

**PHARMACARE FINANCE P.L.C.**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**

**30 JUNE 2019**

**PHARMACARE FINANCE P.L.C.**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

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# PHARMACARE FINANCE P.L.C.

## COMPANY INFORMATION

**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  
Pieta' PTA 9041  
Malta

## **PHARMACARE FINANCE P.L.C.**

### **INTERIM DIRECTORS' REPORT FOR THE PERIOD 1 JANUARY 2019 TO 30 JUNE 2019**

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 2019 to 30 June 2019. 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 Prospects MTF Rules.

#### **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 products being developed by the immediate parent company, namely Pharmacare Premium Limited.

#### **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 2019, the Company registered a profit before tax of € 4,219 (December 2018 – Loss € 28,374) and a loss for the period of € 3,501 (December 2018 – Loss € 28,374). The net assets of the Company at the end of the period amounted to € 14,713 (December 2018 – € 18,214).

#### **Principal Risks and Uncertainties faced by the Company for the Remainder of 2019**

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 has identified additional products for development which have been added to the development cycle previously identified in the Bond issue.

## **PHARMACARE FINANCE P.L.C.**

### **INTERIM DIRECTORS' REPORT FOR THE PERIOD 1 JANUARY 2019 TO 30 JUNE 2019**

#### **Principal Risks and Uncertainties faced by the Company for the Remainder of 2019 (Contd.)**

The unaudited financial statements of Pharmacare Premium Limited for the period 1 January 2019 to 30 June 2019 show a loss of € 1,913,644 (Year 2018 – Loss € 3,315,638) on revenues of € 768,829 (Year 2018 – € 1,453,368), however, it held a strong net asset position of € 12,582,277 as at 30 June 2019 (December 2018 – € 14,296,793).

The shareholders of Pharmacare Premium Limited are committed to continue strengthening the capital base of the company, and to this effect, during the period from 1 January to 30 June 2019 they have affected cash injections for increases in share capital of € 99,562 and have committed to further share capital increases of € 471,249.

Other risks that the Group faces are currency risks, as the Group continues to transact purchases in currencies other than the Euro. As a result, profit or losses may be incurred on payables that are denominated in a currency other than the Euro.

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. Similarly, the Group, which is engaged in the manufacturing of pharmaceutical products, which rely on imported raw materials from suppliers, may 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.

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.

#### **Dividends**

Being that the Company has accumulated losses, no dividends were recommended or paid during the period (December 2018 – € Nil).

#### **Post Balance Sheet Events**

Following the implementation of new enhanced due diligence procedures being undertaken by the banking sector in Malta, the company's bank accounts with Bank of Valletta P.L.C. have been temporarily frozen following the lack of provision of certain information by one of the shareholders of the Parent Company. Negotiations are underway to reactivate the bank accounts, however the outcome to such negotiations is still unknown. The directors are confident that an agreement will be reached in the coming months prior to when the bond interest is due for payment.

**PHARMACARE FINANCE P.L.C.**

**INTERIM DIRECTORS' REPORT  
FOR THE PERIOD 1 JANUARY 2019 TO 30 JUNE 2019**

**Directors' Interest**

The directors' beneficial interest in the shares of the Company as at 30 June 2019 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 above served in office throughout the period under review.

Approved by the Board of Directors on 28 August 2019 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 for each financial period which give a true and fair view of the financial position of the Company as at the end of the financial period and of the profit or loss of the Company for that period in accordance with the requirements of 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 28 August 2019 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 2019 TO 30 JUNE 2019**

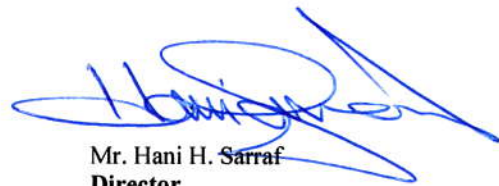
**Statement pursuant to Prospects Rule 4.11.12**

We confirm that to the best of our knowledge:

1. The condensed financial statements give a true and fair view of the financial position of the Company as at 30 June 2019, and of its financial performance and its cash flows for the 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.



