

Date: 28.08.2025

Reference: PHC082

COMPANY ANNOUNCEMENT
PUBLICATION OF CONDENSED INTERIM FINANCIAL STATEMENTS

The following is the company announcement issued by Pharmacare Finance PLC (the “Company”), having company registration number C 86057, and with the registered address at HHF 003, Hal Far Industrial Estate, Hal Far, Birzebbuga BBG 3000 Malta.

QUOTE

The Board of Directors of the Company announces that it considered and approved the Company's Condensed Interim Financial Statements covering the period from 1st January to 30th June 2025. A copy of the signed Condensed Interim Financial Statements is being attached to this announcement and are available for viewing on the Company's website:

<https://pharmacarefinance.com/investor-relations-2/>

UNQUOTE

Signed by:


Mr. Hani Sarraf
Director

Appendix A

Condensed Interim Financial Statements
covering the period from 1st January to 30th June 2025

Pharmacare Finance plc

Condensed Interim Financial Statements

For the period 1 January to 30 June 2025

Company Registration Number: C 86057

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Directors' report pursuant to Capital Markets Rule 5.75.2

This half-yearly directors' report is being published in terms of Chapter 5 of the Capital Markets Rules published by the Listing Authority – Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act, 2005. The half-yearly report, of which this directors' report forms part, comprises the unaudited condensed interim financial statements of Pharmacare Finance plc (the company) for the six months ended 30 June 2025 prepared in accordance with International Financial Reporting Standards (IFRSs) adopted for use in the European Union (EU) for interim financial statements (International Accounting Standard 34, 'Interim Financial Reporting'). The comparative statement of financial position has been extracted from the audited financial statements for the year ended 31 December 2024.

Principal activity

The principal activity of the company is to act as a finance company to its immediate parent company, namely Pharmacare Premium Limited, in connection with the financing of pharmaceutical products being developed.

Review of business

The company raised € 17 million in 2023 through the issuance of bonds which are quoted on the Malta Stock Exchange and guaranteed by Pharmacare Premium Limited. The proceeds of the bonds, net of expenses and redemption of the previous bonds of € 5 million with maturity date of 2025-2028 have been used to finance the projects of Pharmacare Premium Limited.

During the period ended 30 June 2025, the company registered loss before taxation of € 6,175 (2024: € 3,593). The net assets of the company at the end of the period amounted to € 168,769 (31 December 2024: € 171,112).

Principal risks and uncertainties

The company acts as a finance company for projects being developed by its immediate parent company, namely Pharmacare Premium Limited, which company is also guaranteeing such bonds.

The company is therefore fully dependent on the business prospects of Pharmacare Premium Limited, and consequently, the operating results of the parent company have a direct effect on the company's financial performance and financial position. Therefore, the risks intrinsic in the business and operations of Pharmacare Premium Limited have a direct effect on the ability of the company, and Pharmacare Premium Limited acting as its guarantor, to meet their respective obligations in connection with the payment on the interest on the bonds and repayment of the principal when due.

Pharmacare Premium Limited remains committed to continue investing in new product development, however because of various matters affecting the market, the development plans of Pharmacare Premium Limited's products will continue to invariably need to be revised. Matters affecting such revisions include the introduction or withdrawal of products to be developed, new timelines for the introduction of new products, as well as projected product development costs.

It is to be noted that during the past six months, Pharmacare Premium Limited continued to identify additional products for future development.

The group's business continues to be dependent on a number of key clients. Failure to retain such clients may materially impact the group's revenue and substantially affect the operations and financial considerations of the group and consequently of the company. However, the group has been successful in attracting new clients and contracts from its existing customers. As of 30 June 2025, the group has successfully completed the development of another product, initiated the development activities of four new products and further expanded its customer base with additional licensing agreements, now exceeding 70 customers in diverse regions. During the first half of 2025, the group has continued development and registration of new products planned to go to market in the next months to further strengthen the group's product portfolio.

