

The Directors

Brown's Pharma Holdings p.l.c.

Brown's Pharmacies

Triq l-Industrija

Qormi

Malta

Re: Financial Analysis Summary – 2026

30 June 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 Brown's Pharma Holdings p.l.c. (the “**Issuer**”). The data is derived from various sources, or is based on our own computations as follows:

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

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



Brown's Pharma Holdings p.l.c.

30 June 2026

**Prepared by Calamatta Cuschieri
Investment Services Limited**

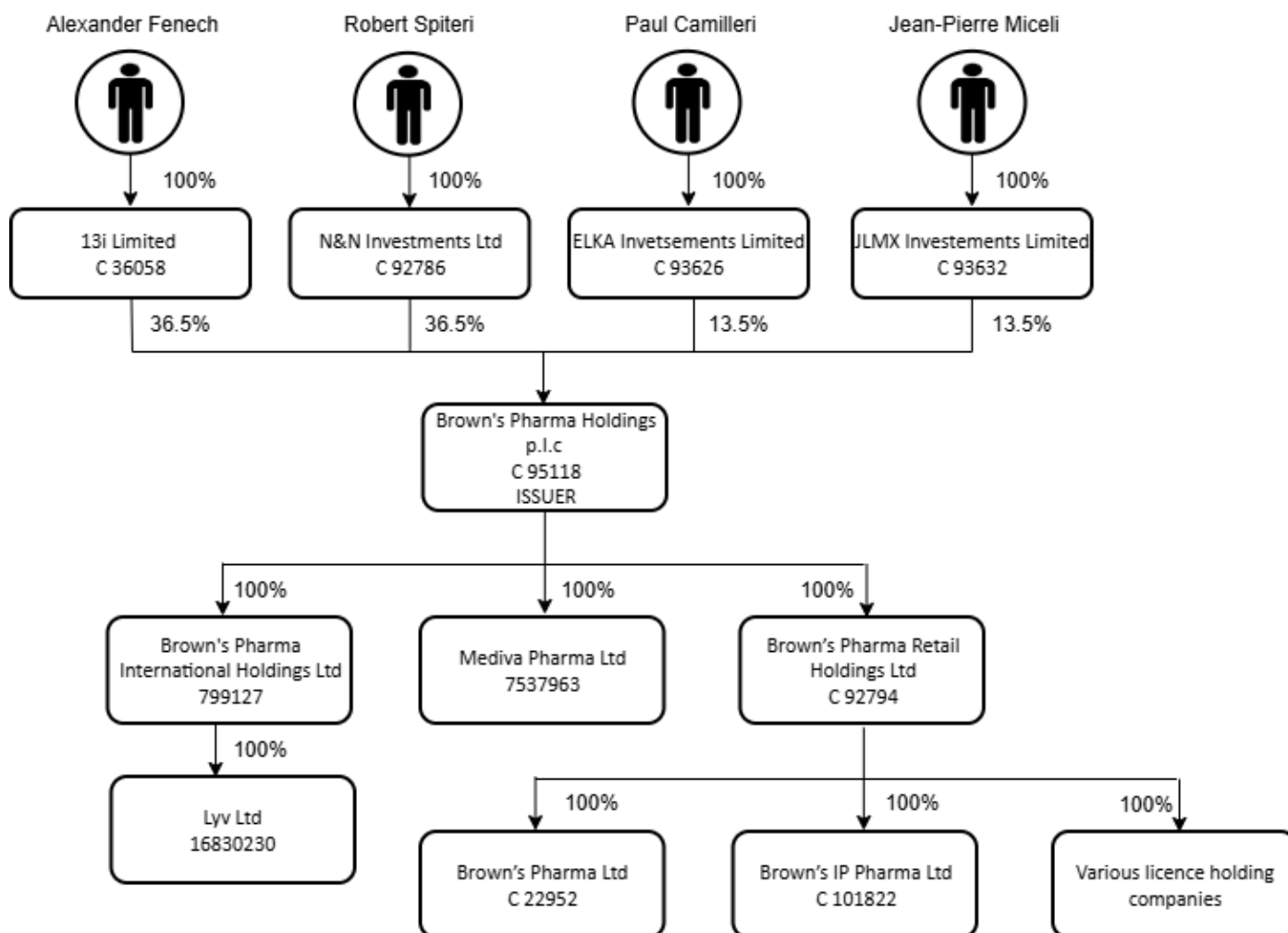
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Part 1 Information about the Group

1.1 Issuer and Group's Subsidiaries Key Activities and Structure

The Group structure is as follows:



The “**Group**” of companies (or the “**Brown’s Group**”) consists of Brown’s Pharma Holdings p.l.c. (the “**Issuer**” or “**BPHP**”), acting as the holding company, and its subsidiaries; Brown’s Pharma International Holdings Ltd (“**BPIHL**”), Mediva Pharma Limited (“**Mediva**”) and Brown’s Pharma Retail Holdings Limited (“**BPRHL**”) (previously JP Pharma Retail Holdings Limited along with its subsidiaries Brown’s Pharma Limited, Brown’s Pharma IP Limited and various licence holding companies. The ultimate beneficial owners of the Issuer are Robert Spiteri, who owns 36.5% of the Group through N&N Investments Ltd, Alexander Fenech, who owns 36.5% of the Group through 13i Limited, together with Paul Camilleri and Jean-Pierre Miceli who both own 13.5% of the Group each through ELKA Investments Limited and JLMX Investments Limited, respectively.

