

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

26 June 2026

Re: Financial Analysis Summary – 2026

Dear Board Members,

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

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

- (a) Historical financial data for the three years ended 31 December 2023, 2024 and 2025 has been extracted from the audited financial statements of the Issuer and Guarantor for the three years in question.
- (b) The forecast data for the financial year ending 31 December 2026 has been provided by management.
- (c) Our commentary on the Issuer and Guarantor’s results and financial position is based on the explanations provided by management.
- (d) The ratios quoted have been computed by us applying the definitions set out in Part 4 of the Analysis.
- (e) The principal relevant market players listed in Part 3 of the document have been identified by management. Relevant financial data in respect of competitors has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies or websites providing financial data.

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

Yours sincerely,



Patrick Mangion
Head of Capital Markets

FINANCIAL ANALYSIS SUMMARY 2026



Pharmacare Finance p.l.c.

26 June 2026

**Prepared by Calamatta Cuschieri
Investment Services Limited**

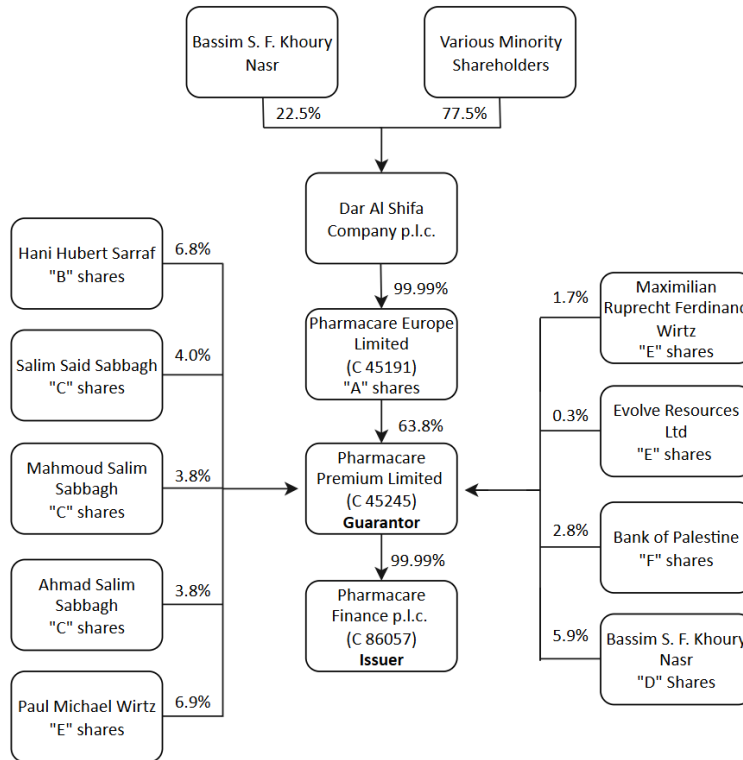
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Part 1 Information about the Group

1.1 Issuer’s Key Activities and Structure

The Group structure is as follows:



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

Pharmacare Premium Limited (the Guarantor or “Pharmacare Premium”) is a private limited liability company registered in Malta on 1 October 2008, with registration number C 45245. The company is 64% owned by its holding company, Pharmacare Europe Limited, a limited liability company registered in Malta on 23 September 2008 which is ultimately owned by Dar Al Shifa Company plc. The authorised share capital of the Guarantor is €24,000,000

made up of 24,000,000 ordinary shares having a nominal value of €1 each. The issued share capital of the Guarantor is €17,628,715 made up of 17,628,715 ordinary shares of €1 each. The principal objective of Pharmacare Premium is to develop, register, manufacture and supply pharmaceutical products.

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

1.2 Directors and Key Employees

Board of Directors - Issuer

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

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

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

Dr Malcolm Falzon is the company secretary of the Issuer.

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

Board of Directors – Guarantor

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

Name	Office Designation
Mr Bassim S. F. Khoury Nasr	Chairman and Executive Director
Mr Amin Farah	Executive Director
Mrs Sandra Issa Tawfiq Habesch	Non-Executive Director
Mr Hani Sarraf	Executive Director
Mr Mohammad Tahseen Salim Said Sabbagh	Non-Executive Director
Mr Yousef Issa Tawfiq Habesch	Non-Executive Director
Mr Paul Michael Wirtz (resigned on 10 July 2025)	Non-Executive Director

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

Equinox International Limited (C 29674) is the company secretary of the Guarantor.

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

1.3 Major Assets owned by the Group

1.3.1 Temporary emphyteusis – Land

On 12 June 2017 Pharmacare Premium entered into a 65-year temporary emphyteusis for a plot of land including buildings. The built-up area measures 4,596m² whilst the unbuilt area measures approximately 5,908m² and is bounded on all sides by Government property. Pharmacare Premium is permitted to use the property exclusively for an industrial purpose. The facility is an EU-GMP approved site equipped with leading technology, machinery and equipment. This asset is accounted for as a right of use asset (with a corresponding lease liability) in line with IFRS 16. The land was revalued in FY17 and then again in FY21. As at 31 December 2025, the right of use asset had a closing balance of €19.5m.

1.3.2 Intangible assets of the Group

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

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

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

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

1.3.3 Plant and equipment

Pharmacare Premium's equipment and machinery had a closing balance of €12.5 as at 31 December 2025. This consists of high-end equipment dedicated for high potency contained production, tablet coating and packaging of the tablets. Lab equipment includes mostly laboratory equipment used for quality control and quality assurance.

