

This Registration Document 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

REGISTRATION DOCUMENT

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 I-Industrija, Qormi, Malta

Sponsor, Manager & Registrar

Legal Counsel



THIS REGISTRATION DOCUMENT HAS BEEN APPROVED BY THE LISTING AUTHORITY, AS COMPETENT AUTHORITY UNDER REGULATION (EU) 2017/1129. THE LISTING AUTHORITY ONLY APPROVES THIS PROSPECTUS 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 THAT IS THE SUBJECT OF THIS REGISTRATION DOCUMENT.

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE BONDS AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENT IS IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT.

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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

IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONSTITUTES PART OF A PROSPECTUS AND CONTAINS INFORMATION IN RELATION TO BROWN'S PHARMA HOLDINGS PLC IN ITS CAPACITY AS ISSUER. THIS DOCUMENT INCLUDES INFORMATION GIVEN IN COMPLIANCE WITH: (A) THE COMPANIES ACT, (CHAPTER 386 OF THE LAWS OF MALTA) AND 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 (THE 'REGULATION'); AND (B) THE RULES AND REGULATIONS APPLICABLE TO THE ADMISSION OF SECURITIES ON THE OFFICIAL LIST OF THE MSE.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF BONDS OF THE ISSUER OTHER THAN THOSE CONTAINED IN THE PROSPECTUS AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHROSIED BY THE ISSUER, ITS DIRECTORS, OR ADVISERS.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT AND ANY PERSON WISHING TO APPLY FOR ANY BONDS ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY BONDS THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH BONDS AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE. A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY AND THE MSE, AND HAS BEEN DULY FILED WITH THE MALTA BUSINESS REGISTRY. APPLICATION HAS BEEN MADE TO THE MSE FOR THE BONDS TO BE ADMITTED TO THE OFFICIAL LIST OF THE MSE. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISER.

THIS DOCUMENT AND ALL AGREEMENTS, ACCEPTANCES AND CONTRACTS RESULTING THEREFROM SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF MALTA, AND ANY PERSON ACQUIRING ANY BONDS PURSUANT TO THE PROSPECTUS SHALL SUBMIT TO THE JURISDICTION OF THE MALTESE COURTS, WITHOUT LIMITING IN ANY MANNER THE RIGHT OF THE ISSUER TO BRING ANY ACTION, SUIT OR PROCEEDING, IN ANY OTHER COMPETENT JURISDICTION, ARISING OUT OF OR IN CONNECTION WITH ANY PURCHASE OF BONDS, OR AGREEMENT, ACCEPTANCE OR CONTRACT RESULTING HEREFROM OR THE PROSPECTUS AS A WHOLE.

THIS PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES: BY ANY PERSON IN ANY JURISDICTION IN WHICH: (I) SUCH OFFER OR INVITATION IS NOT AUTHORISED; OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY BONDS MAY NOT BE TAKEN AS AN IMPLICATION THAT (I) THE INFORMATION CONTAINED IN THIS PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

STATEMENTS MADE IN THIS DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THERETO.

THIS PROSPECTUS IS VALID FOR A PERIOD OF TWELVE 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.

ALL THE ADVISERS TO THE ISSUER HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC OFFER AND PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON. NONE OF THE ADVISERS ACCEPT ANY RESPONSIBILITY TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE CONTENTS OF, ANY INFORMATION CONTAINED IN AND THE TRANSACTIONS PROPOSED IN THE PROSPECTUS, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH. THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THIS DOCUMENT. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS. THE DIRECTORS OF THE ISSUER CONFIRM THAT WHERE INFORMATION INCLUDED IN THIS PROSPECTUS HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED, AND AS FAR AS THE DIRECTORS OF THE ISSUER ARE AWARE AND ARE ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS.

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DEFINITIONS

In this Registration Document the following words and expressions shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

Act	the Companies Act (Chapter 386 of the Laws of Malta);
Bondholders or Investors	the holders of the Bonds, and the terms “ Bondholder ” and “ Investor ” shall be construed accordingly;
Bonds or Unsecured Bonds or Securities	the €13,000,000 bonds due 2031 of a nominal value of €100 per bond redeemable at their nominal value on the respective Redemption Date, bearing interest at the rate of 3.9% per annum as set out in the Securities Note. The term “ Bond ”, “ Unsecured Bond ” and “ Security ” shall be respectively construed accordingly;
Bond Issue	the issue of Bonds;
Brown’s Pharma Limited	Brown’s Pharma Limited, a limited liability company incorporated and registered in Malta with company registration number C 22952 and registered address at Brown’s Pharmacies, Triq l-Industrija, Qormi, Malta;
Brown’s Pharma Group or Group	the group of companies comprising of the Issuer as the parent company and the Subsidiaries;
Directors or Board	the directors of the Issuer whose names are set out in section 8.1 of this Registration Document;
Euro or €	the lawful currency of the Republic of Malta and the Eurozone at the time of issue of the Prospectus;
Eurozone	the area consisting of those Member States of the European Union that have adopted the Euro as their currency;
Issuer or Company	Brown’s Pharma Holdings plc, a public limited liability company registered and incorporated in terms of the Act with company registration number C 95118 and having its registered office at Brown’s Pharmacies, Triq l-Industrija, Qormi, Malta;
JP Pharma	JP Pharma Retail Holdings Limited, a limited liability company incorporated and registered in Malta with company registration number C 92794 and registered address at 42-46, Mill Street, Qormi QRM 3105, Malta;
Listing Authority	the Board of Governors of the Malta Financial Services Authority, appointed as Listing Authority for the purposes of the Financial Markets Act (Chapter 345 of the Laws of Malta) by virtue of Legal Notice 1 of 2003;
Listing Rules	the listing rules issued by the Listing Authority, as may be amended from time to time;
Malta Business Registry	the Malta Business Registry established in terms of the Malta Business Registry (Establishment as an Agency) Order, LN 144/2018 as amended;
Malta Stock Exchange or MSE	Malta Stock Exchange plc, as originally constituted in terms of the Financial Markets Act (Chapter 345 of the Laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
Memorandum and Articles	the Memorandum and Articles of Association of the Issuer drawn up in terms of the Act and registered with the Malta Business Registry;

MFSA	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Chapter 330 of the Laws of Malta);
Official List	the list prepared and published by the MSE in terms of its Bye-Laws, containing information of all listed securities, together with such other information as the MSE may consider appropriate to include therein;
Prospectus	collectively, the Summary, this Registration Document and the Securities Note;
Redemption Date	9 July 2031, being the date on which the Bonds shall be redeemed in terms of the Prospectus, unless earlier redeemed, purchased or cancelled;
Registrar of Companies	the Registrar of Companies in Malta appointed in terms of the Act;
Registration Document	this document in its entirety;
Regulation	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;
Securities Note	the securities note issued by the Issuer dated 10 June 2021, forming part of the Prospectus;
Sponsor, Manager & Registrar or Sponsor or Manager or Registrar	Calamatta Cuschieri Investment Services Limited, an authorised financial intermediary licensed by the MFSA and a member of the MSE, bearing registration number C 13729 and having its registered office at Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta;
Subsidiaries	each of Brown's Pharma Limited, JP Pharma and their respective subsidiaries;
Summary	the summary issued by the Issuer dated 10 June 2021, forming part of the Prospectus;
Trust Deed	the agreement entered into between the Issuer and the Trustee dated 4 June 2021 as better outlined in section 4.6 of the Securities Note; and
Trustee	Trident Trust Company (Malta) Limited having company registration number C 51249 and having its registered office at Orange Point Building, Second Floor, Dun Karm Street, Birkirkara By-Pass, Birkirkara, Malta, licensed by the MFSA to act as trustee and provide general corporate fiduciary services, or any duly authorised person as may be appointed to act as trustee in terms of the Trust Deed.

Unless it appears otherwise from the context:

- a. Words importing the singular shall include the plural and *vice-versa*;
- b. Words importing the masculine gender shall include the feminine gender and *vice-versa*;
- c. The word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
- d. Any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organizations, governments, states, foundations or trusts;
- e. Any reference to a person includes that person's legal personal representatives, successors and assigns;
- f. Any phrase introduced by the terms "including", "include", "in particular" or any similar expression is illustrative only and does not limit the sense of the words preceding those terms; and
- g. Any reference to a law, legislative act, and/or other legislation shall mean that particular law, legislative act and/or legislation as in force at the time of issue of the Prospectus.

1 PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL

Save for the Financial Analysis Summary reproduced in Annex III of the Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert. The Financial Analysis Summary dated 10 June 2021 has been included in Annex III of the Securities Note in the form and context in which it appears with the authorisation of Calamatta Cuschieri Investment Services Limited of Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta, which has given, and has not withdrawn, its consent to the inclusion of said report herein. Calamatta Cuschieri Investment Services Limited does not have any beneficial interest in the Issuer. The Issuer confirms that the Financial Analysis Summary has been accurately reproduced in the Prospectus and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

1.1 Responsibility Statement

This Registration Document includes information prepared in compliance with the Listing Rules of the Listing Authority for the purpose of providing Investors with information with regard to the Issuer. Each and all of the Directors of the Issuer whose names appear in section 8.1 of this Registration Document, are the persons responsible for the information contained herein. To the best of the knowledge and belief of the Directors of the Issuer (who have all taken reasonable care to ensure such is the case), the information contained in this Registration Document is in accordance with the facts, and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly. The Issuer has given its consent for drawing up this Prospectus and to its use. The Issuer accepts responsibility for the content of this Prospectus and to the subsequent resale or final placement of the Bonds by the authorised financial intermediaries listed in Annex I to the Securities Note.

