

This Summary is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and in accordance with the provisions of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

BROWNS PHARMA

HOLDINGS PLC

SUMMARY

DATED 10 June 2021

In respect of an issue of

€13,000,000 3.9% Unsecured Callable Bonds 2027-2031

having a nominal value of €100 per Bond issued at par (the 'Bonds')

ISIN: MT0002521202

BROWN'S PHARMA HOLDINGS PLC

*a public limited liability company registered and incorporated in terms of the Companies Act
with company registration number C 95118 and having its registered office at
Brown's Pharmacies, Triq l-Industrija, Qormi, Malta*

Sponsor, Manager & Registrar

Legal Counsel



YOU ARE ABOUT TO PURCHASE SECURITIES THAT ARE NOT SIMPLE AND MAY BE DIFFICULT TO UNDERSTAND. THIS SUMMARY HAS BEEN APPROVED BY THE LISTING AUTHORITY, AS COMPETENT AUTHORITY UNDER REGULATION (EU) 2017/1129. THE LISTING AUTHORITY ONLY APPROVES THIS SUMMARY AS MEETING THE STANDARD OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY REGULATION (EU) 2017/1129 AND SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER AND THE SECURITIES THAT ARE THE SUBJECT OF THIS SUMMARY.

THIS SUMMARY IS VALID FOR A PERIOD OF TWELVE (12) MONTHS FROM THE DATE HEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE COMPANY IS NOT OBLIGED TO SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

APPROVED BY THE DIRECTORS

Mr Alexander Fenech in his capacity as Director of the Company
and for and on behalf of: Mr Benjamin Muscat, Ing Joseph Caruana, Dr Mark Grech,
Mr Paul Camilleri, Mr Jean-Pierre Miceli and Mr Robert Spiteri

This Summary is prepared in accordance with the requirements of the Regulation. This Summary contains key information which will enable investors to understand the nature and the risks of the Issuer and the Bonds.

Except where the context otherwise requires, the capitalised words and expressions used in this Summary shall bear the meanings assigned to them in the Registration Document and the Securities Note, as the case may be.

1 INTRODUCTION AND WARNINGS

Full legal and commercial name of the Issuer:	Brown's Pharma Holdings plc
Registered address:	Brown's Pharmacies, Triq l-Industrija, Qormi
Place of Registration and Domicile:	Malta
Registration number:	C 95118
Legal Entity Identifier (LEI):	391200EUISAEF39QR618
Date of Registration:	5 March 2020
Telephone numbers:	+356 2142 2999
Email:	investorrelations@brownspharmacy.eu
Website:	www.browns.pharmacy
Nature of the securities	€13,000,000 3.9% Unsecured Callable Bonds 2027-2031 having a nominal value of €100 per bond issued at par
ISIN of the Bonds	MT0002521202
Date of Approval	10 June 2021
Details of the competent authority approving the prospectus	The Board of Governors of the MFSA, appointed as Listing Authority for the purposes of the Malta Financial Services (Cap. 330 Authority Act of the laws of Malta)
Address, telephone number and official website of the competent authority approving the prospectus	The Listing Authority, Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business District, Birkirkara CBD 1010, Malta Telephone number: +356 2144 1155 Official website: https://www.mfsa.mt

Prospective Investors are hereby warned that:

- i. This Summary is being provided to convey the essential characteristics and risks associated with the Issuer, and the Bonds being offered pursuant to this Prospectus. This section of the Prospectus is merely a summary and, therefore, should only be read as an introduction to the Prospectus. It is not, and does not purport to be, exhaustive and Investors are warned that they should not rely on the information contained in this Summary in making a decision as to whether to invest in the Bonds described in this Prospectus. Any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole by the Investor;
- ii. An investment in the Bonds could result in the Investor losing all or part of the Investor's capital;

- iii. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff Investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and
- iv. Civil liability attaches only to those persons who have tabled this Summary, including any translation thereof, and who applied for its notification, but only if this Summary, when read together with the other parts of the Prospectus, is misleading, inaccurate or inconsistent, or does not provide key information in order to aid Investors when considering whether to invest in such securities.

