2024A	2025F
Profitability				
Growth in Revenue (YoY Revenue Growth)	43.0%	-5.4%	41.3%	6.9%
Gross Profit Margin (Gross Profit/ Revenue)	49.8%	29.6%	33.2%	27.7%
EBITDA Margin (EBITDA / Revenue)	26.0%	-8.5%	16.3%	8.7%
Net Margin (Profit for the year / Revenue)	2.0%	-46.4%	-14.0%	-17.7%
Return on Common Equity (Net Income / Average Equity)	1.1%	-25.8%	-13.5%	-21.7%
Return on Assets (Net Income / Average Assets)	0.5%	-9.6%	-3.7%	-5.2%
Return on capital employed (EBITDA/ Total Assets - Current Liabilities)	7.5%	-2.0%	5.5%	3.4%

Whenever Pharmacare Premium is requested to manufacture pharmaceuticals on behalf of its clients, an agreement between the parties is entered into. The agreements with clients usually indicate tablet pricing which is typically variable and is based on the quantities to be ordered by a client. The total quantity of tablets/batches to be produced for the respective clients are not stipulated within the contracts. As per management, this is standard practice in the pharmaceutical contract manufacturing sector, as it allows clients to scale production accordingly, depending upon product sales.

Pharmacare Premium has 3 main revenue streams which are; the licensing and supply of own products, contract manufacturing, and contract development. Contract manufacturing has been Pharmacare Premium's primary revenue stream since its inception, representing 58% of total revenue in FY24.

The Group reported €11.8m in revenue for FY24 increasing from €8.4m in FY23. The main contributor to the increase in revenue was the €2.9m rise in licensing fees, driven by the addition of five new licensing agreements during the year. The Company also continued to grow its contract manufacturing segment through the addition of four new contracts with existing and new partners, resulting in a €850k increase compared to the prior year. The growth in revenue was also attributed to several tender awards in the MENA region which was partially offset by a dip in royalty revenue. Management expects an increase in revenue in FY25 of €0.8m as a result of an increase in sales volume with existing clients.

Despite the forecasted increase in revenue from FY24 to FY25, gross profit is expected to decline from €3.9m to €3.5m due to a lower projected gross profit margin, driven by a higher share of revenue from contract manufacturing, which generates lower margins.

In FY24, administrative overheads amounted to €2.0m (€3.2m in FY23) and mainly included administrative wages, directors' consultancy fees and salaries, utilities, premises expenses and professional fees. Overheads are projected to increase by a further €400k in FY25. After deducting administrative overheads, the Group reported an EBITDA of €1.9m, marking a substantial improvement compared to the negative EBITDA of €707k recorded in FY23. This is expected to drop to €1.1m in FY25 as a result of lower revenue from licensing fees which essentially have no corresponding cost of sales. For the same reason, the EBITDA Margin is expected to decrease to 8.7% (FY24: 16.3%).

Depreciation and amortisation costs remained stable in FY24 and include the depreciation of property, plant and equipment, as well as amortisation of intangible assets and right-of-use assets.

Finance costs increased by €242k in FY24, driven by a €178k unrealised loss on exchange and higher interest expense incurred on bank borrowings.

As a result of the higher-than-expected revenue, the Group reported a loss after tax of €1.7m, decreasing its prior year loss by 58%. Management expects the loss after tax to worsen in FY25, with a loss after tax of €2.2m in FY25.

2.4.1 Guarantor's Variance Analysis

Statement of Comprehensive Income for the year ended 31 December	FY2024P	FY2024A	Variance
	€000s	€000s	€000s
Revenue	12,277	11,809	(468)
Cost of sales	(6,044)	(7,892)	(1,848)
Gross profit	**6,233**	**3,917**	**(2,316)**
Overheads	(3,286)	(1,998)	1,288
EBITDA	**2,947**	**1,919**	**(1,028)**
Depreciation and amortisation	(2,008)	(1,867)	141
Net equity movement in subsidiary	-	0	0
Finance costs	(1,300)	(1,665)	(365)
Profit / (loss) before tax	**(361)**	**(1,612)**	**(1,251)**
Taxation	-	(39)	(39)
Profit / (loss) after tax	**(361)**	**(1,651)**	**(1,290)**

Revenue in FY24 was marginally lower than previously forecast. This was attributed to the cancellation of the X spray contract which was partially offset through the introduction of new clients and contracts. Although reported revenue was lower than expected, this did not result in a corresponding decrease in cost of sales since it is primarily composed of salaries, materials and freight costs, which are incurred by the Group even if a contract is cancelled or delayed. As a result, the Group's gross profit margin was 18 percentage points lower than forecast.