**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*

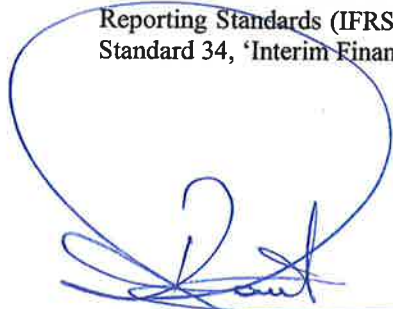
We have reviewed the accompanying condensed financial interim statement of financial position of Pharmacare Finance P.L.C. as at 30 June 2019, the related condensed statement of comprehensive income, changes in equity and cash flows for the period 1 January 2019 to 30 June 2019 and the explanatory notes ('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*

28 August 2019

**PHARMACARE FINANCE P.L.C.**

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD 1 JANUARY 2019 TO 30 JUNE 2019**

		<u>2019</u> (6 months)	<u>2018</u> (8 months)
	Note	Euro	Euro
<b>Finance Income</b>		<b>165,735</b>	51,277
Finance Cost		<b>(141,878)</b>	(50,313)
<b>Finance Income Margin</b>		<u>23,857</u>	964
Administrative Expenses		<b>(18,957)</b>	(25,619)
<b>Results from Operating Activities</b>		<u>4,900</u>	(24,655)
Realized Differences on Exchange		<b>(681)</b>	-
Incorporation Expenses		-	(3,719)
		<u><b>(681)</b></u>	<u>(3,719)</u>
<b>Profit/(Loss) before Taxation</b>		<b>4,219</b>	(28,374)
Tax Expense		<b>(7,720)</b>	-
<b>Loss for the Period</b>		<u><b>(3,501)</b></u>	<u>(28,374)</u>
<b>Total Comprehensive Loss for the Period</b>		<u><b>(3,501)</b></u>	<u>(28,374)</u>
<b>Basic Earnings per Share</b>	4	<u>N/A</u>	<u>N/A</u>

Comparative figures are being shown for the period from 30 April 2018 to 31 December 2018.

The notes on pages 12 to 15 form an integral part of these financial statements.

**PHARMACARE FINANCE P.L.C.**

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AT 30 JUNE 2019**

		<u>2019</u>	<u>2018</u>
	Note	Euro	Euro
<b>ASSETS</b>			
Interest Bearing Receivables	5	4,879,090	4,879,090
<b>Total Non-Current Assets</b>		<u>4,879,090</u>	<u>4,879,090</u>
Other Receivables	6	226,539	51,277
Cash and Cash Equivalents	7	691	46,529
<b>Total Current Assets</b>		<u>227,230</u>	<u>97,806</u>
<b>Total Assets</b>		<u><u>5,106,320</u></u>	<u><u>4,976,896</u></u>
<b>EQUITY</b>			
Share Capital	8	46,588	46,588
Accumulated Losses		(31,875)	(28,374)
<b>Total Equity</b>		<u>14,713</u>	<u>18,214</u>
<b>LIABILITIES</b>			
Interest Bearing Borrowings	9	4,884,100	4,877,891
<b>Total Non-Current Liabilities</b>		<u>4,884,100</u>	<u>4,877,891</u>
Trade and Other Payables	10	199,787	80,791
Taxation Due		7,720	-
<b>Total Current Liabilities</b>		<u>207,507</u>	<u>80,791</u>
<b>Total Liabilities</b>		<u>5,091,607</u>	<u>4,958,682</u>
<b>Total Equity and Liabilities</b>		<u><u>5,106,320</u></u>	<u><u>4,976,896</u></u>

Comparative figures are being shown as at 31 December 2018.

The notes on pages 12 to 15 form an integral part of these financial statements.