2 KEY INFORMATION ON THE ISSUER

2.1 Who is the Issuer of the Bonds?

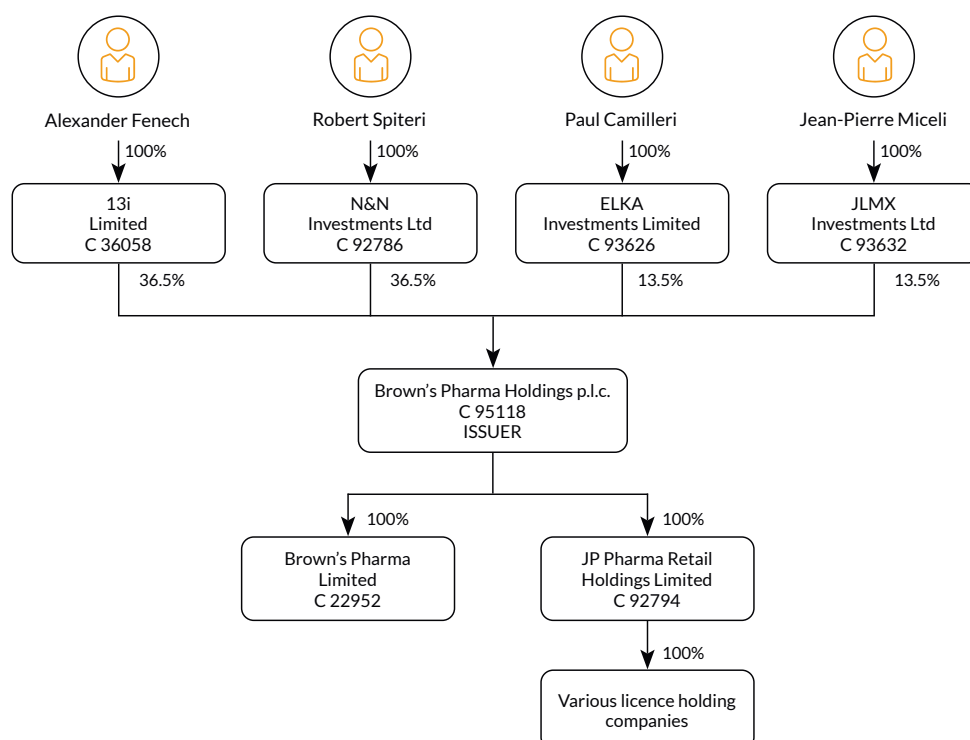
2.1.1 Domicile and legal form

The Issuer is a public limited liability company registered in Malta in terms of the Companies Act. The Issuer was incorporated and is domiciled in Malta, with legal entity identifier (LEI) number 391200EUISAEF39QR618. The Issuer's registered address is Brown's Pharmacies, Triq l-Industrija, Qormi, Malta. 13i Limited and N&N Investments Ltd hold, equally among them, fourteen million six hundred and sixty-two thousand nine hundred and sixteen (14,662,916) Ordinary 'Class A' Shares of one Euro (€1) each, fully paid up, in the share capital of the Issuer. ELKA Investments Limited and JLMX Investments Limited hold, equally among them, five million four hundred and twenty-three thousand two hundred and seventy (5,423,270) Ordinary 'Class B' Shares of one Euro (€1) each, fully paid up, in the share capital of the Issuer.

2.1.2 Principal activities of the Issuer

The Issuer was set up as a holding and finance company. The principal activity of the Issuer includes, *inter alia*, that of borrowing or raising finance in connection with the ownership, development, operation and financing of its business activities on such terms as the Directors may deem expedient, and also to invest and deal with the moneys of the Issuer in or upon such investments and in such manner as the Directors may, from time to time, deem expedient.