The Issuer was incorporated on 5 March 2020 to act as the holding company of the Brown’s Group following the acquisition of Brown’s Pharma Retail Holdings Limited by the Brown’s Group. As such, BPHP has no trading or operating activities of its own and its principal activity is to hold shares in four subsidiary companies. BPHP is also the Issuer of the Group’s outstanding bonds as per prospectus dated 10 June 2021. The Issuer has an authorised and issued share capital of €20,086,186 divided into 14,662,916 ordinary A shares of €1 each, and 5,423,270 ordinary B shares of €1 each, all fully paid up. The shareholding of BPHP is split between four companies; 13i Limited and N&N Investments Ltd which hold, equally amongst them, 14,662,916 ordinary A shares of €1 each, all of which are fully paid up, and ELKA Investments Limited and JLMX Investments Limited which

hold, equally amongst them, 5,423,270 ordinary B shares of €1 each, all of which are also fully paid up.

Brown's Pharma Limited ("**BPL**") was incorporated on 20 May 1998 and was set up by Robert Spiteri and Alexander Fenech. BPL is the operating company of the Group and is responsible for all operational aspects of the individual pharmacies and the head office. The head office function was set up to support the expanding network of pharmacies which allowed the Brown's Group to leverage economies of scale through centralised administration, purchases, finance and recruitment. BPL has an authorised share capital of €465,874.60 made up of 200,000 ordinary shares of €2.329373 each. Its issued share capital is of €400,232.87 made up of 171,820 ordinary shares of €2.329373 each, all fully paid up.

JP Pharma Retail Holdings Limited (now Brown's Pharma Retail Holdings Limited following a name change) was incorporated on 5 August 2019 to take ownership of JP Pharma licences. Following the acquisition of BPRHL by the Brown's Group (hereinafter referred to as the "**JP Transaction**"), BPRHL is now the licence holding company of the Brown's Group. Through such transaction, the operation of the JP Pharmacies were transferred to BPL and operated by the Brown's Group management team as from 1 January 2020. On the other hand, the individual Brown's pharmacy licences previously held by BPL, were transferred to BPRHL such that all the pharmacy licences of the Group are now owned through BPRHL.

As part of the JP Transaction, Paul Camilleri and Jean-Pierre Miceli contributed their shares in BPRHL, which owns the JP pharmacy licences, to the Issuer in exchange for their 27% shareholding in the Group.

The Issuer was then set up in March 2020, reflecting the agreed shareholding split for the Brown's Group. The Issuer finalised the acquisition of BPL and BPRHL on 28 October 2020, which balance was settled through the issue of new shares by the Issuer to the shareholders in their same ownership proportion.

Brown's Pharma IP Limited ("**BPIP**") was incorporated on 23 March 2022 to act as the holding company for the Group's intellectual property. In 2022, BPL transferred all its intellectual property to BPIP for a consideration of €6.3m, generating a profit on disposal of €6.1m, which transaction has been reversed upon consolidation. BPIP has an

authorised and issued share capital of 1,200 ordinary shares of €1 each, all fully paid up.

On 1 January 2023, the Group acquired Mediva Pharma Limited, a company registered in the United Kingdom and which was previously jointly owned by 13i Limited and N&N Investments Ltd. Mediva currently operates an aesthetic pharmacy in the United Kingdom and was acquired to be the foundation upon which the Group's internationalisation strategy will be built.

More recently, during 2025, the Issuer transferred its 100% investment in BPL and BPIP to its wholly-owned and newly named subsidiary BPRHL for Nil consideration to streamline the group structure.

BPIHL was incorporated on 9 October 2025 in Ireland as a wholly owned subsidiary and is the owner of Lyv Ltd, a company registered in the United Kingdom. Lyv Ltd will operate the Lyv Pharmacy/Mediva direct-to-consumer offering.

Through its network of pharmacies, the Brown's Group sells both prescription and over the counter pharmaceuticals along with allied health and beauty products and services.

1.2 Directors and Key Employees

Board of Directors - Issuer

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

Name	Designation
Mr David Camilleri	Chairman and independent non-executive Director
Mr Alexander Fenech	Executive Director
Mr Paul Camilleri	Non-executive Director
Mr Jean-Pierre Miceli	Non-executive Director
Mr Robert Spiteri	Non-executive Director
Ms Jacqueline Camilleri	Independent non-executive director
Ms Maria Therese Vella	Independent non-executive director
Mr Mark Grech	Independent non-executive director

Alexander Fenech is the only executive director. Paul Camilleri, Jean-Pierre Miceli, and Robert Spiteri are non-executive directors. The other four directors, Jacqueline Camilleri, Maria Therese Vella, Mark Grech and David Camilleri, who is also the chairman of the Brown's Group,

serve on the Board of the Issuer in an independent non-executive capacity. This structure reflects the resignations of Benjamin Muscat and Joseph Caruana on 1 July 2025 (replaced by Jacqueline Camilleri and Maria Therese Vella)

The business address of all the directors is the registered office of the Issuer which is situated at Q3, Level 2, Unit 1, Quad Central, Triq l'Esportaturi, Central Business District, Birkirkara, CBD1010, Malta. Dr Jean C. Farrugia is the company secretary of the Issuer.

