REGISTRATION DOCUMENT

Dated 5 December 2022

This Registration Document is issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules issued by the Malta Financial Services Authority and of the Prospectus Regulation.

In respect of an issue of
€17,000,000 6% Unsecured Bonds 2033
of a nominal value of €100 per Bond issued at par by

PHARMACARE | F I N A N C E

PHARMACARE FINANCE PLC
a public limited liability company registered in Malta
with company registration number C 86057

GUARANTEED* by Pharmacare Premium Limited (C 45245)

**Prospective investors are to refer to the Guarantee contained in Annex I of the Securities Note forming part of the Prospectus for a description of the scope, nature and terms of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in the Prospectus for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by the Guarantor.*

THIS REGISTRATION DOCUMENT HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MFSA ONLY APPROVES THE PROSPECTUS AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHALL NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER THAT IS THE SUBJECT OF THIS REGISTRATION DOCUMENT. IN PROVIDING THIS AUTHORISATION, THE MALTA FINANCIAL SERVICES AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN ANY INSTRUMENT ISSUED BY THE COMPANY. FURTHERMORE, SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS.

THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS, INCLUDING ANY LOSSES INCURRED BY INVESTING IN THE SECURITIES ISSUED BY THE COMPANY.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISER.

Legal Counsel

GVZH ADVOCATES

Sponsor, Manager & Registrar

Calamatta Cuschieri

APPROVED BY THE DIRECTORS

Hani Sarraf Amin Farah

In their capacity as Directors of the Company and for and on behalf of Bassim S.F. Khoury Nasr, Marisa Tanti, Mark Vassallo and Louis Borg Manché.

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IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON PHARMACARE FINANCE PLC IN ITS CAPACITY AS ISSUER AND ON PHARMACARE PREMIUM LIMITED IN ITS CAPACITY AS GUARANTOR IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES ISSUED BY THE MALTA FINANCIAL SERVICES AUTHORITY, THE COMPANIES ACT AND THE PROSPECTUS REGULATION.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF SECURITIES OF THE ISSUER, OTHER THAN THOSE CONTAINED IN THIS REGISTRATION DOCUMENT AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS OR ADVISERS.

THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES BY ANY PERSON IN ANY JURISDICTION (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY SECURITIES ISSUED BY THE ISSUER MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER OR THE GUARANTOR SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT PROFESSIONAL ADVISERS.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THE PROSPECTUS AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SECURITIES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

A COPY OF THE PROSPECTUS HAS BEEN SUBMITTED TO THE MALTA FINANCIAL SERVICES AUTHORITY IN SATISFACTION OF THE CAPITAL MARKETS RULES, TO THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE COMPANIES ACT.

IN TERMS OF ARTICLE 12(1) OF THE PROSPECTUS REGULATION, THE PROSPECTUS SHALL REMAIN VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE OF THE APPROVAL OF THE PROSPECTUS BY THE MALTA FINANCIAL SERVICES AUTHORITY. THE ISSUER IS OBLIGED TO PUBLISH A SUPPLEMENT ONLY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKE OR MATERIAL INACCURACY RELATING TO THE

INFORMATION SET OUT IN THE PROSPECTUS WHICH MAY AFFECT THE ASSESSMENT OF THE SECURITIES AND WHICH ARISES OR IS NOTED BETWEEN THE TIME WHEN THE PROSPECTUS IS APPROVED AND THE CLOSING OF THE ISSUE PERIOD OR THE TIME WHEN TRADING ON A REGULATED MARKET COMMENCES, WHICHEVER OCCURS LATER. THE OBLIGATION TO SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES DOES NOT APPLY WHEN THE PROSPECTUS IS NO LONGER VALID.

STATEMENTS MADE IN THIS REGISTRATION DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.

UNLESS OTHERWISE STATED, THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITE AS THE BASIS FOR A DECISION TO INVEST IN ANY SECURITIES OF THE ISSUER.

ALL THE ADVISERS TO THE ISSUER NAMED IN SUB-SECTION 4.4 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

1 DEFINITIONS

In this Registration Document the following words and expressions shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

2018 Prospects MTF Bonds	the €5,000,000 5.75% unsecured bonds 2025-2028 (ISIN: MT0002011204) issued by the Issuer and listed and trading on the Prospects MTF List pursuant to a company admission document dated 17 October 2018. Further details on the 2018 Prospects MTF Bonds are set out in sub-section 5.1 of this Registration Document;
Act or **Companies Act**	the Companies Act (Chapter 386 of the laws of Malta);
Authorised Intermediaries	the licensed financial intermediaries whose details are listed in Annex II of the Securities Note forming part of the Prospectus;
Bond Issue or **Issue**	the issue of the Bonds;
Bond Obligations	the punctual performance by the Issuer of all of its obligations under the Bond Issue, including the repayment of principal and payment of interest thereon;
Bondholder	a holder of Bonds to be issued by the Issuer in terms of the Prospectus;
Bonds	a maximum of €17,000,000 unsecured bonds due in 2033 of a nominal value of €100 per bond issued at par by the Issuer and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 6% *per annum*, as detailed in the Securities Note. The Bonds are guaranteed by the Guarantor (as defined below);
Capital Markets Rules	the capital markets rules issued by the Malta Financial Services Authority, as may be amended and/or supplemented from time to time ;
Company Admission Document	the company admission document dated 17 October 2018 setting out the terms and conditions of the 2018 Prospects MTF Bonds issued by the Issuer;
Directors or **Board**	the directors of the Issuer at the date of the Prospectus whose names are set out in sub-section 4.1 of this Registration Document;
EBITDA	earnings before interest, tax, depreciation and amortization;
EBITDA Margin	earnings before interest, tax, depreciation and amortisation over revenue;
Euro or **€**	the lawful currency of the Republic of Malta;
Exchange or **Malta Stock Exchange** or **MSE**	Malta Stock Exchange plc, as originally constituted in terms of the Financial Markets Act (Chapter 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Financial Analysis Summary	the financial analysis summary dated 5 December 2022 compiled by the Sponsor in line with the applicable requirements of the MFSA Listing Policies, a copy of which is set out in Annex III of the Securities Note forming part of the Prospectus;
Guarantee	the guarantee dated 5 December 2022 granted by the Guarantor as security for the punctual performance of all the obligations undertaken by the Issuer under the Bonds and, without prejudice to the generality of the foregoing, the undertaking on the part of the Guarantor to pay all amounts of principal and interest which may become due and payable by the Issuer to Bondholders under the Bonds, within 60 days from the date such amount falls due and remains unpaid by the Issuer. A copy of the Guarantee

	and a description of the nature, scope and terms of the Guarantee are appended to the Securities Note forming part of the Prospectus as Annex I thereto;
Guarantor or **Pharmacare Premium**	Pharmacare Premium Limited, a private limited liability company registered and existing under the laws of Malta with company registration number C 45245 and having its registered office situated at HHF 003, Hal Far Industrial Estate, Hal Far, Birzebbugia BBG 3000, Malta;
Group or **Pharmacare Group**	Pharmacare Premium and its wholly-owned subsidiary companies (directly and indirectly) which, as at the date hereof, include, amongst others, the Issuer, principally involved in the business of manufacturing and development of pharmaceutical products;
Issuer or **Company**	Pharmacare Finance plc, a public limited liability company registered and existing under the laws of Malta with company registration number C 86057 and having its registered office at HHF 003, Hal Far Industrial Estate, Hal Far, Birzebbugia BBG 3000, Malta;
Memorandum and Articles of Association or **M&As**	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus, and the terms "Memorandum of Association" and "Articles of Association" shall be construed accordingly;
MFSA	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Chapter 330 of the laws of Malta) in its capacity as the competent authority in terms of the Financial Markets Act (Chapter 345 of the laws of Malta) authorised to approve prospectuses and admissibility to listing and to monitor and supervise local regulated markets and participants thereof falling within the regulatory and supervisory remit of the MFSA;
MSE Bye-Laws	the MSE bye-laws issued by the authority of the board of directors of Malta Stock Exchange plc, as may be amended from time to time;
Official List	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the MSE Bye-Laws;
Prospects MTF List	the list prepared and published by the Malta Stock Exchange as the list indicating the companies admitted to the Prospects MTF Market in accordance with the Prospects MTF Rules;
Prospects MTF Market	the market regulated as a multilateral trading facility operated by the MSE providing a venue for start-up and growth for small to medium-sized enterprises to float their capital (including equity or debt) on the market;
Prospects MTF Rules	the rules issued by the board of directors of the Malta Stock Exchange, in exercise of the powers conferred on it by the Financial Markets Act (Chapter 345 of the laws of Malta), regulating the Prospects MTF Market;
Prospectus	collectively, the Summary, this Registration Document and the Securities Note published by the Issuer in connection with the issue of the Bonds all dated 5 December 2022, as such documents may be amended, updated, replaced and supplemented from time to time;
Prospectus Regulation	Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as may be amended and/or supplemented from time to time, and in accordance with the

	provisions of Commission Delegated Regulation No. 2019/979 and Commission Delegated Regulation No. 2019/980 issued thereunder;
Redemption Date	3 February 2033;
Registration Document	this document in its entirety issued by the Issuer dated 5 December 2022, forming part of the Prospectus;
Securities Note	the securities note issued by the Issuer dated 5 December 2022, forming part of the Prospectus;
Sponsor, Manager & Registrar	Calamatta Cuschieri Investment Services Limited, a private limited liability company registered under the laws of Malta having its registered office at Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta and bearing company registration number C 13729. Calamatta Cuschieri Investment Services Limited is authorised to conduct investment services by the Malta Financial Services Authority in terms of the Investment Services Act (Chapter 370 of the laws of Malta) and is a member of the MSE; and
Summary	the summary issued by the Issuer dated 5 December 2022, forming part of the Prospectus.

All references in the Prospectus to "Malta" are to the "Republic of Malta".

Unless it appears otherwise from the context:

a. words importing the singular shall include the plural and *vice-versa*;
b. words importing the masculine gender shall include the feminine gender and *vice-versa*;
c. the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
d. any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations or trusts;
e. any reference to a person includes that person's legal personal representatives, successors and assigns;
f. any phrase introduced by the terms "including", "include", "in particular" or any similar expression is illustrative only and does not limit the sense of the words preceding those terms; and
g. any reference to a law, legislative act and/or other legislation shall mean that particular law, legislative act and/or legislation as in force at the time of publication of this Registration Document.

2 RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT PROFESSIONAL ADVISERS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER.

SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND NEITHER THE ISSUER NOR THE GUARANTOR IS IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

WHILE THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS INTENDED TO BE INDICATIVE OF THE ORDER OF PRIORITY AND OF THE EXTENT OF THEIR CONSEQUENCES, PROSPECTIVE INVESTORS ARE HEREBY CAUTIONED THAT THE OCCURRENCE OF ANY ONE OR MORE OF THE RISKS SET OUT BELOW COULD HAVE A MATERIAL ADVERSE EFFECT ON THE ISSUER'S, THE GUARANTOR'S AND THE GROUP'S BUSINESS, TRADING PROSPECTS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION AND, CONSEQUENTLY, ON THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES TO BE ISSUED IN TERMS OF THE PROSPECTUS AND OF THE GUARANTOR TO HONOUR ITS OBLIGATIONS UNDER THE GUARANTEE.

THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER AS AT THE DATE OF THE PROSPECTUS, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER AND THE GUARANTOR MAY FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER AND/OR THE GUARANTOR.

NEITHER THE PROSPECTUS NOR ANY OTHER INFORMATION SUPPLIED HEREIN IN CONNECTION WITH SECURITIES ISSUED BY THE ISSUER:

(I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR
(II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE GUARANTOR, THE SPONSOR, MANAGER & REGISTRAR OR AUTHORISED INTERMEDIARIES THAT ANY RECIPIENT OF THE PROSPECTUS, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER.

PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS OF THIS DOCUMENT.

2.1 Forward-looking statements

The Prospectus and the documents incorporated therein by reference or annexed thereto contain forward-looking statements that include, among others, statements concerning the Issuer's and/or Guarantor's strategies and plans relating to the attainment of their respective objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may, accordingly, involve predictions of future circumstances.

Prospective investors can generally identify forward-looking statements by the use of terminology such as "may", "will", "should", "expect", "intend", "plan", "estimate", "anticipate", "believe", "forecast", "project" or similar phrases. Such forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions, a few of which are beyond the Issuer's and/or Guarantor's control. Important factors that could cause actual results to differ materially from the expectations of the Issuer's directors include those risks identified under the heading "Risk Factors" and elsewhere in the Prospectus.

The Issuer cautions prospective investors that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied by such statements, that such statements do not bind the Issuer and/or the Guarantor with respect to future results

and no assurance is given that the projected future results or expectations covered by such forward-looking statements will be achieved.

Prospective investors are advised to read the Prospectus in its entirety and, in particular, all the risk factors set out in the Prospectus for a further discussion of the factors that could affect the Issuer's and Guarantor's future performance. In the light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in the Prospectus may not occur. All forward-looking statements contained in the Prospectus are made only as at the date of the Prospectus. Subject to applicable legal and regulatory obligations, the Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statements contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

2.2 Risks relating to the Issuer's exposure to and reliance on the Pharmacare Group and its business

The Issuer itself does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company solely for the purpose of part-financing the needs of the Group and, as such, its assets consist primarily of loans issued to Group companies.

The Issuer is dependent on the business prospects of the Group and, consequently, the operating results of the Group have a direct effect on the Issuer's financial position. Therefore, the risks intrinsic in the business and operations of Group companies have a direct effect on the ability of the Issuer to meet its Bond Obligations. Accordingly, the risks of the Issuer are indirectly those of the Group and, in turn, all risks relating to the Group are the risks relevant to the Issuer.

Specifically, the Issuer is principally dependent, including for the purpose of servicing interest payments on the Bonds and the repayment of the principal amount on Redemption Date, on the receipt of interest payments and loan repayments from Group companies. The interest payments and loan repayments to be affected by Group companies are subject to certain risks. More specifically, the ability of Group companies to affect payments to the Issuer will depend on the cash flows and earnings of such Group companies, which may be restricted by: changes in applicable laws and regulations; the terms of agreements to which they are or may become party; or other factors beyond the control of the Issuer.

The occurrence of any such factor could, in turn, negatively affect the ability of the Issuer to meet its obligations in connection with the payment of interest on the Bonds and repayment of principal when due.

2.3 Risks relating to the Group (including the Issuer and the Guarantor) and its business

2.3.1 Business and industry risk

The pharmaceutical products commercialized by the Guarantor may not perform as expected, which could adversely affect the business, financial condition and operational results of the Group.

The success of the Group depends significantly on its ability to commercialize the products developed by the Guarantor. Commercialization requires the successful development, testing, manufacture and obtainment of the required product regulatory approvals, while complying with applicable regulatory and safety standards. In order to develop a commercially viable product, the Group must demonstrate, through extensive trials, that the products are safe and effective for use. Products undergoing development and testing may not perform as expected during testing, necessary regulatory approvals may not be obtained in a timely manner, if at all, and the Group may not be able to successfully and profitably produce and market such products.

Furthermore, even if the Group is successful in developing a new product, that product may become subject to litigation by third parties claiming the products infringe on their patents or may be seized in-transit by regulatory authorities for alleged infringement of intellectual property or may be otherwise unsuccessful in the market place due to the introduction of superior products by competitors. Moreover, it may take an extended period of time for the products to gain market acceptance, if at all.