1.4 Operational Developments

1.4.1 Facility expansion

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

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

However, the contract termination has not had a negative impact on operations as the Group has already secured agreements with new clients and is actively engaged in additional business development initiatives. Pharmacare Premium remains confident in their pipeline and continue to strengthen their client portfolio. The proposed expansion is planned to be completed by end of year 2026. Apart from that a Memorandum of Understanding was signed with a US company for products to be launched in 2028 and 2031 which will have a material effect on the results and expectations of the Management is that the Company is to turn to profit Making with the launch of Ruxolitinib in July 2026.

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

1.4.2 Own Product Developments

The Guarantor's own products have been launched in Europe, Vietnam, Turkey, Saudi Arabia, Egypt and Canada. With more than 110 approved marketing authorizations around the world, more product/market launches are planned in 2026 worldwide.

During the year under review, the Guarantor has completed the development of Ruxolitinib and initiated its registration in more than 35 countries, while continuing with developing 4 additional products, namely Palbociclib, Binimetinib, Lenvatinib and Abemaciclib. Two of said products are expected to be completed in 2026 and are expected to be submitted to various authorities for approvals. The contract development and manufacturing business of the guarantor continued its solid growth during this period with the additional on-boarding of 3 new projects for contract manufacturing and three on-going contract developments

1.5 Impact of the Israeli-Palestinian Conflict

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

Part 2 Historical Performance and Forecasts

The financial information below is extracted from the audited financial statements of the Issuer and the Guarantor for the financial years ended 31 December 2023, 2024 and 2025. Group management has provided the forecast financial information for the year ending 31 December 2026.

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

2.1 Issuer's Statement of Comprehensive Income

Statement of Comprehensive Income for the year ended 31 December	2023A	2024A	2025A	2026F
	€000s	€000s	€000s	€000s
Finance income	1,076	1,146	1,143	1,156
Finance costs	(950)	(1,020)	(1,020)	(1,020)
Net interest earned	126	126	123	136
Amortisation of issue costs	(44)	(43)	(46)	(46)
Administrative overheads	(75)	(82)	(86)	(86)
Profit / (loss) before tax	8	0	(9)	4
Tax	-	-	-	-
Profit / (loss) after tax	8	0	(9)	4

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

Finance income and finance costs in FY25 are reflective of a full year of interest on the bond amount. Finance income for the year came in at €1.1m, consistent with the finance income generated in FY24. Finance costs, representing the annual bond interest expense, remained consistent with

prior year figures. This led to a net interest earned of €123k in FY25.

Bond issue costs are amortised over the duration of the bond, being 10 years. Administrative overheads primarily pertain to professional fees, director fees and auditor's remuneration. Administrative expenses in FY25 remained in line prior year. No significant movements are forecasted for FY26.

2.2 Issuer's Statement of Financial Position

Statement of Financial Position as at 31 December	2023A	2024A	2025A	2026F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Interest bearing receivables	16,809	16,809	16,809	16,809
Total non-current assets	16,809	16,809	16,809	16,809
Current assets				
Other receivables	790	875	905	905
Cash and cash equivalents	3	10	10	10
Current tax asset	8	-	-	
Total current assets	801	885	915	915
Total assets	17,610	17,694	17,724	17,724
Equity				
Share capital	250	250	250	250
Accumulated losses	(75)	(75)	(84)	(80)
Total equity	175	175	166	170
Liabilities				
Non-current liabilities				
Interest bearing borrowings	16,485	16,528	16,575	16,575
Total non-current liabilities	16,485	16,528	16,575	16,575
Current liabilities				
Other payables	950	991	983	979
Total current liabilities	950	991	983	979
Total liabilities	17,435	17,519	17,558	17,554
Total equity and liabilities	17,610	17,694	17,724	17,724

The Issuer's balance sheet size remained constant compared to the prior year, with the €16.8 loan to the Guarantor being the largest component of its assets base (95% of total assets in FY25). No significant movements are expected in FY26.

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

The Issuer's equity is mainly made up of its €250k share capital and accumulated losses. Non-current liabilities of the Issuer are solely its outstanding bonds. These increased slightly in FY25.

The Issuer's current liabilities for FY25 are its payables, being the interest payable on the outstanding bonds, which was in line with previous forecasts.

2.3 Issuer's Statement of Cash Flows

Statement of Cash Flows for the year ended 31 December	2023A	2024A	2025A	2026F
	€000s	€000s	€000s	€000s
Cash Flows from Operating Activities				
Profit / (loss) before tax	8	0	(9)	4
<i>Adjustments</i>				
Amortisation of bond costs	44	43	46	46
Interest income on loans receivable	(1,076)	(1,146)	(1,143)	(1,156)
Interest expense on debt securities in issue	950	1,020	1,020	1,020
<i>Changes In:</i>				
Changes in net working capital	112	82	85	86
Cash flows from operations	38	(1)	(1)	-
Taxation paid	(44)	8	-	-
Net cash generated from / (used in) operating activities	(6)	7	(1)	-
Cash Flows from Investing Activities				
Loan advanced to parent company	(11,730)	-	-	-
Net cash used in investing activities	(11,730)	-	-	-
Cash Flows from Financing Activities				
Bond Issue proceeds	11,738	-	-	-
Net cash generated from financing activities	11,738	-	-	-
Movement in cash and cash equivalents	2	7	(1)	-
Cash and cash equivalents at start of year	2	3	10	10
Cash and cash equivalents at end of year	3	10	10	10

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

any administrative expenses it incurs to administer its debt instrument on behalf of Pharmacare Premium.