The condensed interim financial statements on pages 5 to 15 were approved and authorised for issue by the Board of Directors on 28 August 2019 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 2019 TO 30 JUNE 2019**

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	<b>Total</b>	<b>Share Capital</b>	<b>Accumulated Losses</b>
	<b>Euro</b>	<b>Euro</b>	<b>Euro</b>
<b>Contributions by Owners of the Company</b>			
Issue of Ordinary Shares	46,588	46,588	-
<b>Comprehensive Loss for the Period</b>			
Loss for the Period	(28,374)	-	(28,374)
<b>Balance at 31 December 2018</b>	<u>18,214</u>	<u>46,588</u>	<u>(28,374)</u>
<b>Comprehensive Loss for the Period</b>			
Loss for the Period	(3,501)	-	(3,501)
<b>Balance at 30 June 2019</b>	<u>14,713</u>	<u>46,588</u>	<u>(31,875)</u>

The notes on pages 12 to 15 form an integral part of these financial statements.

**PHARMACARE FINANCE P.L.C.**

**CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THE PERIOD 1 JANUARY 2019 TO 30 JUNE 2019**

	<u>2019</u> (6 months)	<u>2018</u> (8 months)
Note	Euro	Euro
<b>Cash Flows from Operating Activities</b>		
Loss for the Period	(3,501)	(28,374)
<i>Adjustments for:</i>		
Incorporation Expenses	-	3,719
Amortisation of Bond Costs	6,209	2,070
Accrued Interest Receivable	(165,735)	(51,277)
Finance Expense	141,878	50,313
Taxation	7,720	-
	<u>(13,429)</u>	<u>(23,549)</u>
<b>Changes in</b>		
Other Receivables	1,000	-
Trade and Other Payables	(6,910)	14,505
<b>Net Cash used in Operating Activities</b>	<u>(19,339)</u>	<u>(9,044)</u>
<b>Cash Flows from Investing Activities</b>		
Payment of Incorporation Expenses	-	(3,719)
Loan Advanced to Parent Company	-	(4,879,090)
<b>Net Cash used in Financing Activities</b>	<u>-</u>	<u>(4,882,809)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from Issue of Shares	-	46,588
Proceeds from Issue of Bonds	-	5,000,000
Bond Expenses	-	(124,179)
Movement on Directors' Accounts	(2,360)	2,360
Movement on Related Company Accounts	(1,963)	1,963
Movement on Parent Company Account	(22,176)	11,650
<b>Net Cash from/(used in) Financing Activities</b>	<u>(26,499)</u>	<u>4,938,382</u>
<b>Net Movement in Cash and Cash Equivalents</b>	<b>(45,838)</b>	<b>46,529</b>
Cash and Cash Equivalents at Beginning of Period	<u>46,529</u>	<u>-</u>
<b>Cash and Cash Equivalents at End of Period</b>	<b>7</b> <u>691</u>	<u>46,529</u>

The notes on pages 12 to 15 form an integral part of these financial statements.

# PHARMACARE FINANCE P.L.C.

## CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY 2019 TO 30 JUNE 2019

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### 1. Corporate Information

The condensed interim financial statements of the company for the period from 1 January to 30 June 2019, were authorised for issue in accordance with a resolution dated 26 August 2019.

Pharmacare Finance P.L.C. ("the Company") is a private limited company domiciled and incorporated 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 related companies.

### 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 by the European Union. They have been drawn up in accordance with the provisions of the Companies Act, 1995 enacted in Malta, (The Act).

#### 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 Company to meet its obligation 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 has 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 2019 TO 30 JUNE 2019

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#### 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 period ended 31 December 2018, as described in those financial statements.

#### 4. 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 tax, the negative earnings per share is not applicable.

#### 5. Interest Bearing Receivables

	<u>2019</u>	<u>2018</u>
	Euro	Euro
<b>Non-Current:</b>		
Parent Company Loan	4,879,090	4,879,090
<b>Interest-Bearing Receivables</b>	<u>4,879,090</u>	<u>4,879,090</u>

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

#### 6. Other Receivables

	<u>2019</u>	<u>2018</u>
	Euro	Euro
Accrued Loan Interest Receivable	216,012	51,277
Amount due from Parent Company	10,527	-
	<u>226,539</u>	<u>51,277</u>