Overheads were €1.3m lower than previously forecast. Management explained that this decrease is due to the reclassifications of expenses included within overheads in the forecast to costs of sales in the FY24 audited financial statements. The favourable variance in overheads was partially offset by an adverse variance in cost of sales, resulting in an EBITDA that was €1.0 million below initial projections.

Depreciation and amortisation for the year was marginally lower than forecast while finance costs were €365k higher than forecast due to unforeseen losses on exchange.

The decline in revenue combined with the drop in Gross profit margin were the primary factors behind the €1.3m adverse variance in loss after tax, compared to the projections made in last year's Analysis.

2.5 Guarantor's Statement of Financial Position

Statement of Financial Position as at 31 December	FY2022A	FY2023A	FY2024A	FY2025F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Property, plant and equipment	4,827	4,835	4,740	4,843
Right of use assets	15,482	15,234	14,961	14,700
Intangible assets	7,487	7,488	8,030	8,387
Investment in subsidiary	165	175	175	175
Total non-current assets	**27,962**	**27,732**	**27,905**	**28,105**
Current assets				
Inventories	2,080	2,859	3,302	3,523
Trade and other receivables	7,497	8,061	13,109	7,214
Cash and cash equivalents	318	4,481	2,117	1,212
Total current assets	**9,894**	**15,401**	**18,528**	**11,949**
Total assets	**37,856**	**43,133**	**46,434**	**40,054**
Equity and liabilities				
Equity				
Share capital	17,629	17,629	17,629	17,629
Share premium	10,326	10,326	10,326	10,326
Revaluation reserve	9,766	9,622	9,437	9,251
Retained earnings / (accumulated losses)	(20,749)	(24,488)	(25,954)	(28,006)
Total equity	**16,972**	**13,088**	**11,437**	**9,200**
Non-current liabilities				
Bank borrowings	566	254	-	-
Interest bearing borrowings	9,886	19,904	20,963	20,329
Lease liability	1,218	1,229	1,239	1,251
Trade and other payables	858	457	198	208
Deferred tax	1,252	1,252	1,252	1,252
Total non-current liabilities	**13,780**	**23,096**	**23,652**	**23,040**
Current liabilities				
Bank borrowings	470	653	673	500
Bank overdraft	1,046	234	921	920
Interest bearing borrowings	1,116	1,629	586	720
Non-interest bearing borrowings	50	50	-	19
Lease liability	93	93	93	93
Trade and other payables	4,328	4,290	9,071	5,562
Total current liabilities	**7,104**	**6,949**	**11,344**	**7,814**
Total liabilities	**20,884**	**30,045**	**34,996**	**30,854**
Total equity and liabilities	**37,856**	**43,133**	**46,434**	**40,054**

Ratio Analysis	2022A	2023A	2024A	2025F
Financial Strength				
Gearing 1 (Net Debt / Net Debt and Total Equity)	45.3%	59.9%	66.2%	71.1%
Gearing 2 (Total Liabilities / Total Assets)	55.2%	69.7%	75.4%	77.0%
Gearing 3 (Net Debt / Total Equity)	83.0%	149.1%	195.5%	245.7%
Net Debt / EBITDA	6.1x	N/A	11.6x	20.5x
Current Ratio (Current Assets / Current Liabilities)	1.4x	2.2x	1.6x	1.5x
Quick Ratio (Current Assets - Inventory / Current Liabilities)	1.1x	1.8x	1.3x	1.1x
Interest Coverage 1 (EBITDA / Cash interest paid)	3.5x	(12.1)x	1.5x	1.0x
Interest Coverage 2 (EBITDA / Finance Costs)	3.0x	(0.5)x	1.2x	0.8x

Property, plant and equipment ("**PPE**") is principally comprised of large-scale equipment and machinery used for the production of tablets, tablet coating and packaging of the tablets. PPE as at December 2024 amounted to €4.7m, marginally decreasing compared to the previous year as depreciation was slightly higher than the investment undertaken, with circa €161k of assets under construction at the end of FY24.