2.3.2 Product liability claims could adversely affect the Group's business, results of operations and financial condition

Product liability is a significant risk for any pharmaceutical company and the Group's product liability exposure could increase, given that liability claims relating to its businesses may differ with regard to their nature, scope and level. Substantial damages have been awarded by some jurisdictions and/or settlements agreed against pharmaceutical companies based on claims for injuries allegedly caused by the use of their products. Such claims can also lead to products recalls, withdrawals or declining sales, and/or be accompanied by consumer fraud claims by customers, third-party payers seeking reimbursement of the cost of the product and/or other claims, including potential civil or criminal governmental actions.

The Group faces the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid. The Group may also be subject to claims resulting from manufacturing defects or negligence in storage and handling which may lead to the deterioration of its products.

In addition, the Group cannot be certain that its product liability insurance will, in fact, be sufficient to cover such claims or its policy limits sufficient to cover such claims or that the Group will be able to maintain adequate insurance coverage in the future at acceptable costs. Moreover, the Group may not have taken insurance or may not have vendor extension covers from its partners' insurance policies in the countries into which the products are exported. A successful product liability claim that is excluded from coverage or exceeds the policy limits thereof may require the Group to pay substantial sums and may adversely affect the financial position and operational results of the Group. In addition, insurance coverage for product liability may become prohibitively expensive in the future.

Product liability claims, regardless of their merits or the ultimate success of the Group's defense, would likely require the Group to incur substantial amounts on litigation, divert management's time and attention, may harm the Group's reputation and adversely affect its goodwill, and can impact the marketability and demand for its products. Substantial product liability claims could materially adversely affect the Group's business, results of operations and financial condition.

2.3.3 Claims relating to ethics and business integrity, competition law, marketing practices, pricing, data protection and other legal matters could adversely affect the Group's business

The Group's industry is heavily regulated and legal requirements vary from country to country, and new requirements are imposed on the Group's industry from time to time. Governments and regulatory authorities around the world have been strengthening implementation and enforcement activities in recent years, including in relation to anti-bribery, anti-corruption and ethical requirements with respect to medical and scientific research, interactions with healthcare professionals and payers, respect of the human rights of workers and data protection legislation. The Group also operates in an environment that relies on the collection, processing, analysis and interpretation of large sets of patients' and other individuals' personal information, and the operation of its business requires data to flow freely across borders of numerous countries.

With respect to data protection legislation, violations of the European General Data Protection Regulation ("GDPR"), which came into force in 2018, or other significant new privacy legislation, could carry financial sanctions and may also harm the Group's reputation and those of its activities that rely on personal data processing. Violations of the GDPR carry financial risks due to penalties for data breach or improper processing of personal data. In addition, some uncertainty remains with respect to the legal and regulatory environment for these evolving privacy and data protection laws in the absence of clear guidance or case law.

The Guarantor could become the subject of investigations or proceedings by various government entities or could face audits and/or litigation, including claims related to employment matters, patent and intellectual property disputes, consumer law claims and tax audits, any of which events could materially adversely affect the Group's business, results of operations and financial condition.

2.3.4 Operational risk

Any manufacturing or quality control problems may damage the reputation of the Group for high quality products and expose it to litigation or other liabilities, which would indirectly affect the financial position of the Group and the Issuer.

In certain foreign jurisdictions the quantum of damages, especially punitive, awarded in cases of product liability can be extremely high. The existence, or even the threat, of a major product liability claim could also damage the Group's reputation and affect customer's views of the other products produced by the Group, thereby adversely affecting the Group's business, operational results and financial condition. Any reputational or brand image loss, for whatsoever reason, may lead to a loss of existing business contracts and adversely affect the Group's ability to enter into additional future business contracts.

Any delay in production at, or shutdown of, any of the Group's manufacturing facilities could adversely affect the Group's business, operational results and financial condition.

The success of the Group's manufacturing activities depends on, *inter alia*, the productivity of the workforce, compliance with regulatory requirements and the continued functioning of the Group's manufacturing processes and machinery. Disruptions in the manufacturing activities could delay production or require the shutdown of the affected manufacturing facility. Moreover, some of the products are permitted to be manufactured at only such facility which has received specific approvals, and any shut down of such facility will result in the Group being unable to manufacture such product for the duration of such shut down. Such an event will result in the Group being unable to meet its contractual commitments, which will have an adverse effect on operational results and the Group's financial condition.

The Group may also be subject to manufacturing disruptions due to delays in receiving regulatory approvals, which may require the manufacturing facilities to cease or limit production until the required approvals are received, or disputes concerning these approvals are resolved.

Any interruption at the Group's manufacturing facilities, including natural or man-made disasters, workforce disruptions, regulatory approval delays, fire or the failure of machinery, could reduce the ability to meet the Group's contractual obligations and earnings for the affected period, which could affect the Group's business, results of operations and financial condition.

2.3.5 Reliance on key clients and suppliers

Part of the Group's business is dependent on a number of key clients. Failure to retain such key clients or failure to renew such relationships could adversely affect the Group's business. The loss of these relationships could adversely impact the Group's revenue and could substantially affect the operations and financial conditions of the Group.

The Group is engaged in the manufacturing of pharmaceutical products, which rely on imported basic raw materials from suppliers. The Group is thus exposed to risks associated with their supply chain and could be negatively affected by price movements and availability of product. Therefore, any adverse developments in the business performance of such suppliers could materially and adversely affect the occupational and financial condition of the Group's operations.

2.3.6 Distribution arrangements

Should the Guarantor be unable to enter into, maintain and/or increase the number of distribution arrangements of its products, its business, operational results and financial condition could be adversely affected.

The Guarantor may not be able to find suitable partners or successfully enter into arrangements on commercially reasonable terms or at all. Additionally, its distribution partners may make important marketing and other commercial decisions concerning the distribution of the products without the input of the Guarantor. As a result of these arrangements, many of the variables that may affect the Guarantor's business are not exclusively within its control.

2.3.7 Reliance on key senior personnel and management

The Group's growth since inception is, in part, attributable to the efforts and abilities of key personnel of the Group and is relying on key senior personnel who have contacts and expertise in the pharmaceutical industry. If one or more of these individuals were unable or unwilling to continue in their present position, they may not be replaceable within the short term, which could have an adverse effect on the Group's business, financial condition and results of operations. In common with many businesses, the Group will be relying heavily on the

contacts and expertise of its senior management teams and other key personnel. Although no single person is solely instrumental in fulfilling the Group's business objectives, there is no guarantee that these objectives will be achieved to the degree expected following the possible loss of key personnel. The loss of such key personnel can have an adverse effect on the financial results of the Group.

2.3.8 Raw materials

Any shortfall in the supply of raw materials or an increase in raw material costs may adversely impact the pricing and supply of the Group's products and have an adverse effect on the business of the Guarantor and the Group.

Raw materials are subject to supply disruptions and price volatility caused by various factors, including commodity market fluctuations, the quality and availability of supply, currency fluctuations, consumer demand and changes in government programs. Substantially all required raw materials are purchased from third parties. Third party suppliers may be unable to provide the Guarantor with a sufficient quantity of raw materials at a suitable price for the Guarantor to meet the demand for its products. The available amounts of raw materials may not adjust in response to increasing demand in certain circumstances, and/or suppliers may choose to supply raw materials to competitors. Factors such as increased transportation costs and transportation strikes could adversely impact the supply of raw materials and the delivery of the products. In addition, raw materials and products may be lost, delayed or damaged in transit for various reasons, including accidents and natural disasters. A failure to maintain the required supply of raw materials could adversely affect the Guarantor's ability to deliver its products to customers in an efficient, reliable and timely manner and adversely affect the Group's business, prospects, financial condition and results of operations.

2.3.9 Patent infringements

Should the Group inadvertently infringe on the patents of others, its business may be adversely affected. The Group operates in an industry characterized by extensive patent litigation. While it is not possible to predict the outcome of patent litigation, any adverse result of such litigation could result in significant damages being awarded and injunctions preventing the Group from manufacturing and/or selling its products or require the Group to pay significant royalties, which would affect its ability to sell current or future products or prohibit it from enforcing its patent and proprietary rights against others. The occurrence of any of these risks could adversely affect the Group's business, financial condition and operational results.

3 PERSONS RESPONSIBLE & AUTHORISATION STATEMENT

3.1 Persons responsible

This Registration Document includes information prepared in compliance with the Capital Markets Rules issued by the MFSA for the purpose of providing Bondholders with information with regard to the Issuer and the Guarantor. Each and all of the Directors of the Issuer whose names appear in sub-section 4.1 of this Registration Document accept responsibility for all the information contained in the Prospectus.

To the best of the knowledge and belief of the Directors of the Issuer, who have taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors of the Issuer hereby accept responsibility accordingly.

3.2 Authorisation statement

This Registration Document has been approved by the MFSA as the competent authority in Malta for the purposes of the Prospectus Regulation. The MFSA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Registration Document.

4 IDENTITY OF DIRECTORS, SENIOR MANAGEMENT, ADVISERS AND AUDITORS

4.1 Directors of the Issuer

As at the date of this Registration Document, the Board of Directors of the Issuer is constituted by the following 6 persons:

Mr Bassim S.F. Khoury Nasr	Passport No.: T1106264	Chairman and Executive Director
Mr Amin Farah	Passport No.: 507962203	Executive Director
Mr Hani Sarraf	Passport No.: 011445533	Executive Director
Mr Louis Borg Manché	ID Card No.: 775549M	Independent, non-Executive Director
Ms Marisa Tanti	ID Card No.: 471477M	Independent, non-Executive Director
Mr Mark Vassallo	ID Card No.: 501877M	Independent, non-Executive Director

Mr Louis Borg Manché, Ms Marisa Tanti and Mr Mark Vassallo are considered as independent Directors since they are free of any business, family or other relationship with the Issuer, its controlling shareholder or the management of either, that could create a conflict of interest such as to impair their judgement. In assessing Mr Borg Manché's, Ms Tanti's and Mr Vassallo's independence due notice has been taken of Rule 5.119 of the Capital Markets Rules.

The business address of the Directors is HHF 003, Hal Far Industrial Estate, Hal Far, Birzebbugia BBG 3000, Malta.

The Company Secretary of the Issuer is Dr Katia Cachia, holder of Maltese identity card number 246889M.

The following are the respective *curriculum vitae* of the Directors:

Bassim S.F. Khoury Nasr; Chairman and Executive Director
Bassim graduated from the School of Pharmacy, University of Oklahoma, USA, in 1983. He received the OSU, Presidents', and Deans' awards 1979 and 1980, the Rho Chi Honorary Award in 1981 and the History of Pharmacy Award and the Merck Award for scholastic achievement in 1983. He established the Pharmacare Extended Group, for the manufacturing of pharmaceuticals in 1985 and currently acts as its Chairman and CEO, Palestine Insurance Company plc in 1996, the National Company for Agro Industries in 2007 and Pharmacare Premium Malta in 2009. He served on the Board of the Palestinian Pharmaceutical Association, and as the Head of its Scientific Committee between 1992 and 1994, the Technical Committee on Trade and Industry which advised the Palestinian peace negotiators between 1990 and 1994), the Board of Palestine Trade Promotion Organization, Palestinian Trade Center – Paltrade, as president of the Union of Palestinian Pharmaceutical Manufacturers between 2001 and 2004, as President of the Palestinian Federation of Industries in 2006 and in 2009 and was appointed as Palestinian Minister of National Economy in 2009.He currently serves on the Board of Trustees and Executive Committee of Birzeit University, the Board of Palestine Capital Market Authority (PCMA), the Board of Palestine Deposit Insurance Corporation, the Board of Trustees of St. Yves Society for Legal & Human Rights and acts as its treasurer and the Board of trustees of the Palestinian Music Conservatory. He is also active in various church related support programs to the poor and needy. He received the honour of the Medal of Merit from the Knights of the Holy Sepulcher, Germany for services rendered to the church and needy in the Holy Land in 2002 and was ordained as Cavaliere dell'Ordine della Stella della Solidarieta Italiana by the Italian Republic in 2007 for services rendered to the Palestinian economy.

Amin Farah; Executive Director
Amin has been engaged since 1990 exclusively in consulting to the pharmaceutical industry. Prior to that and since 1980, he directed several businesses consulting the Telecoms, Oil & Gas, and Renewable Energy sectors. On graduating, he worked in the U.K. and overseas for PCR consultants, SONY, and Hewlett Packard amongst others. In recent years, Amin has lead development of portals to implement best practices in supply chain management for industry, to effect efficiencies and compliance. He holds a B.Sc. in engineering from University College Swansea Wales -1973. He hold memberships in the Institute of Directors in the UK and the Institute of Life Science in Wales, UK (A National Health Service invested company).

Hani Sarraf; Executive Director
Hani graduated with a B.Sc. from the School of Pharmacy, Damascus University and continued to obtain an M.Sc. with distinction from University of London, Kings College in Pharmaceutical Technology. He served as a member of the founding team at ADAMCO, Damascus, a Syrian pharmaceutical manufacturer covering quality assurance, plant and operations management until 2012. As of 2012 and to date, he is responsible for Operations at Pharmacare Premium as well as acting Assistant to the General Manager and in 2017 became Director for Business Development.

Louis Borg Manché; Independent, non-Executive Director
Louis is the Managing Director of Perfecta Advertising Ltd, a Marketing Communications company established in 1966 and is wholly Maltese owned. He joined Perfecta in 1969 and has been a director of the company for the past 38 years. He also held directorships on various other companies. Louis served as World Council Member of The International Advertising Association for the term 1998-2000. He served as a member of the Executive Board of the Malta Chapter of The International Advertising Association for a number of years and served as President between 1996 -1998. He is a member of the Malta Chamber of Commerce, Enterprise and Industry and today occupies the position of President of Casino Maltese.

Marisa Tanti; Independent, non-Executive Director
Marisa is an accountant by profession. She graduated with an honours degree in Accountancy from the University of Malta in 2000 and straight after joined PwC, one of the largest audit firms in Malta. Marisa worked in the assurance department of the firm for fifteen years and was one of the senior managers leading the insurance team. This meant a vast exposure to a wide range of companies and multinational groups from various industry sectors. In 2015, Marisa went into self-employment and is currently dealing with a number of clients both local and foreign.

Mark Vassallo; Independent, non-Executive Director
Mark was educated at St. Edward's College and holds an honours degree in Accountancy from the University of Malta where he graduated in 2000. Mark started his career as financial controller of a local manufacturing concern supplying textile products to British high street chains. During this period, he also served as financial controller and company secretary for a related company operating in the local food distribution industry. In 2003 Mark moved to the yachting industry as General Manager for a local distributor of a leading brand of production sailing and motor yachts. Between 2008 and 2013 he was appointed Member of the Business Section responsible for yachting within the Chamber of Commerce, Enterprise and Industry. In 2014 he took over a family insurance business where till today he is a license holder with MFSA for Insurance Intermediary activities tied with two of Malta's leading insurance companies.

4.2 Directors of the Guarantor

As at the date of this Registration Document, the Board of Directors of the Guarantor is constituted by the following 7 persons:

Mr Bassim S.F. Khoury Nasr	Passport No.: T1106264	Chairman and Executive Director
Mr Amin Farah	Passport No.: 507962203	Executive Director
Mr Hani Sarraf	Passport No.: N006143707	Executive Director
Mr Paul Michael Wirtz	Passport No.: C75YT9H84	Non-Executive Director
Ms Sandra Issa Tawfiq Habesch	Passport No.: T935248	Non-Executive Director
Mr Yousef Issa Tawfiq Habesch	Passport No.: T880851	Non-Executive Director
Mr (Mohammad Tahseen) Salim Said Sabbagh	Passport No.: M752722	Non-Executive Director

The company secretary of the Guarantor is Dr Katia Cachia, holder of identity card number 246889M.

The business address of the directors of the Guarantor is HHF 003, Hal Far Industrial Estate, Hal Far, Birzebbugia BBG 3000, Malta.