2 ADVISERS AND AUDITORS

2.1 Legal advisers

Name: DF Advocates

Address: Il Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, SLM 1607, Malta

DF Advocates is a Maltese based law firm providing advice to international and local clients in day-to-day operations, local and cross border transactions and a multitude of complex issues spanning various industries.

2.2 Sponsor, Manager & Registrar

Name: Calamatta Cuschieri Investment Services Limited

Address: Ewropa Business Centre, Triq Dun Karm, Birkirkara, BKR 9034, Malta

Calamatta Cuschieri Investment Services Limited holds a Category 3 license issued by the Malta Financial Services Authority and is a member of the Malta Stock Exchange.

2.3 Statutory auditors

Name: Busuttil & Micallef

Address: 11, L-Ufficju, Misrah 28 ta' Frar 1883, Birkirkara, Malta

Busuttil & Micallef is a civil partnership of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Chapter 281 of the Laws of Malta) holding registration number AB/26/84/45.

3 RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED, OTHER THAN THE FIRST RISK FACTOR PRESENTED IN EACH CATEGORY, IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

IMPORTANT FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THE EXPECTATIONS OF THE ISSUER'S DIRECTORS INCLUDE THOSE RISKS IDENTIFIED UNDER THIS SECTION 3 AND ELSEWHERE IN THE PROSPECTUS. IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER'S FINANCIAL RESULTS AND TRADING PROSPECTS AND ON THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES TO BE ISSUED IN TERMS OF THE PROSPECTUS. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER AS AT THE DATE OF THE PROSPECTUS, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER MAY FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER AND DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER.

NEITHER THE PROSPECTUS NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH SECURITIES ISSUED BY THE ISSUER: (A) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION (B) NOR SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE SPONSOR, MANAGER & REGISTRAR THAT ANY RECIPIENT OF THIS PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

3.1 Forward-looking statements

This Prospectus contains statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and its Directors concerning, amongst other things, the Issuer's and the Brown's Pharma Group's strategies and business plans, results of operations, financial condition, liquidity and prospects of the Issuer and the markets in which it operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The actual results of operations, financial condition, liquidity and the strategic development of the Issuer and the Brown's Pharma Group may differ materially from the forward-looking statements contained in this Prospectus. In addition, even if the results of operations, financial condition and liquidity of the Issuer and/or the Brown's Pharma Group are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include:

- (i) Continued, sustained or worsening global economic conditions and in particular economic weakness in the areas in which the Issuer and/or the Brown's Pharma Group operates;
- (ii) Increased competition; and
- (iii) Increased regulation.

Potential Investors are advised to read this Prospectus in its entirety and, in particular, this section titled "Risk Factors" for a further discussion of the factors that could affect the Issuer's and/or the Brown's Pharma Group's future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Prospectus may not occur. All forward-looking statements contained in this Prospectus are made only as at the date hereof. The Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

3.2 Risks relating to the Issuer, the Group and their business

3.2.1 General

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 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. The Subsidiaries are separate and distinct legal entities that have no obligation, contingent or otherwise, to pay any amounts due pursuant to the Bonds or to make funds available to the Issuer. The payment of dividends and the making of loans and advances to the Issuer by the Subsidiaries may be subject to contractual or statutory restrictions, is contingent upon the earnings of the Subsidiaries and is subject to various business considerations. Should the Issuer be unable to obtain dividend payments from the Subsidiaries, its financial condition and payment abilities may therefore be negatively affected.

3.2.2 Supply chain risk

The Group makes use of a limited number of wholesalers of branded and generic pharmaceutical drugs as its primary source of such products. The Group's business may be materially adversely affected by any operational, financial or regulatory difficulties that such wholesalers experience. Should their operations be seriously disrupted for any reason, whether a natural disaster, labour disruption, pandemics (such as that currently being experienced due to COVID-19), regulatory action or otherwise, the Group's business operations may be adversely affected. There can be no assurance that the Group would be able to engage alternative supply sources in a timely manner and that, accordingly, such disruption would be of a temporary nature or on terms that are favourable to the Group.

3.2.3 Risks related to changes in economic conditions

The Group's performance may be adversely impacted by negative changes in national, regional or local economic conditions and consumer confidence. External factors that affect consumer confidence and over which the Issuer and the Group exercise no influence include unemployment rates, levels of personal disposable income, national, regional or local economic conditions and acts of war or terrorism. Changes in economic conditions and consumer confidence could adversely affect consumer preference, purchasing power and spending patterns. A decrease in overall consumer spending as a result of changes in economic conditions could adversely affect pharmacy sales and negatively impact the Group's profitability. All these factors could impact the Issuer's revenues, operating results and financial condition.

3.2.4 Competition risk

The Issuer and the Group operate in the retail pharmacy business which faces intense competition from other pharmacy chains, independent pharmacies, mail-order prescription providers and other retailers such as grocery stores, convenience stores, and mass merchants, many of which have been and continue to aggressively expand in markets served by the Group. In the other markets in which the Group competes, including health and wellness services, the Group also operates in a highly competitive environment. As competition increases in the markets in which the Group operates, a significant increase in general pricing pressures could occur, and this could require the Group to re-evaluate its pricing structures to remain competitive. Moreover, the pharmacies owned and operated by the Group benefit from a licensing restriction in terms of the Pharmacy Licence Regulations (Legal Notice 270 of 2007 as amended). Should the current competitive framework change in that restrictions on the granting of pharmacy licences are abolished, may lead the Group to operate in a more competitive environment potentially resulting in decreased revenues and profitability.

3.2.5 Commercial risks

The Group's success depends on its ability to offer a superior shopping experience, a quality assortment of available merchandise and a superior customer service. To this end, the Group must identify, obtain supplies of, and offer its customers, attractive, innovative and high-quality merchandise on a continuous basis. The products and services offered by the Group must satisfy the needs and desires that its customers will demand. Should the Group misjudge either the demand for products and services or its customers' purchasing habits and tastes, the Group may be faced with excess inventories of some products and missed opportunities for products and services it chooses not to offer. In addition, its sales may decline or it may be required to sell the merchandise obtained at lower prices. Failure to timely identify or effectively respond to changing consumer tastes, preferences and spending patterns could negatively affect the Group's relationship with its customers, the demand for the products and services offered and the Group's market share.

3.2.6 The Group is exposed to risk related to its business strategy

Whilst the Group's overall business strategy is composed of a number of components and initiatives, the Group's long-term financial performance will be impacted on its ability to continue to successfully execute certain key initiatives such as the pharmacy of your choice measure and the health and beauty offerings. Should the Group be unable to effectively execute one or more of these key initiatives, the Group's business, financial condition and results of operations may be materially adversely affected.

3.2.7 Data protection risks

The protection of customer, employee, and corporate data is critical to the business operations of the Group. A significant breach of customer, employee, or company data could attract a substantial amount of negative media attention, damage to customer relationships and reputation and result in lost sales, fines or lawsuits. Throughout its business operations, the Group receives, retains and transmits certain personal information that its customers provide to purchase products or services, enrol in promotional programs, or otherwise communicate and interact with the Group. Additionally, aspects of the Group's operations depend on the secure transmission of confidential information over public networks. Although the Group deploys a layered approach to address information security threats and vulnerabilities designed to protect confidential information against data security breaches. A compromise of the Group's data security systems or of those of businesses with whom the Group interacts, which result in confidential information being accessed, obtained, damaged or used by unauthorised or improper persons, could harm the Group's reputation and expose the Group to regulatory actions and claims from customers, financial institutions, payment card associations and other persons, any of which could materially and adversely affect the Group's business, financial position and results of operations. In addition, a security breach could require that the Group expend substantial additional resources related to the security of information systems and disrupts the Group's business.

The regulatory environment surrounding information security and privacy is increasingly demanding, with the frequent imposition of new and changing requirements across business units. Compliance with changes in privacy and information security laws and standards may result in significant expenses due to increased investment in technology and the development of new operational processes. If the Group or those with whom it shares information fail to comply with these laws and regulations or experience a data security breach, the Group's reputation could be damaged and the Group could be subject to additional litigation and regulatory risks. The Group's security measures may be undermined due to the actions of outside parties, employee error, malfeasance, or otherwise, and, as a result, an unauthorised party may obtain access to the Group's data systems and misappropriate business and personal information. Because the techniques used to obtain unauthorised access, disable or degrade service, or sabotage systems change frequently and may not immediately produce signs of intrusion, the Group may be unable to anticipate these techniques or to implement adequate preventative measures. 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.

3.2.8 Risks related to the recent COVID-19 pandemic

The Group is currently closely monitoring the impact of the COVID-19 pandemic on all aspects of its business and geographies, including how it will impact its customers, team members, suppliers, vendors, business partners and distribution channels. 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.