Similarly, the group, which is engaged in the manufacturing of pharmaceutical products, relies on imported raw materials from suppliers, and may therefore be exposed to risks associated with their supply chain and could negatively affect the price movements and availability of the products for sale.

Furthermore, the group growth is relying on key senior personnel who have contacts and expertise in the pharmaceutical industry. The loss of such key personnel can have an adverse effect on the financial results of the group. In order to mitigate this risk, the group's directors have continued to expand its pool of expertise and have added additional resources in all key areas of the business.

The group continues to be exposed to economic conditions associated with product development risks and product substitute's risks. In addition, the group may be exposed to litigation risks, such as product liability claims. It is also subject to pharmaceutical product compliance risks as it operates in a highly regulated industry. Regulatory authorities in various countries must approve the group's products before these are launched on the market. In addition, the parent company as guarantor, must be able to maintain and increase the number of the distribution arrangements for its products, failing which the operational and financial results may be adversely affected.

Additional risks arise from operating internationally, increased competition and infringement of patents rights.

Dividends

The directors do not recommend the payment of an interim dividend.

Statement of Directors' Responsibilities

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to prepare the financial statements for each financial period which give a true and fair view of the financial position of the company as at the end of the financial period and of the profit or loss of the company for that period in accordance with the requirements of IFRSs as adopted by the EU. This responsibility includes designing, implementing and maintaining such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Preparation of the Interim Financial Statements

This report is being published in terms of the Capital Market Rule 5.75 of the Capital Market Rules issued by the Listing Authority, and has been prepared in accordance with the applicable Capital Market Rules and International Accounting Standard 34 – Interim Financial Reporting. This half-yearly report comprises the reviewed (but not audited) interim financial statements. These financial statements have been reviewed in accordance with the requirements of ISRE 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'.

Going Concern Statement

After making enquiries, the directors, at the time of approving the financial statements, have determined that it is reasonable to assume that the company has adequate resources to continue operating for the foreseeable future. For this reason, they continue to adopt the going concern basis in the preparation of these financial statements.

Directors' interest

The directors' beneficial interest in the shares of the company as at 30 June 2025 was limited to 1 ordinary share having a nominal value of € 1 held by Mr. Bassim S.F. Khoury Nasr. No changes in the directors' beneficial interest took place during the period under review.



Amin Farah
Director



Hani H. Sarraf
Director

Registered address:
HHF 003, Hal Far Industrial Estate
Hal Far
Birzebbuga BBG 3000
Malta

28 August 2025

Statement of profit or loss

	Notes	2025 6 months (unaudited) €	2024 6 months (unaudited) €
Finance income	5	566,812	566,812
Finance costs	6	(529,073)	(527,663)
Net interest income		37,739	39,149
Administrative expenses		(43,914)	(42,742)
Loss before tax	7	(6,175)	(3,593)
Tax expense	8	-	-
Loss for the period		(6,175)	(3,593)

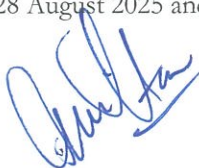
Statement of financial position

	Notes	30 June 2025 (unaudited) €	31 December 2024 (audited) €
Assets			
Non-current			
Loans receivable	9	16,809,090	16,809,090
		16,809,090	16,809,090
Current			
Receivables	10	400,275	874,934
Cash and cash equivalents	11	9,943	10,343
		410,218	885,277
Total assets		17,219,308	17,694,367

Statement of financial position – continued

	Notes	30 June 2025 (unaudited) €	31 December 2024 (audited) €
Equity			
Share capital	12	250,000	250,000
Accumulated losses		(81,231)	(75,056)
Total equity		168,769	174,944
Liabilities			
Non-current			
Debt securities in issue	13	16,551,569	16,528,304
		16,551,569	16,528,304
Current			
Trade and other payables	14	498,970	991,119
		498,970	991,119
Total liabilities		17,050,539	17,519,423
Total equity and liabilities		17,219,308	17,694,367