The *curriculum vitae* of Mr Basim S.F. Khoury Nasr, Mr Amin Farah, Mr Hani Sarraf are set out in sub-section 4.1 above. The following are the respective *curriculum vitae* of the other directors of the Guarantor:

Paul Michael Wirtz; Non-Executive Director
Paul is the Vice Chairman of the Advisory Board Dalli-Werke Mäurer+Wirtz GmbH & Co. KG Grünenthal Pharma GmbH & Co. KG, Stolberg. He is also a member of the Board of Directors of Dar Al-Shifa Pharmaceuticals p.l.c., President of the Chamber of Industry and Commerce, Aachen, Germany, a member of the State Advisory Board of the Commerzbank AG, Düsseldorf, Germany and Chairman of the Board of Directors (Bestuur) of the World Trade Center (WTC) Heerlen – Aachen. He also holds the non-diplomatic title of Honorary Consul of Ecuador for the State of North-Rhine-Westphalia, a member of the Board of Directors of the Society for the Conferring of the International Charlemagne Prize of Aachen, a member of the Board of Directors of the Charlemagne Society for the Restoration of Aachen Cathedral, the chairman of the Advisory Board of the European Foundation for Aachen Cathedral, the chairman of the Holy Land Committee of the German Governors of the Order of the Knights of the Holy Sepulchre of Jerusalem, Düsseldorf, the chairman of the Board of Directors of the Friends and Sponsors of the Benedictine Abbey of Kornelimünster/Aachen, a member of the Foundation Board of the German Hospice Foundation in Dortmund, the chairman of the Board of the Grünenthal Foundation for Palliative Medicine in Aachen, Aid and Organisation of the Children's Social Project in Tocachi/Ecuador, Initiative and Organisation of the Nutrition Centre (CRN) in Santo Domingo de los Colorados Ecuador and Initiative and Organisation of the Nutrition Centre (CRN) Tablada de Lurín-Lima/Peru. He received the award of Commander of the Papal Order of Sylvester in 1998, the award of Commander with Star of the Order of the Knights of the Holy Sepulchre of Jerusalem-Awarded in 1999, the award of Distinguished Service Cross (1st Class) of the German Order of Merit in 2000, the award of Bearer of the Golden Palm of Jerusalem in 2003, the Medal of the City of Santo Domingo de los Colorados in 2005, the award of Honorary Senator of RWTH Aachen (Aachen University) in 2005 and the Order of Merit with the Rank of Officer of the Republic of Ecuador in 2007.

Sandra Issa Tawfiq Habesch; Non-Executive Director
Sandra graduated with a B.A. in finance from the American University in Washington D.C. and an MBA in International Finance from George Washington University. She joined Pharmacare plc, Ramallah, Palestine as General Manager and as a member the Board of Directors of Pharmacare Premium Malta since 2010 and prior to this served as project manager for the Catholic Relief Service focused on 'small income generating projects'. She is committed to voluntary work and community service serving as a consultant for Caritas Jerusalem between 1996 to 2008 and serves on the board of the ICC (International Christian Committee) the implementing arm of the DSPR-MECC (Department of Service to Palestine Refugees-Middle East Council of Churches) and as a Member of the Commission of Justice and Peace.

Yousef Issa Tawfiq Habesch; Non-Executive Director
Youssef has more than 20 years of banking and investment experience. He is the International Financial Corporation (IFC)'s Resident Representative in Palestine, responsible for IFC's strategy, investment, and advisory programs. He is also IFC's Climate Change Anchor for the Middle East and North Africa (MENA) region. In the past six years, IFC's investment portfolio in Palestine quadrupled to reach more than $350 million. Prior to this appointment he was an Investment Officer working on financial restructurings, and investments mainly in the banking, infrastructure and tourism sectors. Prior to joining IFC, he worked in Investment Banking at Banque Paribas out of their Paris and London offices, with a main focus on the banking and infrastructure sectors in the Gulf region. He started his banking career with Cairo Amman Bank in Ramallah, where he helped advance the corporate banking and investment department. Youssef has an MBA from George Washington University.

(Mohammad Tahseen) Salim Said Sabbagh; Non-Executive Director
Salim graduated with a BSc in Pharmacy from the American University of Beirut in 1970 and an MSc in Pharmacy from the American University of Beirut in 1973 and is a registered and licensed pharmacist in Jordan. He is the General Manager of S. Sabbagh Drugstore which is a leading wholesaler of pharmaceuticals and medical devices based in Amman, Jordan and serves the MENA region. S. Sabbagh Drugstore represents several multinational Pharmaceutical companies in Jordan and the Middle East.

4.3 Senior management

The key members of the Group's management team are the following:

Andrew Thomas; Finance Manager
Andrew is a MAAT U.K. Qualified Accountant and has over 30 years of accounts and audit experience. His previous work experience includes the National Audit Office, Welsh Assembly and District Auditor in local government. Furthermore, Andrew also carries extensive office management experience including HR, IT and training responsibilities for 15 years. Andrew currently holds the position of Finance and Administration Manager of the Group.

Thanasis Kyriakidis; Operations Manager
Athanasios holds the qualification of BSc and MSc in Chemical Engineering and is also MBA qualified. His early experience was in academic research and then he progressed to a career in the pharmaceutical industry, which spans over 25 years of experience to date, holding managerial positions in various companies. Athanasios consulted globallyin GMP, facility design, as well as pharmaceutical product development. He currently oversees operations and R&D as well as being a Qualified Person for product market release of the Group.

Giuseppina Santucci; Quality Assurance Manager
Giuseppina is a Pharmacist with a Master's degree in Pharmaceutical Chemistry and Technologies and 16 years of work experience to date in the pharmaceutical industry in Italy and Malta. Giuseppina has held technical and managerial positions in the quality control and quality assurance of both active pharmaceutical ingredients manufacturing as well as finished dosage forms manufacturing facilities, including the setting-up of quality systems and handling of authorities' audits. Giuseppina currently holds the position of Quality Assurance and Regulatory Affairs Manager at Pharmacare Premium overseeing the quality and regulatory aspects of the operations.

Jeremy Busuttil; Quality Control Manager
Jeremy is a BioMedical Scientist after successfully obtaining his degree from the University of Malta in 2008 and has since been working in the pharmaceutical manufacturing industry for the past 14 years, the last 12 years with Pharmacare Premium. In 2010 Jeremy had an initial active role in the setup, licensing and operations of all the laboratories at Pharmacare Premium and for the past 7 years has been heading the quality control department. Today Jeremy manages a team of 35 young professionals who work tirelessly to ensure Pharmacare Premium produces and maintains a top-quality product.

Randolph Bonnici; Plant (Manufacturing and Engineering) Manager
Randolph is a Mechanical Engineer who graduated at the University of Malta. He has 18 years' experience in the pharmaceutical industry, mostly in the manufacturing of oral solid dosage forms. In his role as Plant Manager at Pharmacare Premium he is responsible for manufacturing, warehouse and engineering.

Muhanad Alkhafaji; IT Manager
Muhanad has over 25 years' experience in the Information Technology sector, having successfully delivered complex projects in government and private sectors. Muhanad's specialties include project management and software development. Muhanad is also well experienced in the aviation, travel, leisure and tourism industries and the pharmaceuticals industry.

4.4 Advisers to the Issuer

Legal Counsel
Name: GVZH Advocates
Address: 192, Old Bakery Street, Valletta VLT 1455, Malta

Reporting Accountant
Name: Grant Thornton Malta
Address: Fort Business Centre, Triq l-Intornjatur, Zone 1,
Central Business District, Birkirkara CBD 1050, Malta

Sponsoring Stockbroker
Name: Calamatta Cuschieri Investment Services Limited
Address: Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta

As at the date of the Prospectus, none of the advisers named above have any beneficial interest in the share capital of the Issuer or the Guarantor. Additionally, save for the terms of engagement relative to their respective services provided in connection with preparation of the Prospectus, no material transactions have been entered into by the Issuer or the Guarantor with any of the advisers referred to above.

The organisations listed above have advised and assisted the Directors in the drafting and compilation of the Prospectus.

4.5 Auditors

Name: Baker Tilly Malta
Address: 5, Rosa Marina Apartments, 216 Marina Seafront, Pieta' PTA 9041, Malta

The annual statutory financial statements of each of the Issuer and the Guarantor for the financial years ended 31 December 2019, 31 December 2020 and 31 December 2021 have been audited by Baker Tilly Malta (accountancy board registration number AB/26/84/28). Baker Tilly Malta is a firm of certified public accountants holding a warrant to practice the profession of accountant and a practicing certificate to act as auditors in terms of the Accountancy Profession Act (Chapter 281 of the laws of Malta).

5 INFORMATION ABOUT THE ISSUER AND THE GUARANTOR

5.1 Historical development of the Issuer

Full legal and commercial name of the Issuer:	Pharmacare Finance Plc
Registered address:	HHF 003, Hal Far Industrial Estate, Hal Far, Birzebbugia BBG 3000, Malta
Place of registration and domicile:	Malta
Registration number:	C 86057
Date of registration:	30 April 2018
Legal form:	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act
Legal Entity Identifier:	3912000DA1RYUCTZQQ72
Telephone number:	+356 22230000
E-mail address:	info@pharmacarefinance.com
Website*:	www.pharmacarefinance.com

**The information on the Issuer's website does not form part of the Prospectus, unless that information is incorporated by reference into the Prospectus.*

The Issuer was registered in Malta as a public limited liability company on 30 April 2018 and is domiciled in Malta.

The principal object of the Issuer, which was set up and established to act as the finance company of the Group, is to carry on the business of a finance and investment company in connection with the ownership, development, operation and financing of the business activities of the Group whether in Malta or overseas, and for such purpose: (i) to lend or advance money or otherwise give credit to any company now or hereinafter forming part of the Group, with or without security and otherwise on such terms as the directors may deem expedient; and (ii) to invest and deal with the moneys of the companies and any company now or hereinafter forming part of the Group in or upon such investments and in such manner as the directors may, from time to time, deem expedient.

The issue of bonds falls within the objects of the Issuer.

As at the date of the Prospectus, the Issuer has an authorised and issued share capital of two hundred and fifty thousand Euro (€250,000) divided into two hundred and fifty thousand Ordinary shares of one Euro (€1.00) each, fully paid up, which are subscribed and held by Pharmacare Premium Limited as to two hundred and forty-nine thousand, nine hundred and ninety-nine (249,999) Ordinary shares of €1.00 each and by Bassim S. F. Khoury Nasr as to one (1) Ordinary share of €1.00. Further details concerning the manner in which the shares in the Issuer are subscribed to are set out in sub-section 8.1 of this Registration Document.

The Issuer is not intended to undertake any trading activities itself apart from the raising of capital and the advancing thereof to members of the Group. Accordingly, the Issuer is economically dependent principally on the financial and operating performance of the businesses of Group entities, comprising the business of manufacturing, testing and development of pharmaceutical products related, principally, to the oncology market.

The Issuer is, therefore, intended to serve as a vehicle through which the Group will continue to finance its future projects, principally and in the immediate future the projects set out in detail in sub-section 5.5 of this Registration Document, as well as enabling the Group to seize new opportunities arising in the market.

Since its incorporation, the Company issued to the public in Malta on the Prospects MTF List of the Malta Stock Exchange €5,000,000 unsecured bonds due in 2025-2028 (ISIN: MT0002011204) of a nominal value of €100 per bond bearing an interest rate of 5.75% *per annum*, issued at par, with an early redemption option to redeem the bonds between October 2025 and October 2028, pursuant to the Company Admission Document dated 17 October 2018. Said 2018 Prospects MTF Bonds were admitted to Prospects MTF List with effect from 31 October 2018 and trading in the bonds commenced on 1 November 2018. Interest is payable in arrears on 29 October of each year, between and including each of the years 2019 and 2028.

The 2018 Prospects MTF Bonds are to be redeemed early upon the issue of the Bonds and admission to trading and listing of the Bonds on the Official List of the Malta Stock Exchange. Full details of the mechanics of the early redemption of the 2018 Prospects MTF Bonds and the rights of holders of the 2018 Prospects MTF Bonds upon such early redemption are set out in the Securities Note.

There are no recent events particular to the Issuer which are, to a material extent, relevant to the evaluation of the Issuer's solvency.

The Issuer operates exclusively in and from Malta.

5.2 Historical development of the Guarantor

Full legal and commercial name of the Guarantor:	Pharmacare Premium Limited
Registered address:	HHF 003, Hal Far Industrial Estate, Hal Far, Birzebbugia BBG 3000, Malta
Place of registration and domicile:	Malta
Registration number:	C 45245
Date of registration:	1 October 2008
Legal form:	Pharmacare Premium Limited is lawfully existing and registered as a private limited liability company in terms of the Act
Legal Entity Identifier:	39120091BMGNR82X4H18
Telephone number:	+356 22230000
E-mail address:	info@pharmacarepremium.com
Website*:	www.pharmacarepremium.com

**The information on the Guarantor's website does not form part of the Prospectus, unless that information is incorporated by reference into the Prospectus.*

The Guarantor was registered in Malta in terms of the Act on 1 October 2008 as a private limited liability company with the principal object of manufacturing all kinds of pharmaceutical, medicinal, surgical, and sanitary products, including medical and surgical instruments, laboratory equipment, related items or ancillary

accessories. The Guarantor is empowered in terms of its Memorandum of Association to guarantee, support or secure the performance of any obligations or commitments, including obligations on the payment of money, by any person, company or corporation.

As at the date of the Prospectus, the Guarantor has an authorised share capital of twenty-four million Euro (€24,000,000) divided into (i) eleven million and three hundred thousand (11,300,000) Ordinary A shares of a nominal value of one Euro (€1.00) each, (ii) one million, six hundred and thirty thousand (1,630,000) Ordinary B shares of a nominal value of one Euro (€1.00) each, (iii) two million, one hundred and seven thousand, six hundred and thirteen (2,107,613) Ordinary C shares of a nominal value of one Euro (€1.00) each, (iv) one million, forty-five thousand, one hundred and forty (1,045,140) Ordinary D shares of one Euro (€1.00) each, (v) three million, three hundred and thirty thousand (3,330,000) Ordinary E shares of one Euro (€1.00) each, (vi) four million, eighty-seven thousand, two hundred and forty-seven (4,087,247) Ordinary F shares of one Euro (€1.00) each and (vii) five hundred thousand (500,000) Ordinary G shares of one Euro (€1.00) each. The Guarantor has an issued share capital of seventeen million, six hundred and twenty-eight thousand, seven hundred and fifteen Euro (€17,628,715) which are subscribed and held by (i) Pharmacare Europe Limited as to ten million, seven hundred and fifty thousand (10,750,000) Ordinary A Shares of €1.00 each, (ii) Hani Sarraf as to one million, two hundred and three thousand, three hundred and fifty-two (1,203,352) Ordinary B Shares of €1.00 each, (iii) Ahmad Salim (Mohammad Said) Sabbagh as to six hundred and seventy-seven thousand, nine hundred and fifty-two (677,952) Ordinary C Shares of €1.00 each, (iv) Mahmoud Salim (Mohammad Said) Sabbagh as to six hundred and seventy-seven thousand, nine hundred and fifty-four (677,954) Ordinary C Shares of €1.00 each, (v) (Mohammad Tahseen) Salim Said Sabbagh as to seven hundred and two thousand, nine hundred and fifty-four (702,954) Ordinary C Shares of €1.00 each, (vi) Bassim S.F. Khoury Nasr as to one million, forty-five thousand, one hundred and forty (1,045,140) Ordinary D Shares of €1.00 each, (vii) Maximilian Rupprecht Ferdinand Wirtz as to three hundred and two thousand, two hundred and seventy-four (302,274) Ordinary E Shares of €1.00 each, (viii) Paul Michael Wirtz as to one million, two hundred and nineteen thousand and eighty-nine (1,219,089) Ordinary E Shares of €1.00 each, (ix) Evolve Resources Ltd as to fifty thousand (50,000) Ordinary E Shares of €1.00 each, (x) Bank of Palestine plc as to five hundred thousand (500,000) Ordinary F Shares of €1.00 each and (xi) Reach for Investment and Development (Reach Holding) Ltd as to five hundred thousand (500,000) Ordinary G shares of €1.00 each, all fully paid up.

