

PHARMACARE FINANCE P.L.C.
CONDENSED INTERIM FINANCIAL STATEMENTS
30 JUNE 2021

PHARMACARE FINANCE P.L.C.

CONDENSED INTERIM FINANCIAL STATEMENTS

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PHARMACARE FINANCE P.L.C.

COMPANY INFORMATION

Board of Directors:	Mr. Bassim S.F. Khoury Nasr - Chairman Mr. Amin Farah Mr. Hani H. Sarraf Ms. Marisa Tanti Mr. Louis Borg Manche' Mr. Mark Vassallo
Company Secretary:	Mr. Hani Sarraf
Company Registration Number:	C 86057
Registered Office:	HHF003 Hal Far Industrial Estate Hal Far Birzebbugia Malta
Bankers:	Bank of Valletta P.L.C. 58, Zachary Street Valletta Malta
Auditors:	Baker Tilly Malta Level 5 Rosa Marina Buildings 216, Marina Seafront Pietà' PTA 9041 Malta

**INTERIM DIRECTORS' REPORT
FOR THE PERIOD 1 JANUARY 2021 TO JUNE 2021**

The directors present herewith their interim report together with the condensed financial statements of Pharmacare Finance P.L.C. ("the Company") for the period from 1 January 2021 to 30 June 2021. The condensed financial statements included in this report have been prepared in accordance with International Financial Reporting Standards adopted for use in the EU for interim financial statements (IAS 34, 'Interim Financial Reporting').

This report is being published in terms of the Prospectus Rule 4.11.12

Principal Activities

The principal activities of the Company, which have remained unchanged from the previous accounting period, are those of acting as a finance company to its immediate parent company, namely Pharmacare Premium Limited, in connection with the financing of pharmaceutical products being developed.

Review of Business

The Company raised € 5 million in late 2018 through the issue of bonds which are quoted on the Malta Stock Exchange and guaranteed by Pharmacare Premium Limited, to whom the proceeds of the bonds, net of expenses, have been advanced in terms of the Prospect documents.

During the period ended 30 June 2021, the Company registered a loss before taxation of € 2,157 (period 2020 – loss € 4,395). The net assets of the Company at the end of the period amounted to € 21,170 (30 June 2020 – € 23,026).

Principal Risks and Uncertainties faced by the Company for the Remainder of 2021

The Company essentially acts as a finance company to projects being developed by the immediate parent company, namely Pharmacare Premium Limited and which company is also guaranteeing such bonds.

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

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

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

The Group's business continues to be dependent on a number of key clients. Failure to retain such clients may materially impact the Group's revenue and substantially affect the operations and financial considerations of the Group and consequently of the Company. However, the Group has been successful in attracting new clients and contracts from its existing customers. As of the first half of 2021, the Group has made agreements to supply more than 30 new customers and regions starting from 2021. Notably, the Group has succeeded in an additional clinical trial for an important product and have received official approval (GMP certification) from the Brazilian authorities.

PHARMACARE FINANCE P.L.C.

INTERIM DIRECTORS' REPORT FOR THE PERIOD 1 JANUARY 2021 TO 30 JUNE 2021

Principal Risks and Uncertainties faced by the Company for the Remainder of 2021 (Contd.)

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

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

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

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

The unaudited financial statements of Pharmacare Premium Limited for the period ended 30 June 2021 show a loss of € 1,088,143 (period 2020 – loss € 1,861,833) on revenues of € 2,212,760 (period 2020 – € 999,534), however the company still held a strong net asset position of € 11,863,170 as at 30 June 2021 (30 June 2020 – € 9,971,873).

After 30 June 2021, a potential investor advanced € 1.2 million to Pharmacare Premium Limited, which advance has been recorded as a loan payable in the said company's books of account until the due diligence is finalized by the potential investor. Thereafter, the loan will be transferred to share capital.

COVID-19

The Coronavirus (COVID 19) pandemic is affecting economic and financial markets worldwide, and virtually all industries are facing challenges associated with the economic conditions resulting from efforts to address it .

The directors have assessed the effect of COVID-19 on the Company's and the Group's operations and noted that since the Group operates in the pharmaceutical sector, the effects of the pandemic have been limited to short-term delays and disruptions in the supply chain and order-processing. However, the medium and long-term outlook remains unchanged, with a noted increase in new inquiries from potential customers putting more emphasis on EU-based suppliers, such as Pharmacare Premium Limited. Furthermore, it is to be noted that no redundancies or salary cuts were necessary by the Group.