The financial statements on pages 5 to 22 were approved by the board of directors, authorised for issue on 28 August 2025 and signed on its behalf by:



Amin Farah
Director



Hani H. Sarraf
Director

Statement of changes in equity

	Share capital €	Accumulated losses €	Total equity €
At 1 January 2025	250,000	(75,056)	174,944
Loss for the period	-	(6,175)	(6,175)
At 30 June 2025 (unaudited)	250,000	(81,231)	168,769
At 1 January 2024	250,000	(75,295)	174,705
Profit for the year	-	239	239
At 31 December 2024 (audited)	250,000	(75,056)	174,944

Statement of cash flows

	Notes	2025 6 months (unaudited) €	2024 6 months (unaudited) €
Operating activities			
Loss before tax		(6,175)	(3,593)
Adjustments	15	(37,739)	(39,149)
Net changes in working capital	15	43,514	42,313
Net cash used in operating activities		(400)	(429)
Net movement in cash and cash equivalents		(400)	(429)
Cash and cash equivalents, beginning of period		10,343	3,391
Cash and cash equivalents, end of period	11	9,943	2,962

Notes to the financial statements

1 Nature of operations

Pharmacare Finance plc (the company) was incorporated on 30 April 2018. The company was formed principally to act as a finance vehicle to the parent company, namely Pharmacare Premium Limited.

2 Basis of preparation

2.1 General information and statement of compliance with International Financial Reporting Standards (IFRS)

Pharmacare Finance plc is a public liability company domiciled and incorporated in Malta. The registered office is located at HHF 003, Hal Far Industrial Estate, Hal Far, Birzebbuga, BBG 3000, Malta.

The company's parent company is Pharmacare Premium Ltd with the same place of incorporation and registered address as the company.

The condensed interim financial statements as at end 30 June 2025 have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS), as adopted by the European Union (EU) applicable to interim financial reporting (International Accounting Standards 34, "Interim Financial Reporting"). The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with IFRS as adopted by the EU.

The financial statements are presented in euro (€), which is also the company's functional currency.

2.2 Going concern basis

In 2023, the company issued €17,000,000 6% unsecured bonds of €100 each to the public, maturing in 2033. The net proceeds were advanced as a loan to the parent company, namely Pharmacare Premium Limited at an interest rate of 6.8% per annum.

The ability of the company to meet its obligations, both in terms of servicing its debt and ultimately repaying the bond holders on the redemption date, is dependent on the ability of the parent company, as guarantor, to meet its obligations towards the company.

The directors are satisfied that the company will earn sufficient funds in order to meet its commitments in the foreseeable future, and it is therefore appropriate to adopt the going concern assumption in the preparation of the financial statements. The financial statements do not include any adjustments should the above strategies not materialise.

3 New or revised standards or interpretations

3.1 New standards adopted as at 1 January 2025

Accounting pronouncements which have become effective from 1 January 2025 and have therefore been adopted.

- Lack of Exchangeability (Amendments to IAS 21)

These amendments do not have a significant impact on these financial statements and therefore no disclosures have been made.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the company

At the date of authorisation of these financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the IASB and IFRIC. None of these standards or amendments to existing standards have been adopted early by the company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the company's financial statements.

4 Material accounting policies

4.1 Overall considerations and presentation of financial statements

The condensed interim financial statements have been prepared using the material accounting policies and measurement bases summarised below and in the succeeding pages.

The material accounting policies are consistent with those applied in previous years.

The financial statements are presented in accordance with IAS 1 'Presentation of Financial Statements' (Revised 2007). The company did not have any items classified as 'other comprehensive income' and consequently, management have elected to present only a statement of profit or loss.

4.2 Revenue

Revenue is recognised to the extent that it is probable that future economic benefits will flow to the company and these can be measured reliably. The following specific, recognition criteria must also be met before revenue is recognised.

Finance income

Finance income comprises loan interest receivable in the ordinary course of business. Interest receivable is recognised in the statement of profit or loss as it accrues, using the effective interest method.