2.1.3 Major shareholders



2.1.4 Identity of the key managing directors

As at the date of the Prospectus, the Board of Directors of the Issuer is composed of the following persons:

- Benjamin Muscat (Chairman and independent non-executive director)
- Joseph Caruana (Independent non-executive director)
- Mark Grech (Independent non-executive director)
- Alexander Fenech (Executive director)
- Paul Camilleri (Non-executive director)
- Jean-Pierre Miceli (Non-executive director)
- Robert Spiteri (Non-executive director)

2.1.5 Statutory auditors of the Issuer

Busuttil & Micallef, a civil partnership of certified public accountants holding registration number AB/26/84/45 and of 11, L-Ufficju, Misrah 28 ta' Frar 1883, Birkirkara, Malta.

2.2 What is the key financial information regarding the Issuer?

The key financial information regarding the Issuer on a consolidated basis is set out below:

Brown's Pharma Holdings plc	FY20
Audited Consolidated Financial Information	€'000
Income Statement	
Net Income	1,238
Balance Sheet	
Total assets	45,902
Cash Flow Statement	
Net cash generated from operating activities	2,432
Net cash used in investing activities	(22,896)
Net cash generated from financing activities	21,011
Net movement of assets and liabilities taken over upon merger	23

2.3 What are the risks that are specific to the Issuer?

1. The Issuer acts as a finance and holding company and, as such, its cash flow and ability to service its indebtedness, including the Bonds, is wholly dependent on the earnings of the Subsidiaries and the distribution of those earnings to the Issuer or upon the payment of funds to the Issuer by the Subsidiaries.
2. The Group makes use of a limited number of wholesalers of branded and generic pharmaceutical drugs and should these be seriously disrupted for any reason, the Group's business operations may be adversely affected.
3. Negative changes in economic conditions and consumer confidence regionally, nationally, or globally may decrease consumer spending and impact the Group's profitability.

4. The Issuer and the Group operate in highly competitive markets which may lead to the Group re-evaluating its pricing structures in order to remain competitive.
5. The Group is susceptible to security threats and vulnerabilities to the confidential information it receives as part of its business operations. Any such breach or unauthorised access could result in significant legal and financial exposure, damage to the Group's reputation, and potentially have an adverse effect on the Group's business.
6. The COVID-19 pandemic has created significant volatility, uncertainty and economic disruption, which may adversely affect the Group's business operations and may materially and adversely affect its results of operations, cash flows and financial position.
7. The Group is actively negotiating the acquisition of two additional pharmacy licenses and intends to conduct an extensive refurbishment of the acquired pharmacies whilst investing in health-related equipment. Should the Group be unable to achieve its objectives within the anticipated time frames, or at all, the expected benefits may not be realised fully or at all, or may take longer than expected to realise, which could have a material adverse impact on the Group's business, financial condition and results of operations.

3 KEY INFORMATION ON THE BONDS

3.1 What are the main features of the Bonds?

The Bonds form part of a duly authorised issue of 3.9% Unsecured Callable Bonds 2027-2031 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €13,000,000. The Bonds are created under Maltese law.

- a. The currency of the Bonds is Euro (€).
- b. The Bonds are freely transferable.
- c. Subject to admission to listing of the Bonds to the Official List of the MSE, the Bonds are expected to be assigned ISIN: MT0002521202.
- d. The Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional and unsecured obligations of the Issuer to the Bondholders and shall at all times, rank *pari passu*, without any priority or preference among themselves and with other outstanding and unsecured debt of the Issuer, present and future.
- e. Unless previously purchased and cancelled or redeemed in the case of an Early Redemption or a Partial Conditional Early Redemption, the Bonds shall be redeemable at par on the respective Redemption Date.
- f. The issue of the Bonds is made in accordance with the requirements of the Listing Rules, the Act, and the Regulation.
- g. The Bond Issue is not underwritten.

There are no special rights attached to the Bonds other than the right of the Bondholders to the payment of capital and interest and in accordance with their respective ranking at law.

3.2 Where will the Bonds be traded?

The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 10 June 2021.

Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on its Official List.

3.3 What are the key risks that are specific to the Bonds?

1. There can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue.
2. The Bonds are complex financial instruments and may not be suitable for all recipients of the Prospectus.
3. Investment in such fixed rate bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the said bonds. Investors should also be aware that the price of bonds moves adversely to changes in interest rates.
4. The Bonds may be redeemed (in whole or in part) by the Issuer on any Early Redemption Date or Partial Conditional Early Redemption Date.
5. The Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional and unsecured obligations of the Issuer to the Bondholders and shall at all times, rank *pari passu*, without any priority or preference among themselves and with other outstanding and unsecured debt of the Issuer, present and future.