In addition to volatility in consumer demand and buying habits, the Group may restrict the operations of its stores or distribution facilities should this be deemed necessary or if recommended or mandated by governmental authorities which would have a further adverse impact on the Group. The Group expects to continue to incur additional costs, which may be significant, as it continues to implement operational changes in response to the pandemic. COVID-19 has also caused supply chain disruption which has resulted in higher supply chain costs to replenish store inventory and such increased costs in the supply chain are likely to continue. Moreover, the Group has experienced restricted stock availability in a number of key categories and while it has significantly increased its purchases across many key categories, the Group may face delays or difficulties sourcing certain products which could negatively impact it.

Additionally, the Group's management is focused on mitigating the effects of COVID-19, which has required and will continue to require, a large investment of time and resources across the business and may delay other value added services. Additionally, currently some of the Group's employees are working remotely. An extended period of remote work arrangements could strain the Group's business continuity plans, introduce operational risk, including but not limited to cybersecurity risk, and impair its ability to manage its business.

Should the Group not effectively and appropriately respond to the pandemic, or if customers do not perceive its response to be adequate, the Group could suffer damage to its reputation which could adversely affect its business.

3.3 Business expansion risks

3.3.1 The Group's anticipated strategic and financial benefits in acquiring the new pharmacies and renovate existing ones may not be realised

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. These are expected to yield various benefits, including, *inter alia*, procurement cost savings and operating efficiencies, revenue synergies, innovation, sharing of best practices and strengthening the Group's market position that may serve as a platform for future growth. The processes and initiatives needed to achieve these potential benefits are complex, costly and time consuming, and many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at this present time and are subject to a number of significant challenges and uncertainties, including, without limitation, the possibility of faulty assumptions underlying expectations regarding potential synergies and the integration process, unforeseen expenses or delays, and competitive factors in the marketplace. The Group could also encounter unforeseen transaction and integration-related costs or other circumstances such as unforeseen liabilities or other issues existing or arising with respect to the acquisitions. Many of these potential circumstances are outside the Group's control and any of them could result in increased costs, decreased revenues, decreased synergies and the diversion of management's time and attention. 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.

3.4 Social and governance risks

3.4.1 The Issuer's key senior personnel and management have been and remain material to its growth

The Issuer believes that its growth is largely attributable to the efforts and abilities of the directors and members of its executive management team and other key personnel. If one or more of the members of this team were unable or unwilling to continue in their present position, the Issuer might not be able to replace them within the short term, which could have a material adverse effect on the Issuer's business, financial condition and results of operations. In common with many businesses, the Issuer will be relying heavily on the contacts and expertise of its directors and senior management teams and other key personnel. Although no single person is solely instrumental in fulfilling the Issuer's business objectives, there is no guarantee that these objectives will be achieved to the degree expected following the possible loss of key personnel. The loss of the services of any of the key personnel could have, in the short term, a material adverse effect on the Issuer's business.

3.5 Legal and regulatory risk

3.5.1 Risks relative to changes in laws

The Issuer is subject to licensing, taxation, environmental and health and safety laws and regulations. As with any business, the Issuer is at risk in relation to changes in laws and regulations and the timing and effects of changes in the laws and regulations to which it is subject, including changes in the interpretation thereof which cannot be predicted. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of the Prospectus upon the business and operations of the Issuer.

3.5.2 Litigation risk

All industries, including the pharmacy retail industry, are subject to legal claims, with or without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have a material adverse effect on the Issuer's future cash flow, results of operations or financial condition. The Issuer's insurance policies, as at the date of this Registration Document, for all risks and third party liability insurance covers, are at levels determined by the Issuer to be appropriate in light of the cost of cover and the risks of activities and risk profiles of the business in which the Issuer operates. With respect to losses for which the Issuer is covered by such policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Issuer may not be able to recover the full amount from the insurer. No assurance can be given that the Issuer's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates.

4 INFORMATION ABOUT THE ISSUER

Full legal and commercial name of the Issuer:	Brown's Pharma Holdings plc
Registered address:	Brown's Pharmacies, Triq I-Industrija, Qormi
Place of Registration and Domicile:	Malta
Registration number:	C 95118
Legal Entity Identifier (LEI):	391200EUISAEF39QR618
Date of Registration:	5 March 2020
Legal Form:	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act
Telephone numbers:	+356 21422999
Email:	investorrelations@brownspharmacy.eu
Website:	www.browns.pharmacy

The Issuer was set up as a holding and finance company and as such, its ability to finance operations will depend on a number of factors such as dividends arising from the successful economic results resulting from the Subsidiaries, access to additional debt or equity (or quasi-equity) financing. As at the date of this Registration Document, the Issuer has an issued share capital of twenty million and eighty-six thousand one hundred and eighty-six Euro (€20,086,186) divided into fourteen million six hundred and sixty-two thousand nine hundred and sixteen (14,662,916) Ordinary 'Class A' Shares of one Euro (€1) each, and three hundred and five million four hundred and twenty-three thousand two hundred and seventy (5,423,270) Ordinary 'Class B' Shares of one Euro (€1) each, which shares have all been subscribed and fully paid up. 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.

The Issuer was incorporated on 5 March 2020 and was converted as a public limited liability company on 25 March 2021 in terms of the Act.

The Issuer acquired Brown's Pharma Limited which, over the course of FY 2020, had acquired the assets operated by JP Pharma Operations (P 1236). The Issuer acquired the entire share capital in Brown's Pharma Limited and JP Pharma, the consideration for which acquisition was settled through the issuance of shares by the Issuer in favour of its ultimate beneficial owners (directly or indirectly) (the 'Transaction Value'). On the basis of an independent valuation, the consideration for the acquisition of Brown's Pharma Limited was determined to be equivalent to 73% of the Transaction Value whilst the consideration for the acquisition of JP Pharma would be equivalent to the balance of the Transaction Value.

The Group currently holds licences to a pharmacy network of 21 pharmacies spanning 13 different localities in Malta with the overwhelming majority thereof being owned directly by the Group.

The Issuer's objects include, *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. The issue of the Bonds and other debt securities, therefore, falls within the objects of the Issuer.

There has been no material adverse change in the prospects of the Issuer since the date of its last published financial statements and neither has there been any significant change in the financial performance of the Group since the last financial period for which financial information has been published to the date of this Registration Document.

5 BUSINESS OVERVIEW

5.1 Principal activities and markets

The Group operates the Brown's retail pharmacy network in Malta which is geared towards the commercialisation of pharmaceuticals and allied products such as health and beauty products. The Group owes its origins to Alexander Fenech and Robert Spiteri, who opened the first retail pharmacy in 1998.

5.2 Business overview of the Issuer and the Group

Browns Pharma Limited is a retail pharmacy company, selling pharmaceuticals and allied products and services through its 21 conveniently-located pharmacies across Malta. Due to regulatory requirements, each individual pharmacy licence is held by the Group through a separate legal entity and accordingly, each licence owned by the Group is held through a separate entity all of which are subsidiaries of JP Pharma. The Group intends to continue acquiring pharmacy licences to expand its network in localities it does not yet have a presence in. Moreover, through further expansion, the Group will leverage its head office function to extract further margin improvements through economies of scale. The Group also intends to leverage its retail pharmacy network to broaden its offering to include additional services such as doctor consultations, health checks and cosmetic services.

The Issuer does not own real estate property. The Group leases, at arms-length basis, the majority of the properties used as its head office as well as those from which the pharmacies are operated from related parties outside the Group with a minority of such properties being leased from third parties.

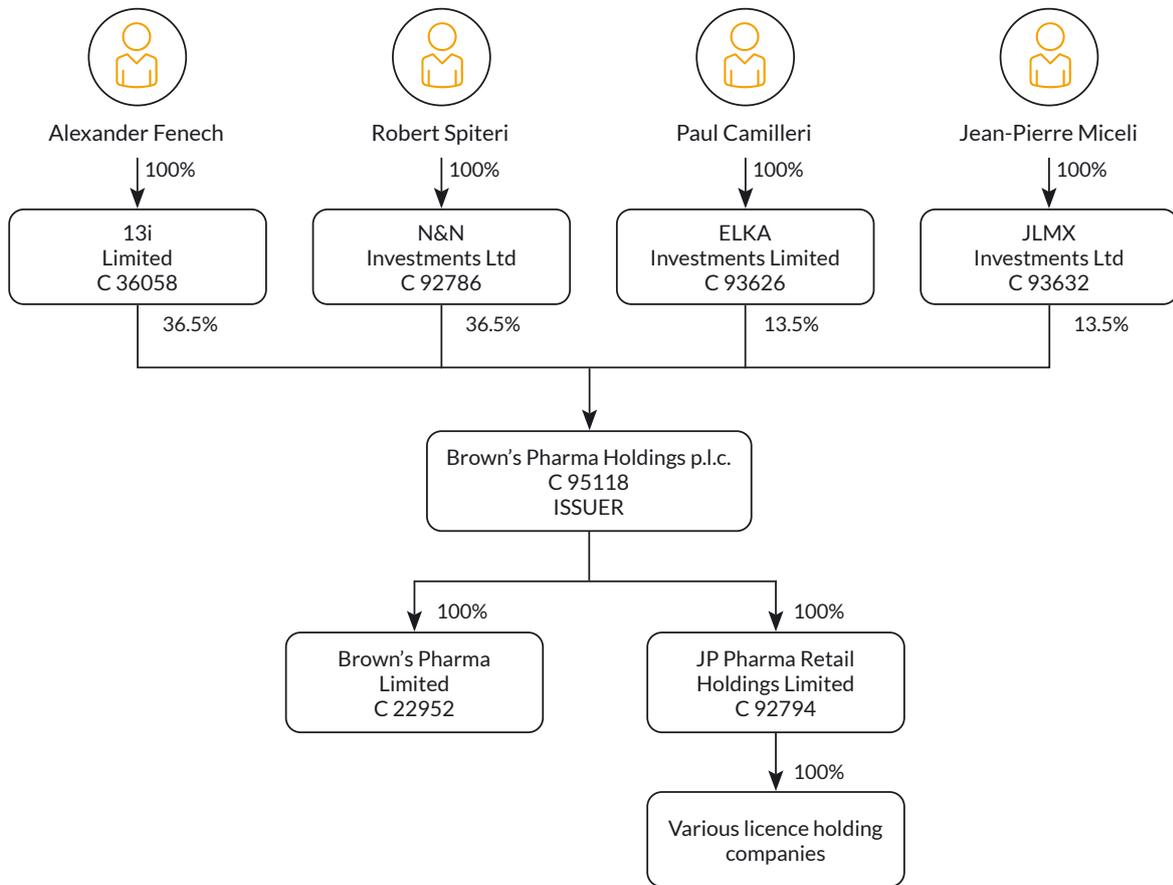
The Group's operations were set up in 1998 by two pharmacists and lifetime friends; Alexander Fenech and Robert Spiteri. With over two decades of trusted healthcare legacy and innovation in community pharmacy, Brown's Pharma Limited's purpose is to democratise community pharmacy and in doing so make it easier for its customers to access the products and services they need to lead a healthier lifestyle.