There were no notable cash movements during the year under review. The Issuer does not anticipate any major cash movements in FY26.

2.4 Guarantor's Statement of Comprehensive Income

Statement of Comprehensive Income for the year ended 31 December	FY2023A	FY2024A	FY2025A	FY2026F
	€000s	€000s	€000s	€000s
Revenue	8,361	11,809	11,649	12,784
Cost of sales	(5,887)	(7,892)	(8,759)	(8,954)
Gross profit	2,473	3,917	2,890	3,830
Overheads	(3,180)	(1,998)	(1,634)	(1,385)
EBITDA	(707)	1,919	1,256	2,445
Depreciation and amortisation	(1,723)	(1,867)	(1,870)	(1,791)
Net equity movement in subsidiary	10	0	(9)	4
Finance income	12	-	-	-
Finance costs	(1,423)	(1,665)	(1,309)	(1,721)
Profit / (loss) before tax	(3,831)	(1,612)	(1,931)	(1,063)
Taxation	(52)	(39)	(60)	-
Profit / (loss) after tax	(3,883)	(1,651)	(1,991)	(1,063)
Revaluation of right-of-use assets	-	-	4,734	-
Deferred tax	-	-	(311)	-
Total comprehensive income for the year	(3,883)	(1,651)	2,432	(1,063)

Ratio Analysis	2023A	2024A	2025A	2026F
<i>Profitability</i>				
Growth in Revenue (YoY Revenue Growth)	-5.4%	41.3%	-1.4%	9.7%
Gross Profit Margin (Gross Profit/ Revenue)	29.6%	33.2%	24.8%	30.0%
EBITDA Margin (EBITDA / Revenue)	-8.5%	16.3%	10.8%	19.1%
Net Margin (Profit for the year / Revenue)	-46.4%	-14.0%	-17.1%	-8.3%
Return on Common Equity (Net Income / Average Equity)	-25.8%	-13.5%	-15.5%	-7.2%
Return on Assets (Net Income / Average Assets)	-9.6%	-3.7%	-4.3%	-2.2%
Return on capital employed (EBITDA/ Total Assets - Current Liabilities)	-2.0%	5.5%	3.3%	6.3%

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

Pharmacare Premium has 3 main revenue streams which are; the licensing and supply of own products, contract manufacturing, and contract development. Contract manufacturing has been Pharmacare Premium's primary revenue stream since its inception, representing 74% of total revenue in FY25 (vs 58% in FY24).

The Group reported €11.6m in revenue for FY25 marginally decreasing from €11.8m in FY24. The main contributor to the slight decrease in revenue was a €1.5m contraction in

licensing fees and a €450k drop in royalty income. This decrease in revenue was partially offset by growth in its contract manufacturing segment resulting in a €1.8m increase compared to the prior year. These movements in revenue are considered as part of the natural course of business as after the licensing stage is complete, with dossiers successfully registered in the respective jurisdictions, the focus will shift to contract manufacturing and manufacturing of own products, where manufacturing of own products holds the highest margins. Management expects an increase in revenue in FY26 of €1.1m in line with the confirmed (signed) sales pipeline.

This decrease in revenue coupled with a *circa* €870k increase in cost of sales, resulted in a lower gross profit margin compared to the prior year (24.8% in FY25 compared to 33.2% in FY24). The main driver behind the drop in GP margin is the reduction in licensing fees which essentially have no corresponding cost of sales. Management is expecting the gross profit margin to rebound to 30% in FY26 (similar to the FY24 level) driven by an increase in own

product production which yields the highest return for Pharmacare Premium.

In FY25, administrative overheads amounted to €1.6m (€2.0m in FY24) and mainly included administrative wages, directors' consultancy fees and salaries, utilities, premises expenses and professional fees. The reduction in overheads between FY24 and FY25 is a result of decreases in administrative salaries, commissions & tendering costs and computer licenses costs. After deducting administrative overheads, the Group reported an EBITDA of €1.3m, marking a 35% decrease in EBITDA compared to the EBITDA of €1.9m recorded in FY24. This is expected to increase to €2.4m in FY26 as a result of the increase in revenue, the improved GP margin and the contraction in administrative expenses. The expected decrease in administrative expenses is a result of reductions in the workforce and overhead optimisation. Accordingly, the EBITDA Margin is expected to increase to 19.1% (FY25: 10.8%).

Depreciation and amortisation costs remained stable in FY25 and include the depreciation of property, plant and equipment, as well as amortisation of intangible assets and right-of-use assets.

Finance costs decreased by €356k in FY25, driven by a €101k unrealised gain on exchange and lower interest expense incurred on bank borrowings. Finance costs are projected to increase by €413k following the utilisation of a €2.0m revolving facility which is specifically allowed for the procurement of Active Pharmaceutical Ingredients ("API")

As a result of the lower gross profit margin recognised in FY25 which was partially compensated by the decrease in finance costs, the Group reported a loss after tax of €2.0m, increasing its prior year loss by 21%. Management expects the loss after tax to improve in FY26, with a loss after tax of €1.1m in FY26.

During FY25, the Company obtained a valuation report from an independent, third-party professional valuer which revalued the Company's premises at a fair market value of €20.3m. Accordingly, a €4.7m revaluation adjustment and a corresponding €311k deferred tax charge was recognised in other comprehensive income. No revaluation adjustments are projected in FY26.