While the Issuer has no employees of its own, the Brown's Group had *circa* 226 employees as at year end 2025. All employees within the Brown's Group are employed by BPL.

1.3 Major Assets owned by the Group

As identified in section 1.1 above, the main assets of the Group are the pharmacy licences owned through the

individual licence holding companies held under BPRHL. To note that, as per the Medicines Act, Chapter 458 of the Laws of Malta Article 3, pharmacy licences are issued by the Superintendent of Public Health. Following numerous acquisitions, the Brown's Group operates at present, a pharmacy network of 29 pharmacies spanning 20 different localities in Malta. 27 pharmacy licences are owned by the Group, while the other 2 are operated under management agreements with third parties retaining ownership of the pharmacy licence.

Out of the 29 pharmacies in operation, five of these licences were acquired through the JP Transaction. The table presented below demonstrates a detailed analysis of the Group's pharmacy network.

Licence Holding Company	Locality	Licence	Type of Lease
Brown's Pharmacy Fleur-De-Lys Ltd.	Fleur-De-Lys	Owned by the Group	Related party leases
Brown's Pharmacy Hamrun Ltd.	Hamrun	Owned by the Group	Related party leases
Brown's Pharmacy Kalkara Ltd.	Kalkara	Owned by the Group	Related party leases
Brown's Pharmacy M1 Ltd.	Mellieha	Owned by the Group	Related party leases
Brown's Pharmacy M2 Ltd.	Mellieha Village	Owned by the Group	Related party leases
Brown's Pharmacy Paola Ltd.	Paola	Owned by the Group	Related party leases
Brown's Pharmacy Pieta Ltd.	Pieta	Owned by the Group	Related party leases
Brown's Pharmacy Qormi Ltd.	Qormi	Owned by the Group	Related party leases
Brown's Pharmacy Rahal Gdid Ltd.	Rahal Gdid	Owned by the Group	Related party leases
Brown's Pharmacy Sliema Ltd.	Sliema	Owned by the Group	Third party leases
Brown's Pharmacy Zebbug Ltd.	Zebbug	Owned by the Group	Related party leases
JP Pharma San Gwann Ltd	San Gwann 1 - Mensija	Owned by the Group	Related party leases
JP Pharma Iklin Ltd	Iklin	Owned by the Group	Related party leases
JP Pharma Naxxar Ltd	Naxxar 1	Owned by the Group	Related party leases
JP Pharma B'kara Ltd	Birkirkara 2	Owned by the Group	Related party leases
JP Pharma St Julians Ltd	St Julians (Spinola)	Owned by the Group	Related party leases
Brown's Grognet Pharmacy Ltd	Mosta 1	Owned by the Group	Related party leases
Brown's St Louis Pharmacy Ltd	Mosta 2	Owned by the Group	Related party leases
Operating Licence Agreement	Naxxar 2	Managed	Related party leases
Brown's Medical Plaza Ltd	San Gwann 2	Owned by the Group	Third party leases
Brown's SM Ltd	Attard	Owned by the Group	Third party leases
Brown's Victor Pharmacy Ltd	Sliema 2	Owned by the Group	Third party leases
Brown's Skyparks Pharmacy	Luqa	Managed	Third party leases
Brown's Quad Pharmacy Ltd	Birkirkara 3	Owned by the Group	Third party leases
Mayer Pharmacy	Msida	Owned by the Group	Third party leases
Brown's Pharmacy St Andrews Ltd	Swieqi	Owned by the Group	Third party leases
Brown's Pharmacy San Pawl Ltd	San Pawl il-Bahar	Owned by the Group	Third party leases
Brown's Pharmacy San Bastjan Ltd	Qormi 2	Owned by the Group	Related party leases
Brown's Pinto Pharmacy Ltd	Qormi 3	Owned by the Group	Third party leases

1.4 Operational Developments

The Group delivered exceptionally strong results in 2025, a transformative year characterized by a surge in revenue from Mediva that underpins the success of the Group's internationalisation strategy characterized by a 50.0% surge in revenue and a 62.3% increase in operating profit. This trajectory was driven by sustained momentum within the Group's Maltese retail network and the successful scaling of Mediva, which transitioned from its start-up loss-making phase into a significant revenue driver. Furthermore, cost discipline ensured that expanding volumes translated into meaningful operating leverage, significantly enhancing the bottom line.