The Group's mission statement is to be a leading retail pharmacy business, seeking consistent and sustainable growth by engaging highly-motivated people, with cutting edge technology and business processes to meet and, whenever possible, exceed customer expectations.

The Group employs a two-pronged strategy:

1. Organic growth of their current retail pharmacy portfolio – increasing footfall and sales through the introduction of new and innovative product and service offerings and the constant pursuit of customer-centric improvements in the way they deliver their offering.
2. Expanding their presence through further acquisitions of quality retail pharmacies.

6 ORGANISATIONAL STRUCTURE OF THE ISSUER



The Issuer acts as holding and finance company of the Group and, as such, is fully dependent upon the results of Brown's Pharma Limited and JP Pharma.

7 TREND INFORMATION

7.1 Economic update¹

In April, business conditions improved significantly with respect to the previous month. However, economic activity levels remained low, reflecting the weak economic conditions triggered by COVID-19. European Commission data show that economic sentiment rose significantly in April and reached the highest level recorded since January 2018. It also stood above its long-term average for the first time since the onset of the pandemic. In April, confidence turned positive in industry, the construction and services sectors as well as among consumers. However, sentiment declined significantly – and remained negative – in the retail sector.

In March, industrial production and the volume of retail trade contracted at a slower pace in annual terms. The number of registered unemployed fell compared with February, while the unemployment rate edged down from a month earlier. The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) remained unchanged at 0.1% in March, while inflation based on the Retail Price Index (RPI) rose to 0.4%. Maltese residents' deposits expanded at an annual rate of 7.0% in March, following an increase of 8.0% in the previous month, while annual growth in credit to Maltese residents rose to 11.8%, from 11.1% a month earlier. In March, the deficit on the cash-based Consolidated Fund widened when compared with a year earlier, mainly as a result of higher expenditure which continued to be affected by COVID-19 related support to the private sector.

7.1.1 Economic outlook²

As a result of the pandemic, the Central Bank of Malta (the Bank) expects that after an estimated contraction of 8.2% in 2020, Malta's Gross Domestic Product (GDP), will grow by 5.0% in 2021, by 5.5% in 2022, and by 4.7% in 2023. In comparison to the projections published in December 2020, GDP growth is being revised downwards for 2020 and 2021 due to the impact of stringent containment measures that spilled further into 2021. However, GDP growth is being revised upwards for 2022 and 2023, with GDP in 2023 expected to be at a similar level to that projected in December 2020. The Bank thus maintains its expectation that 2019 GDP levels are to be recouped towards the end of 2022, conditional on the successful rollout of a vaccine in 2021.

Declining net exports were the main contributor to the contraction in GDP in 2020, reflecting a sharp drop in foreign demand, restrictions on travel-related activities, and disruptions to the global supply chain. However, domestic demand is also estimated to have contributed negatively, as the various containment measures curtailed various activities during the year, especially during the second quarter, and elevated levels of uncertainty which adversely impacted private consumption and investment. Contractions in these two expenditure components were only partially mitigated by increased government consumption. Domestic demand is expected to be the main driver of the projected recovery in subsequent years.

Despite the sharp contraction in 2020, the labour market has shown remarkable resilience. Unemployment initially rose during the first wave of COVID-19, but has since declined, as fiscal measures have been very supportive of employment. Employment growth is estimated to have remained positive in 2020, though moderating compared to 2019. It is then projected to pick up gradually in the following years, reaching 2.7% in 2023. These projections constitute an upward revision from the previous exercise, reflecting stronger than expected outcomes in 2020.

Annual inflation based on the Harmonised Index of Consumer Prices is set to edge up to 0.9% in 2021, from 0.8% in 2020, reflecting faster growth in services prices. Furthermore, non-energy industrial goods (NEIG) inflation is set to turn positive. Overall HICP inflation is set to edge up to 1.7% by 2023, reflecting a pickup in economic activity, which is expected to lift prices of services and NEIG further.

Public finances deteriorated sharply in 2020 due to the decline in economic activity and the introduction of COVID-19 related fiscal support. The Bank is now projecting that the general government will record a deficit of 9.5% of GDP in 2020. The deficit is expected to persist throughout 2021, although it is anticipated to narrow to 6.6%. As economic activity improves and the need for COVID-related support gradually fades, the deficit is set to narrow further to 3.9% of GDP by 2023. Consequently, the government debt-to-GDP ratio is projected to rise from 42.4% in 2019 to 60.3% by 2023.

Given the prevailing uncertainty, the Bank has also published a more severe scenario in which it considers the effects of some restrictive health protocols being maintained beyond 2021, in the event that the pace of vaccination is slower than currently projected and new infectious strains become harder to control. In such a scenario, the 2019 level of GDP would be reached only in 2023. Additionally, the government deficit would deteriorate more sharply in 2021, reaching 10.0% of GDP, before narrowing to 5.6% in 2022 and 2023, while the government debt-to-GDP ratio would rise to 68.2% by then.

¹ Central Bank of Malta - Economic Update 5/2021

² Central Bank of Malta - Economic Projections 2020 - 2023 (2021:1)

7.2 Pharmaceutical retail industry

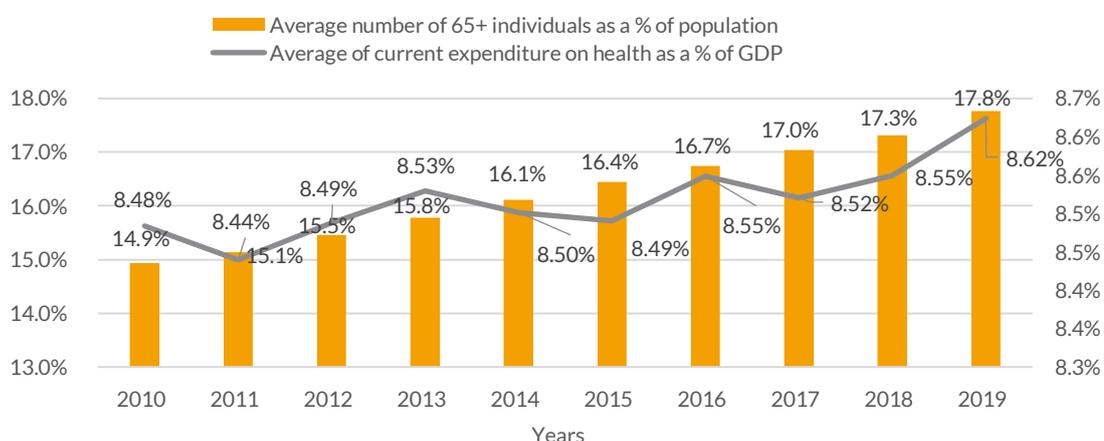
The pharmaceutical retail industry is composed of pharmacy stores which are engaged in the retailing of prescription and non-prescription medicines, drugs³ and pharmaceuticals. More specifically, pharmacy stores are also involved in the retailing of “front-end” merchandise such as health products that include vitamins and supplements, cosmetics, toiletries, greeting cards, and non-perishable food products to walk-in customers.

As a starting point, pharmacy store sales are predominantly driven by the number of prescriptions which they fill, as prescriptions are the initial cause of customer traffic. In furtherance, the remaining revenue is generated from the sale of “front-end” items. In an attempt to boost revenue volumes, pharmaceutical retail stores have nowadays expanded the selection of such items, consequently increasing the receptive revenue levels.