The Group's right-of-use assets relate to the 65-year temporary emphyteusis of the factory premises in Hal Far recognised in line with IFRS 16. As at December 2024, the right-of-use asset was valued at €15.0m. This asset is amortised over the 65-year term and, hence, the Group expects its value to decrease slightly year-on-year.

Intangible assets consist of intellectual property, licences and capitalised costs with respect to product development. These were valued at €8.0m as at the end of FY24, as a result of new investment in products under development. Management expects this to reach €8.4m by FY25.

The Group's current assets include inventories, trade and other receivables, and cash and cash equivalents. Inventories rose by €443k over the past year, primarily due to Pharmacare Premium maintaining a larger stock of raw materials as at the end of FY24. Trade and other receivables increased significantly in FY24, reaching €13.1m as at December 2024 compared to €8.1m in the prior year. The increase was primarily a result of a €4.0m increase in amounts due from related parties which is however set-off against an increase in amounts due to related parties and a €2.4m increase in trade receivables attributed to increased collection times, particularly in relation to its business activities in the MENA region.

Share capital and share premium remained constant over the historical period analysed. The only other change over the prior year is the increase in accumulated losses following the loss after tax explained in sub-section 2.4. above.

The Group's liabilities, bar trade and other payables, remained at similar levels in FY24, with minor increases in interest bearing borrowings as a result of a higher bank overdraft (€919k as at December 2024 compared to €228k as at December 2023). On the other hand, trade and other payables increased from €4.7m to €9.3m in FY24 due to a significant increase in amounts due to related parties as explained above. Management expects total liabilities to increase to €30.9m in FY25.

Although current assets grew considerably, current liabilities saw a more pronounced increase, thus reducing the Group's current ratio from 2.2x in FY23 to 1.6x in FY24. Management expect this to slightly drop to 1.5x in FY25.

As a result of the loss realised during the year and the lower cash balance available, the Group's gearing increased from 59.9% in FY23 to 66.2% in FY24. Management is expecting this to increase to 71.1% for FY25 following the projected loss in FY25.

2.6 Guarantor's Statement of Cash Flows

Statement of Cash Flows for the year ended 31 December	2022A	2023A	2024A	2025F
	€000s	€000s	€000s	€000s
Cash flows from operating activities				
Profit for the year before tax	220	(3,832)	(1,612)	(2,237)
Adjustments for:				
Depreciation and amortisation	1,265	1,723	1,867	1,988
Loss on write-off of property, plant and equipment	46	347	66	-
Provision for impaired inventories	(39)	-	26	-
Expected credit losses	56	-	23	-
Equity movement on investment in subsidiary	47	(10)	(0)	-
Unrealised differences on exchange	42	(12)	178	-
Finance expense	713	1,339	1,468	1,350
Movement in working capital:				
Movement in inventory	55	(779)	(469)	(221)
Movement in trade and other receivables	(2,920)	(552)	(4,998)	5,895
Movement in trade and other payables	(302)	(1,616)	4,122	(3,509)
Cash flows from operations	**(817)**	**(3,392)**	**672**	**3,266**
Taxes paid	(42)	(52)	(39)	-
Net cash generated from / (used in) operating activities	**(859)**	**(3,444)**	**633**	**3,266**
Cash flows from investing activities				
Acquisition of property, plant and equipment	(447)	(519)	(458)	(993)
Acquisition of intangible assets	(1,677)	(1,312)	(1,648)	(1,660)
Acquisition of investment in subsidiary	(203)	-	-	-
Net cash generated from / (used in) investing activities	**(2,328)**	**(1,831)**	**(2,105)**	**(2,653)**
Cash flows from financing activities				
Movements on bank loans	(404)	(128)	(235)	-
Movements on amount due to third party	(1,257)	(30)	(33)	(480)
Movements on shareholder loans	1	(1,170)	31	150
Movements on related company balances	894	-	-	-
Movements on subsidiary company balances	196	11,730	-	-
Movements on parent company balances	19	-	-	-
Movements on ultimate parent company balances	3,619	-	-	-
Lease payments	(113)	(93)	(93)	(93)
Interest paid	(653)	(59)	(1,247)	(1,094)
Net cash generated from / (used in) financing activities	**2,302**	**10,251**	**(1,578)**	**(1,517)**
Net movement in cash and cash equivalents	**(885)**	**4,976**	**(3,051)**	**(904)**
Cash and cash equivalents at start of year	156	(729)	4,247	1,197
Cash and cash equivalents at end of year	**(729)**	**4,247**	**1,197**	**293**