2.4.1 Guarantor's Variance Analysis

Statement of Comprehensive Income for the year ended 31 December	FY2025P	FY2025A	Variance
	€000s	€000s	€000s
Revenue	12,618	11,649	(969)
Cost of sales	(9,119)	(8,759)	360
Gross profit	3,499	2,890	(609)
Overheads	(2,398)	(1,634)	764
EBITDA	1,101	1,256	155
Depreciation and amortisation	(1,988)	(1,870)	118
Net equity movement in subsidiary	-	(9)	(9)
Finance costs	(1,350)	(1,309)	41
Profit / (loss) before tax	(2,237)	(1,931)	306
Taxation	-	(60)	(60)
Profit / (loss) after tax	(2,237)	(1,991)	246
Revaluation of ROU assets	-	4,734	4,734
Movement in deferred tax on revaluation of ROU assets	-	(311)	(311)
Total comprehensive income / (loss)	(2,237)	2,432	4,669

Revenue in FY25 was marginally lower than previously projected. This was attributed to disturbance in the Middle East, with certain deals being pushed to future dates. The corresponding reduction in cost of sales did not fully scale with the revenue decline. Consequently, the gross profit margin was 3 percentage points below the forecast.

Overheads were €764k lower than previously forecast. Management explained that this decrease is driven by a combination of improved efficiencies across the Guarantor's operations. The favourable variance in overheads offset the adverse variance in gross profit, resulting in an EBITDA that was €155k above initial projections.

Depreciation and amortisation for the year was marginally lower than forecast while finance costs were €41k lower than forecast due to unforeseen gains on exchange.

Despite the decline in gross profit, the Company's loss after tax was €246k lower than projected in last year's analysis. This improvement was primarily driven by lower-than-expected overhead costs, depreciation, and amortisation.

Moreover, the Company recognised a €4.7m revaluation on its premises in FY25 through other comprehensive income, which was not taken into consideration in earlier forecasts.

2.5 Guarantor's Statement of Financial Position

Statement of Financial Position as at 31 December	FY2023A	FY2024A	FY2025A	FY2026F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Property, plant and equipment	4,835	4,740	4,866	6,325
Right of use assets	15,234	14,961	19,534	19,534
Intangible assets	7,488	8,030	8,543	8,543
Investment in subsidiary	175	175	166	166
Total non-current assets	27,732	27,905	33,109	34,568
Current assets				
Inventories	2,859	3,302	2,678	2,857
Trade and other receivables	8,061	13,109	9,143	9,656
Cash and cash equivalents	4,481	2,117	1,637	1,609
Total current assets	15,401	18,528	13,458	14,122
Total assets	43,133	46,434	46,567	48,690
Equity and liabilities				
Equity				
Share capital	17,629	17,629	17,629	19,629
Share premium	10,326	10,326	10,326	10,326
Capital contribution	-	-	350	500
Revaluation reserve	9,622	9,437	13,675	13,675
Retained earnings / (accumulated losses)	(24,488)	(25,954)	(27,760)	(28,822)
Total equity	13,088	11,437	14,220	15,307
Non-current liabilities				
Bank borrowings	254	-	-	-
Interest bearing borrowings	19,904	20,963	20,482	20,482
Lease liability	1,229	1,239	1,345	1,345
Trade and other payables	457	198	59	65
Deferred tax	1,252	1,252	1,563	1,563
Total non-current liabilities	23,096	23,652	23,448	23,455
Current liabilities				
Bank borrowings	653	673	751	950
Bank overdraft and credit card	234	921	778	1,086
Interest bearing borrowings	1,629	586	739	650
Non-interest bearing borrowings	50	-	-	-
Lease liability	93	93	-	-
Trade and other payables	4,290	9,071	6,632	7,241
Total current liabilities	6,949	11,344	8,900	9,927
Total liabilities	30,045	34,996	32,348	33,382
Total equity and liabilities	43,133	46,434	46,567	48,690

Ratio Analysis	2023A	2024A	2025A	2026F
<i>Financial Strength</i>				
Gearing 1 (Net Debt / Net Debt and Total Equity)	59.9%	66.2%	61.2%	59.9%
Gearing 2 (Total Liabilities / Total Assets)	69.7%	75.4%	69.5%	68.6%
Gearing 3 (Net Debt / Total Equity)	149.1%	195.5%	157.9%	149.6%
Net Debt / EBITDA	N/A	11.6x	17.9x	9.4x
Current Ratio (Current Assets / Current Liabilities)	2.2x	1.6x	1.5x	1.4x
Quick Ratio (Current Assets - Inventory / Current Liabilities)	1.8x	1.3x	1.2x	1.1x
Interest Coverage 1 (EBITDA / Cash interest paid)	(12.1)x	1.5x	1.2x	2.3x
Interest Coverage 2 (EBITDA / Finance Costs)	(0.5)x	1.2x	1.0x	1.4x

Property, plant and equipment (“PPE”) is principally comprised of large-scale equipment and machinery used for the production of tablets, tablet coating and packaging of the tablets. PPE as at December 2025 amounted to €4.9m. This represents a marginal year-on-year increase, as the €719k investment in assets under construction fully offset the annual depreciation charge. Looking ahead to FY26, this figure is projected to rise to €6.3m, driven by planned capital expenditure. The planned CAPEX is related to both current operations and the replacement of machines that are at the end of their life-cycle, together with the upgrade requirements needed for FDA approval which Pharmacare has begun working on.

The Group’s right-of-use assets relate to the 65-year temporary emphyteusis of the factory premises in Hal Far recognised in line with IFRS 16. As at December 2025, the right-of-use asset was revalued, with a net book value of €19.5m. This asset is amortised over the 65-year term and, hence, the Group expects its value to decrease slightly year-on-year.