4 KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET

4.1 Under which conditions and timetable can I invest in the Bonds?

Expected timetable of the Bond Issue

1. Application Forms available to general public	18 June 2021
2. Offer Period (may close earlier as determined by the Issuer)	23 June 2021 - 8 July 2021
3. Commencement of interest on the Bonds	9 July 2021
4. Announcement of basis of acceptance	13 July 2021
5. Refunds of unallocated monies (if any)	13 July 2021
6. Dispatch of allotment letters	13 July 2021
7. Listing of Bonds on the MSE	15 July 2021
8. Commencement of trading on the MSE	16 July 2021

The Offer is open for subscription to all categories of investors. Subscriptions shall be made through any of the Authorised Financial Intermediaries, subject to a minimum subscription amount of €2,000 in nominal value of Bonds and in multiples of €100 thereafter (the minimum subscription amount shall also apply in the case of subscriptions by Authorised Financial Intermediaries on account of their underlying customers, for each underlying application and in multiples of €100 thereafter). It is expected that an allotment letter will be issued by the Issuer to Applicants within five (5) Business Days of the announcement of the allocation policy. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the Laws of Malta), and regulations made thereunder. Such monies will not bear interest while retained as aforesaid. Dealings in the Bonds shall not commence prior to the Bonds being admitted to the Official List of the Malta Stock Exchange. Within five (5) Business Days from closing of the Offer Period, the Issuer shall announce the results of the Bond Issue and shall determine and announce the basis of acceptance of Applications and the allocation policy to be adopted through a company announcement.

It is expected that the total expense of the issue will amount to €300,000.

4.2 Why is this Prospectus being produced?

4.2.1 Use of proceeds

The net proceeds from the Bond Issue, are expected to amount to approximately €12,700,000. Said proceeds will be utilised for the development of the project as follows:

- (a) *Circa* €500,000 for the acquisition of one additional pharmacy licence which management is already in advanced discussion thereon;
- (b) *Circa* €1,400,000 for capital expenditure purposes in order to (i) renovate the pharmacies that have already been acquired and rebrand same under the 'Brown's' brand; and (ii) invest in additional health services equipment such as laser hair removal machinery;
- (c) *Circa* €4,000,000 for acquisitions of additional pharmacy licences, to refurbish and equip pharmacies and to invest in or fund other capital projects of the Group, provided that:
 - i. future acquisitions of additional pharmacy licences shall not exceed €3,000,000; and
 - ii. refurbishment of pharmacies shall not exceed €1,000,000;
- (d) *Circa* €5,500,000 to refinance existing debt with BNF Bank plc, which loans consist of advances to finance the acquisition of new pharmacy licences and the refurbishing of the respective properties; and
- (e) *Circa* €1,300,000 for general corporate funding purposes.

Bond issue expenses for a total of *circa* €300,000 will consist of:

- a. Placement fees of €130,000; and
- b. Professional, MSE, regulatory and other ancillary fees of €170,000.

The amount of €4,000,000 earmarked for the purposes indicated in (c) above shall be held by the Trustee and will be drawn down against the presentation of agreements, requests for payment and/or invoices, in accordance with the provisions of the Trust Deed. In terms of the Prospectus and the Trust Deed, the Trustee shall not release any of the said Bond Issue proceeds (after receiving same from the Registrar), except for payments related to the purposes indicated in (c) above.

The Bonds are not subject to an underwriting agreement.

4.2.2 Conflicts of interest

Without prejudice to the potential conflicts of interest of Directors and save for the subscription for Bonds by the Authorised Financial Intermediaries (which include the Sponsor), and any fees payable in connection with the Bond Issue to the Sponsor, Manager & Registrar, so far as the Issuer is aware, no person involved in the Bond Issue has an interest material to the Bond Issue.