Mediva also significantly accelerated its technology roadmap during the year and had by year-end neared completion of OxygenRx, the firm's proprietary B2B stack for ordering, compliance, and fulfilment. The Group, through Lyv Ltd also progressed its direct-to-consumer strategy. Together, these platforms represent a fundamental shift in Mediva's operational DNA, moving the business away from a third-party fulfilment model and towards direct, high-value relationships with its customers.

Part 2 Historical Performance and Forecasts

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

The projected financial information relates to events in the future and are based on assumptions which the Group 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 Consolidated Statement of Comprehensive Income

Income Statement	FY2023R	FY2024A	FY2025A	FY2026P
	€'000s	€'000s	€'000s	€'000s
Revenue	38,343	50,059	75,053	55,434
Cost of sales	(24,704)	(33,884)	(54,467)	(37,592)
Gross profit	13,639	16,175	20,586	17,842
Selling, distribution and administrative expenses	(8,522)	10,274)	(11,717)	(12,624)
Contribution	5,117	5,901	8,869	5,218
Other income	250	344	209	-
EBITDA	5,367	6,245	9,078	5,218
Depreciation and amortisation	(1,339)	(1,614)	(1,563)	(1,433)
EBIT	4,028	4,631	7,515	3,785
Finance costs	(1,187)	(1,406)	(1,430)	(1,318)
Finance income	16	146	125	113
Amortisation of bond issue costs	(27)	(27)	(28)	(27)
Profit before tax	2,830	3,344	6,182	2,553
Income tax charge	(1,259)	(1,136)	(2,145)	(1,041)
Net income	1,571	2,208	4,037	1,512
Other comprehensive income	-	10,981	-	-
Total Comprehensive income	1,571	13,189	4,037	1,512

Ratio Analysis	FY 2023R	FY 2024A	FY 2025A	FY 2026P
Profitability				
Growth in Revenue (YoY Revenue Growth)	16.4%	30.6%	49.9%	-26.1%
Gross Profit Margin (Gross Profit/ Revenue)	35.6%	32.3%	27.4%	32.2%
Contribution Margin (Contribution/ Revenue)	13.3%	11.8%	11.8%	9.4%
EBITDA Margin (EBITDA / Revenue)	14.0%	12.5%	12.1%	9.4%
Operating (EBIT) Margin (EBIT / Revenue)	10.5%	9.3%	10.0%	6.8%
Net Margin (Profit for the year / Revenue)	4.1%	4.4%	5.4%	2.7%
Return on Common Equity (Net Income / Average Equity)	5.7%	6.8%	10.3%	3.7%
Return on Assets (Net Income / Average Assets)	2.0%	2.5%	4.0%	1.5%

In FY25, revenue increased significantly by 49.9% year-over-year, reaching €75.1m (FY24: €50.1m). This growth continues the strong momentum seen in prior years and was primarily driven by a surge in revenue coming from wholesale sales which reached €30.5m (FY24: €7.7m) and was mainly related to Mediva. Management is projecting revenue to decrease to €55.4m in FY26 mainly due to a

slower start to the year at Mediva as the business moves away from third-party fulfilment and begins selling directly to its customers. The Malta retail business, on the other hand, is expected to continue on its organic growth path, with both average spend and footfall expected to increase. This is expected to lead to a short-term revenue drag before driving a return to growth at structurally higher margins.

Cost of sales increased to €54.5m (FY24: €33.9m) resulting in a lower gross profit margin of 27.4% (FY24: 32.3%). The contraction reflects an intentional shift in product mix since Mediva's B2B wholesale revenue carries a structurally lower gross margin than the Malta retail business, and its share of Group revenue has increased materially.

Selling, distribution and administrative (S&A) expenses rose to €11.7m (FY24: €10.3m), mainly reflecting significantly higher, market-driven wages and salaries. Despite this, year-on-year profitability margins were supported by revenue growth that outpaced the increase in S&A expenses. This led to a contribution margin of 11.8%. For FY26, management expects S&A expenses to increase to €12.6m resulting in a contribution margin of 9.4%.

Other income decreased modestly to €209k (FY24: €344k), and EBITDA rose to €9.1m (FY24: €6.3m), largely because of the increased revenue base. Depreciation and amortisation remained relatively stable at €1.6m and is forecast to decrease to €1.4m in FY26.

Finance costs came in at €1.4m and were mainly made up of €507k in bond interest, €660k in least liability interest and €243k in bank loan interest. Finance income decreased slightly to €125k (FY24: €146k), mainly due to lower interest received from an investment made in debt instruments. These are both expected to remain relatively stable in FY26 with finance costs coming in slightly lower at €1.3m.

Profit before tax climbed to €6.2m (FY24: €3.3m), with a corresponding income tax charge of €2.2m (FY24: €1.1m). For FY26, management forecasts profit before tax to come down to €2.6m, mainly driven by the lower revenue base. After tax payments, the Group achieved net income of €4.0m (FY24: €2.2m), reflecting an 82.8% increase year-on-year. Consequently, the net margin improved to 5.4% (FY24: 4.4%).

Return on equity improved to 10.3% (FY24: 6.8%), while return on assets increased to 4.0% (FY24: 2.5%), demonstrating more efficient use of the asset base. Return on equity and return on assets are both expected to decrease to 3.7% and 1.5% respectively.