4.3 Administrative expenses

Administrative expenses are recognised in profit or loss upon utilisation of the service or as incurred .

4.4 Finance costs

Finance costs represent interest payable on the bond in issue as set out in the notes to these financial statements. Finance costs are recognised as an expense in profit and loss as these accrue, using the effective interest method.

4.5 Bond issue costs

Bond issue costs represent fees incurred in connection with the issuance of the bonds by the company to investors. The cost of issuing bonds is recorded in a contra liability account and off-set from the nominal value of the bond in order to systematically move the bond issue costs from the balance sheet to the statement of profit or loss over the term of the bond. As a result, the company matches the cost of the bond to accounting periods that are benefitting from the bond being issued. The cost of the bond is amortised over the duration of the bond, being 10 years.

4.6 Foreign currency translation

Foreign currency transactions are translated into the functional currency of the company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date).

4.7 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI).

In the periods presented, the company does not have any financial assets categorised at FVTPL and FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in the statement of profit or loss are presented within 'finance income' and 'finance costs', except for impairment of receivables which is presented within 'administrative expenses'.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss model'. Instruments within the scope of the new requirements included most receivables.

The company considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

The company's financial liabilities include trade and other payables and debt securities in issue.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the company designates a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within 'finance costs' or 'finance income'.

4.8 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in the statement of profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

4.9 Cash and cash equivalents

Cash and cash equivalents comprise demand deposits with bank.

4.10 Equity

Share capital is determined using the nominal value of shares that have been issued.

Accumulated losses include all current and prior period results as disclosed in the statement of profit or loss less dividend distributions.

4.11 Provisions

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events; for example, product warranties granted, legal disputes or onerous contracts. Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

4.12 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Use of available information and application of judgement are inherent in making estimates. Actual results in future could differ from such estimates and the differences may be material to the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (revised).

5 Finance income

	2025 6 months (unaudited) €	2024 6 months (unaudited) €
Interest income from parent company loans	566,812	566,812
	<u>566,812</u>	<u>566,812</u>

6 Finance costs

Finance costs may be analysed as follows:

	2025 6 months (unaudited) €	2024 6 months (unaudited) €
Interest on debt securities in issue	505,808	505,808
Amortisation of bond issue costs	23,265	21,855
	<u>529,073</u>	<u>527,663</u>

7 Loss before tax

Loss before tax is stated after charging:

	2025 6 months (unaudited) €	2024 6 months (unaudited) €
Auditor's remuneration	1,600	1,500
Directors' remuneration	18,859	20,957

8 Tax expense

The relationship between the expected tax expense based on the effective tax rate of the company at 35% (2024: 35%) and the actual tax income recognised in the statement of profit or loss can be reconciled as follows:

	2025 6 months (unaudited) €	2024 6 months (unaudited) €
Loss before tax	(6,175)	(3,593)
Tax rate	35%	35%
Expected tax income	2,161	1,258
Disallowed expenses	(2,161)	(1,258)
Actual tax income, net	-	-

9 Loans receivable

	30 June 2025 (unaudited)	31 December 2024 (audited)
Loans receivable from parent company	16,809,090	16,809,090
	16,809,090	16,809,090

The loan due from the parent company bears interest at 6.8% per annum which is receivable annually in arrears on 3 February of each year. The interest shall accrue daily until repayment of the principal amount and payment of all accrued interest in full. The principal loan will be paid in full on 3 February 2033. The parent company is acting as a guarantor for the repayment of the bond issue and interest thereon. Hence, should the company fail to honour its commitment towards the bondholders, the parent company would still exhaust its liability towards the company on settlement of the liabilities due to the bondholders.

The net proceeds from the bond issue have been advanced by the company to its parent company. The parent company utilised the said funds towards the funding of product development projects, capacity expansion as well as towards the financing of overheads and general expenses.