Further details concerning the manner in which the shares in the Guarantor are subscribed to are set out in sub-section 8.2 of this Registration Document.

There are no recent events particular to the Guarantor which are, to a material extent, relevant to the evaluation of its solvency.

The Guarantor operates exclusively in and from Malta.

5.3 Obligations of the Guarantor in terms of the issue of the 2018 Prospects MTF Bonds

In terms of the Company Admission Document regulating the terms and conditions of the 2018 Prospects MTF Bonds issued by the Issuer, the Guarantor stands surety with the Issuer and irrevocably and unconditionally undertook to affect the due and punctual performance of all the payment obligations undertaken by the Issuer under the 2018 Prospects MTF Bonds if the Issuer failed to do so. Accordingly, until such time as the 2018 Prospects MTF Bonds remain in issue, the Guarantor undertook to pay on an on-going basis interest which may become due and payable during the term of the 2018 Prospects MTF Bonds and the principal amount of the 2018 Prospects MTF Bonds on the redemption date should the Issuer default in paying the bondholders under the 2018 Prospects MTF Bonds upon demand and without the necessity of action first being taken by bondholders against the Issuer itself. The obligations of the Guarantor under the guarantee dated 17 October 2018 shall remain in full force and effect until no sum remains payable to any holder of the 2018 Prospects MTF Bonds.

5.4 Overview of the Group's business

Dar Al-Shifa Pharmaceuticals plc, the ultimate parent company of the Guarantor, was established in 1985 as a public limited company in Palestine. In 1999, it entered into a joint venture with the Wirtz family, owners of the German pharmaceutical company Grunenthal. With this continued partnership, the company attained stringent

EU Good Manufacturing Practice (GMP licence to produce and market pharmaceuticals in the EU) issued by the German Medicines Authorities and has been supplying pharmaceutical products to the European market since 2008. Dar Al-Shifa Pharmaceuticals plc has a 12% local market share with 150 products and 330 employees. The company was listed on the Palestine securities exchange in June 2013.

The Group chose Malta as its European base through the establishment of Pharmacare Premium Limited (the Guarantor). Pharmacare Premium's facility in Hal Far is a pharmaceutical manufacturing plant for tablets and capsules, with a capacity of up to 200 million units per year. The Malta facility has an EU Good Manufacturing Practice licence to produce pharmaceutical products issued by the Malta Medicines Authorities. Most importantly, the facility is designed and dedicated to produce high-potency medicines, a special and niche segment of pharmaceutical products used in oncology (anti-cancer treatments), multiple-sclerosis, antivirals, and other specialized therapies.

Pharmacare Premium is a generic pharmaceutical company, its business model is based on launching a product as soon as the exclusivity (patent) granted to the innovator company expires allowing generic companies to compete in the marketplace. Success in this business highly depends on the company's ability to launch its product immediately after patent expiry (Day-1 launch) in order to capture a good market share and maintain better profit margins.

Patents worldwide generally provide a 20-year period of exclusivity and the majority of pharmaceutical patents which are valid until 2030 have not been registered in Malta, therefore, Malta was chosen as the European base for a variety of reasons, amongst which is Malta's patent advantage.

This 'Malta Advantage' allows Pharmacare Premium to have a competitive advantage in being more successful in being first to market (Day-1 launches) and provides a unique opportunity to launch products in several markets well ahead of competition from other European countries. This is particularly important for anti-cancer medications where the majority of the products will become generic in the coming 4-8 years, opening a worldwide market of more than €10 billion.

Pharmacare Premium is uniquely designed and positioned to maximize on this opportunity with a state-of-the-arts facility and equipment operated and managed by a highly qualified team. The company has a special focus on flexibility in production allowing it to serve small markets and early opportunities, both inside and outside Europe, where many non-patented markets provide lucrative opportunities (Middle-East and North Africa, Latin America, Asia-Pacific regions, among others).

Rapid innovation in anti-cancer treatment has resulted in a high number of product candidates for development, with very high prices but in low quantities. Pharmacare Premium is designed and adjusted to maximize this opportunity through small scale production with the capability to produce small quantities of highly specialized and expensive medications.

In addition to pharmaceutical production, Pharmacare Premium has the capabilities to develop the complete product registration requirements internally, starting from identifying the right composition and production process, to lab analysis and quality parameters and, most importantly, conducting clinical trials on patients in order to prove efficacy and safety of products. This significant investment is a must in such a highly regulated industry and it must be completed, documented and submitted to Health Authorities in each individual country well in advance of the target launch date.

In accordance with the provisions of the Company Admission Document, the proceeds from the 2018 Prospects MTF Bonds were advanced by way of a loan facility to the Guarantor for the purposes of financing product development. Using these proceeds, Pharmacare Premium has since successfully developed four products, submitted the corresponding registration dossiers to more than 150 different territories/clients and successfully started the Day-1 launches of the first two products in 2022.

Pharmacare Premium aims to become an established partner beyond Malta's patent window by building an internal team for business development and forward integration through regional representative offices and to attract growing business activity from its existing major global clients who benefit from specialized, responsive offers and premium service at competitive pricing. Pharmacare Premium aims to create a strong presence in

both local and international markets based on a strong social responsibility in bringing affordable products to the market in a life-saving therapeutic category and doing so with minimum impact on the environment and maximum benefit to patients.

5.5 Principal activities and investments of the Group

5.5.1 Capacity increase to the Hal Far Facility

In June 2017, Pharmacare Premium entered into a public deed to acquire a 65-year temporary emphyteusis from Malta Industrial Parks Limited (C 28965) with respect to the property which comprises the Hal Far facility and is permitted to use the property exclusively for an industrial purpose.

Pharmacare Premium boasts a fully-licensed, state-of-the art facility, infrastructure and high-end equipment, specialized and dedicated to handling high potency 'contained production', potent molecules, which are medicines used in cancer treatments and other niche therapeutic categories, to supply a range of therapeutic products for world markets. The modern facility is an EU-GMP (Good Manufacturing Practice) approved site (GMP Certificate No. MT/011HM/2013), for manufacturing and packaging of solid dosage forms (high potency), testing and certification of medicinal products (conventional, high potency, chemical and microbiological) and investigational medicinal products (manufacturing, importation, testing and certification), which together with an expert team of industry professionals, ensure optimum and quality level of performance in delivery.

The production facility is equipped with 'leading technology' machinery and equipment and consists of a total land area of 7,800m^2 and a footprint of built area of 4,600m^2. The total floor area is 5,900m^2 which is comprised of a production area of 1,100m^2 for tablets and capsules, a building ready for an additional production line of 1,300m^2, chemistry and microbiology laboratories of 450m^2 and warehouse facilities of 800m^2 with a capacity of 650 pallets.

The facilities are currently approved by the Malta Medicine's Authority (EU), the Ministry of Health (Turkey), the Ministry of Health (Libya), the Ministry of Health (Iraq), the Ministry of Health (Jordan) and Brazil's Medicine Authority. The facility is also subject to inspections every 3 years by local regulators, namely the Malta Health and Safety Authority and Malta Medicine's Authority (MMA).

As detailed in sub-section 5.1 of the Securities Note, an amount of *circa* €3,600,000 of the Bond Issue net proceeds will be used for the purpose of part-financing the expansion in capacity and capabilities of the Group's laboratory and facility in Hal Far, Malta, together with an investment in ancillary property, plant and equipment in the said facility, by setting up a dedicated product development lab for the formulation and analytical development of new products as well as increasing the analytical output of the existing facility. These additions will be accommodated within the existing buildings of the Group in Hal Far.

The Group continues to put its growth at its forefront and in the near future plans to provide for such growth by embarking on an extension to its facility for its generation expansion.

5.5.2 Development/Co-development, Out-Licensing and Supply of high-potency products

Pharmacare Premium's current high-potency solid dosage form products cover a range of hormonal analogues, oncology and immune-suppressants which are registered and available for out-licensing and supply in the EU, the MENA region and other markets. Pharmacare Premium invested approximately €2 million in product development in 2021, including four clinical trials, three of which were pivotal trials used for the final registrations of new products. The first two product dossiers completed in 2020 have been registered in several target markets and the first launch took place in Q1 2022. As a first step in own developed products, Pharmacare Premium acquired seven licenses for Anastrozole, Bicalutamide, Capecitabine, Letrozole, Mycophenolate, Exemestane and Finestreride. Pharmacare Premium completed the technology transfers of four of these seven molecules (Anastrozole, Bicalutamide, Capecitabine and Letrozole) to its facility in Malta, given that only four made commercial sense. These products come from the family of 'tinib' kinase inhibitors, which make up a significant share of oncology therapies world-wide. On these four products, Pharmacare Premium underwent further development, upgraded their dossiers and released them in target markets. The products are marketed under Pharmacare Premium's label or licensed out to customers whilst retaining ownership of the intellectual property. As at the date of this Registration Document, these are still registered in Portugal, but are registered

in Malta as the country of origin. The products are also registered in export markets, mainly outside the European Union.

As at the date hereof, Pharmacare Premium has the following high-potency products registered in the European Union and other countries which are available for out-licensing and supply:

Anastrozole	1mg tablets
Letrozole	2.5mg tablets
Bicalutamide	50mg and 150mg tablets
Capecitabine	150mg and 500mg tablets
Sorafenib	200mg tablets
Sunitinib	12.5mg, 25mg, 50mg capsules
Pazopanib	200mg and 400mg tablets
Teriflunomide	14mg tablets

Pharmacare Premium invested more than €20 million in the set-up, operation and approvals of the company, besides the additional €5 million raised through the issue of the 2018 Prospects MTF Bonds. Following the issue of the 2018 Prospects MTF Bonds, the company commenced own product developments in order to leverage its unique competitive advantages and offer high value products to its professional network in Europe, Latin America, Commonwealth of Independent States ('CIS') countries, and the MENA region. The proceeds from the 2018 Prospects MTF Bonds were used to develop six products, rather than five as stated in the Company Admission Document, since some of the products were co-developed. Consequently, Pharmacare Premium developed/is developing Sorafenib, Sunitinib, Pazopanib, Teriflunomide, Lenvatinib and Apremilast through the proceeds. During 2021, Pharmacare Premium continued to press ahead with its product development program and two projects were successfully completed, along with two ongoing projects, bringing the number of products in the development pipeline to seven, with four products fully completed with first 'Day-1' launches in 2022. In fact, during 2022 Pharmacare Premium completed the development of four own products (Sorafenib, Sunitinib, Pazopanib, Teriflunomide), and three new products are under development (Lenvatinib, Apremilast, Bosutinib), with expected completion in 2023.

The projected product pipeline comprises of the following and is being expanded through a pipeline of co-development projects, as well as through an in-licensing drive:

Sorafenib tablets	200mg	Available
Sunitinib capsules	12.5, 25, 37.5, 50mg	Available
Pazopanib tablets	200mg	Available
Teriflunomide tablets	7, 14mg	Available
Lenvatinib capsules	4, 10mg	Q4-22
Apremilast tablets	10, 20, 30mg	Q4-22
Bosutinib	100mg, 400mg and 500mg	Q2-Q3

In the first half of 2022, Pharmacare Premium received the Malta Health Authority's approval, as well as other health authorities within and outside Europe, for the first two products developed (namely, Sunitinib and Sorafenib) and proceeded to launch both products in the first European markets to open for generics. Additional market launches are planned imminently in Europe, MENA region, Asia and Latin America as more registration approvals are issued, and patents expire. During the same period, the company successfully completed the development of Teriflunomide and Pazopanib. Both were submitted to several health authorities worldwide, including Malta for approval.

Pharmacare Premium has its own products (Anastrozole, Bicalutamide, Capecitabine and Letrozole, as well as Sorafenib, Sunitinib, Pazopanib and Teriflunomide) registered in Europe (Malta, Portugal, Hungary, Greece, Cyprus and Bulgaria), MENA region (Egypt, Iraq, Libya and Palestine), Turkey and Canada. Additional registration procedures of the company's products are ongoing in more than fifteen other countries in Europe, MENA region, Latin America, Asia and Canada. These generic products can be distributed world-wide. These product developments were only possible due to expertise, resources, funding and Pharmacare Premium's state of the art facility, infrastructure and high-end equipment. Pharmacare Premium anticipates that the timely success of

these developments will enable Pharmacare Premium to be the first-to-launch generic manufacturer in Europe and, in turn, increase the company's revenue.

Pharmacare Premium's portfolio of high potency products is supplied to markets including the EU, Latin America, CIS countries and the Middle East where it aims to develop a network of partner distributors. The Guarantor sells its products mostly through business-to-business (B2B) licensing to partners in different countries and business development activities have resulted in the signing of several licensing contracts. A generic product can only be commercialised upon the expiry of the underlying patent. Consequently, Pharmacare Premium, in partnership with a third-party pharmaceutical company, continued expanding on Tinibs. The life cycle of tinibs product requires investment for development which usually takes up to 2.5 years and most supply contracts are binding for each territory for 5 years. Development activities for these products have resulted in the signing of several licensing contracts for Pharmacare Premium.

As of June 2022, 52 license and supply agreements have been signed for the 4 completed products. These license and supply agreements provide a total amount of licensing fees (down-payments) of €2 million and are expected to exceed the development costs by mid-2022. With its customer base continuing to grow, Pharmacare Premium now has partners in MENA region, Turkey, Latin America, Africa and Asia-Pacific, in addition to most European countries.

As intimated above, registration procedures of Pharmacare Premium's existing products are ongoing in several countries in Europe, MENA region, Latin America, Asia and Canada and Pharmacare Premium successfully obtained Good Manufacturing Practice (GMP) approval by the Brazilian Authorities.

The activities in research and business development have resulted in an 80% increase in turnover of Pharmacare Premium in 2021 compared with 2020 and is expected to continue to have a significant effect on Pharmacare Premium's revenues within the coming 2 to 3 years, as more pipeline products are launched and the necessary regulatory processes are completed, which is in line with expectations and industry standards.

Design and preparatory works were completed for the setup of a new production line for the processing of active pharmaceutical ingredients, the construction and installations of which started in 2022. This project is a 10-year strategic partnership agreement with a European manufacturer of pharmaceutical active ingredients to jointly set up and operate a production line at Pharmacare Premium's premises.

The development of complex products and value-added generics create additional value and margin, however, they require heavier investment and a proven track-record along with the expansion into new therapeutic categories which offer additional growth venues, such as anti-virals.

In this regard, an amount of *circa* €3,800,000 of the Bond Issue net proceeds will be used for the purpose of part-financing further product development, as set out in sub-section 5.1 of the Securities Note. Specifically, the funding of 8 development projects will include the following activities: (i) formulation development and reference samples; (ii) intellectual property research and assessment; (iii) clinical trials (bio-equivalent studies); (iv) product of trial, registration and validation batches; (v) purchasing of any needed equipment and change-parts; (vi) purchasing of raw materials (especially active pharmaceutical ingredients); and (vii) dossier compilation and registration (regulatory affairs).