In this respect, the directors believe that the company's assets will be preserved and consequently the going concern basis applied to these financial statements is still applicable. The directors firmly believe that there is no material uncertainty which may cause significant doubt on the Company's ability to continue as a going concern. The directors continue to adopt the going concern assumption in the preparation of these unaudited financial statements.

Dividends

Being that the Company has accumulated losses, no dividends were recommended or paid during the period.

PHARMACARE FINANCE P.L.C.

INTERIM DIRECTORS' REPORT FOR THE PERIOD 1 JANUARY 2021 TO 30 JUNE 2021

Directors' Interest

The directors' beneficial interest in the shares of the Company as at 30 June 2021 was limited to 1 ordinary share having a nominal value of € 1 held by Mr. Bassim S.F. Khoury Nasr. No changes in the directors' beneficial interest took place during the period under review.

Directors

The directors listed on page 1 served in office throughout the period under review.

Approved by the Board of Directors on 30 August 2021 and signed on its behalf by:



Mr. Amin Farah
Director



Mr. Hani H. Sarraf
Director

PHARMACARE FINANCE P.L.C.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Companies Act, 1995 (Chapter 386, Laws of Malta) (the "Act") requires the directors of Pharmacare Finance P.L.C. (the "Company") to prepare financial statements which give a true and fair view of the financial position of the Company as at the end of the financial period and of the profit or loss of the Company for that period in accordance with the requirements of International Financial Reporting Standards as adopted by the EU.

In preparing these financial statements, the directors are required to:

- Adopt the going concern basis unless it is inappropriate to presume that the company will continue in the business;
- Select suitable accounting policies and apply them consistently;
- Make judgement and estimates that are reasonable and prudent;
- Account for income and charges relating to the accounting period on the accruals basis;
- Value separately the components of assets and liabilities;
- Report comparative figures corresponding to those of the preceding accounting period.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act (Cap. 386) enacted in Malta. This responsibility includes designing, implementing and maintaining such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Board of Directors on 30 August 2021 by:



Mr. Amin Farah
Director



Mr. Hani H. Sarraf
Director

PHARMACARE FINANCE P.L.C.

**STATEMENT PURSUANT TO PROSPECTS RULE 4.11.12
FOR THE PERIOD 1 JANUARY 2021 TO 30 JUNE 2021**


We confirm that to the best of our knowledge:

1. The condensed financial statements attached herewith, give a true and fair view of the financial position of Pharmacare Finance P.L.C. as at 30 June 2021, and of its financial performance and its cash flows for the 6 month period then ended in accordance with the International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (IAS 34, 'Interim Financial Reporting'); and
2. The interim directors' report includes a fair view of the information required in terms of the Prospect Rules.

Signed on behalf of the Board of Directors on 30 August 2021 by:



Mr. Amin Farah
Director



Mr. Hani H. Sarraf
Director

INDEPENDENT AUDITORS' REVIEW REPORT

TO THE BOARD OF DIRECTORS OF PHARMACARE FINANCE P.L.C.

REVIEW OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim financial position of Pharmacare Finance P.L.C. as at 30 June 2021, the related condensed interim statements of comprehensive income, changes in equity and cash flows for the period 1 January 2021 to 30 June 2021 and the explanatory notes ('Interim financial information'). The directors are responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34, 'Interim Financial Reporting'). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34, 'Interim Financial Reporting').

This report has been signed by
Donald Sant for and on behalf of

Baker Tilly Malta
Registered Auditors

30 August 2021

PHARMACARE FINANCE P.L.C.

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD 1 JANUARY 2021 TO 30 JUNE 2021**

		<u>2021</u> 6 months (unaudited)	<u>2020</u> 6 months (unaudited)
	Note	Euro	Euro
Finance Income		165,735	165,735
Finance Costs		(142,568)	(142,568)
Net Interest Income		23,167	23,167
Administrative Overheads		(25,324)	(27,562)
Operating Loss	4	(2,157)	(4,395)
Loss before Taxation		(2,157)	(4,395)
Tax Expense	5	-	-
Loss for the Period		(2,157)	(4,395)
Total Comprehensive Loss for the Period		(2,157)	(4,395)
Earnings per Share	6	N/A	N/A

Comparative figures are being shown for the six month period to 30 June 2020.

The notes on pages 12 to 17 form an integral part of these financial statements.

PHARMACARE FINANCE P.L.C.