Intangible assets consist of intellectual property, licences and capitalised costs with respect to product development. These were valued at €8.5m as at the end of FY25, as a result of new investment in products under development and growth in intellectual property value, and are expected to remain static in FY26.

The Group’s current assets includes inventories, trade and other receivables, and cash and cash equivalents. Inventories shrunk by €624k over the past year, primarily due to Pharmacare Premium maintaining a smaller stock of raw materials as at the end of FY25. Trade and other receivables decreased significantly in FY25 amounting to €9.1m as at December 2025 compared to €13.1m in the prior

year. The decrease was primarily a result of a €4.1m reduction in amounts due from related parties. As at the end of FY25, restricted cash amounted to €1.0m (vs €1.1m in FY24) and the Company had a garnishee order amounting to €308k.

Share capital and share premium remained constant over the historical period analysed. During the year, the Company received a €350k loan from its shareholder, which was subsequently capitalised as shareholder’s contribution. A €4.2m increase in revaluation reserve was also recognised during the year while accumulated losses increased over the prior year following the loss after tax explained in sub-section 2.4. above. Share capital is expected to increase to €19.6m in FY26 as a result of the capitalisation of loans due to the UBO.

The Company’s liabilities decreased by €2.6m in FY25 compared to the prior year, primarily driven by a contraction in the loan due to third party (-€360k), a reduction in the bank overdraft balance (-€143k) and a €2.6m decrease in the amounts due to related parties (classified within trade and other payables). Management expects total liabilities to remain consistent with prior year in FY26.

Although current liabilities shrunk considerably, current assets saw a more pronounced drop, thus reducing the Group’s current ratio from 1.6x in FY24 to 1.5x in FY25. Management expect this to slightly drop to 1.4x in FY26.

As a result of the revaluation gain recognised during the year, the Group’s gearing decreased from 66.2% in FY24 to 61.2% in FY25. Management is expecting this to decrease to 59.9% for FY26 following the capitalisation of €2.0m in UBO loans.

2.6 Guarantor's Statement of Cash Flows

Statement of Cash Flows for the year ended 31 December	2023A	2024A	2025A	2026F
	€000s	€000s	€000s	€000s
Cash flows from operating activities				
Profit for the year before tax	(3,832)	(1,612)	(1,931)	(1,063)
<i>Adjustments for:</i>				
Depreciation and amortisation	1,723	1,867	1,870	1,791
Loss on write-off of property, plant and equipment	347	66	-	
Provision for impaired inventories	-	26	14	15
Expected credit losses	-	23	215	200
Equity movement on investment in subsidiary	(10)	(0)	9	(4)
Unrealised differences on exchange	(12)	178	(101)	(50)
Finance expense	1,339	1,468	1,377	1,721
<i>Movement in working capital:</i>				
Movement in inventory	(779)	(469)	610	200
Movement in trade and other receivables	(552)	(4,998)	3,719	513
Movement in trade and other payables	(1,616)	4,122	(2,502)	609
Cash flows from operations	(3,392)	672	3,279	3,932
Taxes paid	(52)	(39)	(60)	-
Net cash generated from / (used in) operating activities	(3,444)	633	3,220	3,932
Cash flows from investing activities				
Acquisition of property, plant and equipment	(519)	(458)	(786)	(1,551)
Acquisition of intangible assets	(1,312)	(1,648)	(1,560)	(1,560)
Acquisition of investment in subsidiary	-	-	(2)	(2)
Net cash generated from / (used in) investing activities	(1,831)	(2,105)	(2,349)	(3,114)
Cash flows from financing activities				
Proceeds from third party borrowings	-	-	751	980
Repayment of third party borrowings	(158)	(205)	(1,159)	(1,316)
Movements on related company balances	10,559	(31)	-	-
Shareholder contribution	-	-	350	350
Lease payments	(93)	(93)	(93)	(114)
Interest paid	(59)	(1,247)	(1,056)	(1,056)
Net cash generated from / (used in) financing activities	10,251	(1,578)	(1,208)	(1,157)
Net movement in cash and cash equivalents	4,976	(3,051)	(337)	(338)
Cash and cash equivalents at start of year	(729)	4,247	1,198	861
Cash and cash equivalents at end of year	4,247	1,197	861	523

Ratio Analysis	2023A	2024A	2025A	2026F
Cash Flow	€000s	€000s	€000s	€000s
Free Cash Flow (Net cash from operations + Interest - Capex)	(5,274)	(1,472)	874	821

As explained in sub-section 2.4. of this Analysis, the Group ended FY25 with a loss of €1.9m. After accounting for non-cash items, working capital movements and tax paid, the Group reported a net cash inflow of €3.2m from its operating activities. Net cash generated from operating activities in

FY26 is expected to amount to €3.9m because of projected improvement in loss before tax and working capital.

Investing activities of the Group are exclusively its investments in PPE and intangible assets, particularly

additions to intangible assets, which include capitalised salaries, and products under development part of which are driven by capitalisation of salaries. The Group is expecting a cash outflow of €3.1m in FY26 as the Group continues to develop new products and expand its facilities.

FY25 financing activities were driven by bank loan drawdowns, alongside the partial repayment of a bank overdraft and a third-party loan. Additionally, shareholders

injected €350k into the Group, with an equivalent injection projected for FY26. Other financing cash flows were limited to interest payments on the bond and bank borrowings, a pattern that is expected to persist through FY26.

The Group ended FY25 with a positive cash balance of €861k which is projected to drop to €523k in FY26 due to a negative net cash movement of €338k.