Ratio Analysis	2022A	2023A	2024A	2025F
Cash Flow	€000s	€000s	€000s	€000s
Free Cash Flow (Net cash from operations + Interest - Capex)	(2,983)	(5,274)	(1,472)	613

As explained in sub-section 2.4. of this Analysis, the Group ended FY24 with a loss of €1.7m. After accounting for non-cash items, working capital movements and tax paid, the Group reported a net cash inflow of €633k from its operating activities, following two consecutive years of cash outflows from operating activities. Net cash generated from operating activities in FY25 is expected to amount to €3.3m because of projected improvement in working capital.

Investing activities of the Group are exclusively its investments in PPE and intangible assets, particularly additions to intangible assets and products under development part of which are driven by capitalisation of salaries. The Group is expecting a cash outflow of €2.7m in FY25 as the Group continues to develop new products and expand its facilities.

The Group did not report any notable cash flows from financing activities during the year apart for the interest paid on the bond and other bank borrowings. The same pattern is expected for FY25.

The Group ended FY24 with a positive cash balance of €1.2m which is projected to drop to €0.3m in FY25 due to a negative net cash movement of €0.9m due to investing and financing outflows exceeding operating cash flows.

Part 3 Key Market and Competitor Data

3.1 General Market Conditions

At the time of publication of this Analysis, management considers that generally, it shall be subject to the normal business risks associated with the industries in which the companies are involved and operate and, barring unforeseen circumstances, does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of the companies and their respective businesses, at least with respect to the financial year 2021. However, investors are strongly advised to carefully read the risk factors disclosed in the Prospectus.

3.2 Economic Update[1]

The Central Bank of Malta's Business Conditions Index (BCI) indicates that in April 2025, annual growth in business activity increased marginally, and remained slightly above its long-term historical average as estimated since January 2000.

The European Commission confidence surveys show that sentiment in Malta decreased in April, but nevertheless remained above its long-term average, estimated since November 2002. The latest deterioration was mostly driven by the services sector.

In terms of economic uncertainty, the Central Bank of Malta's Economic Policy Uncertainty Index (EPU) continued its increase above its historical average estimated since 2004, indicating elevated levels of uncertainty. However, the European Commission's Economic Uncertainty Indicator (EUI) for Malta decreased compared with March, indicating lower uncertainty and a potential trend reversal, predominantly driven by industry.

In March, industrial production rose at an accelerating pace whilst retail trade turned positive on a year-on-year basis. In February, the services sector recorded its first year-on-year contraction in activity since 2022.

The unemployment rate remained unchanged at 2.8% in March but stood below that of 3.4% in March 2024.

Commercial and residential building permits in March were higher than a month earlier. In April, the number of residential promise-of-sale agreements rose on a year earlier, whilst the number of final deeds of sale decreased.

The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 2.6% in April, up from 2.1% in the previous month. HICP excluding energy and food in Malta clocked in at 2.5%, remaining below the euro area average. Inflation based on the Retail Price Index (RPI) increased to 2.4%, up from 2.1% in March.

3.3 Economic Outlook[2]

According to the Central Bank's latest forecasts, Malta's gross domestic product (GDP) is expected to moderate from 6.0% in 2024 to 4.0% in 2025. Growth is then projected to ease further to 3.3% by 2027. Despite the impact of potential US tariffs, the Bank's forecasts remain broadly unchanged driven by an uptick in expected government consumption and investment plans.

The abovementioned growth is expected to be driven by domestic demand predominantly in private consumption and the continued recovery in investment. Net exports are also expected to retain a positive contribution over the projection period, albeit a smaller contribution when compared to domestic demand.

Employment growth is set to moderate, albeit from a high rate of 5.1% in 2024, to 2.3% by 2026 and 2027. The unemployment rate is expected at 3.0% for 2025 and remain at this rate throughout the forecast period. In line with the decrease in inflation pressures and labour market tightness, growth in the average wage is expected to ease from 5.9% in 2024 to 4.4% in 2025, and is then expected to moderate further in the forecast years that follow.