10 Receivables

	30 June 2025 (unaudited) €	31 December 2024 (audited) €
Accrued interest on loans receivable from parent company	392,364	872,959
Prepayments	7,911	1,975
	400,275	874,934

Accrued interest on the loans receivable due from parent company are due for repayment on the anniversary of when the original principal of the loan was advanced by the company in terms with conditions listed in the company's prospectus.

The company's exposure to credit risk related to other receivables is disclosed in note 17.1. No provision for the expected credit losses was considered necessary on the above balance due from parent company, as the parent company is acting as guarantor and is financially solid. The directors have therefore assessed that the probability of default and loss given default are non-existent.

11 Cash and cash equivalents

Cash and cash equivalents consist of balance with bank.

Cash and cash equivalents included in the statement of cash flows reconcile to the amounts shown in the statement of financial position as follows:

	30 June 2025 (unaudited) €	31 December 2024 (audited) €
Cash at bank	9,943	10,343
Cash and cash equivalents	9,943	10,343

The company did not have any restrictions on its bank balances at year-end.

12 Share capital

The share capital of the company consists of only ordinary shares with a par value of €1 each. The holders of ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the company.

	30 June 2025 (unaudited) €	31 December 2024 (audited) €
Shares issued and fully paid at 30 June / 31 December	250,000	250,000
250,000 ordinary shares at € 1 each	250,000	250,000
Shares authorised at 30 June / 31 December	250,000	250,000
250,000 ordinary shares at € 1 each	250,000	250,000

13 Debt securities in issue

	30 June 2025 (unaudited) €	31 December 2024 (audited) €
31 December 2024/30 June 2025	17,000,000	17,000,000
Bonds, at face value	17,000,000	17,000,000
Bonds, at face value	17,000,000	17,000,000
Bond issue costs	(552,823)	(552,823)
Amortisation of bond issue costs	104,392	81,127
	16,551,569	16,528,304

At period/year end, the company had a balance of € 16,551,569 (2024: € 16,528,304) from the bond issue of € 17 million 6% bonds of € 100 nominal value each, redeemable at par in 2033. In 2023, the € 5 million bonds on Prospects MTF were redeemed and € 17 million bonds were raised. Consequently, the amount as at 30 June 2025 is made up of the bond issue of € 17 million net of the bond issue costs which are being amortised over the lifetime of the bonds. Interest on the bonds is due and payable annually in arrears on 3 February of each year at the above-mentioned rate. The bonds are listed on the Official Companies List of the Malta Stock Exchange and are jointly guaranteed by Pharmacare Premium Limited.

The carrying amount of bonds issued by the company is considered a reasonable approximation of fair value.

14 Trade and other payables

	30 June 2025 (unaudited) €	31 December 2024 (audited) €
Accrued interest on debt securities in issue	413,521	927,969
Other payables	50,765	47,283
Accrued expenses	34,684	15,867
Financial liabilities at amortised cost	498,970	991,119

The carrying value of financial liabilities is considered a reasonable approximation of fair value.

15 Cash flow adjustments and changes in working capital

The following non-cash flow adjustments and changes in working capital have been made to loss before tax to arrive at operating cash flow:

	2025 6 months (unaudited) €	2024 6 months (unaudited) €
Adjustments:		
Amortisation of bond issue costs	23,265	21,855
Interest expense on debt securities in issue	505,808	505,808
Interest income on loans receivable	(566,812)	(566,812)
	(37,739)	(39,149)
Net changes in working capital:		
Receivables	1,041,471	1,011,676
Trade and other payables	(997,957)	(969,363)
	43,514	42,313

16 Related party transactions

The company is a subsidiary of Pharmacare Premium Limited which owns 99.9% of the ordinary shares of the company's issued share capital.

Pharmacare Premium Limited is in turn a subsidiary of Pharmacare Europe Limited which itself is a subsidiary of Dar Al-Shifa' for Manufacturing of Pharmaceuticals Ltd., a company incorporated in Palestine.

No single party has a controlling interest in the company.