In order to maximize the unique opportunity in the oncology generics' niche, the Pharmacare Group aims to develop an additional 12 to 15 products over the coming years, with 8 new products to be developed and launched through the proceeds of the Bond Issue and through the use of internal resources, including the Research & Development lab; this is expected to significantly improve the Group's competitiveness. A €7.9 million budget has been set to develop/co-develop these 8 products. In addition, following the initial period of 4 years from investment, which is fully dedicated for product development, a second phase will be evaluated and initiated, mainly focused on building an internal team for business development, to increase personnel and operations to build internal capabilities for regulatory affairs, planning and project management in support of the development program.

Save for the above, the Issuer and the Group generally is not party to any other principal investments, and has not entered into or committed for any principal investments, subsequent to 31 December 2021, being the date of the latest audited financial statements of the Issuer and the Guarantor.

5.5.3 Contract development

Working with Pharmacare Premiums affiliated product development global teams as a co-development partner, Pharmacare Premium can optimise complex development processes by seamlessly integrating formulation, validation batch production, bio-equivalency studies, as well as all regulatory processes leading to registration of products to fully scaled-up production, and, where relevant, to ensure strategic stock and pile execution.

All the processes of Pharmacare Premium are delivered with industry compliance as its framework and premium quality as its standard. The unique patent position of Malta makes such development activities much more cost effective with a faster return on investment and wider possibilities of early launches, including a Day 1 launch following expiry of the patent. Pharmacare Premium offers contract development services ranging in scope from formulation and analytical method development and validation to bioequivalence (BE) and submission batches. The scope of related activities includes project management, whereby Pharmacare Premium project manages the whole process according to pre-agreed timelines and milestones, including sub-contracted services with either Pharmacare Premium's or the customer's partners, bioequivalence batches, submission batches, regulatory support and stability studies. The stability profile, a critical quality attribute of a pharmaceutical entity, is based primarily on the physicochemical properties of the drug substance and drug product. Pharmacare Premium's stability lab offers the efficiency and versatility needed for the simultaneous handling of multiple projects from drafting and approval of protocols to efficient and timely analysis and reporting.

In 2021 and 2022, Pharmacare Premium was able to secure 3 additional contract development agreements with third parties, including well-known market leaders in Europe and beyond.

5.5.4 Contract manufacturing and packaging

Pharmacare Premium has developed successful contract manufacturing services which refer to the manufacturing of tablets on behalf of clients by using the client's own designs, formulas and/or specifications. The generic product is only commercialised upon the expiry of the underlying patent. This allows large pharmaceutical companies to outsource the production stage of the business, which can help with scalability or allow companies to focus on drug discovery and commercialization.

Pharmacare Premium offers a comprehensive contract manufacturing approach for highly potent solids such as cytotoxics, cytostatics, immuno-modulators and hormonal analogues, amongst others. With its high containment production line, Pharmacare Premium has the unique offering of contract manufacturing of specialty products, starting from the qualification of suppliers to export shipping of finished products. The range of related activities includes analytical method validations and transfers for active pharmaceutical ingredients (APIs), excipients and finished products, auditing of suppliers where necessary, manufacturing process optimization and validation, packaging process validation, creation and approval of related documents and protocols and sharing of reports and regulatory support.

With the increasing number of highly specialized treatments, marketing authorization holders are actively looking for packing sites closer to their markets. Pharmacare Premium provides agile contract manufacturing solutions for solid dosage production of both tablets and capsules and with the introduction of 'late customization printing' also provides flexible small, dedicated packaging runs as well as the larger batch production deliveries.

Pharmacare Premium is fully licensed for primary and secondary packaging activities. Through its track and trace capability, Pharmacare Premium is able to offer serialization and 2D barcode printing. For conventional solid dosage forms (tablets and capsules), packaging is offered with a high degree of flexibility and automation for both thermo-formed and cold-formed blisters. Pharmacare Premium's services cover a wide range of activities, including serialization and 2D matrix printing, labelling of outer packs, single-dose perforation of blisters, procurement of primary packing materials (including the qualification and approval of suppliers), management of artworks and ordering of printed packaging materials from approved and audited suppliers, importation, clearance and storage of bulk product, quality control testing and release of starting materials and bulk products, EU batch release of the finished product and storage and export shipping of the finished product.

For high-potency products, packaging is performed on a dedicated line and, in addition to the above range of activities, in common with conventional products, Pharmacare Premium offers a high degree of flexibility and accommodates small orders of as little as 100 packs. Pharmacare Premium's high potency manufacturing and packaging include 0.5Kg – 150Kg batch sizes, dry and wet granulation, tabletting and capsule filling, aqueous film coating, packaging of tablets and capsules in both thermo-formed and cold formed blisters and serialization. Furthermore, Pharmacare Premium is undertaking pilot-scale production and formulation of wet granulation and Fluidized Bed Dryer (FBD) (0.5-5Kg), cone mill, single-punch tablet press, manual capsule filling, pilot-scale table press (9,600 tab/h) and coating (0.5-6Kg). In 2019, a second production line of pilot-scale equipment was installed and this aided in improving the supply of low volume, high-value products.

Drawing on the niche products and flexible batch sizes, along with competitive pricing, tablets and capsules, bulk and finished product storage, small order quantities and fast-order processing, Pharmacare Premium provides flexible solutions in contract manufacturing and has attracted many clients, including well known market leaders in Europe and beyond, satisfying the customers' commercial needs and considerations.

In November 2020, a final 10-year strategic partnership agreement was signed with Xspray Pharma AB ('Xspray') of Sweden, to jointly operate a production line at Pharmacare Premium's premises whereby Pharmacare Premium will provide a 10-year facility rental and operation of equipment. Xspray contracted at least two production lines from Pharmacare Premium for €760K *per annum* over a 10-year period to make a €7.6 million commitment. Since signing the agreement, civil and installation works have initiated with Xspray. Upon completion of this expansion, the Group will be processing new key ingredients for pharmaceutical products using Xspray's patented technology. The key market is the United States of America (USA), a new market for the Group, which constitutes almost half of the world's market for anti-cancer medications by value.

In 2021, Pharmacare Premium was able to secure 3 additional contract manufacturing and packaging agreements with third parties, including well-known market leaders in Europe and beyond.

5.5.5 Contract testing and EU batch release

Pharmacare Premium carries out contract testing services for certification, batch release and other related activities. Contract testing relates to the provision of laboratory and other support services, which includes carrying out of various re-testing and validation procedures on products produced outside of the European Union that are intended to be resold within the EU. The non-EU manufactured product is required to pass various quality control checks from a facility based in the EU before it can be commercialised in the EU.

Pharmacare Premium offers a continued and competitive contract testing service beyond launch day. Pharmacare Premium's laboratories are equipped with cutting-edge analytical equipment, including high performance liquid chromatography (HPLCs), gas chromatographs, as well as dissolution titimetric and spectroscopy equipment. Pharmacare Premium's experienced team of analysts and laboratory personnel regularly undertake the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH)-compliant method development and validation for finished product to precede sample analysis for clients.

Pharmacare Premium is EU-GMP approved for full chemical and microbiological testing and certification (release) for any EU member State. With regards to microbiological testing, Pharmacare Premium's in-house micro lab enables it to perform all standard micro tests for non-sterile dosage forms and the flexibility and capabilities of this lab enables Pharmacare Premium to deliver reliable results on-time, without the need to rely on sub-contracted labs. Pharmacare Premium's labs are also equipped and licensed for the handling of highly potent products and with special controlled areas for the handling of these products, such that Pharmacare Premium can extend its batch certification and release to this strategic and growing category. In addition, with regards to chemical testing, Pharmacare Premium's fully equipped laboratories have the capacity and capability of full batch testing, ranging from simple physical tests to fully automated dissolution profiling.

Due to Malta's unique patent situation within the EU as previously explained, Pharmacare Premium's strategic positioning in Malta delivers major advantages to companies seeking a batch testing and release site for patent restricted products within the EU. Furthermore, Pharmacare Premium provides logistics services especially on day one launches of generic drugs. Pharmacare Premium arranges the most efficient transport method to ensure

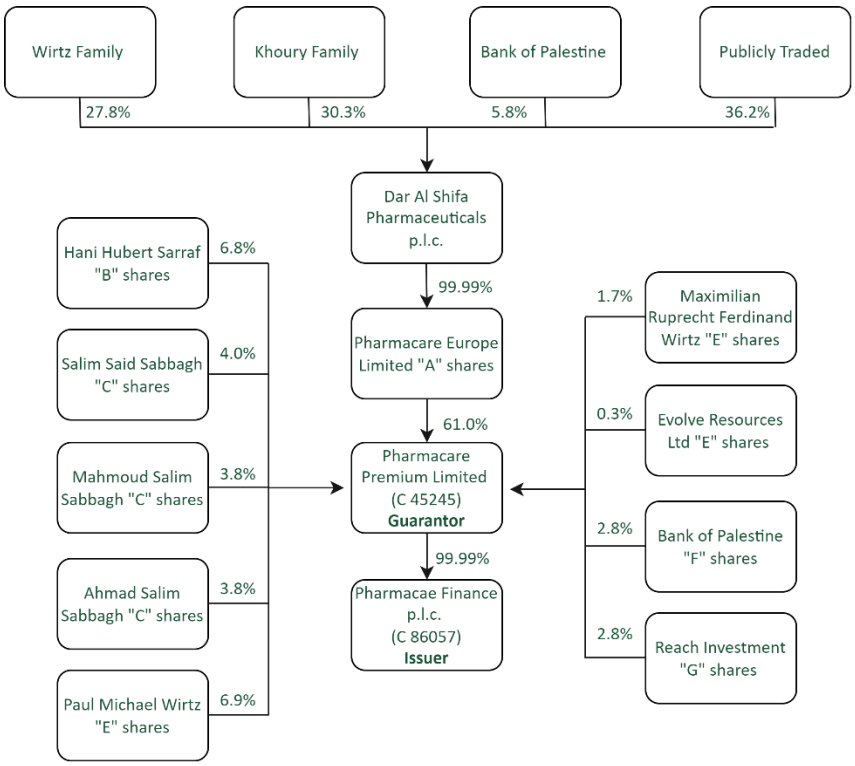
that the orders hit the market at the right time, which includes careful routing for patent considerations to chartering airplanes. Pharmacare Premium's unique location of less than 10km from both the airport and the seaport is ideal for this critical activity. Pharmacare Premium offers stock services for the released and customs' cleared batches in its own warehouses which are ready for dispatch on patent expiry. Pharmacare Premium also offers the possibility of managing the importation, airport/seaport handling and customs' clearance of the launch batches into the EU through Malta. The fact that the goods will be custom cleared for circulation in the EU prior to patent expiry provides critical time saving for a Day 1 generic launch.

All prospective developments and investments detailed in this Registration Document will be financed by the Group through equity, shareholder loans or third-party financing, save for such developments and investments to be financed/part-financed from net proceeds of the Bond Issue as detailed above in this Registration Document and in sub-section 5.1 of the Securities Note.

5.6 Organisational structure

The Issuer is a special purpose vehicle set up to act as a financing company for the needs of the Group and, as such, it is dependent on the business prospects and operating results of Group entities.

The organisational structure of the Group as at the date of the Prospectus is illustrated in the diagram below:



6 TREND INFORMATION

6.1 Trend information of the Issuer

There has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements for the period ended 31 December 2021. Furthermore, there has been no material adverse change in the Issuer's borrowing and funding structure since said date.

There has been no significant change in the financial performance or trading position of the Issuer since the date of its last published audited financial statements for the period ended 31 December 2021.

The Issuer is dependent on the business prospects of the Group and, therefore, the trend information relating to the Group has a material effect on its financial position and prospects.

6.2 Trend information of the Group

At the time of publication of this Registration Document, the Group considers that generally it shall be subject to the normal business risks associated with the industry in which the Group is involved and operates as disclosed in this Registration Document. Barring unforeseen circumstances, the Group 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 Group and its business, at least with respect to the financial year 2022. However, investors are strongly advised to carefully read the risk factors disclosed in the Prospectus.

There has been no material adverse change in the prospects of the Guarantor since the date of its last published audited financial statements for the period ended 31 December 2021. Furthermore, there has been no material adverse change in the Guarantor's borrowing and funding structure since said date.

There has been no significant change in the financial performance or trading position of the Guarantor since the date of its last published audited financial statements for the period ended 31 December 2021.

6.3 Malta economic update and outlook

The Central Bank of Malta expects Malta's Gross Domestic Product ("GDP") to grow by 5.2% in 2022, 4.5% in 2023 and 3.7% in 2024. Compared to the previous projections, the Bank's latest forecast represents downward revisions of 0.2% in 2022, 0.4% in 2023, and of 0.1% in 2024. The downward revisions reflect the strong pick-up in inflationary pressures as well as a further deterioration in the international economic environment due to the recent cuts in gas supplies to European countries.

Net exports are expected to be the main driver of growth in 2022, reflecting the correction in import-intensive investment outlays from the exceptionally high levels reached in 2021. The contribution of domestic demand is expected to be positive but significantly lower compared to that of 2021, as growth in activity normalises following the strong rebound last year. In the following years, domestic demand is expected to lead the expansion in economic activity, especially from private consumption. The contribution of net exports is projected to ease over the projection horizon, reflecting the gradual normalisation of tourism exports and decelerating growth in foreign demand more generally.

Employment growth in 2022 is expected to reach 3.5% from 2.8% in 2021. It is set to moderate to just above 2% by 2024. The unemployment rate is projected to decline to 3.1% this year, from 3.5% last year and it is expected to hover within this range over the outlook period. In view of the expected increase in inflation this year, wage growth is projected to be relatively strong. Nevertheless, nominal wage growth is projected to remain below that of inflation due to some lag in the transmission from prices to wages. In the following years, wage pressures are expected to moderate as the labour market becomes less tight.

Annual inflation based on the Harmonised Index of Consumer Prices is projected to pick-up sharply in 2022 and remain high in 2023. Indeed, it is envisaged to accelerate to 5.9% in 2022, from 0.7% in 2021. The sharp pick-up in inflation reflects a broad-based increase across all sub-components of HICP except for energy inflation. Import price pressures are expected to moderate somewhat by the beginning of next year, although these are envisaged to remain high by historical standards. Hence, HICP inflation is expected to moderate to 3.8% by 2023, driven by lower contributions from all subcomponents except for energy inflation. Inflation is set to ease further in 2024 to 2.1%.

The general government deficit is projected to recede to 5.6% of GDP in 2022, from 7.9% in 2021. It is expected to narrow further to 4.0% in 2023, and to 3.2% in 2024. This profile is driven by the unwinding of COVID-19 support measures in 2022, which offset outlays on price mitigation measures. The latter are set to remain in place but assumed to diminish over the projection horizon. The general government debt-to-GDP ratio is projected to stand at 58.8% of GDP in 2024.

On balance, risks to economic activity are tilted to the downside, especially for 2023 though uncertainty even during 2022 remains high. The main downside risks relate to the evolution of energy supply from Russia to Europe. This could lead to severe shortages of energy supplies going into the winter, which could in turn adversely affect production abroad and amplify supply bottlenecks. Foreign demand could also be weaker than expected if monetary policy in advanced economies continues to tighten more forcibly than assumed in this projection round. These downside risks are mitigated somewhat by domestic fiscal policy which is cushioning partly the impact of imported inflation. In addition, the savings ratio could fall faster than is being assumed in this projection, while upward surprises in tourism could further boost net exports and GDP growth.

Risks to inflation are on the upside during the entire projection horizon. Indeed, further escalation in cuts in gas supplies could trigger a stronger than envisaged rise in commodity prices, which would put further upward pressures on the prices of imported goods and freight costs. In addition, the EU policy to sharply reduce dependence on Russian fossil fuels could also lead to stronger than expected increases in import costs, particularly in the short-run. The risk of second-round effects from wages and mark-ups grows if high inflation persists for longer.

On the fiscal side, risks mainly relate to a larger deficit in 2022 and 2023. These mostly reflect the likelihood of additional Government support to mitigate rising commodity prices and the likelihood of state aid to the national airline.