Annual inflation based on the Harmonised Index of Consumer Prices is projected to continue its decrease from 2.4% in 2024 to 2.3% in 2025 and reaching 2.0% by 2027. Compared to previous projections, inflation has been revised up by 0.2 and 0.1 percentage points in 2025 and 2026 respectively, largely reflecting recent outcomes in services inflation.

[1] Central Bank of Malta – Economic Update 05/2025

[2] Central Bank of Malta – Economic Projections 2025 – 2027

The general government deficit-to-GDP ratio is set to decline to 3.5% in 2024, and to narrow further over the rest of the forecast horizon, to stand at 2.7% by 2027. The general government debt-to-GDP ratio is set to increase throughout the forecast horizon, stabilising at 48.6% by 2026. When compared with the previous projection round, the projected deficit ratio is higher, while the debt ratio has been revised slightly lower.

Risks to activity are broadly balanced. Downside risks largely relate to possible negative effects on foreign demand arising from geopolitical tensions, additional US tariffs, and any potential additional retaliatory measures. On the other hand, the labour market could exhibit stronger dynamics than expected, which could result in stronger than expected consumption and investment growth.

Risks to inflation are also broadly balanced over the forecast period and mainly related to external factors. Upside risks to inflation in the short term are also linked to global trade policy and potential retaliatory measures. Such risks could also be counterbalanced by the rerouting of exports from competitor countries to the EU and heightened competitive pressures in markets targeted by tariffs. On the downside, imported inflation could fall more rapidly than expected if the adverse effects of trade barriers on global demand turn out stronger than expected.

On the fiscal side, risks are mostly tilted to the downside (deficit-increasing). These mainly reflect the possibility of slippages in current expenditure. They also reflect the possibility of additional increases in pensions and wages in the outer years.

3.4 The Retail Pharmacy Industry in Malta[3]

The pharmaceutical retail industry is composed of pharmacy stores which are engaged in the retailing of prescription and non-prescription pharmaceutical and allied such as health products that include vitamins and supplements, cosmetics, toiletries, greeting cards, and non-perishable food products to walk-in customers.

Through the sale of such commercialised items, in addition to the introduction of number of cosmetic services, pharmacy retail stores have nowadays expanded their customer base to younger individuals. In addition to the need for medical prescriptions and the introduction of new advances/innovations in medical care, the demand for pharmaceutical retail stores within a specific country, is also greatly dependent upon the growth in the number of older persons, otherwise known as an aging population.

In recent years, virtually every country in the world has experienced growth in the number of older persons in their population. Over the last 30 years, the number of people older than 65 years old per 100 people of working age (20 to 64 years) increased from 21 in 1994 to 33 in 2024 on average across "Organisation for Economic Cooperation and Development (OECD)" countries. Over the next 30 years, it is expected to reach 55 per 100 people of working age.

This further illustrates that as the number of persons aged 65 years or over increased over time, OECD countries have also witnessed a consequent increase in health expenditure as a percentage of GDP. This therefore implies that the demand for pharmaceutical retail stores has strengthened throughout this period.

3.5 The Local Pharmacy Industry in Malta[4]

Locally, the latest revised demographic statistics also show that the population in Malta is ageing considerably. As at December 2023, the population aged 65 years or over amounted to 18.4% (103,674) of the total population of 563,443, illustrating a 40 basis points from the year before.

The population increase in 2023 was driven by a mix of net positive migration into the country and the natural increase between births and deaths. Life expectancy has also increased throughout the years, with the average life expectancy for those born in 2022 standing at 82.3 years, an increase of 1.4 years when compared to 2012[5].

On the same note, according to the '2024 Ageing Report'[6] prepared by the European Commission and the Economic Policy Committee, the median age will rise from 44.4 years in 2022 to 48.8 years in 2070, with a relatively steeper increase by around 2040. This pattern will be repeated in each of the EU Member States, with the life expectancy of the Maltese population reaching the high 80s by 2070.