Part 3 Key Market and Competitor Data

3.1 General Market Conditions

At the time of publication of this Analysis, management considers that generally, it shall be subject to the normal business risks associated with the industries in which the companies are involved and operate and, barring unforeseen circumstances, does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of the companies and their respective businesses, at least with respect to the financial year 2026. However, investors are strongly advised to carefully read the risk factors disclosed in the Prospectus.

3.2 Economic Update¹

The Central Bank of Malta's Business Conditions Index (BCI) indicates that in April 2026, annual growth in business activity moderated towards its long-term average. Despite remaining above its long-term average, economic sentiment softened due to dipping confidence in the industry and services sectors.

In terms of economic uncertainty, Malta's Economic Uncertainty Indicator (EUI) showed rising uncertainty in the retail and services sectors, with retail facing the most unpredictable outlook. Conversely, the construction sector grew more confident about its future. The European Commission's Economic Uncertainty Indicator reveals that business decisions in April were made under less certain economic conditions.

Malta's production indicators showed mixed results. Following a brief period of growth, industrial production dropped 3.6% year-on-year in March, driven by manufacturing declines in sectors like electronics, beverages, and medical equipment. Conversely, the services sector rebounded in February with a 1.5% increase after three months of decline. Retail trade grew by a more moderate 7.5% in March (down from 13.0% in February), though overall retail growth remains strong, reflecting resilient domestic demand.

Malta's tourism sector continued to expand, albeit at a more moderate pace. Total tourist spending rose by 6.9% in March, driven by gains in non-package and miscellaneous expenditures. This overall increase was fueled primarily by a higher volume of inbound arrivals, which offset declines in both the average length of stay and spending per capita.

The unemployment rate remained unchanged at 3.5% in March but stood higher than that of 3.1% in March 2025.

Commercial building permits in April were higher than a month earlier while residential building permits were lower. Final deeds and promise-of-sale agreements signed in April rose, which suggests that demand has continued to increase further.

The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 2.5% in April, up from 2.3% in the previous month. HICP excluding energy and food in Malta clocked in at 2.4%, which was above the euro area average of 2.2%. Inflation based on the Retail Price Index (RPI) increased to 2.8%, up from 2.7% in March.

3.3 Economic Outlook²

According to the Bank's latest forecasts, Malta's real GDP growth is projected at 3.7%, 3.6% and 3.8% over the period 2026-2028. Compared to the Bank's previous projections, the outlook for GDP growth has been revised down by 0.1 p.p. in 2027 and upwards by 0.1 p.p. in 2028. Against an uncertain global backdrop due to the Middle East conflict, the Maltese economy is expected to present some degree of resilience to these effects in 2026, though a marginal delayed impact on GDP and prices is envisaged to materialise in 2027.

Growth over the projection horizon is expected to be led by private consumption, which is projected to continue to grow at a brisk pace, in part supported by recent changes to income tax bands. Employment growth is expected to moderate gradually to 2.3% by 2028. The unemployment rate is forecast to edge down to 2.9% over the projection horizon. Wage growth is set to remain strong, driven by labour market tightness, but is set to ease to 3.9% in 2028 from 4.2% last year. HICP inflation is projected to be impacted by the war in the Middle East, primarily through the channel of higher imported inflation, particularly in goods and food components as continued fiscal support mitigates the propagation of the energy shock on domestic energy prices. Overall HICP inflation is thus projected to increase to 2.5% in 2026 and is set to remain at that level in 2027.

It is then expected to ease to 2.2% in 2028, driven primarily by lower services and NEIG inflation. Compared to the Bank's

¹ Central Bank of Malta – Economic Update 05/2026

² Central Bank of Malta – Economic projections 2026-2028 : 2

previous forecast publication, overall HICP inflation has been revised up by 0.2 percentage points in 2026 and 2028 and by 0.4 percentage points in 2027. The general government deficit-to-GDP ratio is projected to continue to decline over the forecast horizon, albeit in a more gradual manner. It is set to narrow to 1.9% in 2026, 1.7% in 2027 and to 1.6% by 2028. The general government debt-to-GDP ratio is expected to decline further from 46.4% in 2025 to 46.0% in 2026 and subsequently to 44.1% by 2028. Risks to growth are tilted to the downside.

These risks largely emanate from the uncertainty surrounding the duration and intensity of the conflict in the Middle East which may lead to a weaker external environment and hence a more subdued trajectory in foreign demand. Disruptions to transport through the Strait of Hormuz have also raised concerns on fuel shortages in trading partner countries which may negatively impact tourism, aviation and the shipping industry. However, this downside risk to tourism could be mitigated potentially by the redirection of tourists towards safer destinations like central and western Mediterranean. Risks to inflation are tilted to the upside over the projection horizon. Upside risks to inflation primarily reflect stronger disruptions to energy markets than assumed in the technical assumptions.

Although the direct impact on domestic energy prices continues to be mitigated by the Government's commitment to its fixed energy price policy, higher than envisaged global energy prices could generate stronger imported inflation, with potential further amplification via indirect effects on wages and profit margins. Inflation could also be higher than expected if supply disruptions were to spread to non-energy markets, although alternative supplies from other regions could mitigate this effect. On the fiscal side, risks are assessed to be tilted to the downside (deficit-increasing). These predominantly stem from the possibility of slippages in current expenditure, notably higher-than-expected spending on energy support measures should commodity prices exceed assumptions. These risks are partly mitigated by the likelihood of higher-than-forecast increases in tax revenue, brought about by additional improvements in tax administration.