2.1.1 Variance Analysis

Income Statement	FY2025A	FY2025P	Variance
	€'000s	€'000s	€'000s
Revenue	75,053	61,860	13,193
Cost of sales	(54,467)	(42,693)	(11,774)
Gross profit	20,586	19,167	1,419
Selling, distribution and administrative expenses	(11,717)	(10,493)	(1,224)
Contribution	8,869	8,674	195
Other income	209	-	209
EBITDA	9,078	8,674	404
Depreciation and amortisation	(1,563)	(1,562)	(1)
EBIT	7,515	7,112	403
Finance costs	(1,430)	(1,407)	(23)
Finance income	125	110	15
Amortisation of bond issue costs	(28)	(27)	(1)
Profit before tax	6,182	5,788	394
Income tax charge	(2,145)	(1,847)	(298)
Net income	4,037	3,941	96

For the year ended 31 December 2025, the Group reported consolidated revenue of €75.1m and profit after tax of €4.0m. This compares to projected revenue of €61.9m and projected net income of €3.9m. Accordingly, actual revenue exceeded the projected amount by €13.2m, equivalent to 21.3%, while profit after tax exceeded the projected amount by €0.1m, equivalent to 2.4%.

The positive revenue variance was principally attributable to higher-than-projected activity levels across the Group. This reflected continued growth within the Malta retail operations, increased contribution from Mediva Pharma Limited, and higher sales volumes generated during the year. The more limited variance at profit after tax level reflects the impact of the Group's cost structure and revenue mix. In particular, the increase in revenue included a greater

contribution from lower-margin wholesale activity, which resulted in a reduction in the Group's gross margin when compared to the prior year. This was partly offset by operating leverage, as the Group's operating profit increased at a higher rate than revenue. However, the benefit of the higher revenue base was moderated by increased cost of sales, operating expenses, depreciation and amortisation, finance costs and taxation.

Notwithstanding these cost and margin effects, the Group's actual profit after tax remained ahead of the projected amount for 2025. Overall, the variance is reflective of a year of stronger-than-projected trading activity, supported by revenue growth across the Group's operating base and improved absorption of fixed operating costs as volumes increased.

2.2 Issuer's Consolidated Statement of Financial Position

Statement of Financial Position	FY2023R	FY2024A	FY2025A	FY2026P
	€'000s	€'000s	€'000s	€'000s
Assets				
Non-current assets				
Intangible assets	46,205	68,155	68,194	68,162
Goodwill	3,945	3,946	3,946	3,946
Property, plant and equipment	2,838	3,095	3,057	2,707
Right of use assets	9,685	10,340	10,817	9,962
Investments in financial assets	150	-	-	-
Deferred tax asset	-	378	-	-
Total non-current assets	62,823	85,914	86,014	84,777
Current assets				
Investments in financial assets	1,000	1,150	650	2,150
Inventories	3,545	4,187	4,553	4,356
Trade and other receivables	5,824	5,818	5,772	5,262
Current tax asset	174	95	-	95
Cash in hand and at bank	2,905	2,561	5,988	5,298
Total current assets	13,448	13,811	16,963	17,161
Total assets	76,271	99,725	102,977	101,938
Equity				
Share capital	20,086	20,086	20,086	20,086
Retained earnings	843	1,251	3,670	4,123
Revaluation Reserve	5,869	16,850	16,850	16,850
Translation Reserve	(4)	(23)	(20)	(44)
Total equity	26,794	38,164	40,586	41,015
Liabilities				
Non-current liabilities				
Interest-bearing borrowings	15,011	17,287	16,618	15,827
Deferred taxation	14,055	20,716	20,660	20,660
Lease liabilities	9,471	10,238	10,988	10,430
Total non-current liabilities	38,537	48,241	48,266	46,917
Current liabilities				
Interest-bearing borrowings	186	531	628	878
Trade and other payables	10,193	12,114	11,541	12,444
Lease liabilities	561	675	721	684
Current taxation	-	-	1,235	-
Total current liabilities	10,940	13,320	14,125	14,006
Total liabilities	49,477	61,561	62,391	60,923
Total equity and liabilities	76,271	99,725	102,977	101,938

Ratio Analysis	FY 2023R	FY 2024A	FY 2025A	FY 2025P
Financial Strength				
Gearing 1 (Net Debt / Net Debt and Total Equity)	45.4%	40.7%	36.1%	35.4%
Gearing 2 (Total Liabilities / Total Assets)	64.9%	61.7%	60.6%	59.8%
Gearing 3 (Net Debt / Total Equity)	83.3%	68.6%	56.6%	54.9%
Net Debt / EBITDA	4.2x	4.2x	2.5x	4.3x
Current Ratio (Current Assets / Current Liabilities)	1.2x	1.0x	1.2x	1.2x
Quick Ratio (Current Assets - Inventory / Current Liabilities)	0.9x	0.7x	0.9x	0.9x
Interest Coverage level 1 (EBITDA / Cash interest paid)	10.6x	12.3x	17.9x	10.3x
Interest Coverage level 2 (EBITDA / finance costs)	4.5x	4.4x	6.3x	4.0x

As at year end FY25, total assets increased to €103.0m (FY24: €99.7m), mainly due to higher current assets in the form of cash in hand and at bank which reached €6.0m up from €2.6m in FY24. Intangible assets remained stable at €68.2m and continue to account for the largest portion of the Group's asset base approximately 66% of total assets (FY24: 68%). Intangible assets primarily reflect the market value of pharmacy licences held across Group subsidiaries.