As life expectancy at birth increases globally (including Malta), remarkable advancements in healthcare services

[3] Including both generic and brand name prescription and non-prescription medicines and drugs
[4] National Statistics Office: World Population Day (11 July 2024)
[5] National Statistics Office - Population and migration: 2012 - 2022
[6] https://commission.europa.eu/index_en

and medical research, have greatly contributed towards an overall improvement in longevity. Based on this, combined with the anticipated increase in the number of individuals aged 65 or over, the demand for pharmaceutical retail stores is expected to continue strengthening moving forward.

Additionally, the number of local pharmacy licences available are limited depending on the population of a locality. Data specifically related to the number of pharmacy licences issued in Malta over a specific timeframe is limited. However, according to data provided by the 'Malta Medicine Authority', there are currently over two hundred licenced retail community pharmacies in Malta[7].

In view of the above, once all pharmacy licences within the threshold are issued to operators, the authority cannot issue new licences unless the threshold is increased. In view of this, the limited supply of licences has driven a market in the trade of pharmacy licences which can be sold / acquired from third parties on the open market. More specifically, it is important to note that the trade of pharmacy licences, in addition to approval of new licences are subject to the approval of the Superintendent of Public Health. Such policy has naturally driven up the price to acquire a pharmacy licence, which has increased the barriers to entry and hence reduced competition for existing operators. Additionally, the limited availability of pharmacy licences in Malta will continue to channel the increase in the demand for pharmaceutical needs to existent operators.

3.6 Pharmacare Premium's positioning in the Market

Oncology treatments are the fastest growing therapeutic category within the pharmaceutical industry. Modern anti-cancer treatments are specialized to the specific type of cancers at certain stages and in combinations. Due to the extent of product development required to develop a product, the original patented product is typically very expensive. Furthermore, due to the specialised nature of these drugs, they are highly potent and manufactured in small batches.

Pharmacare Premium's business opportunity is linked to high value generics, launched immediately after patent expiry (day-1 launch). Pharmacare Premium has a number of oral oncology products in its pipeline with launch opportunities between 2025 and 2032, a number of which already have registered patents in Malta. As a result, Pharmacare Premium has adopted a unique positioning to maximize the aforementioned opportunities. Oral oncology treatments are taken over a longer period by patients and have a larger market compared with traditional chemotherapy and biologicals administered in hospitals.