Traditionally, pharmacy stores have viewed older patients as their main customer base. However, through the sale of such commercialised items, in addition to the introduction of number of cosmetic services, pharmacy retail stores have nowadays also expanded their customer base to younger individuals. From a competition point of view, large pharmaceutical retail companies which are already established in the market, typically have access to an extensive consumer base. Smaller companies however, strive to achieve effective and creative advertising strategies to garner more consumer traffic, and also focus on operating out of convenient locations.

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 ageing population.

In recent years, virtually every country in the world has experienced growth in the number of older persons in their population. As could be noted through the below graphical presentation, the average number of individuals who are 65 years or older as a percentage of total population concerning “Organisation for Economic Cooperation and Development (OECD)” countries, increased from 14.9% in 2010 to 17.8% in 2019. More specifically, throughout 2010-2019, these countries experienced an increase of *circa* 15.7% in relation to the number of individuals who are 65 years or older.



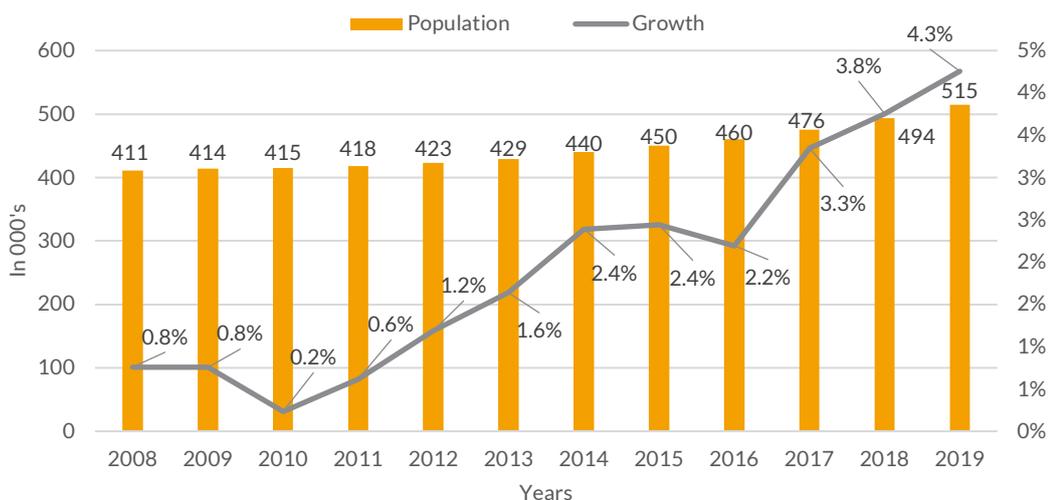
This data further illustrates that as the number of persons aged 65 years or over increased over time, OECD countries have also witnessed a consequent increase in health expenditure as a percentage of GDP. This therefore implies that the demand for pharmaceutical retail stores has strengthened throughout this period.

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

7.3 Local pharmaceutical retail industry⁴

Locally, demographic statistics also show that the population in Malta is ageing considerably. As at December 2019, the population aged 65 years or over amounted to 18.5% (95,050) of the total population of 514,564, illustrating an increase of 3.7% from the 14.8% recorded in 2009.

The population increase in 2019 was mainly driven by a net migration of 20,343 persons, with the remaining 662 persons representing the natural increase between births and deaths. Life expectancy has also increased throughout the years, with the average life expectancy for those born in 2019 standing at 83 years, an increase of 2.6 years when compared to 10 years ago.



On the same note, according to the '2019 Ageing Report' prepared by the European Commission and the Economic Policy Committee, the EU-28's median age is projected to increase by 3.8 years during the next three decades, to reach 46.9 years by 2050. This pattern will be repeated in each of the EU Member States, with the median age of the population projected to rise by 8 years or more in Malta, Poland, Slovakia and Cyprus.

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, in combination to the further anticipated increase in the number of individuals aged 65 or over, this study illustrates that as things stand, the demand for pharmaceutical retail stores is expected to continue strengthening moving forward.

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 Malta⁵.

In view of the above, once all pharmacy licenses 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 licenses has driven a market in the trade of pharmacy licenses 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 completion 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.

⁴ National Statistics Office: World Population Day statistics

⁵ Malta Medicines Authority

8 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

8.1 Directors and Company Secretary

As at the date of this Prospectus, the Board of Directors of the Issuer is constituted by the following persons:

Name and Identity Card number	Address	Office Designation
Benjamin Muscat (447054M)	TF 5. Apt 5, Caravaggio Court, Tigne Point, Sliema TP01, Malta	Chairman and independent non-executive Director
Joseph Caruana (672162M)	10, Apt. 5, Panorama Court, Triq il-Preistorja, Xemxija, St. Paul's Bay SPB 4223, Malta	Independent non-executive director
Mark Grech (141490M)	Mon Cheri, 16, Triq il-Kanada, Naxxar NXR 3243, Malta	Independent non-executive director
Alexander Fenech (313270M)	Q1, Flat 6, Tigne Point, Sliema TP 01, Malta	Executive Director
Paul Camilleri (346972M)	La Vista, No. 2, Palm Street, Mtarfa MTF 1031, Malta	Non-executive Director
Jean-Pierre Miceli (112977M)	Bridge Val, No. 2, Triq il-Mensija, St. Julian's, Malta	Non-executive Director
Robert Spiteri (217270M)	1, The Old Farmhouse, Triq tal-Providenza, Siggiewi, Malta	Non-executive Director

Alexander Fenech is the only executive director. Paul Camilleri, Jean-Pierre Miceli, and Robert Spiteri are non-executive Directors. The other three Directors; Benjamin Muscat, Joseph Caruana, and Mark Grech serve on the Board of the Issuer in an independent non-executive capacity. They are considered as independent Directors since that are free of any significant business, family or other relationship with the Issuer, its controlling shareholders or the management of either, that could create a conflict of interest such as to impair their judgement. In assessing the said directors' independence due notice has been taken of Listing Rule 5.119 of the Listing Rules.

Dr Jean C. Farrugia (244176M) is the Company Secretary of the Issuer.

8.1.1 Curriculum vitae of Directors

Mr Benjamin Muscat

Benjamin is a Certified Public Accountant by profession (Fellow of the Association of Chartered and Certified Accountants – ACCA) with a long career in finance and management at senior executive positions. He has worked in various industry sectors including switchgear manufacturing, food production, beer and soft drink brewing and production and bottling, international fast food franchising, hospitality and timeshare, construction and real estate development, including marketing and selling luxury condominiums. In his capacity as Chief Executive Officer of MIDI Plc, a Maltese listed company, Benjamin was key in the development of the Tigné Point Project. Benjamin was also instrumental in the promotion of the re-generation of part of Malta's historical Grand Harbour including the development of a cruise ship porting facility locally known as the Valletta Waterfront project. He also has extensive experience in raising project-specific funding via banking facilities, third party investment, private placements, and issue of equity and debt instruments through retail offers subsequently listed on the Malta Stock Exchange. Today, Benjamin provides professional services as a freelance consultant and sits on the board of directors of a number of listed companies, three on the MSE Main Market, namely; Merkanti Holdings Plc, Shoreline Mall Plc and Phoenicia Finance Plc, and one on the Prospects MTF; The Convenience Shop (Holding) Plc.

Ing. Joseph Caruana

Joseph graduated as Bachelor of Mechanical Engineering (Hons.) in 1986 and obtained a Master's degree in Business Administration from Brunel University in 2000. An engineer by profession, Joseph held various posts in a number of companies worldwide including Sulzer Escher-Wyss A.G., and Air Malta Co. Ltd. He also acted as Operations Director and Deputy Chief Executive Officer at Toly Products and was a General Manager in FXB Furniture Ltd., Marsovin Ltd., H.H. Ltd., and MGC Electronics Ltd. In 2005, he set up Inspectra Limited, providing custom quality control inspections and sorting as well as calibration services to the Maltese industry. Joseph acted as Chief Executive Officer of Mater Dei Hospital between 2011 and 2014 and currently is the senior partner and founder of Tuning Fork Limited – a management consulting firm.

Dr Mark Grech

Mark is a lawyer by profession (graduated as Doctor of Laws from the University of Malta in 2016) with a passion for business. Mark co-founded One Culture Limited a company that specialises in mass events. Mark is a co-founder of Eleven Entertainment Group and Thirteen Media Limited. In 2018, Mark co-founded X Factor Malta and, in 2020, Malta's Got Talent - two television entertainment related projects.

Mr Paul Camilleri

Paul has worked in various industry sectors including the hospitality sector for around two decades, the childcare sector where he founded and operated for 18 years one of the first childcare centres in Malta, in the property development sector for over 13 years, wherein he is the co-founder and director of a number of companies involved in property development, real estate and turnkey projects, as well as in the pharmaceuticals, cosmetics & medical equipment sectors for the past 11 years, wherein he founded and operates to date 4 leading import and distribution companies in Malta as well as a company which owned and operated 6 pharmacy retail outlets. Other involvements include a food import and distribution company, an e-commerce platform and various interests both in Malta and abroad.

