PHARMACARE | F I N A N C E

19 December 2019

Reference PHC008

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by Pharmacare Finance PLC (the "Company"), in terms of the Rules of Prospects, the market regulated as a multi-lateral trading facility operated by the Malta Stock Exchange ('Prospects MTF Rules').

Revised Forecasts for the year 2020

The Company hereby confirms the Financial Sustainability Forecasts ("FSFs") for the twelve-month period ending 31st December 2020 for Pharmacare Finance Plc, as included in the Company Admission Document dated 17th October 2018, are still valid.

The Company would also like to inform its investors that the FSFs for Pharmacare Premium Ltd (the "Guarantor") for the period ending 31st December 2020, were also considered and have been approved during a meeting of the Board of Directors of the Guarantor, following the meeting of the Company .

The revised FSFs of the Guarantor have been prepared on the following assumptions, which have been reviewed based on the experience acquired during the twelve-month period since the original forecasts were prepared.

1. The development of the new products is well in hand and slightly ahead of expectations.

2. The directors while, very positive for the out-licensing and launch of Pharmacare Premium Ltd's development products starting in 2021, are disappointed with the delays experienced in the uptake of short-term contracted business already agreed through customer contracts.

   More specifically, sales to MENA countries and to a large European company, while approved, have been delayed and have accordingly significantly reduced the forecasts for 2020.
   We are expecting to commence delivery on these contracts imminently, with a build-up of orders within 2020.

3. Supply and distribution agreements for contract manufacturing and sale of own products have been agreed with several new customers and territories as originally predicted, however, there has been a significant delay in initiating the corresponding sales which has reduced the overall turnover.

4. Notwithstanding this delay in existing products, the directors have approved the management's plan to pursue the development of further five additional products above and beyond those five original ongoing developments.
   The products will commence in 2020 and continue over five years to 2025.

5. The decrease in sales is also reflected in a decrease in direct expenditure.

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6. Overhead costs remain as forecast in the Company Admission Document.

7. The decision to increase the development of new products directly increases the value of Intangible Assets.

8. The caution to the sale of existing products to MENA markets has reduced our expected stockholding.

9. Cash and cash equivalents are reduced in line with the revised projections.

10. In 2019 there has been an additional share offering. The pledged continued support from the shareholders will enable the fulfilment of these developments until the new product range has commenced trading in 2021.

11. Reduced direct costs are reflected in reduced Trade Payables.

The revised projections are as per the tables below:

Profit And Loss	**Year 20 Revised Forecast €**
Total Sales	4,340,000
Total Cost of Goods Sold	2,335,000
Total Direct Expenses	835,400
Gross Profit	1,169,600
Total Overheads	1,858,257
EBITDA	(688,657)
Depreciation	1,478,229
Total Interest Expense	427,038
Net Profit/Loss	(2,593,924)

Balance Sheet	**Year 20 Revised Forecast €**
Total Non Current Assets	23,980,836
Total Current Assets	3,961,909
Total Assets	27,942,745
Total Capital and Reserves	11,712,859
Total Creditors Due Within One Year	6,935,957
Total Creditors Due After One Year	9,293,929
Total Equity & Liabilities	27,942,745

Yours Faithfully

Mr Hani Sarraf
Company Secretary

For and On Behalf Of
Pharmacare Finance plc