6.4 The pharmaceutical industry in Malta

Prior to Malta joining the European Union in 2004 and the European Patent Office in 2007, very few pharmaceutical patents were registered in Malta. Since then, the sector has seen tremendous expansion particularly due to its geographical location as well as patent advantage.

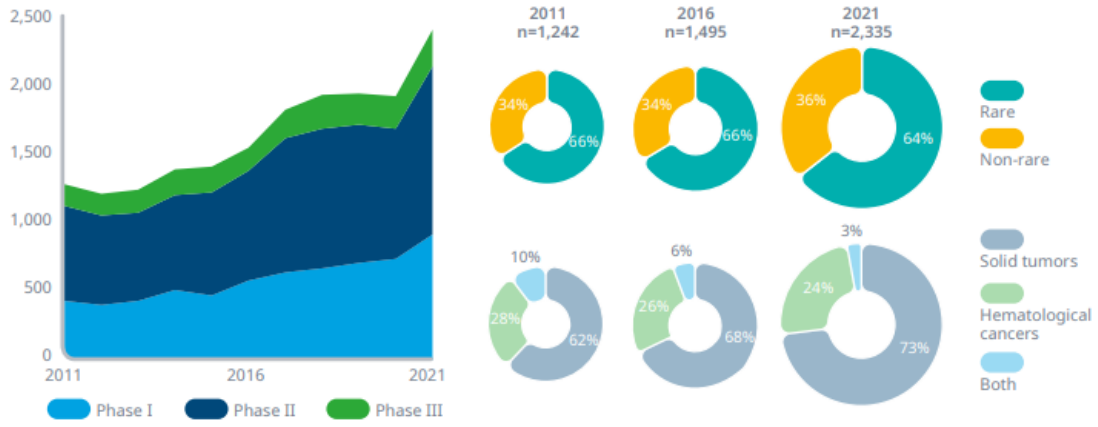
In terms of geographical advantage, Malta is situated halfway between Africa and Europe, and this makes it an excellent hub when it comes to business dealings with the whole of the EU, Schengen Area, Africa and the Middle East. In terms patent advantage Malta adopted the “Bolar Provision” in 2003, prior to even the joining the European Union. Through using this provision, generic drugs may be developed with all testing and preparation completed and in place prior to the patent holder’s expiration date. The benefit of this is that there are thus no undue delays getting the product on to the market afterwards whereas more conservative jurisdictions may face considerable time delays. Also, given the patents’ life-span of 20 years, there is a patent-free window opportunity in Malta until 2027-2030.

6.5 Focus on oncology treatment

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. According to business intelligence provider GBI Research, the oncology drug pipeline is far larger than any other therapy area across the pharmaceutical industry, with 6,484 products in active development across all indications, suggesting significant opportunities for new market entries.

Oncology trial starts reached historically high levels in 2021, up 56% from 2016 and mostly focused on rare cancer indications, which have higher success rates despite greater complexity. Most cancer research focuses on metastatic or advanced cancers, but early cancer and vaccines have more than doubled in 10 years and represent a steady 11% of trials. Emerging biopharma companies were responsible for 68% of the oncology pipeline in 2021, up from 45% a decade ago, and increasingly involved without larger pharma company partners until later in the development of an asset, or even after it has launched.

Exhibit 11: Oncology clinical trial starts by year, 2011–2021



Source: Citeline Trialtrove, IQVIA Institute, Apr 2022.

The global generic oncology drugs market reports a market size reaching US$ 26.1 billion in 2021. Looking forward, it is expected to reach US$ 36.9 billion by 2027, exhibiting a CAGR of 5.94% during 2021-2027[1]. Generic oncology drugs assist in shrinking, controlling, and destroying the cancer cells present in the human body. Furthermore, a few oncology drugs are widely prescribed by doctors to alleviate symptoms, including pain. They share the same active ingredients as the already marketed brand-name cancer care medicine. Along with this, governments of several countries are undertaking initiatives to promote generic drugs. They are continually engaging in research and development (R&D) activities to reduce healthcare expenses related to cancer treatment, thus making the healthcare facility accessible and affordable for all.

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 2022 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.

7 MANAGEMENT AND ADMINISTRATION

7.1 The Issuer

7.1.1 The Board of Directors and M&As

The Memorandum of Association of the Issuer provides that the business and affairs of the Issuer shall be managed and administered by a Board of Directors to be composed of a minimum of three (3) and a maximum of six (6) Directors. The Directors of the Issuer are appointed by means of an ordinary resolution in general meeting. Accordingly, the Guarantor is empowered to appoint the Directors of the Issuer, thereby putting it in a position to appoint an absolute majority of the Directors of the Issuer and, accordingly, have control over the management and operations of the Issuer. The Board meets regularly to discuss strategy, operational performance and financial performance of the Issuer.

As at the date of the Prospectus, the Board of the Issuer is composed of the six (6) individuals listed in sub-section 4.1 of this Registration Document, who are responsible for the overall direction and management of the Company. The Board currently consists of three (3) executive Directors, who are entrusted with the day-to-day management of the Company, and three (3) non-executive Directors who are also independent, in line with generally accepted principles of sound corporate governance and whose main functions are to monitor the operations of the executive Directors and their performance, as well as to review any proposals tabled by the executive Directors.

[1] The Generic Oncology Drugs Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2022-2027

The Directors believe that the Issuer's current management organizational structure is adequate for its present activities. The Directors will maintain this structure under continuous review to ensure that it meets the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

None of the Directors have, in the last 5 years:

i. been the subject of any convictions in relation to fraudulent offences or fraudulent conduct;
ii. been made bankrupt or associated with bankruptcies, receiverships or liquidations (other than voluntary) in respect of entities in respect of which they were members of administrative, management or supervisory bodies, partners with unlimited liability (in the case of a limited partnership with a share capital), founders or members of senior management;
iii. been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or
iv. been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

The Memorandum and Articles of Association of the Issuer are registered with the Malta Business Registry. The main objects of the Issuer's activities are set out in clause 5 of the Memorandum of Association. The issue of bonds falls within the objects of the Issuer. The Memorandum and Articles of Association otherwise regulate matters customarily dealt with therein, including matters such as voting rights and restrictions thereof, and the appointment and powers of Directors.

A copy of the Memorandum and Articles of Association of the Issuer may be inspected during the lifetime of this Registration Document at the registered office of the Issuer as set out in section 14 of this Registration Document and at the Malta Business Registry during the lifetime of the Company.

7.1.2 Executive Directors

The executive Directors of the Issuer are entrusted with the Company's day-to-day management. The executive Directors of the Issuer are Mr Bassim S.F. Khoury Nasr, Mr Amin Farah and Mr Hani Sarraf.

7.1.3 Independent, non-executive Directors

The independent, non-executive Directors' main functions are to monitor the operations of the executive Directors and their performance, as well as to review any proposals tabled by the executive Directors. The independent, non-executive Directors are Mr Louis Borg Manché, Ms Marisa Tanti and Mr Mark Vassallo.

7.1.4 Aggregate emoluments of Directors

In terms of the Memorandum and Articles of Association of the Issuer, the aggregate emoluments of all Directors in any one financial year, and any increases thereto, shall be such amount as may, from time to time, be determined by the Issuer in general meeting, and any notice convening the general meeting during which an increase in the maximum limit of such aggregate emoluments shall be proposed, shall contain a reference to such fact.

The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or other committee of the Directors or general meetings of the Issuer or in connection with the business of the Issuer.

The remuneration of Directors is a fixed amount *per annum* and does not include any variable component relating to profit sharing, share options or pension benefits. For the financial year ended 31 December 2021 the Issuer paid an aggregate of €12,000 to its Directors.

7.1.5 Loans to Directors

There are no loans outstanding by the Issuer to any of its Directors, nor any guarantees issued for their benefit by the Issuer.

7.1.6 Removal of Directors

A Director shall be removed by ordinary resolution of the members in a general meeting. The Issuer may by ordinary resolution taken at the time of his/her appointment or any later date determine the period for which a director shall hold office. An election of Directors shall take place every year at the Issuer's annual general meeting. All Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

7.1.7 Powers of Directors

By virtue of the provisions of the Articles of Association of the Issuer, the Directors are empowered to transact all business which is not by the Articles expressly reserved for the shareholders in general meeting.

The Directors are vested with the management of the Issuer and their powers of management and administration emanate directly from the Memorandum and Articles of Association and the law. The Directors are empowered to act on behalf of the Issuer and in this respect have the authority to enter into contracts, sue and be sued in representation of the Issuer.

In terms of the Memorandum and Articles of Association of the Issuer, the Board of Directors may exercise all the powers of the Issuer to borrow money and to hypothecate or charge its undertaking, property and uncalled capital or any part thereof, and to issue shares and debt securities on such terms, in such manner and for such consideration as they think fit, whether outright or as security for any debt, liability or obligation of the Issuer or of any third party. The borrowing powers of the Issuer shall be unlimited and shall be exercised by the Directors of the Company.

Directors shall not vote at a meeting of Directors in respect of any contract, arrangement or proposal in which they have a material interest, whether direct or indirect.

The shareholders in general meeting have the overriding authority to change, amend, restrict and/or otherwise modify such limit and the Directors' borrowing powers generally.

There are no provisions in the Issuer's Memorandum and Articles of Association regulating the retirement or non-retirement of Directors over an age limit.

7.1.8 Employees

As at the date of the Prospectus, the Issuer has no employees and is reliant on the resources which are made available to it by the Group. As at 31 December 2021, the number of persons employed with the Group amounted to 86 (2020: 76 employees).

7.2 The Guarantor

7.2.1 The Board of directors and M&As

The memorandum of association of the Guarantor provides that the Guarantor's business and affairs shall be managed and administered by a board of directors to be composed of not less than three (3) and not more than eleven (11) directors. As at the date of the Prospectus, the Board of the Guarantor is composed of the seven (7) individuals listed in sub-section 4.2 of this Registration Document, who are responsible for the overall direction and management of the company. Directors of the Guarantor are appointed by the different classes of shareholders in accordance with the memorandum and articles of the association of the company, as set out in sub-section 8.2 of this Registration Document.

The memorandum and articles of association of the Guarantor are registered with the Malta Business Registry and a copy of said memorandum and articles of association may be inspected during the lifetime of this Registration Document at the registered office of the Issuer as set out in section 14 of this Registration Document and at the Malta Business Registry during the lifetime of the company.

7.2.2 Director's service contract

The directors of the Guarantor do not have a service contract with the company.

7.2.3 Powers of directors

By virtue of the articles of association of the Guarantor, the board of directors shall have the power:

(a) To bind the Guarantor in favour of third parties and third parties in favour of the Guarantor in all matters as are not by law or by the articles of association of the Guarantor required to be exercised by the Guarantor in general meetings.

(b) To convene at any time a general meeting of the Guarantor.

(c) To borrow or raise money and to secure the payment of money and, in conjunction with or independently of, to hypothecate or charge the property of the Guarantor or any part thereof, for any debt, liability or obligation of the Guarantor.

7.3 Conflict of interest at Group level

In addition to being executive directors of the Issuer, Mr Bassim S.F. Khoury Nasr, Mr Amin Farah and Mr Hani Sarraf are also executive directors of the Guarantor.

Mr Bassim S.F. Khoury Nasr, Mr Amin Farah and Mr Hani Sarraf are beneficial owners of the Guarantor in the proportions set out in sub-section 8.2 below.

In light of the foregoing, Mr Amin Farrah, Mr Hani Sarraf and Mr Bassim S.F. Khoury Nasr are susceptible to conflicts between the potentially diverging interests of the Issuer and the other companies forming part of the Pharmacare Group, as the case may be, and any of such other companies in transactions entered into, or proposed to be entered into, between them.

The Audit Committee, established at the level of the Issuer, has the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to these different roles held by the directors are handled in the best interest of the Issuer and the Pharmacare Group generally, as well as according to law. The fact that the Audit Committee is constituted in its entirety by independent, non-executive Directors provides an effective measure to ensure that transactions vetted by the Audit Committee are determined on an arms' length basis.

As regards related party transactions generally, the Audit Committee operates within the remit of the applicable terms of Chapter 5 of the Capital Markets Rules regulating the role of the Audit Committee with respect to related party transactions. The Audit Committee ensures that transactions entered into between related parties are carried out on an arm's length basis and that the Issuer accurately reports all related party transactions in the notes to the Company's financial statements.

Other than as described above, no private interests or duties unrelated to the Issuer or the Group, as the case may be, have been disclosed by the Group's management team which may or are likely to place any of them in conflict with any interests in, or duties towards, the Issuer.

To the extent known or potentially known to the Issuer, as at the date of this Registration Document, other than the information contained and disclosed herein, there are no other potential conflicts of interest between any duties of the Directors and their respective private interests and/or their duties which require disclosure in terms of the Prospectus Regulation.

7.4 Working capital

As at the date of this Registration Document, the Directors of the Issuer are of the opinion that working capital available to the Issuer is sufficient for the attainment of its objects and the carrying out of its business for the next twelve (12) months of operations. The proceeds from the Bond Issue have been taken into account when providing said clean working capital statement; said clean working capital statement would still apply if the proceeds from the Bond Issue were not so included in the calculation of working capital.

8 MAJOR SHAREHOLDERS AND SHARE CAPITAL

8.1 Shareholders of the Issuer

Pharmacare Premium Limited currently owns 99.99% of the share capital of the Issuer, with 1 Ordinary share being held by Mr Bassim S.F. Khoury Nasr.

Specifically, the Issuer has an authorised share capital of €250,000 divided into 250,000 Ordinary shares of a nominal value of €1 each. The issued share capital of the Company is €250,000 divided into 250,000 Ordinary shares of €1 each, which are subscribed to and allotted as fully paid-up shares as follows:

Name of shareholder	***Number of shares held***
Pharmacare Premium Limited (C 45245)	249,999 Ordinary shares of €1 each
Bassim S.F. Khoury Nasr (Passport No. T1106264)	1 Ordinary share of €1

The Issuer adopts measures in line with the Code of Principles of Good Corporate Governance forming part of the Capital Markets Rules (the "Code") with a view to ensuring that the relationship of the Issuer with the rest of the Group and with the shareholders are retained at arm's length, including adherence to rules on related party transactions set out in Chapter 5 of the Capital Markets Rules requiring the vetting and approval of any related party transaction by the Audit Committee. The Audit Committee is constituted in its entirety by independent, non-executive Directors, of whom one, in the person of Ms Marisa Tanti, also acts as Chairperson. The Audit Committee has the task of ensuring that any potential abuse is managed, controlled and resolved according to law. The composition of the Board, including the presence of independent, non-executive Directors, effectively minimises the possibility of any abuse of control by the major shareholder.

Each Ordinary share confers the right to one (1) vote at general meetings of the Issuer. All holders of ordinary shares shall rank *pari passu* upon any distribution of assets in a winding up. The holders of preference shares of the Company shall at all times rank prior to the holders of ordinary shares upon any distribution of assets in a winding up. As between the holders of different issues of preference shares they shall rank in accordance with the relative terms.

There is no capital of the Issuer which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option.

To the best of the Issuer's knowledge, there are no arrangements in place as at the date of the Prospectus the operation of which may, at a subsequent date, result in a change in control of the Issuer.

The shares of the Issuer are not listed on the Exchange. Application has not been filed for the shares of the Issuer to be quoted on the Official List. There is no capital of the Issuer which has been issued to the public during the 2 years immediately preceding the publication of the Prospectus.

No further increases in the share capital of the Issuer are expected during the financial year ending 31 December 2022.

8.2 Shareholders of the Guarantor

The company is 60.98% owned by its holding company, Pharmacare Europe Limited (C 45191), a limited liability company registered in Malta which is ultimately owned by Dar Al-Shifa Pharmaceuticals plc.