Mr Alexander Fenech

Alexander, a graduate in pharmacy with a Master in Business Administration from Henley Management College, has proven first-hand experience in steering a business from a start-up phase to a profitable cash generator, growing at double digit rates. Alexander co-founded the GBY Group in 1997 wherein he was instrumental in turning around a low margin, poor cash-flow business to the current performance of the Brown's Pharma Group. In his role within the Group, Alexander is tasked with identifying and appraising potential acquisition targets, dealing with financial institutions, and overseeing the changes required to align new acquisitions with the Brown's Group ethos. Alexander is also actively involved in the day-to-day management of the business and maintains direct contact with the Group's suppliers, staff and customers.

Mr Jean-Pierre Miceli

Jean-Pierre is a pharmacist by profession, having graduated as Bachelor of Pharmacy (Hons.), with a long career in the Maltese pharmaceutical industry. He has worked in various sectors of the industry, mainly with local agents such as Vivian healthcare followed by a long career with Novartis Pharma Services Malta based in Basel, Switzerland for 9 years. Here, Jean-Pierre held various responsibilities starting with medical representation to co-ordination of a team of pharmacists as well as regulatory, product management, budgeting, targeting and spearheading business strategies. Following this, he partnered up with Mr Paul Camilleri in the setting up of a retail pharmacy business as well as a distributorship/wholesaler business acting as a parallel importer of pharmaceutical lines and other pharmacy related products in Malta. In his capacity of director of sales, Jean-Pierre was instrumental in growth of company portfolio from a few lines to over 400 medicines and vitamins as well as playing a key role in customer affiliation and retention. His role within the business operations was a very active one with the sequential acquisition and daily running of 6 pharmacies over 9 years with double digit sales growth year in year out. Here, Jean-Pierre led a team of pharmacists and sales representatives taking the company to become the second largest pharmacy retail chain in Malta. He is also a co-owner and director in a company responsible for tendering hospital related lines as well as a company responsible for wholesaling and retailing meat products.

Mr Robert Spiteri

Robert, a pharmacy graduate with a vast experience of over 25 years in different sectors of the pharmaceutical industry including sales & marketing, retail, manufacture and regulatory affairs. He co-founded Brown's Pharma Limited in 1999. In 2006, Robert successfully established Quality Logistical Services Limited, an innovative logistics and Business Process Outsourcing service provider supporting international operators within the pharmaceutical world. His tasks involved leading and supervising the pharmaceutical wholesale operation, developing, implementing and maintaining a GDP compliant quality system, auditing and vetting international pharmaceutical suppliers, negotiating with key service providers whilst developing and monitoring the company's international interests, *inter alia*. He has also been a prominent figure within the medical cannabis industry in Malta and has served as Chairman of the medical cannabis business section of the Malta Chamber of Commerce, Enterprise and Industry. Robert holds a Master degree in Business Administration from Henley Management College.

8.2 Conflict of interest

As at the date of this Prospectus, Mr Alexander Fenech, Mr Robert Spiteri, Mr Paul Camilleri and Mr Jean-Pierre Miceli, are also directors and officers of the Subsidiaries, and as such may be susceptible to conflicts between potentially diverging interests of the different members of the Group. The said directors are also the ultimate beneficial owners of the Issuer and the Group.

The Audit Committee of the Issuer has the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to these different involvements of the Directors are handled in the best interest of the Issuer, the Bondholders and according to law. The fact that the Audit Committee is constituted solely of independent, non-executive Directors provides an effective measure to ensure that transactions vetted by the Audit Committee are determined on an arms-length basis. Additionally, the Audit Committee has, pursuant to the relative terms of reference, been granted express powers to be given access to the financial position of the Issuer on a quarterly basis. To this effect, the Issuer is to submit to the Audit Committee bi-annual accounts, as well as at least bi-annual comparisons of actuals against projections.

Save for what is stated herein, no private interests or duties unrelated to the Issuer have been disclosed by the management teams of the companies within the Group which may or are likely to place any of them in conflict with any interests in, or duties towards, the Issuer.

To the extent known or potentially known to the Issuer, as at the date of the Prospectus, there are no other potential conflicts of interest (save for those mentioned herein) between the duties of the Directors and executive officers of the Issuer and their respective private interests and/or their other duties, which require disclosure in terms of the Regulation.

8.3 Employees

The Issuer does not have any employees of its own. The Directors believe that the current organisational structure is adequate given the current activities of the Issuer. The Directors shall maintain this structure under ongoing review so as to ensure that it meets the developing demands of the business and in order to strengthen the checks and balances required for the implementation of good corporate governance.

8.4 Audit Committee

The terms of reference of the Audit Committee of the Issuer consist of, *inter alia*, its support to the Board in its responsibilities in dealing with issues of risk, control and governance, and associated assurance. The Board has set formal terms of establishment and the terms of reference of the Audit Committee that establish its composition, role and function, the parameters of its remit, as well as the basis for the processes that it is required to comply with. The Audit Committee, which meets at least once every three (3) months, is a committee of the Board and is directly responsible and accountable to the Board. The Board reserved the right to change the Committee's terms of reference from time to time.

Briefly, the Audit Committee is expected to deal with and advise the Board on:

- (a) Its monitoring responsibility over the financial reporting processes, financial policies and internal control structures;
- (b) Maintaining communications on such matters between the Board, management and the independent auditors;
- (c) Facilitating the independence of the external audit process and addressing issues arising from the audit process; and
- (d) Preserving the Issuer's assets by understanding the Issuer's risk environment and determining how to deal with those risks.

Additionally, the Audit Committee has the role and function of considering and evaluating the arm's length nature of any proposed transaction to be entered into by the Issuer and a related party, given the role and position of the Issuer within the Group, to ensure that the execution of any such transaction is, indeed, at arm's length and on a sound commercial basis and, ultimately, in the best interests of the Issuer. In this regard, the Audit Committee of the Issuer has the task of ensuring that any potential abuse which may arise in consequence of the foregoing state of affairs is immediately identified and resolved.

For this purpose, the Audit Committee has, pursuant to the relative terms of reference, been granted express powers to be given access to the financial position of the Issuer and the Subsidiaries on a quarterly basis.

All of the Directors sitting on the Audit Committee are non-executives and also independent. The Audit Committee is presently composed of Benjamin Muscat, Joseph Caruana, and Mark Grech, all three members being non-executive Directors and all of them also being independent of the Issuer. The Audit Committee is chaired by Joseph Caruana. In compliance with the Listing Rules, all three directors are independent non-executive Directors, with Benjamin Muscat being competent in accounting and/or auditing matters. In his capacity as Chairman of the Audit Committee, Joseph Caruana holds meetings with the executive Directors as necessary to review the Issuer's accounts and operations. The Issuer considers that the members of the Audit Committee have the necessary experience, independence and standing to hold office as members thereof. The *curriculum vitae* of the said Directors may be found in section 8.1.1 above.

8.5 Compliance with corporate governance requirements

As a consequence of the Bond Issue and in accordance with the terms of the Listing Rules, the Issuer is required to endeavour to adopt and comply with the provisions of the Code of Principles of Good Corporate Governance forming part of the Listing Rules (the 'Code'). The Issuer declares its full support of the Code and undertakes to comply with the Code to the extent that this is considered complementary to the size, nature and operations of the Issuer.

The Issuer supports the Code and its adoption and believes that its application will result in positive effects accruing to the Issuer.

As at the date of this Prospectus, the Board considers the Issuer to be in compliance with the Code, save for the following exceptions:

A. Principle 7 "Evaluation of the Board's Performance"

Under the present circumstances, the Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board's performance is evaluated on an ongoing basis by, and is subject to the constant scrutiny of, the Board itself, the Audit Committee (insofar as conflicting situations arise), the Issuer's shareholders, the market and the rules by which the Issuer is regulated as a listed company.

B. Principle 8 "Committees"

- i. The Issuer does not have Remuneration Committee as recommended in Principle 8; and
- ii. The Issuer does not have a Nomination Committee as recommended in Principle 8.

Appointments to the Board of Directors are determined by the shareholders of the Company in accordance with the Memorandum and Articles. The Issuer considers that the current members of the Board provide the required level of skill, knowledge and experience expected in terms of the Code.

Going forward, the Issuer shall, on an annual basis in its annual report, explain the level of the Issuer's compliance with the principles of the Code, explaining the reasons for non-compliance, if any, in line with the Listing Rules' requirements.