Goodwill and property, plant and equipment (PPE) remained stable at €3.9m and €3.1m. Right-of-use assets increased slightly to €10.8m (FY24: €10.3m). As a result, total non-current assets totalled €86.0m similar to levels seen in FY24. Management is forecasting total non-current assets of €84.8m in FY26

Current assets increased to €17.0m in FY25 (FY24: €13.8m), with inventories rising to €4.6m (FY24: €4.2m), mainly due to increased goods held for resale which is consistent with greater retail activity across pharmacies. Investments in financial assets decreased slightly and represent €500k in fixed term deposits and €150k invested in an equity instrument. Cash in hand and at bank increased significantly to €6.0m (FY24: €2.6m), and trade and other receivables remained broadly flat at €5.8m.

The Group's current ratio increased to 1.2x (FY24: 1.0x), while the quick ratio increased to 0.9x (FY24: 0.7x), indicating slightly better short-term liquidity. Management expects current assets to increase to €17.2m in FY26 mainly due to higher financial asset investments.

Equity attributable to shareholders rose to €40.6m (FY24: €38.2m), primarily due to a significant increase in retained earnings, which reached €3.7m in FY25 (FY24: €1.3m), following the profit generated in the year. Share capital remained stable at €20.1m. As a result, the Group's gearing

level, measured as net debt over total equity, improved to 56.6% in FY25 (FY24: 68.6%), supported by the stronger equity base and increased cash position. Total equity is forecasted to increase slightly in FY26 and reach €41.0m, mainly through higher retained earnings.

Total liabilities increased slightly to €62.4m (FY24: €61.6m), driven by slightly higher current obligations. Total interest-bearing borrowings decreased to €17.2m (FY24: €17.8m) of which €12.8m related to the bond issued by the Group and €4.3m related to bank loans bearing interest of 2.9%. Non-current lease liabilities increased to €11.0m (FY24: €10.2m). The deferred taxation balance remained flat at €20.7m. Total liabilities are expected to decrease slightly to €60.9m in FY26.

Current liabilities increased slightly to €14.1m (FY24: €13.3m), with trade and other payables decreasing to €11.5m (FY24: €12.1m). Short-term interest-bearing borrowings increased to €628k (FY24: €531k), and lease liabilities edged up to €721k (FY24: €675k). The Group also registered €1.2m in current taxation under its current liabilities.

Despite marginally higher debt levels, the Group's ability to service its obligations remained strong. The interest coverage ratio (EBITDA / cash interest paid) improved to 17.9x (FY24: 12.3x), while the broader EBITDA / finance costs ratio improved to 6.3x (FY24: 4.4x). These metrics reflect healthy operating performance and disciplined financial management, and are expected to remain strong in FY26 albeit slightly lower.

2.3 Issuer's Consolidated Statement of Cash Flows

Statement of Cash Flow	FY2023A	FY2024A	FY2025A	FY2026P
	€'000s	€'000s	€'000s	€'000s
Operating Activities				
Cash generated from/ (used by) operations	6,806	11,320	8,202	5,623
Tax paid	(664)	(758)	(513)	(1,359)
Tax refund received	273	72	-	-
Net cash generated from operating activities	6,415	10,634	7,689	4,264
Investing activities				
Interest received on bank balance	16	1	15	-
Interest received on financial assets	-	145	110	113
Purchase of property, plant and equipment	(712)	(1,084)	(660)	-
Proceeds from disposal of property, plant and equipment	-	10	127	-
Purchase of website costs / computer software	(97)	(96)	(208)	(181)
Purchase of pharmacy licence	(1,515)	(4,476)	-	-
Purchase of investment in financial assets	(1,150)	(304)	(500)	(1,500)
Disposal of investment in financial assets	1,000	304	1,000	-
Net cash used in investing activities	(2,458)	(5,500)	(116)	(1,568)
Financing activities				
(Decrease)/increase in bank borrowings	2,188	2,328	(841)	(570)
Interest paid on debt securities in issue	(507)	(507)	(507)	(507)
Interest paid to third parties	(8)	(8)	(8)	(8)
Net movements in amount held by Trustee	58	-	-	-
Net movement in ultimate parent companies (net of dividend declared)	(1,099)	(2,058)	(1,488)	(1,058)
Net movement in related party balances	(3,267)	(3,950)	(18)	-
Principal payments of lease liabilities	(1,075)	(1,258)	(1,315)	(1,243)
Net cash generated from financing activities	(3,710)	(5,453)	(4,177)	(3,386)
Net movement of assets and liabilities taken over upon consolidation	120	-	-	-
Effect of foreign exchange rate changes	6	(25)	31	
Movement in cash and cash equivalents	373	(344)	3,427	(690)
Cash and cash equivalents at start of year	2,532	2,905	2,561	5,988
Cash and cash equivalents at end of year	2,905	2,561	5,988	5,298