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2021**

		<u>30.06.21</u> (unaudited)	<u>31.12.20</u> (audited)
	Note	Euro	Euro
ASSETS			
Interest Bearing Receivables	7	4,879,090	4,879,090
Total Non-Current Assets			
Other Receivables	8	269,299	126,481
Cash and Cash Equivalents	9	2,176	209
Total Current Assets			
		271,475	129,690
Total Assets			
		<u>5,150,565</u>	<u>5,005,780</u>
EQUITY			
Share Capital	10	46,588	46,588
Accumulated Losses		(25,418)	(23,261)
Total Equity			
		<u>21,170</u>	<u>23,327</u>
LIABILITIES			
Interest Bearing Borrowings	11	4,908,935	4,902,726
Total Non-Current Liabilities			
		<u>4,908,935</u>	<u>4,902,726</u>
Trade and Other Payables	12	220,460	79,727
Total Current Liabilities			
		<u>220,460</u>	<u>79,727</u>
Total Liabilities			
		<u>5,129,395</u>	<u>4,982,453</u>
Total Equity and Liabilities			
		<u>5,150,565</u>	<u>5,005,780</u>

The notes on pages 12 to 17 form an integral part of these financial statements.

The condensed interim financial statements on pages 8 to 17 were approved and authorised for issue by the Board of Directors on 30 August 2021 and signed on its behalf by:

Mr. Amin Farah
Director

Mr. Hani H. Sarraf
Director

PHARMACARE FINANCE P.L.C.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 JANUARY 2021 TO 30 JUNE 2021

	<u>Total</u>	<u>Share Capital</u>	<u>Accumulated Losses</u>
	Euro	Euro	Euro
Balance at 1 January 2021	23,327	46,588	(23,261)
Comprehensive Loss for the Period			
Loss for the Period	(2,157)	-	(2,157)
Balance as at 30 June 2021	21,170	46,588	(25,418)
Balance at 1 January 2020	27,421	46,588	(19,167)
Comprehensive Loss for the Period			
Loss for the Period	(4,395)	-	(4,395)
Balance as at 30 June 2020	23,026	46,588	(23,562)

The notes on pages 12 to 17 form an integral part of these financial statements.

PHARMACARE FINANCE P.L.C.

**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 JANUARY 2021 TO 30 JUNE 2021**

		<u>2021</u> 6 months (unaudited)	<u>2020</u> 6 months (unaudited)
	Note	Euro	Euro
Cash Flows from Operating Activities			
Loss for the Period		(2,157)	(4,395)
<i>Adjustments for:</i>			
Amortisation of Bond Costs		6,209	6,209
		<u>4,052</u>	<u>1,814</u>
Changes in			
Interest Receivable from Parent Company		(146,922)	(165,735)
Other Receivables		4,104	2,950
Accrued Bond Interest Payable		142,569	142,569
Other Payables		(1,836)	9,337
		<u>1,967</u>	<u>(9,065)</u>
Net Cash from/(used in) Operating Activities			
Cash Flows from Financing Activities			
Movement in Parent Company Accounts		-	8,937
		<u>-</u>	<u>8,937</u>
Net Cash from Financing Activities			
		<u>1,967</u>	<u>(128)</u>
Net Movement in Cash and Cash Equivalents			
Cash and Cash Equivalents at Beginning of Period		209	360
Cash and Cash Equivalents at End of Period	9	<u>2,176</u>	<u>232</u>

The notes on pages 12 to 17 form an integral part of these financial statements.

**CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2021 TO 30 JUNE 2021**

1. Corporate Information

The condensed interim financial statements of the company for the period from 1 January 2021 to 30 June 2021, were authorised for issue in accordance with a resolution dated 30 August 2021.

Pharmacare Finance P.L.C. (“the Company”) is a public limited company incorporated and domiciled in Malta. The company was listed on the Malta Stock Exchange following a Bond issue on 17 October 2018.

The principal activities of the Company are those of acting as a finance company to its parent company in connection with the development of pharmaceutical products.

2. Basis of Preparation

2.1 Statement of Compliance

These condensed interim unconsolidated financial statements of Pharmacare Finance P.L.C. have been prepared and presented in accordance with the provisions of the Companies Act, 1995 relating to individual accounts, which requires adherence to International Financial Reporting Standards as adopted for use in the EU for interim financial statements (IAS 34, ‘Interim Financial Reporting’).

2.2 Basis of Measurement

The financial statements have been prepared on the historical cost basis.