9 MAJOR SHAREHOLDERS

The Issuer has an issued share capital of twenty million and eighty-six thousand one hundred and eighty-six Euro (€20,086,186) divided into fourteen million six hundred and sixty-two thousand nine hundred and sixteen (14,662,916) Ordinary 'Class A' Shares of one Euro (€1) each, and five million four hundred and twenty-three thousand two hundred and seventy (5,423,270) Ordinary 'Class B' Shares of one Euro (€1) each which shares are subscribed to and allotted as fully paid up shares as follows:

- | | | |
|-----|-----------------------------------------|--------------------------------------------|
| (1) | 13i Limited | 7,331,458 Ordinary 'Class A' Shares |
| | Company Registration No. C 36058 | 100% paid up |
| | Brown's Pharma, | |
| | Triq I-Industrija, | |
| | Qormi | |
| | Malta | |
| (2) | N&N Investments Ltd | 7,331,458 Ordinary 'Class A' Shares |
| | Company Registration No. C 92786 | 100% paid up |
| | Old Farmhouse 1, | |
| | Off Lapsi Road, Tal-Providenza, | |
| | Siggiewi | |
| | Malta | |
| (3) | ELKA Investments Limited | 2,711,635 Ordinary 'Class B' Shares |
| | Company Registration No. C 93626 | 100% paid up |
| | 42-46 | |
| | Mill Street, | |
| | Qormi QRM 3105, | |
| | Malta | |
| (4) | JLMX Investments Limited | 2,711,635 Ordinary 'Class B' Shares |
| | Company Registration No. C 93632 | 100% paid up |
| | 42-46, | |
| | Mill Street, | |
| | Qormi QRM 3105, | |
| | Malta | |

The following shareholders hold more than 10% of the Issuer's issued ordinary shares, thereby regarded as substantial shareholders in terms of the Listing Rules:

	Percentage (%)
13i Limited	36.5%
N&N Investments Ltd	36.5%
ELKA Investments Limited	13.5%
JLMX Investments Limited	13.5%

13i Limited is ultimately beneficially owned by Mr Alexander Fenech, N&N Investments Ltd is ultimately beneficially owned by Mr Robert Spiteri, ELKA Investments Limited is ultimately beneficially owned by Mr Paul Camilleri, and JLMX Investments Limited is ultimately beneficially owned by Mr Jean-Pierre Miceli.

10 LEGAL AND ARBITRATION PROCEEDINGS

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened or of which the Issuer is aware) during the period covering twelve (12) months prior to the date of the Prospectus which may have, or have had in the recent past, significant effects on the Group's financial position or profitability.

11 HISTORICAL FINANCIAL INFORMATION

11.1 Historical financial information of the Issuer

As detailed in section 4 of this Registration Document, the Issuer was incorporated on 5 March 2020. The Issuer acquired Brown's Pharma Limited which, over the course of FY 2020, had acquired the assets operated by JP Pharma Operations (P 1236). The Issuer acquired the entire share capital in Brown's Pharma Limited and JP Pharma. Therefore, 2020 represents the first financial year for which the Issuer will prepare consolidated financial statements. The consolidated financial statements cover the full calendar year 2020.

The 2020 financials are not directly comparable to Brown's Pharma Limited financials of 2019 for the following reasons:

- The 2020 results reflect a larger operation following amalgamation with the 5 pharmacies of the JP Pharma operation.
- As from 2020, the Group adopted *IFRS 16 - Leases*, whilst in 2019, the effect of this standard was only disclosed in the consolidated financials of Brown's Pharma Limited but not accounted for.
- Up to 2019, the value of oncology pharmaceuticals being made available to Malta Community Chest Fund beneficiaries were not recognised in turnover by way of the fact that up to 2019 Browns did not register or recognise any profit on these sales. As from 2020, Browns started to recognise a minimal profit margin to reflect its efforts in procuring these pharmaceuticals and consequentially these sales started being recognised and disclosed with turnover. This has brought about a change in disclosure with oncology sales being recognised as revenue as from 2020. Total value of oncology sales in 2020 was €8.3 million whilst in 2019 total value of oncology medicines made available to Malta Community Chest Fund was €13.2 million.

The relevant consolidated audited financial statements, together with the Auditors' Report thereon are available at the Issuer's registered office and on the Issuer's website.

Audited Consolidated Income Statement	FY20
Brown's Pharma Holdings plc	€'000
Revenue	24,603
Cost of sales	(17,345)
Gross profit	7,258
Administrative expenses	(4,476)
Selling and distribution expenses	(367)
Other income	75
EBIT*	2,490
Finance costs	(498)
Profit before tax	1,992
Income tax charge	(753)
Net income	1,239
Revaluation decrease on intangible assets	(2,365)
Income tax relating to components of other comprehensive income	828
Total comprehensive loss	(300)
Gross profit margin**	30%
Net income margin	5%

*EBIT - earnings before interest and taxation

**Gross profit margin is calculated as gross profit over revenue

The Group reported a gross profit of €7.26 million on a turnover of €24.6 million in 2020. The Group has continued to grow as evidenced by the total revenue reported in 2020. The gross profit margin of 30% on this level of turnover provides a strong base to finance the various operational expenses, leaving an operating profit of €2.49 million. After accounting for finance costs of €0.5 million, which includes interest expenses in finance leases and a taxation charge of €0.75 million, the Group reports a profit for the year of €1.2 million.

Audited Consolidated Balance Sheet Brown's Pharma Holdings plc	FY20 €'000
ASSETS	
Intangible assets	29,200
Goodwill	2,153
Property, plant and equipment	1,432
Right-of-use assets	7,342
Total fixed assets	40,127
Inventories	2,062
Trade and other receivables	3,142
Cash in hand and at bank	571
Total current assets	5,775
Total assets	45,902
EQUITY AND LIABILITIES	
Share capital	20,086
Retained earnings	297
Revaluation reserve*	(1,537)
Equity attributable to equity holders of the parent	18,846
Non-controlling interests	21
Total equity	18,867
Non-current liabilities	
Deferred taxation	8,576
Interest-bearing borrowings	1,723
Trade and other payables	2,135
Lease liabilities	7,328
	19,762
Current liabilities	
Interest-bearing borrowings	415
Trade and other payables	6,071
Current taxation	515
Lease liabilities	272
	7,273
Total liabilities	27,035
Total equity and liabilities	45,902

*Note: This represents the revaluation decrease in the value of the intangible asset, net of deferred tax accounted for in Browns Pharma Limited following the acquisition date.

The Group reports a strong equity base of €18.9 million with total assets exceeding €45 million. The strength of the balance sheet lies within the value of pharmacy licences at €29.2 million. In line with IFRS 16 - Leases, the Group reports right-of-use assets of €7.34 million and corresponding lease liabilities of €7.6 million.

Audited Consolidated Cash Flow Statement	FY20
Brown's Pharma Holdings plc	€'000

EBIT	2,490
Adjustments for:	
Depreciation of property, plant and equipment	226
Depreciation of right-of-use of assets	418
Amortisation of intangible assets	23
Changes in working capital:	
Inventories	(177)
Trade and other receivables	558
Trade and other payables	(494)
Cash generated from operations	3,044
Interest paid	(102)
Tax paid	(510)
Net cash generated from operating activities	2,432
Goodwill upon acquisition and issue of share capital	(2,149)
Intangible assets upon issue of share capital	(17,935)
Purchase of property, plant and equipment	(506)
Purchase of intangible assets	(1,652)
Principal payments of lease liabilities	(654)
Net cash used in investing activities	(22,896)
Movements in short and long-term borrowings	994
Movements in shareholder's loan	(3)
Issue of share capital	20,086
Non-controlling interest	21
Purchase of website costs	(87)
Net cash generated from financing activities	21,011
Net movement of assets and liabilities taken over upon merger	23
Movement in cash and cash equivalents	571
Cash and cash equivalents at the end of the year	571

The Group continues to show strong cash generation capabilities from operations. After accounting for the various investing and financing activities associated with the establishment of the new group, the financials report a net cash balance of €0.57 million as at the end of the year.

11.2 Historical financial information of Brown's Pharma Limited

The audited financials of Brown's Pharma Ltd for the years 2017 to 2019 represent the results of the group before the integration with JP Pharma through the Issuer in 2020. The relevant audited financial statements are available at the Issuer's registered office and on the Issuer's website.

Audited Consolidated Income Statement Brown's Pharma Limited	FY17 €'000	FY18 €'000	FY19 €'000
Revenue	9,899	11,078	12,088
Cost of sales	(5,813)	(6,338)	(6,713)
Gross profit	4,086	4,741	5,374
Admin, selling and distribution expenses	(3,420)	(3,416)	(3,968)
Other income	116	145	148
Net income from other trading activities	440	118	326
EBIT*	1,221	1,588	1,881
Finance costs	(120)	(93)	(77)
Profit before tax	1,101	1,495	1,803
Income tax charge	(397)	(501)	(651)
Net income	704	993	1,152
Other comprehensive income	3,836	5,160	-
Total comprehensive income	4,540	6,153	1,152
Gross profit margin**	41%	43%	44%
Net income margin	7%	9%	9.5%

*EBIT - earnings before interest and taxation

** Gross profit margin is calculated as gross profit over revenue

In 2019, the operation generated *circa* €12.1 million in revenues, a 9.11% increase over 2018.

The increase in revenue was organically generated through a 4% increase in footfall, from 646,866 customers per annum in 2018, to 673,092 customers in 2019, and an increase in sales of the service offerings.

Gross profit margin increased from 43.30% on sales in 2018 to 44% on sales in 2019. This increase reflects improved purchasing economies of scale and the increase in the more profitable services sales.

In 2019, net income was of €1.1 million (9.53% of revenue) was up 24% on 2018.

Admin, selling and distribution expenses include direct pharmacy costs reflecting overheads directly attributable to the individual pharmacy operations, which are primarily composed of staff salaries and rent. Direct pharmacy cost as a percentage of revenue has remained fairly stable throughout the review period, resulting in the improved gross profit margin driving a direct improvement in pharmacy contribution margin. Admin, selling and distribution expenses also include head office costs, mainly the cost of the finance department, marketing, central management and centralised stores. Head office costs are semi-variable in nature. While they are not expected to grow proportionately with revenue growth, certain administrative functions need to be increased as the network expands. Higher head office costs were reported in FY19 reflecting additional costs incurred to expand the Group's storage and distribution function.