Ratio Analysis	FY 2023R	FY 2024A	FY 2025A	FY 2026P
Cash Flow	€'000s	€'000s	€'000s	€'000s
Free Cash Flow (Net cash from operations + Interest - Capex)	€4,091	€4,988	€6,948	€4,083

The Group continued to generate robust cash flows from operating activities, with net cash from operations coming in at €7.7m in FY25 (FY24: €10.6m), with tax payments of €513k (FY24: €758k). Free cash flow, calculated as net cash from

operations minus capital expenditure, also rose markedly to €6.9m in FY25 (FY24: €5.0m), reflecting the Group's stronger operational efficiency. For FY26, management is forecasting operating cash flows of €4.3m.

Cash flows from investing activities resulted in minimal net outflow of €116k. This was made up of €1.0m in proceeds received from the disposal of an investment in financial assets, with €660k being spent on PPE and €500k invested in further financial investments. For FY26, the Group anticipates lower activity in the investing section with the most major activity being further investments into financial assets of €1.5m resulting in a net outflow of €1.6m.

Financing activities resulted in a net cash outflow of €4.2m in FY25 (FY24: €5.5m outflow). This reflected a €841k repayment of bank borrowings, €1.5m in shareholder loan

repayments, €1.3m in lease principal repayments and €507k in interest paid. Management expects financing outflows in FY26 to amount to €3.4m.

The net movement in cash and cash equivalents was strongly positive at €3.4m in FY25 (FY24: negative €344k). As a result, the cash balance at year-end stood at €6.0m (FY24: €2.6m). The Group remains adequately liquid, supported by its strong free cash flow generation. For FY26, management is forecasting a negative movement in cash of €690k leading to a closing cash balance of €5.3m.

Part 3 Key Market and Competitor Data

3.1 Economic Update¹

Economic activity in Malta continues to show solid momentum. The Bank's Business Conditions Index indicates that in May, annual growth in business activity edged slightly upwards and remained above its long-term average. Manufacturing and retail trade increased in April, as did services production in March. In April, tourism activity continued to perform well. As from May, the European Commission suspended business survey results for Malta (and Estonia), due to changes in partner institutes. Consequently, the Economic Sentiment Indicator, the Employment Expectations Indicator and the Economic Uncertainty Indicator are not available.

However, the consumer sentiment indicator remains available, and it improved significantly in May. Overall, conditions in the property market remain strong. In May, approved commercial permits increased compared with a year earlier. On the demand side, both the number of residential promise-of-sale agreements and the number of final deeds of sale decreased in May, compared with a year earlier. In May, unemployment expectations as published by the European Commission rose to stand above their historical average. The unemployment rate increased slightly to 3.6% in April, and stood above the previous month's rate and the rate recorded in the same month a year earlier. Malta's inflation rate declined in May and stood well below that in the euro area.

The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) declined to 2.1% in May, while HICP inflation excluding food and energy fell marginally to 2.3%. Across the euro area, HICP inflation was higher than that in Malta due to the increase in energy inflation in the euro area. In May, inflation based on the Retail Price Index (RPI) decreased. In April, the Consolidated Fund reported a surplus compared with a deficit recorded a year earlier, due to an increase in government revenue which outweighed an increase in government expenditure. The annual rate of change of Maltese residents' deposits decelerated when compared with March, while annual credit growth was unchanged.

3.2 Economic Predictions²

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 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

¹ Central Bank of Malta – Economic update – 6/2026

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

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.

3.3 The Retail Pharmacy Industry³

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 several 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.

⁴Populations have been ageing faster in recent years based on the old-age to working-age ratio. 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 OECD countries. Over the next 30 years, it is expected to reach 55 per 100 people of working age.

This data 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.

3.4 The Local Retail Pharmacy Industry⁵

Locally, the latest revised demographic statistics also show that the population in Malta is ageing considerably. As at July 2025, the population aged 65 years or over amounted to 18.4% of the total population.

The population increase in 2024 was mainly dependent on the total net migration (immigration less emigration) of 10,614 persons. Life expectancy has also increased throughout the years, with the average life expectancy for those born in 2022 standing at 82.9 years, an increase of 1.9 years when compared to 12 years ago.

On the same note, according to the '2024 Ageing Report'⁶ prepared by the European Commission and the Economic 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.

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

⁴ <https://www.oecd.org/>

⁵ <https://nso.gov.mt/world-population-day-11-july-2025/>

⁶ https://commission.europa.eu/index_en

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 Malta⁷.

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.

3.5 Comparative Analysis

The purpose of the following table is to compare the debt issuance of the Group to other debt instruments. 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 similar maturity to the Issuer. One must note that, given the material differences in profiles and industries, the risks associated with the Group's business and that of other issuers is therefore different.