The authorised share capital of the Guarantor is twenty-four million Euro (€24,000,000) divided into (i) eleven million and three hundred thousand (11,300,000) Ordinary A shares of a nominal value of one Euro (€1.00) each, (ii) one million, six hundred and thirty thousand (1,630,000) Ordinary B shares of a nominal value of one Euro (€1.00) each, (iii) two million, one hundred and seven thousand, six hundred and thirteen (2,107,613) Ordinary C shares of a nominal value of one Euro (€1.00) each, (iv) one million, forty-five thousand, one hundred and forty (1,045,140) Ordinary D shares of one Euro (€1.00) each, (v) three million, three hundred and thirty thousand (3,330,000) Ordinary E shares of one Euro (€1.00) each, (vi) four million, eighty-seven thousand, two hundred

and forty-seven (4,087,247) Ordinary F shares of one Euro (€1.00) each and (vii) five hundred thousand (500,000) Ordinary G shares of one Euro (€1.00) each. The issued share capital of the Guarantor is seventeen million, six hundred and twenty-eight thousand, seven hundred and fifteen Euro (€17,628,715) which are subscribed and held as fully paid-up shares as follows:

Name of shareholder	***Number of shares held***
Pharmacare Europe Limited (C 45191)	10,750,000 Ordinary A shares of €1 each
Hani Sarraf (Passport No.: N006143707)	1,203,352 Ordinary B shares of €1 each
Ahmad Salim (Mohammad Said) Sabbagh (Passport No.: L594993)	677,952 Ordinary C shares of €1 each
Mahmoud Salim (Mohammad Said) Sabbagh (Passport No.: M434744)	677,954 Ordinary C shares of €1 each
(Mohammad Tahseen) Salim Said Sabbagh (Passport No.: M752722)	702,954 Ordinary C shares of €1 each
Bassim S. F. Khoury Nasr (Passport No.: T1106264)	1,045,140 Ordinary D shares of €1 each
Maximillian Rupprecht Ferdinand Wirtz (ID card No.: L39FPG2KN)	302,274 Ordinary E shares of €1 each
Paul Michael Wirtz (Passport No.: C75YT9H84)	1,219,089 Ordinary E shares of €1 each
Evolve Resources Ltd (a company registered in the United Kingdom with registration number 04148987)	50,000 Ordinary E Shares of €1 each
Bank of Palestine Plc (a company registered in Palestine with registration number 563200096)	500,000 Ordinary F Shares of €1 each
Reach for Investment and Development (Reach Holding) Ltd (a company registered in the British Virgin Islands with registration number 1684223)	500,000 Ordinary G shares of €1 each

Ordinary A, B, C, D, E, F, and G class shares rank *pari passu*, with the exception of the following rights in the appointment of directors:

(a) Ordinary A Shares have the right to appoint five directors representing that class on the board of directors;
(b) Ordinary 'B' Shares have the right to appoint one director representing that class on the board of directors;
(c) Ordinary 'C' Shares have the right to appoint one director to represent that class on the board of directors;
(d) Ordinary 'D' Shares have the right to appoint one director to represent its class on the board of directors. This director occupies the post of Chairman of the Board;
(e) Ordinary 'E' Shares have the right to appoint one director to represent that class on the board of directors;
(f) Ordinary 'F' Shares have the right to appoint two directors to represent that class on the board of directors; and
(g) Ordinary 'G' Shares have no right to appoint any directors on the board of directors.

There is no capital of the Guarantor which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Guarantor is to be put under option. To the best of the Guarantor's knowledge, there are no arrangements in place as at the date of the Prospectus the operation of which may, at a subsequent date, result in a change in control of the Guarantor.

The shares of the Guarantor are not listed on the Exchange. Application has not been filed for the shares of the Guarantor to be quoted on the Official List. There is no capital of the Guarantor which has been issued to the public during the 2 years immediately preceding the publication of the Prospectus. No further increases in the share capital of the Guarantor are expected during the financial year ending 31 December 2022.

8.3 Commissions

There were no commissions, discounts, brokerages or other special terms granted during the 2 years immediately preceding the publication of the Prospectus in connection with the issue or sale of any capital of the Issuer or any other Group company.

9 AUDIT COMMITTEE

The Audit Committee has been set up at the level of the Issuer with clear terms of reference with supervisory and monitoring responsibilities according to terms of reference that today reflect the requirements of the Capital Markets Rules, as well as current good corporate governance best practices. The Audit Committee of the Issuer has been established and functioning since the issue of the 2018 Prospects MTF Bonds to date in terms of the Prospects MTF Rules. The Audit Committee's objective is to assist the Board of Directors in fulfilling the oversight responsibilities over the financial reporting of the Issuer and its financial policies and internal control structure. The Audit Committee oversees the conduct of the external audit and acts to facilitate communication between the Board of Directors, management and the external auditors. The external auditors are invited to attend Audit Committee meetings as and when necessary.

The terms of reference of the Audit Committee include support to the Board of Directors of the Issuer in its responsibilities in dealing with issues of risk, control and governance, and associated assurance. The Board has set formal terms of establishment and the terms of reference of the Audit Committee which set out its composition, role and function, the parameters of its remit, as well as the basis for the processes that it is required to comply with. The Audit Committee, which meets at least four (4) times a year, is a sub-committee of the Board of the Issuer and is directly responsible and accountable to the Board of the Issuer. The Audit Committee reports directly to the Board of Directors. The Board reserved the right to change the Audit Committee's terms of reference from time to time.

The primary purpose of the Audit Committee is to protect the interests of the Company's shareholders and assist the Directors in conducting their role effectively so that the Issuer's decision-making capability and the accuracy of its reporting and financial results are maintained at a high level at all times. Briefly, the Audit Committee is expected to deal with and advise the Board of the Issuer on:

a) evaluating the arm's length nature of any proposed transactions to be entered into by the Issuer and a related party, to ensure that the execution of such transaction is at arm's length, conducted on a sound commercial basis and in the best interests of the Issuer;
b) maintaining open communication on financial matters between the Board of Directors, management and its external auditors, including as regards the appointment of the auditors;
c) monitoring responsibility over the financial reporting processes, financial policies and internal control procedures;
d) preserving the Company's assets by assessing the Company's risk environment and determining how to deal with such risks;
e) reviewing and monitoring the external auditor's independence; and
f) assessing any potential conflicts of interest between the duties of the Directors and their respective private interests or duties unrelated to the Issuer.

The Audit Committee's remit also extends to the operations of the Group and, accordingly, the Audit Committee has, pursuant to the relative terms of reference, been granted express powers to be given access to the financial position of the Issuer and Guarantor and is entrusted with the review of the financial position of the Issuer and Guarantor on a quarterly basis. To this effect, the Issuer and the Guarantor shall submit to the Audit Committee such management accounts and other financial information, including comparisons of actuals against projections, as the Audit Committee may deem necessary for the purpose.

The Audit Committee is presently composed of Mr Louis Borg Manché, Ms Marisa Tanti and Mr Mark Vassallo, all of whom are independent, non-executive Directors. The Audit Committee is chaired by Ms Marisa Tanti, whilst Mr Louis Borg Manché and Mr Mark Vassallo act as members.

The Board of Directors, in terms of Capital Markets Rule 5.118, has indicated Ms Marisa Tanti and Mr Mark Vassallo, who are independent, non-executive Directors, as the members who are competent in accounting and/or auditing matters. The Issuer considers that the members of the Audit Committee have the necessary experience, independence and standing to hold office as members thereof. The *curriculum vitae* of the said Directors may be found in sub-section 4.1 of this Registration Document.

10 COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

10.1 The Issuer

The Issuer adopts the Code and is confident that the adoption of the Code shall result in positive effects accruing to it. The Board has taken such measures as were considered necessary in order for the Issuer to comply with the requirements of the Code to the extent that these were deemed appropriate and complementary to the size, nature and operations of the Issuer. The Issuer adopts measures in line with the Code with a view to ensuring that all transitions are carried out at arm's length.

The Board of Directors sets the strategy and direction of the Issuer. The Board of Directors has the first level responsibility for executing the four basic roles of corporate governance, namely accountability, monitoring, strategy formulation and policy development. The Board of Directors seeks to monitor effectively the implementation of strategy and policy by management. The Board of Directors retains direct responsibility for appraising and monitoring the Issuer's financial statements and annual report. The activities of the Board are exercised in a manner designed to ensure that it can effectively supervise the operations of the Issuer so as to protect the interests of the bondholders, amongst other stakeholders. The Board is also responsible for making relevant public announcements and for the Issuer's compliance with its continuing listing obligations. Clear internal and external reporting lines are established with a view to ensuring that the Board of Directors can properly discharge its obligation to take decisions in the best interests of the Issuer.

As required by the Act and the Capital Markets Rules, the Issuer's financial statements are to be subject to annual audit by the Issuer's external auditors. Moreover, the non-executive Directors have direct access to the external auditors of the Issuer who attend at Board meetings at which the Company's financial statements are presented and approved. In ensuring compliance with other statutory requirements and with continuing listing obligations, the Board is advised directly, as appropriate, by its appointed broker, legal advisor and the external auditors. Directors are entitled to seek independent professional advice at any time on any aspect of their duties and responsibilities, at the Issuer's expense.

In view of the reporting structure adopted by the Code, the Issuer, on an annual basis in its annual report, details the level of the Issuer's compliance with the principles of the Code, explaining the reasons for non-compliance, if any.

Save for the instances of non-adherence to the Code which are explained immediately below, the Board is of the opinion that the Issuer is in compliance with the Code:

Principle 7: Under the present circumstances, the Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board's performance is evaluated on an on-going basis by, and is subject to the constant scrutiny of, the Company's shareholders;

Principle 8: The Board of Directors considers that the size and operation of the Issuer does not warrant the setting up of nomination and remuneration committees. Given that the Issuer does not have any employees other than the Directors and the company secretary, it is not considered necessary for the Issuer to maintain a remuneration committee. Also, the Issuer has not set up a nomination committee. Appointments to the Board of Directors are determined by the shareholders of the Issuer in accordance with the Company's Memorandum and Articles of Association. The Issuer considers that the members of the Board possess the level of skill, knowledge and experience expected in terms of the Code.

10.2 The Guarantor

In view of the fact that the Guarantor is not a public company having securities listed on a regular market, it is not bound by the provisions of the Code set out in the Capital Markets Rules. While the Guarantor is not required to adopt the provisions of the Code, the Audit Committee of the Issuer has been specifically tasked with keeping a watching brief over the financial performance of the Guarantor, as set out in section 9 above.

11 HISTORICAL FINANCIAL INFORMATION

11.1 The Issuer

The Issuer was registered and incorporated as a public limited liability company on 30 April 2018 as a special purpose vehicle to act as the financing arm of the Guarantor.

The financial information included below is extracted from the audited financial statements of the Issuer for the financial years ended 31 December 2019, 2020 and 2021 and the unaudited interim financial statements of the Issuer for the six-month period beginning 1 January 2022 up to 30 June 2022.

As at the end of the financial year 31 December 2021, the Guarantor had resolved, approved and received funds but not yet registered the issuance and allotment of further ordinary shares of various classes. The said share increases have been duly registered with the Malta Business Registry during 2022, as set out in sub-section 8.2 below. The audited financial statements of the Issuer for the financial years ended 31 December 2020 and 31 December 2021 respectively, have been amended and restated in view of the foregoing.

The said financial statements are incorporated by reference and can be accessed on the Issuer's website (www.pharmacarefinance.com). These are also available for inspection at its registered office as set out in section 14 of this Registration Document.

Pharmacare Finance plc
Statement of Comprehensive Income

€000	FY2019 12 months	FY2020 12 months	FY2021 12 months	FY2021 6 months	FY2022 6 months
Finance income	334	334	338	166	194
Finance costs	(287)	(288)	(288)	(143)	(143)
Net interest earned	47	47	50	23	51
Administrative overheads	(38)	(51)	(50)	(25)	(24)
Profit / (loss) before taxation	9	(4)	0	(2)	27
Income tax expense	-	-	(15)	-	(17)
Profit / (loss) after tax	**9**	**(4)**	**(15)**	**(2)**	**10**

Pharmacare Finance plc
Statement of Financial Position

€000	31 Dec 2019	31 Dec 2020	31 Dec 2021	30 Jun 2022
ASSETS				
Non-current assets				
Interest bearing receivables	4,879	4,879	4,879	4,879
Total non-current assets	**4,879**	**4,879**	**4,879**	**4,879**
Current assets				
Other receivables	101	126	147	303
Cash and cash equivalents	0	0	0	5
Total current assets	**101**	**127**	**147**	**308**
Total assets	**4,980**	**5,006**	**5,026**	**5,187**

EQUITY AND LIABILITIES				
Equity				
Share capital	47	47	47	47
Accumulated losses	(19)	(23)	(38)	(28)
Total equity	**27**	**23**	**8**	**18**
Liabilities				
Non-current liabilities				
Interest bearing borrowings	4,890	4,903	4,915	4,921
Total non-current liabilities	**4,890**	**4,903**	**4,915**	**4,921**
Current liabilities				
Trade and other payables	62	80	88	215
Taxation payable	-	-	15	33
Total current liabilities	**62**	**80**	**103**	**248**
Total liabilities	**4,953**	**4,982**	**5,018**	**5,169**
Total equity and liabilities	**4,980**	**5,006**	**5,026**	**5,187**

Pharmacare Finance plc
Statement of Cash Flows

€000	FY2019 12 months	FY2020 12 months	FY2021 12 months	FY2021 6 months	FY2022 6 months
Net cash generated from/(used in) operating activities	(20)	(23)	-	2	5
Net cash generated from/(used in) financing activities	(27)	23	-	-	-
Net movement in cash and cash equivalents	(47)	-	-	2	5
Cash and cash equivalents at beginning of year/period	47	-	-	-	-
Cash and cash equivalents at end of year/period	-	-	-	**2**	**5**

In October 2018, the Issuer successfully raised €5.0 million through the issuance of 5.75% unsecured bonds on Prospects MTF List with an early redemption option to redeem the bonds between October 2025 and October 2028. Thereafter, the amount of €4.9 million (being the bond proceeds net of issue costs) was on-lent to the Guarantor.

Finance income represents the interest generated on the loans granted to the Guarantor, which totaled €1.2 million between 1 January 2019 and 30 June 2022. Finance costs represent the accrued interest on the outstanding debt security, which totaled €1.0 million during the same period. After accounting for administrative expenses and taxation, comprehensive income generated by the Issuer between 1 January 2019 and 30 June 2022 totaled €17k.

11.2 The Guarantor

The financial information included hereinafter is extracted from the audited financial statements of the Guarantor for the financial years ended 31 December 2019, 2020 and 2021 and the unaudited interim financial statements of the Guarantor for the six-month period beginning 1 January 2022 up to 30 June 2022.

As at the end of the financial year 31 December 2021, the Guarantor had resolved, approved and received funds but not yet registered the issuance and allotment of further ordinary shares of various classes. The said share increases have been duly registered with the Malta Business Registry during 2022, as set out in sub-section 8.2 above. The audited financial statements of the Guarantor for the financial years ended 31 December 2020 and 31 December 2021 respectively, have been amended and restated in view of the foregoing.

The audited financial statements of the Guarantor are incorporated by reference and can be accessed on the Issuer's website (www.pharmacarefinance.com) and are available for inspection at its registered office as set out in section 14 of this Registration Document.