In 2019, the Group reported an EBIT of €1.88 million. This increase is mainly attributable to economies of scale realised by leveraging the Group's head office structure, as well as the increase in the more profitable service sales.

The substantially larger total comprehensive income for years 2017 and 2018 is accredited to revaluation of pharmacy licences for that particular period, net of the movement in deferred tax.

IFRS 16 - Leases will change how the Group accounts for leases of the properties from which the pharmacies are operated previously classified as operating leases under IAS 17 - Leases. On initial application of IFRS 16, the Group will:

- a. recognise right-of-use of the properties from which the pharmacies are operated and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments

- b. recognise depreciation of right-of-use of the properties from which the pharmacies are operated and interest on these liabilities in the statement of comprehensive income
- c. separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the statement of cash flows.

Under IFRS 16, right-of-use of the properties from which the pharmacies are operated will be tested for impairment in accordance with IAS 36 - *Impairment of Assets*. This will replace the previous requirement to recognise a provision for onerous lease contracts.

For short-term leases and leases of low value assets, the group will opt to recognise a lease expense on a straight-line basis as permitted by IFRS 16.

As at 31 December 2019, the Group has right-of-use of the properties from which the pharmacies are operated of €4,240,805 (2018 - €4,312,866) and a corresponding lease liability of €4,430,185 (2018 - €4,407,594) in respect of all these leases. The impact on profit and loss is to decrease administrative expenses by €465,406 (2018 - €467,194), to increase depreciation by €304,580 (2018 - €254,316) and to increase interest expense by €245,342 (2018 - €244,720). The assessment indicates that €19,941 (2018 - €15,465) of these arrangements relate to short-term leases and leases of low value assets.

Audited Consolidated Balance Sheet Brown's Pharma Limited	FY17 €'000	FY18 €'000	FY19 €'000
ASSETS			
Intangible assets	15,123	23,066	23,070
Goodwill	3	3	3
Property, plant and equipment	1,136	1,148	1,151
Total fixed assets	16,263	24,218	24,224
Inventories	1,301	1,187	1,884
Trade and other receivables	822	3,136	3,652
Amounts due from related parties	1,008	1,323	49
Cash in hand and at bank	330	320	185
Total current assets	3,461	5,966	5,771
Total assets	19,724	30,184	29,994
EQUITY AND LIABILITIES			
Share capital	400	400	400
Retained earnings	2,090	2,693	(42)
Revaluation reserve	7,970	13,130	13,130
Non-controlling interests	8	13	15
Total equity	10,469	16,236	13,503
Bank overdraft and loans	2,897	1,392	1,410
Other loans	100	100	108
Total debt	2,997	1,492	1,518
Deferred taxation	4,268	7,046	7,046
Trade and other payables	1,741	4,888	5,531
Amounts due to related parties	124	315	2,140
Current taxation	125	207	256
Other liabilities	6,259	12,456	14,973
Total liabilities	9,256	13,948	16,491
Total equity and liabilities	19,724	30,184	29,994

It is important to note that the consolidated financial results of Brown's Pharma Limited for the year ended 31 December 2017 to year ended 31 December 2019 are limited to the Group's operation prior to the acquisition of the JP Pharma.

Intangible assets reflect the market value of the licences owned by Brown's Pharma Limited and its subsidiaries. The movement in the balance of said assets reflects both actual cost incurred in acquiring new pharmacy licences as well as a revaluation of the current licences. The Group revalues their pharmacy licences every two (2) years.

Property, plant and equipment include improvements to leased properties, computer equipment, furniture and fittings, shop equipment, electrical installations and motor vehicles. These assets are all used in the day-to-day operations of the Group.

The value of inventories reflects the stock balance directly related to the retail pharmacy stores. This stock is located both in stores and at the Group's head office warehouse facility.

The revaluation reserve and deferred taxation balance was recognised following the revaluation of the pharmacy licenses.

Bank loans and overdrafts have primarily been drawdown to finance new pharmacy acquisitions.

As at 31 December 2019, the group reported €5.5 million outstanding balances to trade creditors.

Audited Consolidated Cash Flow Statement Brown's Pharma Limited	FY17 €'000	FY18 €'000	FY19 €'000
EBITDA	1,404	1,766	2,111
Movement in inventories	(207)	114	(697)
Movement in trade and other receivables	25	(2,512)	484
Movement in trade and other payables	136	3,145	647
Cash generated from operations	1,358	2,513	2,545
Interest paid	(120)	(93)	(77)
Tax paid	(387)	(430)	(602)
Tax refund	-	10	-
Net cash generated from operating activities	850	2,000	1,866
Purchase of plant, property and equipment	(325)	(190)	(233)
Purchase of website costs	-	(2)	(3)
Transaction costs upon purchase of pharmacy licences	-	(4)	-
Net cash used in investing activities	(325)	(196)	(236)
Movements in short and long-term borrowings	(276)	(177)	(227)
Increase/(decrease) in shareholders' loan	(259)	74	(1,790)
Dividends paid	(383)	(386)	-
Net cash used in financing activities	(918)	(489)	(2,017)
Movement in cash and cash equivalents	(393)	1,315	(387)
Cash and cash equivalents at the beginning of the year	(723)	(1,116)	199
Cash and cash equivalents at the end of the year	(1,116)	199	(188)
Cash balance	330	320	185
Overdraft	(1,446)	(120)	(374)

The cash generated by the operations of the Group was used primarily to finance new pharmacy acquisitions, invest in property, plant and equipment, repay bank loans and overdrafts, and provide for a consistent repayment of dividends, which in 2019 was replaced by a €0.79 million repayment to shareholders.

12 ADDITIONAL INFORMATION

12.1 Share capital of the Issuer

As at the date of this Prospectus, the authorised share capital of the Issuer is twenty million and eighty-six thousand one hundred and eighty-six Euro (€20,086,186) divided into fourteen million six hundred and sixty-two thousand nine hundred and sixteen (14,662,916) Ordinary 'Class A' Shares of one Euro (€1) each, and five million four hundred and twenty-three thousand two hundred and seventy (5,423,270) Ordinary 'Class B' Shares of one Euro (€1) each.

The issued share capital of the Issuer is twenty million and eighty-six thousand one hundred and eighty-six Euro (€20,086,186) divided into fourteen million six hundred and sixty-two thousand nine hundred and sixteen (14,662,916) Ordinary 'Class A' Shares of one Euro (€1) each, and three hundred and five million four hundred and twenty-three thousand two hundred and seventy (5,423,270) Ordinary 'Class B' Shares of one Euro (€1) each, which shares have all been subscribed and fully paid up.

The shares of the Issuer are not listed on the MSE or admitted to any alternative list, nor has an application ever been filed for the shares of the Issuer to be quoted on any trading platform. There is no capital of the Issuer which has been issued to the public as from the date of incorporation to the date of the Prospectus. There is no capital of the Issuer which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option.

12.2 Memorandum and Articles of Association of the Issuer

The Memorandum and Articles are registered with the Registrar of Companies and are available for inspection during the term of the Bond at the registered office of the Issuer and at the Malta Business Registry.

12.3 Objects

The principal objects for which the Issuer is established, in terms of Clause 3 of the Memorandum and Articles of Association of the Issuer, are:

- (a) To carry on the business of a holding company and therefore to subscribe for, take, purchase, participate in or otherwise acquire, hold, manage, sell or otherwise dispose of, and deal in any manner whatsoever in, shares, stock, debentures, bonds, notes or other securities whatsoever solely for and on behalf of the Company, and options, warrants or other rights or interests whatsoever in any such securities of, and any interests whatsoever in, any company in any other part of the world as the Company may determine and in such manner, under such terms and conditions and for such consideration as the Company may think fit;
- (b) To apply for, register, purchase, or by other means acquire, hold, develop, exploit, protect, renew and dispose of, under any title, any intellectual property, including without limitation, software, licences, service marks, trademarks, patents, patent rights, marketing authorisations for regulated goods and substances, royalties, URLs, domain names, brand names, secret processes, designs, copyrights, grants, options, protections and concessions and other exclusive and non-exclusive rights, and to grant licences or other rights in respect thereof; and
- (c) To issue bonds, commercial paper or any other instruments creating or acknowledging indebtedness and to sell or offer the same to the public.

13 MATERIAL CONTRACTS

The Issuer or the Group have not entered into any material contracts which are not in the ordinary course of their respective business which could result in either the Issuer or any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Bondholders in respect of the Bonds being issued pursuant to, and described in, the Securities Note.

14 DOCUMENTS AVAILABLE FOR INSPECTION

For the duration of this Registration Document, the following documents shall be available for inspection at the registered address of the Company during office hours:

- i. the Memorandum and Articles of Association of the Issuer;
- ii. the consolidated audited financial statements of the Issuer for the year ended 31 December 2020;
- iii. the consolidated audited financial statements of Brown's Pharma Limited for the years ended 31 December 2017, 2018 and 2019;
- iv. the Financial Analysis Summary dated 10 June 2021 prepared by Calamatta Cuschieri Investment Services Ltd, as reproduced in Annex III of the Securities Note; and
- v. The Trust Deed

The documents listed above are also available for inspection in electronic form on the Issuer's website: www.browns.pharmacy