3.4 The Retail Pharmacy Industry in Malta³

The pharmaceutical retail industry is composed of pharmacy stores which are engaged in the retailing of prescription and non-prescription pharmaceutical and allied such as health

products that include vitamins and supplements, cosmetics, toiletries, greeting cards, and non-perishable food products to walk-in customers.

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

In recent years, virtually every country in the world has experienced growth in the number of older persons in their population. Over the last 30 years, the number of people older than 65 years old per 100 people of working age (20 to 64 years) increased from 21 in 1994 to 33 in 2024 on average across "Organisation for Economic Cooperation and Development (OECD)" countries. Over the next 30 years, it is expected to reach 55 per 100 people of working age.⁴

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

3.5 The Local Pharmacy Industry in Malta⁵

Locally, the latest revised demographic statistics also show that the population in Malta is ageing considerably. As at December 2024, the population aged 65 years or over amounted to 18.4% (105,909) of the total population of 574,250.

The population increase in 2024 was driven by a mix of net positive migration into the country and the natural increase between births and deaths. Life expectancy has also increased throughout the years, with the average life expectancy for those born in 2022 standing at 82.3 years, an increase of 1.4 years when compared to 2012⁶.

On the same note, according to the '2024 Ageing Report'⁷ prepared by the European Commission and the Economic

³ Including both generic and brand name prescription and non-prescription medicines and drugs

⁴ <https://www.oecd.org/en/topics/ageing>

⁵ National Statistics Office: World Population Day (11 July 2025)

⁶ National Statistics Office - Population and migration: 2012 - 2022

⁷ https://commission.europa.eu/index_en

Policy Committee, the median age will rise from 44.4 years in 2022 to 48.8 years in 2070, with a relatively steeper increase by around 2040. This pattern will be repeated in each of the EU Member States, with the life expectancy of the Maltese population reaching the high 80s by 2070.

As life expectancy at birth increases globally (including Malta), remarkable advancements in healthcare services and medical research, have greatly contributed towards an overall improvement in longevity. Based on this, combined with the anticipated increase in the number of individuals aged 65 or over, the demand for pharmaceutical retail stores is expected to continue strengthening moving forward.

Additionally, the number of local pharmacy licences available are limited depending on the population of a locality. Data specifically related to the number of pharmacy licences issued in Malta over a specific timeframe is limited. However, according to data provided by the 'Malta Medicine Authority', there are currently over two hundred licenced retail community pharmacies in Malta⁸.

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

3.6 Pharmacare Premium's positioning in the Market

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

these drugs, they are highly potent and manufactured in small batches.

Pharmacare Premium's business opportunity is linked to high value generics, launched immediately after patent expiry (day-1 launch). Pharmacare Premium has a number of oral oncology products in its pipeline with launch opportunities between 2026 and 2032, a number of which already have registered patents in Malta. As a result, Pharmacare Premium has adopted a unique positioning to maximize the aforementioned opportunities. Oral oncology treatments are taken over a longer period by patients and have a larger market compared with traditional chemotherapy and biologicals administered in hospitals.