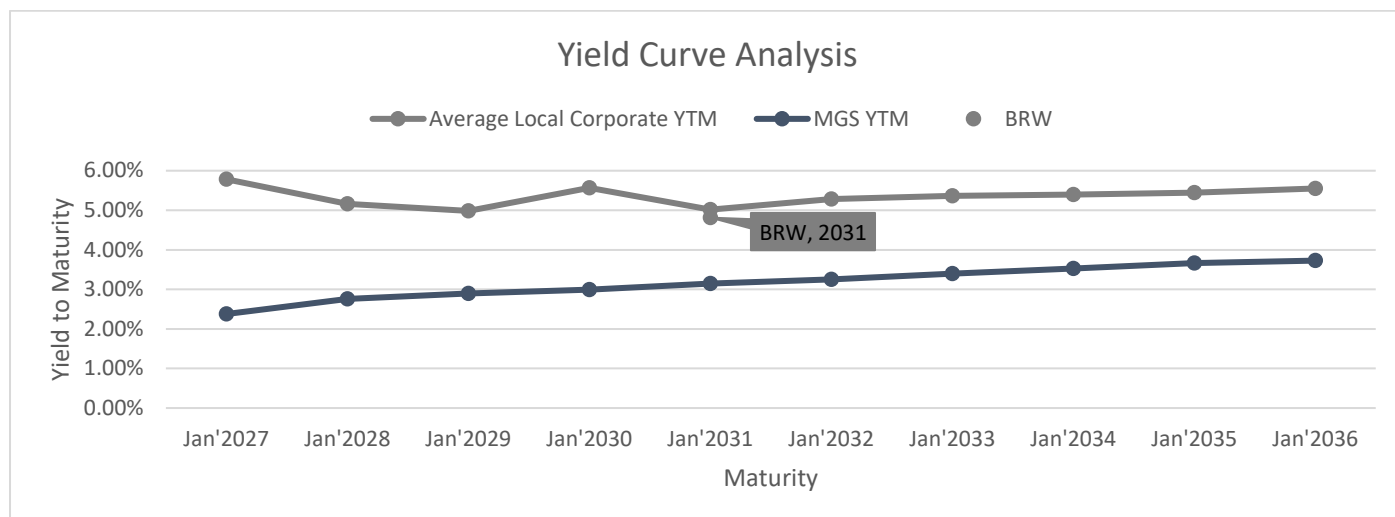
⁷ Malta Medicines Authority

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)	(%)	(%)	(%)
4.25% Mercury Projects Finance plc Secured € 2031	11,000	4.86%	1.0x	281.8	66.5	76.4%	71.9%	42.6x	0.7x	-21.8%	-57.8%	154.0%
4.65% Smartcare Finance plc Secured € 2031	13,000	4.69%	3.9x	57.6	18.2	68.4%	54.7%	5.7x	2.1x	12.8%	19.0%	121.9%
3.5% GO plc Unsecured € 2031	60,000	4.62%	15.0x	469.9	88.9	81.1%	70.9%	2.4x	0.6x	23.2%	8.1%	3.9%
3.9% Browns Pharma Holdings plc Unsec Call € 2027-2031	13,000	4.81%	6.3x	103.0	40.6	60.6%	36.1%	2.5x	1.2x	9.9%	5.4%	49.9%
3.65% Mizzi Organisation Finance plc Unsecured € 2028-2031	45,000	4.57%	5.2x	419.9	202.0	51.9%	34.0%	4.3x	1.0x	3.3%	2.9%	-0.7%
3.65% IHI plc Unsecured € 2031	80,000	5.61%	5.9x	116.5	64.1	44.9%	30.8%	4.7x	0.3x	4.5%	9.9%	7.3%
5.4% Excel Finance plc € Secured 2031	50,000	5.77%	0.5x	97.8	38.8	60.3%	56.1%	37.0x	2.7x	0.8%	8.6%	937.0%
Average*		5.02%										

Source: Latest available audited financial statements

Last price as 26/06/2026

* Average figures do not capture the yield on the debt issuance of Brown's Pharma Holdings p.l.c.



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 of the 3.9 % Brown's Pharma Holdings plc bond.

As at 26 June 2026, the average spread over the Malta Government Stocks (MGS) for comparable issuers with a

maturity of 5 years was 188 basis points. The 3.9% Brown's Pharma Holdings plc 2027-2031 bond is currently trading at a YTM of 481 basis points, meaning a spread of 167 basis points over the equivalent MGS, and therefore at a discount of 21 basis points to the average on the market.

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 differ to that of other issuers.

Part 4 Glossary and Definitions

<i>Income Statement</i>	
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.
EBIT (Operating Profit)	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.
Profit After Taxation	The profit made by the Group/Company during the financial year net of any income taxes incurred.

<i>Profitability Ratios</i>	
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).

<i>Cash Flow Statement</i>	
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.

<i>Balance Sheet</i>	
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.
Current Liabilities	Obligations which are due within 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.

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	The interest coverage ratio is calculated by dividing EBITDA of one period by cash interest paid 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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