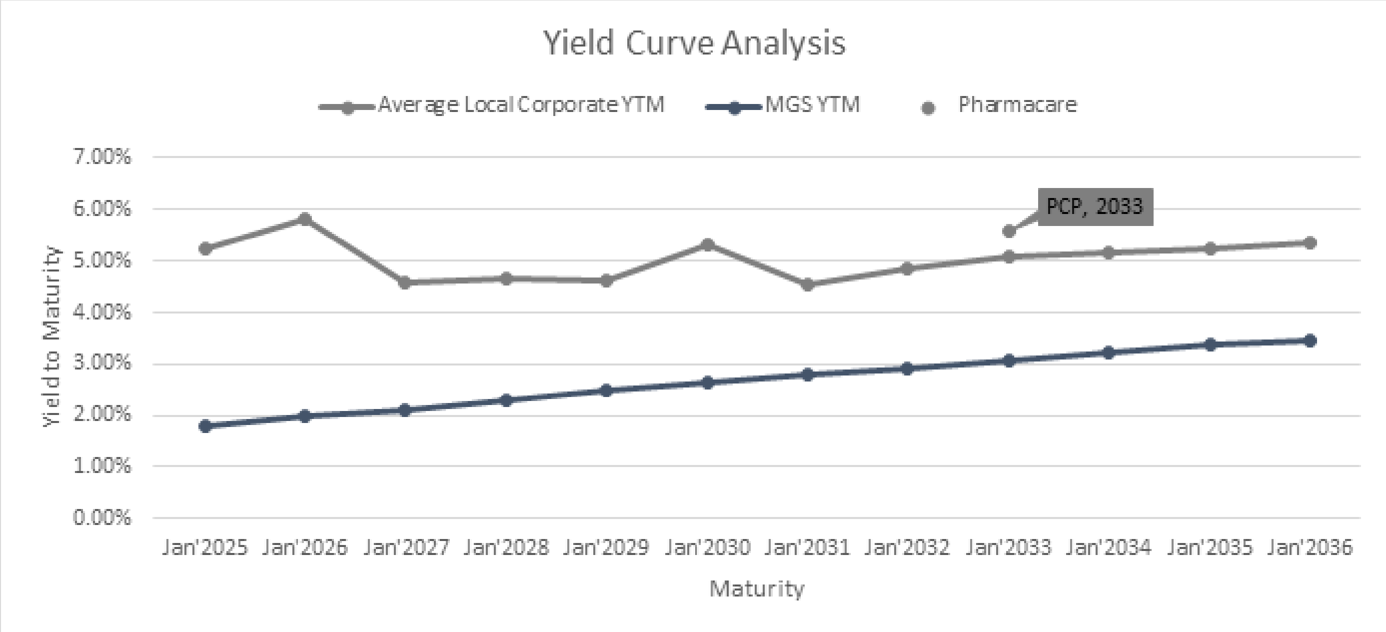
3.7 Comparative Analysis

The purpose of the table below compares the proposed debt issuance of the Issuer to other debt instruments. Additionally, we believe that there is no direct comparable company related to the Issuer and as such, we included a variety of Issuers with different maturities. More importantly, we have included different issuers with a similar maturity to the Issuer. One must note that given the material differences in profiles and industries, the risks associated with the business and that of other issuers are therefore different.

[7] Malta Medicines Authority

Security	Nom Value €000's	Yield to Maturity (%)	Interest coverage (EBITDA) (times)	Total Assets (€'millions)	Total Equity (€'millions)	Total Liabilities / Total Assets (%)	Net Debt / Net Debt and Total Equity (%)	Net Debt / EBITDA (times)	Current Ratio (times)	Return on Common Equity (%)	Net Margin (%)	Revenue Growth (YoY) (%)
5% CF Estates Finance plc Secured € 2028-2033	30,000	5.00%	0.0x	37.1	0.3	99.2%	99.1%	145.6x	1.2x	56.6%	6.7%	4.4%
6% Pharmacare Finance plc Unsecured € 2033	17,000	5.57%	(1.2)x	46.4	11.4	75.4%	66.2%	11.6x	1.6x	-13.5%	-14.0%	41.3%
5.25% Bonnici Bros Properties plc Unsecured € 2033 S1 T1	12,000	4.93%	2.1x	39.8	17.9	54.9%	43.3%	10.0x	0.4x	5.1%	61.4%	26.4%
6.25% AST Group plc Secured Bonds 2033	8,500	5.47%	1.2x	14.9	1.1	92.9%	88.3%	(7.7)x	0.5x	-129.5%	-18.4%	-48.9%
6% JD Capital plc Secured Bonds 2033 S2 T1	11,000	5.38%	5.8x	0.1	0.0	73.2%	99.5%	564.4x	1.7x	19.4%	40.5%	26.0%
4.25% ClearflowPlus plc Unsecured € Bonds 2033	25,000	4.25%	477.5x	0.6	0.2	70.1%	0.5%	0.0x	1.3x	11.9%	21.4%	11.1%
5.85% AX Group plc Unsecured € 2033	40,000	5.53%	2.6x	513.1	248.8	51.5%	41.6%	8.5x	1.3x	2.1%	6.1%	67.1%
4% Central Business Centres plc Unsecured € 2027-2033	21,000	4.28%	(1.6)x	77.6	27.3	64.8%	57.7%	18.2x	0.1x	13.6%	146.7%	35.2%
6% International Hotel Investments plc 2033	60,000	5.53%	1.7x	1,795.3	910.4	57.5%	42.2%	8.8x	0.8x	-0.1%	-0.4%	6.6%
4.75% Dino Fino Finance plc Secured € 2033	7,800	4.75%	(1.4)x	14.8	1.6	88.9%	83.2%	(15.7)x	0.4x	-38.2%	-19.4%	-3.1%
5.75% Phoenicia Finance Company plc Unsec Bonds 2028-2033	50,000	5.43%	2.2x	160.3	77.2	51.8%	46.2%	10.6x	0.7x	-0.5%	-1.7%	23.3%
	Average*	5.05%										

Source: Latest available audited financial statements
Last price as at 20/06/2025
*Average figures do not capture the financial analysis of the Issuer



The above graph illustrates the average yearly yield of all local issuers as well as the corresponding yield of MGSs (Y-axis) vs the maturity of both Issuers and MGSs (X-axis), in their respective maturity bucket, to which the spread premiums can be noted. The graph illustrates on a stand-alone basis, the yield on the Issuer's proposed bond.