3.7 Comparative Analysis

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

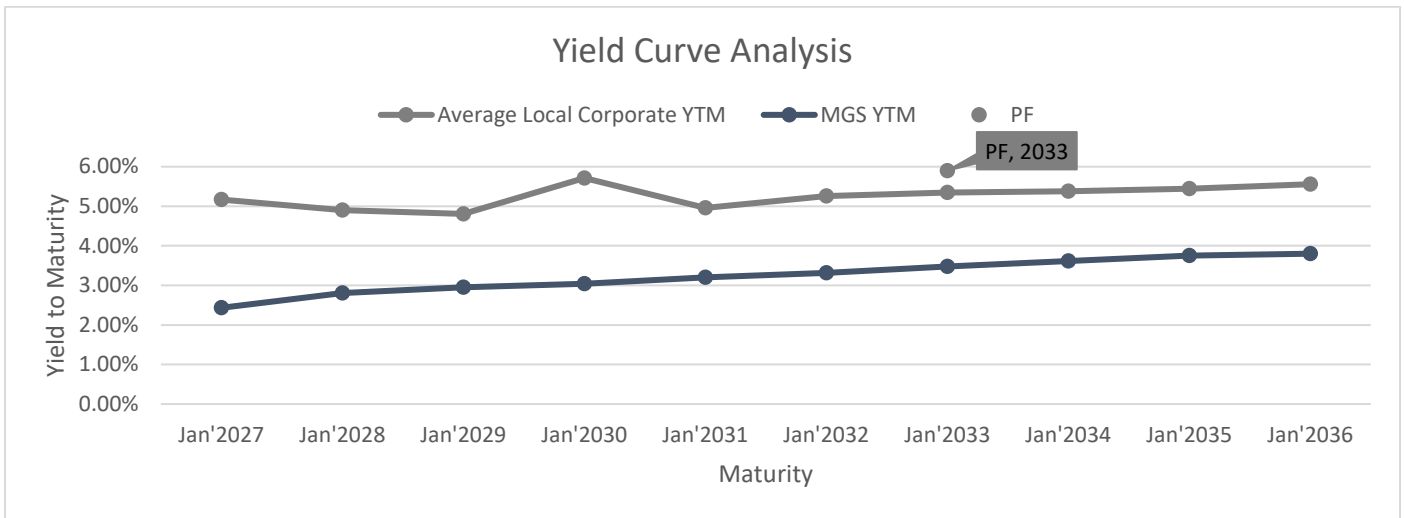
⁸ Malta Medicines Authority

Security	Nom Value	Yield to Maturity	Interest coverage (EBITDA)	Total Assets	Total Equity	Total Liabilities / Total Assets	Net Debt / Net Debt and Total Equity	Net Debt / EBITDA	Current Ratio	Return on Common Equity	Net Margin	Revenue Growth (YoY)
	€000's	(%)	(times)	(€'millions)	(€'millions)	(%)	(%)	(times)	(times)	(%)	(%)	(%)
5% CF Estates Finance plc Secured € 2028-2033	30,000	5.09%	6.6x	94.9	19.1	79.9%	70.9%	3.3x	2.0x	49.6%	23.5%	-1.8%
6% Pharmacare Finance plc Unsecured € 2033	17,000	5.90%	0.9x	46.6	14.2	69.5%	61.2%	17.9x	1.5x	-14.0%	-17.1%	-1.4%
5.25% Bonnici Bros Properties plc Unsecured € 2033 S1 T1	12,000	5.25%	2.3x	41.8	18.2	56.4%	43.1%	9.5x	0.3x	1.4%	15.5%	17.4%
6.25% AST Group plc Secured 2033	8,500	5.79%	3.1x	15.9	1.1	92.9%	86.2%	4.1x	1.2x	10.8%	1.0%	-16.0%
6% JD Capital plc Secured 2033 S2 T1	11,000	5.91%	1.1x	162.9	38.6	76.3%	69.3%	17.2x	2.4x	3.6%	6.3%	34.9%
5.85% AX Group plc Unsecured € 2033	40,000	5.34%	4.0x	529.4	272.5	48.5%	39.0%	4.7x	1.1x	5.7%	11.8%	57.1%
4% Central Business Centres plc Unsecured € 2027-2033	21,000	5.69%	1.7x	86.3	28.3	67.2%	60.8%	19.4x	0.5x	3.4%	37.4%	8.9%
6% International Hotel Investments plc 2033	60,000	5.99%	5.9x	116.5	64.1	44.9%	30.8%	4.7x	0.3x	4.5%	9.9%	7.3%
4.75% Dino Fino Finance plc Secured € 2033	7,800	4.97%	(1.2)x	12.4	(1.9)	114.9%	131.2%	N/A	0.5x	N/A	-111.0%	8.4%
5.75% Phoenicia Finance Company plc Unsec 2028-2033	50,000	5.41%	2.5x	169.9	86.0	49.4%	42.7%	7.0x	1.2x	3.8%	12.4%	10.7%
Average*		5.49%										

Source: Latest available audited financial statements

Last price as at 17/06/2026

*Average figures do not capture the financial analysis of the Issuer



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

As at 17 June 2026, the average spread over the Malta Government Stocks (MGS) for corporates with maturity of 8 years was 201 basis points. The Pharmacare Finance p.l.c. bond is currently trading at a YTM of 5.9%, meaning a spread of 242 basis points over the equivalent MGS, and therefore at a premium to the average on the market of 41 basis points. It is pertinent to note that the above analysis is based on a maturity-matching basis and that the Issuer’s industry is significantly different to the corporates identified and as such its risks also differ to that of other issuers.

Part 4 Glossary and Definitions

Income Statement	
Revenue	Total revenue generated by the Group/Company from its principal business activities during the financial year.
Costs	Costs are expenses incurred by the Group/Company in the production of its revenue.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/Company's earnings purely from operations.
Operating Profit (EBIT)	EBIT is an abbreviation for earnings before interest and tax.
Depreciation and Amortisation	An accounting charge to compensate for the decrease in the monetary value of an asset over time and the eventual cost to replace the asset once fully depreciated.
Net Finance Costs	The interest accrued on debt obligations less any interest earned on cash bank balances and from intra-group companies on any loan advances.
Net Income	The profit made by the Group/Company during the financial year net of any income taxes incurred.
Profitability Ratios	
Growth in Revenue (YoY)	This represents the growth in revenue when compared with previous financial year.
Gross Profit Margin	Gross profit as a percentage of total revenue.
EBITDA Margin	EBITDA as a percentage of total revenue.
Operating (EBIT) Margin	Operating margin is the EBIT as a percentage of total revenue.
Net Margin	Net income expressed as a percentage of total revenue.
Return on Common Equity	Return on common equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing the net income by the average common equity (average equity of two years financial performance).
Return on Assets	Return on assets (ROA) is computed by dividing net income by average total assets (average assets of two years financial performance).
Return on Capital Employed	Return on capital employed (ROCE) measures the relative profitability of a company after taking into account the amount of capital used during a relative financial performance.
Cash Flow Statement	
Cash Flow from Operating Activities (CFO)	Cash generated from the principal revenue producing activities of the Group/Company less any interest incurred on debt.
Cash Flow from Investing Activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group/Company.
Cash Flow from Financing Activities	Cash generated from the activities that result in change in share capital and borrowings of the Group/Company.
Capex	Represents the capital expenditure incurred by the Group/Company in a financial year.
Free Cash Flows (FCF)	The amount of cash the Group/Company has after it has met its financial obligations. It is calculated by taking Cash Flow from Operating Activities less the Capex of the same financial year.
Balance Sheet	
Total Assets	What the Group/Company owns which can be further classified into Non-Current Assets and Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Inventory	Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.
Cash and Cash Equivalents	Cash and cash equivalents are Group/Company assets that are either cash or can be converted into cash immediately.
Total Equity	Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.

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

Financial Strength Ratios

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

Other Definitions

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

Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta
www.cc.com.mt

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