The tables and narrative included in this sub-section 11.2 contain certain alternative performance measures (as defined by the European Securities and Markets Authority (ESMA)), including EBITDA, that Pharmacare Premium's management and other competitors in the industry use. These non-International Financial Reporting Standards financial measures are presented as supplemental information as: (i) they represent measures that the Directors believe may be relevant for certain investors, securities analysts and other parties in assessing Pharmacare Premium' operating and financial performance and may contribute to a fuller understanding of Pharmacare Premium' cash generation capacity and the growth of the combined business; and (ii) they may be used by Pharmacare Premium' management as a basis for strategic planning and forecasting.

Pharmacare Premium Limited
Statement of Comprehensive Income

€000	FY2019 12 months	FY2020 12 months	FY2021 12 months	FY2021 6 months	FY2022 6 months
Revenue	2,263	4,083	6,180	2,213	3,789
Cost of sales	(2,185)	(2,178)	(2,602)	(1,479)	(2,750)
Gross profit	78	1,905	3,579	734	1,039
Overheads	(1,815)	(1,964)	(1,817)	(790)	(821)
EBITDA	(1,737)	(59)	1,762	(56)	218
Depreciation and amortisation	(1,389)	(1,420)	(1,035)	(719)	(533)
Net equity movement on investment in subsidiary	-	(23)	(15)	-	-
EBIT	(3,125)	(1,503)	712	(775)	(315)
Finance costs	(617)	(550)	(588)	(313)	(301)
Profit / (loss) before tax	(3,743)	(2,053)	124	(1,088)	(616)
Tax expense	(0)	(33)	(75)	-	-
Profit / (loss) after tax	**(3,743)**	**(2,086)**	**49**	**(1,088)**	**(616)**
Other comprehensive income / (expense)					
Revaluation of right of use asset	-	-	1,458	-	-
Movement in deferred tax on revaluation of right of use asset	(515)	-	(45)	-	-
Total other comprehensive income / (expense)	**(515)**	**-**	**1,413**	**-**	**-**
Total comprehensive income / (loss)	**(4,258)**	**(2,086)**	**1,462**	**(1,088)**	**(616)**

Pharmacare Premium Limited
Statement of Financial Position

€000	31 Dec 2019	31 Dec 2020	31 Dec 2021	30 Jun 2022
ASSETS				
Non-current assets				
Property, plant and equipment	5,578	4,925	4,958	4,874
Right-of-use assets	14,613	14,389	15,650	15,552
Intangible assets	3,395	4,660	6,311	7,097
Investment in subsidiary	47	23	8	8
Total non-current assets	**23,631**	**23,998**	**26,927**	**27,531**
Current assets				
Inventories	762	1,333	2,096	1,569
Trade and other receivables	1,908	3,265	4,671	5,859
Non-interest bearing receivables	86	0	0	0
Cash and cash equivalents	2,338	1,076	550	46
Total current assets	**5,094**	**5,674**	**7,317**	**7,475**
Total assets	**28,725**	**29,672**	**34,244**	**35,005**

EQUITY AND LIABILITIES				
Equity				
Share capital	14,229	14,229	16,628	16,628
Share premium	6,546	6,546	8,945	8,945
Capital contribution	1,596	4,799	2,381	2,381
Reserves	8,861	8,700	9,951	9,951
Accumulated losses	(19,397)	(21,322)	(21,112)	(21,728)
Total equity	**11,834**	**12,951**	**16,794**	**16,178**
Non-current liabilities				
Interest-bearing borrowings	6,871	7,605	6,288	5,739
Non-interest bearing borrowings	1,446	131	29	2,212
Bank borrowings	1,517	1,354	970	662
Lease obligations	1,187	1,199	1,210	1,215
Trade and other payables	1,132	1,471	1,390	1,388
Deferred tax liability	1,207	1,207	1,252	1,252
Total non-current liabilities	**13,361**	**12,967**	**11,139**	**12,468**
Current liabilities				
Interest-bearing borrowings	513	513	1,116	1,076
Non-interest bearing borrowings	26	38	1,050	847
Bank borrowings	848	691	864	1,270
Lease obligations	89	89	91	91
Trade and other payables	2,055	2,423	3,190	3,075
Total current liabilities	**3,531**	**3,754**	**6,311**	**6,359**
Total liabilities	**16,892**	**16,720**	**17,450**	**18,827**
Total equity and liabilities	**28,725**	**29,672**	**34,244**	**35,005**

Pharmacare Premium Limited
Statement of Cash Flows

€000	FY2019 12 months	FY2020 12 months	FY2021 12 months	FY2021 6 months	FY2022 6 months
Net cash generated from/(used in) operating activities	(2,356)	(1,582)	(85)	(495)	(856)
Net cash generated from/(used in) investing activities	(2,824)	(1,812)	(2,522)	(923)	(1,136)
Net cash generated from/(used in) financing activities	3,676	2,356	1,908	(234)	1,191
Net movement in cash and cash equivalents	(1,504)	(1,037)	(699)	(1,652)	(801)
Cash and cash equivalents at beginning of year/period	3,396	1,892	855	855	156
Cash and cash equivalents at end of year/period	**1,892**	**855**	**156**	**(797)**	**(645)**

As set out in the table below, Pharmacare Premium increased its revenue from €2.3 million in FY2019 to €6.2 million in FY2021, representing a compound annual growth rate of 65%.

Pharmacare Premium Limited
Revenue by activity

€000	FY2019 12 months	FY2020 12 months	FY2021 12 months	FY2021 6 months	FY2022 6 months
Contract manufacturing	1,609	3,244	4,477	835	3,219
Contract testing	570	337	460	210	180
Own products: old products	84	401	1,093	1,080	390
Own products: own product development	-	100	151	89	-
Total revenue	**2,263**	**4,083**	**6,180**	**2,213**	**3,789**

As illustrated in the table above, *circa* 72% of FY2021 revenue was generated from contract manufacturing revenue, being income derived from the manufacture of tablets on behalf of the company's clients. The increase in revenue from contract manufacturing from €1.6 million in FY2019 to €4.5 million in FY2021 was driven by new contracts entered into.

In FY2018, the company commenced generating revenue from sales and licensing of own products. At first it was through the sale of old products, following the technology transfer of four acquired products; namely Anastrozole, Letrozole, Bicalutamide and Capecitabine, but as from FY2020, Pharmacare Premium commenced generating revenue from the licensing fees of own product development from sale of Sorafenib and Sunitinib. Revenue from the sale of old products increased significantly between FY2019 and FY2021 following the sale through opportunistic market in MENA and other countries and the appointment of local distributors in key markets and direct participation in tenders.

The cost of sales of the Guarantor primarily consists of direct consumables, direct salaries (principally quality control and operations) and subcontracted services, net of capitalisation, given that part of the direct costs and wages relating to product development are capitalised. The increase in cost of sales between FY2020 and FY2021 was due to a general increase in trade and, primarily, to an increase from sub-contracting services related to the packaging agreement in place with Dar Al-Shifa Pharmaceuticals plc.

Overheads of the Guarantor principally include administrative salaries, directors' remuneration, utilities, factory expenses and professional fees. These expenses have remained relatively stable at *circa* €1.8 million per annum.

At an operating level, EBITDA increased from a negative €1.7 million in FY2019 to a positive €1.8 million in FY2021 representing an increase in EBITDA Margin from -76.7% in FY2019 to 28.5% in FY2021. This increase in EBITDA was principally driven through: (i) factory operating at a greater capacity; (ii) the sale of own products which generate a higher margin when compared to contract testing and contract manufacturing; and (iii) revenue from licensing fees generated from sale of Sorafenib and Sunitinib, which peaked in FY2021.

Depreciation decreased from €1.1 million in FY2019 to €686k in FY2021 due to a reduction in depreciation rates following a review and subsequent extension of the useful lives of the Guarantor's equipment and machinery. Amortization costs increased from €276k in FY2019 to €349k in FY2021 in line with the increase in capitalized development costs which are amortized over a period of ten years.

Finance costs mainly consisted of interest incurred on the intercompany loan on the 2018 Prospects MTF Bonds, in addition to finance costs on bank borrowings, third party borrowings and shareholder loans, and finance lease liabilities (IFRS 16). Finance costs also include realised and unrealised gains on exchange.

Whilst in FY2019 and FY2020, Pharmacare Premium generated losses after tax of €3.7 million and €2.1 million, respectively, the company registered a profit after tax of €49k in FY2021. During FY2021, Pharmacare Premium revalued the temporary emphyteusis in relation to the land and buildings situated at Hal Far to €15.7 million, which was based on an independent architect's valuation of the right-of-use of land and buildings carried out on 31 January 2022. As a result, the company recorded income of €1.4 million, after taking into effect the deferred tax implications as per IAS 12. The revaluation will be amortised over the emphyteutical period of 61 years (as the lease is valid until 2082), with a corresponding unwinding of the deferred tax liability. After accounting for this other comprehensive income, the Guarantor's total comprehensive income amounted to €1.5 million in FY2021.

Non-current assets in the statement of financial position as at 30 June 2022 amounted to €27.5 million (31 December 2021: €26.9 million). Material non-current assets include: (i) property, plant and equipment amounting to €4.9 million (2021: €5.0 million) comprising of large scale equipment to produce tablets, tablet coating and packaging of the tablets; (ii) right-of-use assets amounting to €15.6 million (31 December 2021: €15.7 million) which relates to the 65-year temporary emphyteusis; and (iii) intangible assets of €7.1 million (31 December 2021: €6.3 million) consisting of intellectual property, licences and capitalised costs with respect to products internally developed.

Current assets as at 30 June 2022 amounted to €7.5 million (31 December 2021: €7.3 million) and primarily include inventories, trade and other receivables, and cash and cash equivalents. Current liabilities stood at €6.4

million (31 December 2021: €6.3 million), made up mainly of bank borrowings, loans from shareholders and third parties, trade and other payables and lease liabilities on account of IFRS 16.

Non-current liabilities as at 30 June 2022 amounted to €12.5 million (31 December 2021: €11.1 million) and mainly include bank borrowings, loans from the Issuer in relation to the net proceeds raised from 2018 Prospects MTF Bonds, loans from shareholders and third-parties, deferred tax liabilities, trade and other payables and lease liabilities on account of IFRS 16.

The equity value of the Guarantor as at 30 June 2022 totaled €16.2 million (31 December 2021: €16.8 million). The capital contribution of €2.4 million represents funds advanced and contributed by the shareholders and other prospective investors on account of share capital increases, inclusive of share premium, which had been resolved and approved but not yet registered as at 31 December 2021 and 30 June 2022. The said share increases have been duly registered with the Malta Business Registry during 2022, as set out in sub-section 8.2 above .

Between 1 January 2019 and 30 June 2022, the Guarantor used €4.9 million in operating activities following an expansion in operations as well as an increase in working capital requirements to cater for the ramp-up in production and contracts awarded to the Guarantor. In the same period, the Guarantor used €8.3 million in investing activities, of which €5.9 million relate to the capitalisation of costs with respect to the development of own products.

Cash inflows from financing activities mainly pertain to the issue of additional share capital and capital contributions, movement in bank loans and other borrowings with related parties, shareholders and third parties, required to fund the movement in working capital and capital expenditure. These cash outflows were mainly financed through cash generated from operations, as well as bank loan drawdowns and the 2018 Prospects MTF Bonds issued in FY2018.

The following table of cross-references sets out specific items set out in audited financial statements of Issuer and Guarantor for the three financial years ended 31 December 2019, 2020 and 2021:

		Page number in Annual Report		
	Information incorporated by reference in this Registration Document	**Financial year ended 31 December 2019**	**Financial year ended 31 December 2020**	**Financial year ended 31 December 2021**
Issuer	Statements of Comprehensive Income	17	17	17
	Statements of Financial Position	18	18	18
	Statements of Cash Flows	20	20	20
	Notes to the Financial Statements	21-34	21-36	21-35
	Independent Auditor's Report	13-16	13-16	13-16
Guarantor	Statements of Comprehensive Income	7	7	7
	Statements of Financial Position	8-9	8-9	8-9
	Statements of Cash Flows	11	11	11
	Notes to the Financial Statements	12-37	12-40	12-40
	Independent Auditor's Report	4-6	4-6	4-6

There have been no significant adverse changes to the financial or trading position of the Issuer and/or the Guarantor since the end of the financial period to which their respective afore-mentioned last audited financial statements relate.

Furthermore, the Issuer and the Guarantor hereby confirm that there has been no material change or recent development which could adversely affect potential investors' assessments in respect of the Bonds, other than the information contained and disclosed in the Prospectus.

12 LITIGATION PROCEEDINGS

As at the date of the Prospectus, the Guarantor is involved in the following judicial proceedings:

1. The Guarantor is currently a defendant to a civil suit in the First Hall, Civil Court instituted by Zamsul Contractors Limited in the names 'Zamsul Contractors Limited vs Pharmacare Premium Limited' case number 1187/2011 filed on 30 November 2011. Zamsul Contractors Limited (the 'Plaintiff') is claiming that Pharmacare Premium has not paid the invoices in relation to architectural works and machinery furnished by the Plaintiff and is requesting the payment of such invoices. On the other hand, Pharmacare Premium has countered that all payments due have been paid and in return has requested a refund for the additional payments made. The dispute in question amounts to €69,380.86. The judicial proceedings are still ongoing;

2. The Guarantor is currently also a defendant to a civil suit before the Civil Court (First Hall) instituted by Av. Joseph Camilleri *noe* (the 'Plaintiff') in the names 'Camilleri Joseph L-Avukat Dottor *noe* vs Pharmacare Premium Limited' case number 215/2017 filed on 8 March 2017. The dispute in question concerns facility flooring and furnishing works done by the Plaintiff for Pharmacare Premium. The Plaintiff is claiming that Pharmacare Premium owes monies to the Plaintiff for additional unpaid invoices. Pharmacare Premium countered the claim by stating that the works performed were not up to standard and, as a consequence, payments were withheld. Pharmacare Premium is also counter-claiming against the Plaintiff for the reimbursement of all payments made. The amount in dispute is that of €152,000. The judicial proceedings are still ongoing.

Save for the foregoing, which in any event are not deemed to be material relative to the financial position of the Guarantor, there have been no governmental, legal or arbitration proceedings involving the Issuer or the Guarantor (including any such proceedings which are pending or threatened of which the Issuer or the Guarantor are aware) during the period covering twelve (12) months prior to the date of the Prospectus which may have, or have had, in the recent past significant effects on the financial position or profitability of the Issuer, the Guarantor and/or the Group, taken as a whole.

13 MATERIAL CONTRACTS

Each of the Issuer and the Guarantor has not entered into any material contracts which are not in the ordinary course of their respective business which could result in either the Issuer or the Guarantor being under an obligation or entitlement that is material to the Issuer's or Guarantor's ability to meet their respective obligations to security holders in respect of the securities being issued pursuant to, and described in, the Securities Note.

14 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or certified copies thereof, where applicable, shall be available for inspection at the registered office of the Issuer at HHF 003, Hal Far Industrial Estate, Hal Far, Birzebbugia BBG 3000, Malta during the term of the Bond Issue during office hours:

i. the Memorandum and Articles of Association of the Issuer;
ii. the Memorandum and Articles of Association of the Guarantor;
iii. the audited financial statements of the Issuer for the financial year ended 31 December 2019, and for the financial years ended 31 December 2020 and 2021, as amended and restated on 10 November 2022;
iv. the audited financial statements of the Guarantor for the financial year ended 31 December 2019, and for the financial years ended 31 December 2020 and 2021, as amended and restated on 10 November 2022;

v. the unaudited interim financial statements of the Issuer for the period 1 January 2022 to 30 June 2022;
vi. the unaudited interim financial statements of the Guarantor for the period 1 January 2022 to 30 June 2022;
vii. the Financial Analysis Summary; and
viii. the Guarantee.

Documents (i) to (v) listed above, both included, are also available for inspection in electronic form on the Issuer's website www.pharmacarefinance.com.