16.1 Transactions with related parties

	2025 6 months (unaudited) €	2024 6 months (unaudited) €
<i>Parent company:</i>		
Interest income from parent company loans	566,812	566,812
<i>Directors:</i>		
Directors' remuneration	18,859	20,957

Amounts due to and from related parties are disclosed in notes 9 and 10.

17 Risk management objectives and policies

The company is exposed to various risks in relation to financial instruments. The company's financial assets and liabilities by category are summarised in note 17.5. The main types of risks are credit risk, liquidity risk and market risk.

The company's business involves taking on risks in a targeted manner and managing them professionally. The cost functions of the company's risk management are to identify all key risks for the company, measure these risks, manage the risk positions and determine capital allocations. Management regularly reviews the policies and systems in place to reflect changes in markets, products and best market practice. The company's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the company's financial performance. The company defines risk as the possibility of losses or profits forgone, which may be caused by internal or external factors.

The most significant risks to which the company is exposed to are described below and in the succeeding pages.

17.1 Credit risk

Credit risk is the risk of financial loss to the company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the loans receivable from its parent company.

The company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	Notes	30 June 2025 (unaudited) €	31 December 2024 (audited) €
Classes of financial assets – carrying amounts			
Financial assets at amortised cost:			
Loan receivable	9	16,809,090	16,809,090
Receivables	10	392,364	872,959
Cash and cash equivalents	11	9,943	10,343
		17,211,397	17,692,392

Credit risk management

The company's loan receivable consist of advances to the parent company which advances have been principally affected out of the company's bond issue proceeds. The company monitors intra-group credit exposures on a regular basis and ensures timely performances of these assets in the context of overall group

liquidity management. The repayment of the company's bonds and interest thereon are guaranteed by the parent company. The company assesses the credit quality of the guarantor taking into consideration the financial position, financial performance and other factors. The company takes cognisance of the related party relationship and the directors do not expect any losses from non-performance or default.

17.2 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The company is exposed to liquidity risk in relation to meeting the future obligations associated with its financial liabilities, which comprise principally of the bonds issued to general public and other payables. Prudent liquidity risk management, includes, maintaining sufficient cash and liquid assets to ensure the availability of an adequate amount of funding to meet the company's obligations.

	Current within 1 year €	1 to 2 years €	Non-current 2 to 5 years €	later than 5 years €
30 June 2025 (unaudited)				
Debt securities in issue	-	-	-	16,551,569
Trade and other payables	498,970	-	-	-
	498,970	-	-	16,551,569
	Current within 1 year €	1 to 2 years €	Non-current 2 to 5 years €	later than 5 years €
31 December 2024 (audited)				
Debt securities in issue	-	-	-	16,528,304
Trade and other payables	991,119	-	-	-
	991,119	-	-	16,528,304

17.3 Market risk

Market risk is the risk that changes in market prices, such as foreign currency and interest rates will affect the company's income on the loan affected from proceeds of the unsecured bonds. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The company's transactions consist mainly of earning interest income of advances affected, principally from the bond issue proceeds, and servicing its borrowings. The company's significant interest-bearing instruments, comprising of advances to the parent company and the bond issued to the general public, are subject to fixed interest rates. The company has secured the spread between the return on its investment in the parent company and its cost of borrowings.

17.4 Foreign currency risk

The company transacts its business mainly in Euro and does not have significant foreign currency denominated financial assets and liabilities at the end of the financial reporting period under review.

Consequently, the company is not materially exposed to foreign currency risk.

17.5 Summary of financial assets and liabilities by category

The carrying amounts of the company's financial assets and liabilities are recognised at the end of the reporting periods may also be categorised as follows. See note 4.7 for explanations about how the category of financial instruments affects subsequent measurement.