6.1 The amount due from the Parent Company is unsecured, interest-free and repayable on demand.

#### 7. Cash and Cash Equivalents

	<u>2019</u>	<u>2018</u>
	Euro	Euro
Bank Balances	691	46,529
<b>Cash and Cash Equivalents</b>	<u>691</u>	<u>46,529</u>

# PHARMACARE FINANCE P.L.C.

## CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY 2019 TO 30 JUNE 2019

### 8. Share Capital

	<u>2019</u>	<u>2018</u>
	Euro	Euro
<b>Authorised</b>		
46,588 Ordinary Shares of € 1 each	<u>46,588</u>	<u>46,588</u>
<b>Issued and Fully Paid Up</b>		
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.

### 9. Interest Bearing Borrowings

	<u>2019</u>	<u>2018</u>
	Euro	Euro
<b>Non-Current:</b>		
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	(8,279)	(2,070)
	<u>115,900</u>	<u>122,109</u>
<b>Net Interest Bearing Borrowings</b>	<u>4,884,100</u>	<u>4,877,891</u>

9.1 During the comparative period, 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.

### 10. Trade and Other Payables

	<u>2019</u>	<u>2018</u>
	Euro	Euro
Trade Payables	4,262	5,959
Accrued Bond Interest Due	192,192	50,313
Accrued Expenses	3,333	8,546
Amounts due to Directors	-	2,360
Amounts due to Related Company	-	1,963
Amounts due to Parent Company	-	11,650
	<u>199,787</u>	<u>80,791</u>

10.1 The amounts due to the parent and related parties are unsecured, interest-free and repayable on demand.



## PHARMACARE FINANCE P.L.C.

### CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY 2019 TO 30 JUNE 2019

#### 11. Related Parties Disclosures

##### 11.1 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.

##### 11.2 Related Party Transactions and Balances

	<u>2019</u> (6 months)	<u>2018</u> (8 months)
	Euro	Euro
<b>Immediate Parent Company</b>		
Loan Advanced to	-	(4,879,090)
Funds Advanced by/(to)	(22,176)	11,650
Expenses Recharged by	6,741	10,976
Interest Receivable from	<u>165,735</u>	<u>51,277</u>
<b>Related Company</b>		
Expenses Recharged by	-	1,963
Funds Advanced by/(to)	<u>(1,963)</u>	<u>-</u>
<b>Directors</b>		
Directors' Remuneration	8,540	11,387
Funds Advanced by/(to)	<u>(2,360)</u>	<u>2,360</u>

Amounts due to and from related parties are disclosed in Notes 5, 6 and 10 to these financial statements.

- 11.3 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.

#### 12. Contingent Liabilities

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

#### 13. Post Balance Sheet Event

Following the implementation of new enhanced due diligence procedures being undertaken by the banking sector in Malta, the company's bank accounts with Bank of Valletta P.L.C. have been temporarily frozen following the lack of provision of certain information by one of the shareholders of the Parent Company. Negotiations are underway to reactivate the bank accounts, however the outcome to such negotiations is still unknown. The directors are confident that an agreement will be reached in the coming months prior to when the bond interest is due for payment.

**PHARMACARE FINANCE P.L.C.**

**SCHEDULE TO CONDENSED INTERIM INCOME STATEMENT  
FOR THE PERIOD 1 JANUARY 2019 TO 30 JUNE 2019**

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	<u>2019</u> (6 months)	<u>2018</u> (8 months)
	Euro	Euro
<b>Finance Income</b>		
Interest Receivable on Loans	165,735	51,277
<b>Finance Costs</b>		
Interest Payable on Loans	141,878	50,313
	-----	-----
<b>Finance Income Margin</b>	23,857	964
	-----	-----
<b>Administrative Expenses</b>		
Amortisation of Bond Costs	6,209	2,070
Administration Fees	1,416	2,124
Auditors' Remuneration	1,500	3,000
Bank Charges	30	59
Directors' Remuneration	8,540	11,387
General Expenses	-	17
Professional Fees	962	6,962
Registration fee	300	-
	-----	-----
	18,957	25,619
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<b>Results from Operating Activities</b>	4,900	(24,655)
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