2.3 Going Concern Basis

During the financial period ended 31 December 2018, the company issued € 5,000,000 5.75% Unsecured Bonds of € 100 each to the public, repayable 2025-2028. The net proceeds were advanced to the parent company, Pharmacare Premium Limited, at an interest rate of 6.85% per annum.

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

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

2.4 Functional and Presentation Currency

These financial statements are presented in Euro (€), which is the Company’s functional currency.

2.5 Use of Estimates and Judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are realized in the period in which the estimates are revised and in any future periods affected.

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

PHARMACARE FINANCE P.L.C.

CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY 2021 TO 30 JUNE 2021

2. Basis of Preparation (Contd.)

2.6 New and Amended Standards and Impact of Standards Issued but Not Yet Applied by the Company

A number of amended standards became applicable for the current period. The impact of the adoption of these revisions on the Company's accounting policies and on the financial results are insignificant.

Certain new standards, amendments and interpretations to existing standards have been published by the date of the authorisation for issue of these unaudited financial statements but are mandatory for the Company's accounting period after 1 January 2021. The Company may early adopt these revisions to the requirements of IFRSs as adopted by the EU. The Company's directors are of the opinion that there are no requirements that will have a significant impact on the financial statements in the period of initial application.

3. Significant Accounting Policies

The accounting policies applied in the preparation of the half-yearly report are consistent with those of the annual financial statements for the year ended 31 December 2020 as described in those financial statements.

4. Operating Loss

The results from operating activities are stated after charging:

	<u>2021</u> 6 months (unaudited)	<u>2020</u> 6 months (unaudited)
	Euro	Euro
Directors' Remuneration and Fees	<u>6,000</u>	<u>6,000</u>

5. Tax Expense

No charge for current taxation has been made in these financial statements on the basis that tax losses will be surrendered from the parent company.

6. Earnings per Share

Basic earnings per share is calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares in issue during the period. In view that the Company has incurred a loss after taxation, the negative earnings per share is not applicable.

PHARMACARE FINANCE P.L.C.

CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY 2021 TO 30 JUNE 2021

7. Interest Bearing Receivables

	<u>30.06.21</u>	<u>31.12.20</u>
	Euro	Euro
Non-Current:		
Parent Company Loan	4,879,090	4,879,090
Interest-Bearing Receivables	<u>4,879,090</u>	<u>4,879,090</u>

7.1 The loan due from the parent company is secured by the parent company, bears interest at 6.85% per annum and is receivable within 10 years from 6 November 2018.

7.2 The net proceeds from the bond issue have been advanced by the company to its parent company, Pharmacare Premium Limited. As noted in the prospectus dated 17 October 2018, the parent company will utilise the said funds towards the funding of five product development projects, as well as towards the financing of overheads and general expenses.

8. Other Receivables

	<u>30.06.21</u>	<u>31.12.20</u>
	Euro	Euro
Accrued Interest Receivable from Parent Company	266,546	119,624
Prepaid Expenses	2,753	6,857
	<u>269,299</u>	<u>126,481</u>

8.1 The accrued interest on the loan receivable due from the parent company is due for payment on the anniversary of when the loan was advanced by the company in terms with conditions listed in the Company's Prospectus.

9. Cash and Cash Equivalents

	<u>30.06.21</u>	<u>31.12.20</u>
	Euro	Euro
Bank Balances	2,176	209
Cash and Cash Equivalents	<u>2,176</u>	<u>209</u>

PHARMACARE FINANCE P.L.C.

**CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2021 TO 30 JUNE 2021**

10. Share Capital

	<u>30.06.21</u>	<u>31.12.20</u>
	Euro	Euro
Authorised		
46,588 Ordinary Shares of € 1 each	<u>46,588</u>	<u>46,588</u>
Issued and Fully Paid Up		
46,588 Ordinary Shares of € 1 each	<u>46,588</u>	<u>46,588</u>

The holders of Ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

11. Interest Bearing Borrowings

	<u>30.06.21</u>	<u>31.12.20</u>
	Euro	Euro
Non-Current:		
5.75% Bonds 2025-2028	<u>5,000,000</u>	<u>5,000,000</u>
Bond Costs	124,179	124,179
Amortisation of Bond Costs	(33,114)	(26,905)
	<u>91,065</u>	<u>97,274</u>
Net Interest-Bearing Borrowings	<u>4,908,935</u>	<u>4,902,726</u>

11.1 During 2018, the company issued a bond with a nominal value of € 5,000,000 which bonds mature in 2025 – 2028. Related bond issue costs amounting to € 124,179 are being amortized over the life of the bond.