As at 20 June 2025, the average spread over the Malta Government Stocks (MGS) for corporates with maturity range of 8 years (2034) was 198 basis points. The Pharmacare Finance p.l.c. bond is currently trading at a YTM of 5.57%, meaning a spread of 250 basis points over the equivalent MGS, and therefore at a premium to the average on the market of 52 basis points. It is pertinent to note that the above analysis is based on a maturity-matching basis and that the Issuer's industry is significantly different to the corporates identified and as such its risks also differ to that of other issuers.

Part 4 Glossary and Definitions

Income Statement	
Revenue	Total revenue generated by the Group/Company from its principal business activities during the financial year.
Costs	Costs are expenses incurred by the Group/Company in the production of its revenue.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/Company's earnings purely from operations.
Operating Profit (EBIT)	EBIT is an abbreviation for earnings before interest and tax.
Depreciation and Amortisation	An accounting charge to compensate for the decrease in the monetary value of an asset over time and the eventual cost to replace the asset once fully depreciated.
Net Finance Costs	The interest accrued on debt obligations less any interest earned on cash bank balances and from intra-group companies on any loan advances.
Net Income	The profit made by the Group/Company during the financial year net of any income taxes incurred.

Profitability Ratios	
Growth in Revenue (YoY)	This represents the growth in revenue when compared with previous financial year.
Gross Profit Margin	Gross profit as a percentage of total revenue.
EBITDA Margin	EBITDA as a percentage of total revenue.
Operating (EBIT) Margin	Operating margin is the EBIT as a percentage of total revenue.
Net Margin	Net income expressed as a percentage of total revenue.
Return on Common Equity	Return on common equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing the net income by the average common equity (average equity of two years financial performance).
Return on Assets	Return on assets (ROA) is computed by dividing net income by average total assets (average assets of two years financial performance).
Return on Capital Employed	Return on capital employed (ROCE) measures the relative profitability of a company after taking into account the amount of capital used during a relative financial performance.
Cash Flow Statement	
Cash Flow from Operating Activities (CFO)	Cash generated from the principal revenue producing activities of the Group/Company less any interest incurred on debt.
Cash Flow from Investing Activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group/Company.
Cash Flow from Financing Activities	Cash generated from the activities that result in change in share capital and borrowings of the Group/Company.
Capex	Represents the capital expenditure incurred by the Group/Company in a financial year.
Free Cash Flows (FCF)	The amount of cash the Group/Company has after it has met its financial obligations. It is calculated by taking Cash Flow from Operating Activities less the Capex of the same financial year.

Balance Sheet	
Total Assets	What the Group/Company owns which can de further classified into Non-Current Assets and Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Inventory	Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.
Cash and Cash Equivalents	Cash and cash equivalents are Group/Company assets that are either cash or can be converted into cash immediately.
Total Equity	Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.

Total Liabilities	What the Group/Company owes which can de further classified into Non-Current Liabilities and Current Liabilities.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Total Debt	All interest-bearing debt obligations inclusive of long and short-term debt.
Net Debt	Total debt of a Group/Company less any cash and cash equivalents.
Current Liabilities	Obligations which are due within one financial year.

Financial Strength Ratios	
Current Ratio	The Current ratio (also known as the Liquidity Ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares current assets to current liabilities.
Quick Ratio (Acid Test Ratio)	The quick ratio measures a Group's/Company's ability to meet its short-term obligations with its most liquid assets. It compares current assets (less inventory) to current liabilities.
Interest Coverage Ratio 1	The interest coverage ratio is calculated by dividing EBITDA of one period by cash interest paid of the same period.
Interest Coverage Ratio 2	The interest coverage ratio is calculated by dividing EBITDA of one period by finance costs of the same period.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets.
Gearing Ratio Level 1	Is calculated by dividing Net Debt by Net Debt and Total Equity.
Gearing Ratio Level 2	Is calculated by dividing Total Liabilities by Total Assets.
Gearing Ratio Level 3	Is calculated by dividing Net Debt by Total Equity.
Net Debt / EBITDA	The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.

Other Definitions	
Yield to Maturity (YTM)	YTM is the rate of return expected on a bond which is held till maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price.

Calamatta Cuschieri

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