	Notes	30 June 2025 (unaudited) €	31 December 2024 (audited) €
Non-current assets			
Financial assets at amortised cost:			
- Loans receivable	9	16,809,090	16,809,090
Current assets			
Financial assets at amortised cost:			
- Receivables	10	392,364	872,959
- Cash and cash equivalents	11	9,943	10,343
		402,307	883,302
Non-current liabilities			
Financial liabilities at amortised cost:			
- Debt securities in issue	13	16,551,569	16,528,304
Current liabilities			
Financial liabilities at amortised cost:			
- Trade and other payables	14	498,970	991,119
		498,970	991,119

18 Capital management policies and procedures

The company's objectives when managing capital, which is a broader concept than the 'equity' on the statement of financial position, are:

- to safeguard the company's ability to continue as going concern so that it can continue to provide returns for shareholders and benefits to other stakeholders; and
- to maintain a strong capital base to support the development of its business.

Accordingly, the purpose of the company's capital management is essentially that of ensuring efficient use of capital taking cognisance of the company's risk appetite and profile as well as its objectives for business development.

19 Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the end of the reporting period and the date of authorisation.

Statement pursuant to Capital Markets Rule 5.75.3

We confirm that to the best of our knowledge:

- the condensed interim financial statements give a true and fair view of the financial position of the company as at 30 June 2025, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) applicable to interim financial reporting (International Accounting Standard 34, *Interim Financial Reporting*); and
- the interim directors' report includes a fair review of the information required in terms of Capital Markets Rules 5.81 to 5.84.

Approved by the Board of Directors on 28 August 2025 and signed by Amin Farah (Director) and Hani H. Sarraf (Director).



Amin Farah
Director



Hani H. Sarraf
Director

28 August 2025

Report on review of interim financial information

To the Board of Directors of Pharmacare Finance plc

Introduction

We have reviewed the accompanying condensed statement of financial position of Pharmacare Finance plc for the period ended 30 June 2025 and the related condensed statement of profit or loss, condensed statement of changes in equity, condensed statement of cash flows for the period then ended, and selected explanatory notes (the “interim financial information”). The Directors are responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) applicable to interim financial reporting (International Accounting Standard 34 ‘Interim Financial Reporting’). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410 (Revised), *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of Pharmacare Finance plc as at 30 June 2025 and of its financial performance and cash flows for the period then ended in accordance with International Accounting Standard 34 – Interim financial reporting.

Sharon Causon (Principal)
GRANT THORNTON
Certified Public Accountants

Fort Business Centre
Triq L-Intornjatur, Zone 1
Central Business District
Birkirkara CBD 1050
Malta

28 August 2025

Pharmacare Finance PLC
HHF 003, Hal Far Industrial Estate,
Hal Far, Birzebbuga Bbg 3000 Malta
Company Registration Number C 86057

Resolution in writing signed and adopted by All the Directors of Pharmacare Finance PLC (the 'Company') on 28th August 2025 in accordance with the Articles of Association of the Company.

WHEREAS:

- a) The Board of Directors was presented with the Condensed Interim Financial Statements covering the period from 1st January to 30th June 2025, including Notes to the Financial Statements, Director's Report and other ancillary documentation (the 'Interim Financial Statements'), for consideration and approval, duly attached herewith under "Appendix A".

IT IS HEREBY RESOLVED:

- 1) To approve Interim Financial Statements covering the period from 1st January to 30th June 2025.
- 2) To authorise and appoint any one Director and/or the Company Secretary of the Company to do and perform any and all such acts, including the execution of any and all documents and certificates, as such officers shall deem necessary or advisable, to carry out the purposes and intent of the foregoing resolutions.
- 3) To authorise and appoint any one Director and/or the Company Secretary of the Company to execute and deliver a certified copy of these resolutions (or extracts thereof), such certified copy to be conclusive evidence of the authenticity of the resolutions (or, as the case may be, of the extracts) and the adoption thereof by the Company.

Signed by:

Mr. Bassim Subhi Farah (Khoury Nasr)
Director

Mr. Amin Farah
Director

Mr. Hani Sarraf
Director

Mr. Louis Borg Manche'
Director

Mr. Mario Vassallo
Director

Ms. Marisa Tanti
Director