12. Trade and Other Payables

	<u>30.06.21</u>	<u>31.12.20</u>
	Euro	Euro
Trade Payables	12,817	18,881
Accrued Bond Interest Due	193,285	50,716
Accrued Expenses	14,358	10,130
	<u>220,460</u>	<u>79,727</u>

PHARMACARE FINANCE P.L.C.

CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY 2021 TO 30 JUNE 2021

13. Related Parties Disclosures

13.1 Parent and Ultimate Controlling Party

The company is a subsidiary of Pharmacare Premium Limited which owns 99.9% of the Ordinary Shares of the Company's issued share capital, which, in terms of the Memorandum & Articles of Association of the Company, are the class of shares that confer the right to attend and vote at the Company's general meeting. The registered office of Pharmacare Premium Limited is HHF 003, Hal Far Industrial Estate, Hal Far, Birzebbugia BBG 3000, Malta.

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

No single party has a controlling interest in the company.

13.2 Related Party Transactions and Balances

	<u>2021</u> 6 months (unaudited)	<u>2020</u> 6 months (unaudited)
	Euro	Euro
Parent Company:		
Interest Receivable from	165,735	165,735
Funds Advanced by/(to)	-	8,937
	<u>165,735</u>	<u>174,672</u>
Directors:		
Directors' Remuneration	6,000	6,000
	<u>6,000</u>	<u>6,000</u>

Amounts due to and from related parties are disclosed in Notes 7 and 8 to these financial statements.

13.3 Related party transactions are entered into on a commercial basis with entities which are related by way of common shareholders who are able to exercise significant influence over the Company's operations. Transactions with these companies principally include advances affected by the Company from the Bond proceeds referred to in the notes to the financial statements.

14. Contingent Liabilities

At period end, the Company did not have any contingent liabilities.

PHARMACARE FINANCE P.L.C.

CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY 2021 TO 30 JUNE 2021

15. COVID-19

The Coronavirus (COVID-19) pandemic is affecting economic and financial markets worldwide, and virtually all industries are facing challenges associated with the economic conditions resulting from efforts to address it. Entities are experiencing conditions often associated with a general economic downturn. This includes, but is not limited to, financial market volatility and erosion, deteriorating credit, liquidity concerns, further increases in government intervention, increasing unemployment, broad declines in consumer discretionary spending, increasing inventory levels, reductions in production because of decreased demand, layoffs and leave of absence, and other restructuring activities. The continuation of these circumstances could result in an even broader economic downturn which could have a prolonged negative impact on an entity's financial results.

The directors have assessed the effect of COVID-19 on the Company's and the Group's operations and note that since the Group operates in the pharmaceutical sector, the effects of the pandemic have been limited to short-term delays and disruptions in the supply chain and order-processing. However, the medium and long-term outlook remains unchanged, with a noted increase in new inquiries from potential customers putting more emphasis on EU-based suppliers, such as Pharmacare Premium Limited. Furthermore, it is to be noted that no redundancies or salary cuts were necessary by the Group.

In this respect, the directors believe that the Company's assets will be preserved and consequently the going concern basis applied to these financial statements is still applicable. The directors firmly believe that there is no material uncertainty which may cause significant doubt on the Company's ability to continue as a going concern. The directors continue to adopt the going concern assumption in the preparation of these unaudited financial statements.

PHARMACARE FINANCE P.L.C.

SCHEDULE TO CONDENSED INTERIM INCOME STATEMENT
FOR THE PERIOD 1 JANUARY 2021 TO 30 JUNE 2021

	<u>2021</u> 6 months (unaudited)	<u>2020</u> 6 months (unaudited)
	Euro	Euro
Finance Income		
Loan Interest Receivable	165,735	165,735
Finance Cost		
Bond Interest Expense	142,568	142,568
	-----	-----
Net Interest Income	23,167	23,167
	-----	-----
Administrative Overheads		
Amortisation of Bond Costs	6,209	6,209
Auditors' Remuneration	1,770	1,770
Bank Charges	-	27
Directors' Remuneration	6,000	6,000
Professional Fees	9,513	13,256
Other Charges	116	-
Registration Fee	300	300
Telecommunication Expenses	1,416	-
	-----	-----
	25,324	27,562
	-----	-----
Operating Loss	(2,157)	(4,395)
	=====	=====