

**REFERENCE PHC34**
**COMPANY ANNOUNCEMENT**

The following is a Company Announcement issued by Pharmacare Finance plc. (C 86057) ("the Company") in terms of the Rules of Prospects MTF, the market regulated as a multi-lateral trading facility operated by the Malta Stock Exchange ("Prospects MTF Rules").

"The Board of Directors of Pharmacare Premium Ltd, the Company's guarantor, note the following material differences from the forecast figures in Annex E of the Company Admission Document, for the year ending 31<sup>st</sup> December 2020.

**Profit & Loss Account**

	Forecast 2020	Actual 2020
	€ 000's	€ 000's
Total Revenue	14,766	4,083
Cost of Goods	(7,854)	(1,621)
Direct Expenses	(1,768)	(557)
Gross Profit	5,143	<b>1,905</b>
Administrative Expenses	(1,872)	(1,964)
EBITDA	3,272	<b>(59)</b>
Bond Interest & Finance Charges	(446)	(574)
Depreciation & Amortisation	(1,575)	(1,420)
Gross Margin	35%	47%
EBITDA Margin	22%	-1%
Revenue Growth	79%	80%
Interest Coverage	7.3x	-3.6x

**Balance Sheet**

	Forecast 2020	Actual 2020
	€ 000's	€ 000's
<b>ASSETS</b>		
Property, Plant & equipment	21,738	19,315
Intangible Assets	4,073	4,683
Trade Receivables	2,318	3,265
Inventory	2,555	1,333
Other Receivables	143	1
Cash & Cash Equivalents	866	1,075
<b>EQUITY</b>		
Share Capital	14,538	16,628
Share Premium	6,855	8,945
Revaluation Reserve	8,499	8,700
Retained Earnings	<b>(14,191)</b>	<b>(21,322)</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	4,297	2,423
Other Payables	431	551
Other Financial Liabilities	515	691

Lease Obligations	89	89
Taxation	883	0
<b>NON CURRENT LIABILITIES</b>		
Other Financial Liabilities	7,797	10,561
Deferred Tax	731	1,207
Lease Obligations	1,249	1,199
Gearing Ratio 1 (Net Debt/Equity)	53%	129%
Gearing Ratio 2 (Total Liabilities/Total Assets)	51%	56%

Whilst the directors are very positive for the out-licensing and launch of Pharmacare Premium Ltd's development products starting in the second half of 2021, it is to be noted that the short fall in projected revenues due mainly to delays in revenues projected from early-entry markets, such as Latin America, in addition to postponement and a delay in expected tender awards in two MENA countries. It is clear however, that the expected business will start materialising in 2021. This is based on signed contracts for supply and on actual award of one tender in the MENA region.

In addition, delays due to the COVID-19 situation in the initiation of contracted manufacturing business already agreed through customer contracts contributed to those revenues not falling due in 2020 as expected. We are nevertheless expecting to commence delivery on these contracts during Q2 of 2021 and onwards.

On the other hand, significant new business opportunities were developed in 2020 and are forecasted to result in an increase in the number of new contracts awarded to Pharmacare Premium to start coming on stream during 2021 onwards. These include more than 30 supply agreements with various clients for the first wave of development products to be completed, in addition to a strategic investment and partnership agreement signed with Xspray of Sweden for the set-up and operation of a new production line at Pharmacare Premium's facility in Malta.

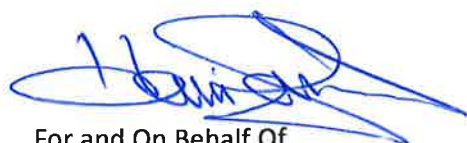
We continue to explore avenues for additional business with existing and new customers with the view to utilise additional production capacity to increase trading profitability in the short-medium term.

Product development is slightly ahead of projections, with seven new products being currently in the portfolio to be fully or partially funded by available development monies.

The share offering in 2020 totalling €2.4m has been taken up in full, with continued regular financial support from the shareholders in terms of loans whenever needed.

The shareholders continue to be enthusiastic and determined to provide all necessary financial support to enable the fulfilment of these developments until the new product range has commenced trading in 2021.

It is worth noting that the actual 2020 sales are up by 80% compared with those of 2019.



For and On Behalf Of  
Pharmacare Finance plc  
29<sup>th</sup> April 2021