ANNUAL REPORT 2021

Sustainable Growth

CONTENTS

Diversified healthcare services business focused on growth markets.

OVERVIEW

Operational and Financial Highlights	2
Investment Case	6
Chairman's Report	8

STRATEGIC REVIEW

Chief Executive's Report	12
Our Strategy	16
Business Model	18
Key Performance Indicators	20
People & Culture	22
Risk Management	24
Sustainability and Governance Report	32

PERFORMANCE REVIEW

Financial Review	48
Commercial & Clinical	52
Product Access	54
Supply Chain & Retail	56

GOVERNANCE

Company Information	59
Board of Directors	60
Corporate Governance Statement	62
Corporate Governance Report	63
Audit, Risk and Compliance Committee Report	71
Nominations and Governance Committee Report	75
Remuneration Committee Report	79
Directors' Report	91

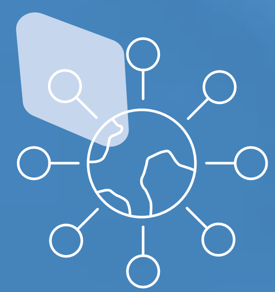
FINANCIAL STATEMENTS

Independent Auditors' Report	98
Group Income Statement	105
Group Statement of Comprehensive Income	106
Group Balance Sheet	107
Company Balance Sheet	108
Group Cash Flow Statement	109
Company Cash Flow Statement	110
Group Statement of Changes in Equity	111
Company Statement of Changes in Equity	112
Accounting Policies	113
Notes to the Financial Statements	125
Alternative Performance Measures	186
Glossary of Terms	191

uniphar group

Commercial & Clinical
Page 52

Product Access
Page 54



Supply Chain & Retail
Page 56

OPERATIONAL AND FINANCIAL HIGHLIGHTS

Delivering M&A

Announced five acquisitions, with four completed and the acquisition of the Navi Group subject to CCPC approval.

Adjusted EPS

16.2 (cent)

28.6% increase in adjusted EPS, reflecting the strong performance in the year.

Progressive Dividend

€4.4m

A total dividend of €4.4m for the year including the interim dividend paid in October, subject to shareholder approval at the AGM.

Gross Profit

€274.5m

26.3% increase year-on-year, rising from €217.3m to €274.5m.

EBITDA

€86.5m

29.6% increase year-on-year, rising from €66.7m to €86.5m.

Organic Growth

8.5%

Strong organic gross profit growth.

ROCE

17.6%

Reflecting the impact of the successful integration of acquisitions.

Leverage

0.7x

Robust Balance Sheet and liquidity profile enhanced with two new international banking partners, providing strong capital base to support our growth strategy.

Continued Critical Role played in the Covid-19 Pandemic

Ensuring continuity in the supply of medicines, medical devices, and related services to the healthcare sector.

Commercial & Clinical

- Delivering a pan-European platform
- Providing sales, marketing and distribution solutions to manufacturers
- Focused on speciality pharma and medical technologies

Product Access

- Sourcing and supply of unlicensed medicines for pharmacy customers
- Managing EAPs for global manufacturers
- Serving 130+ countries

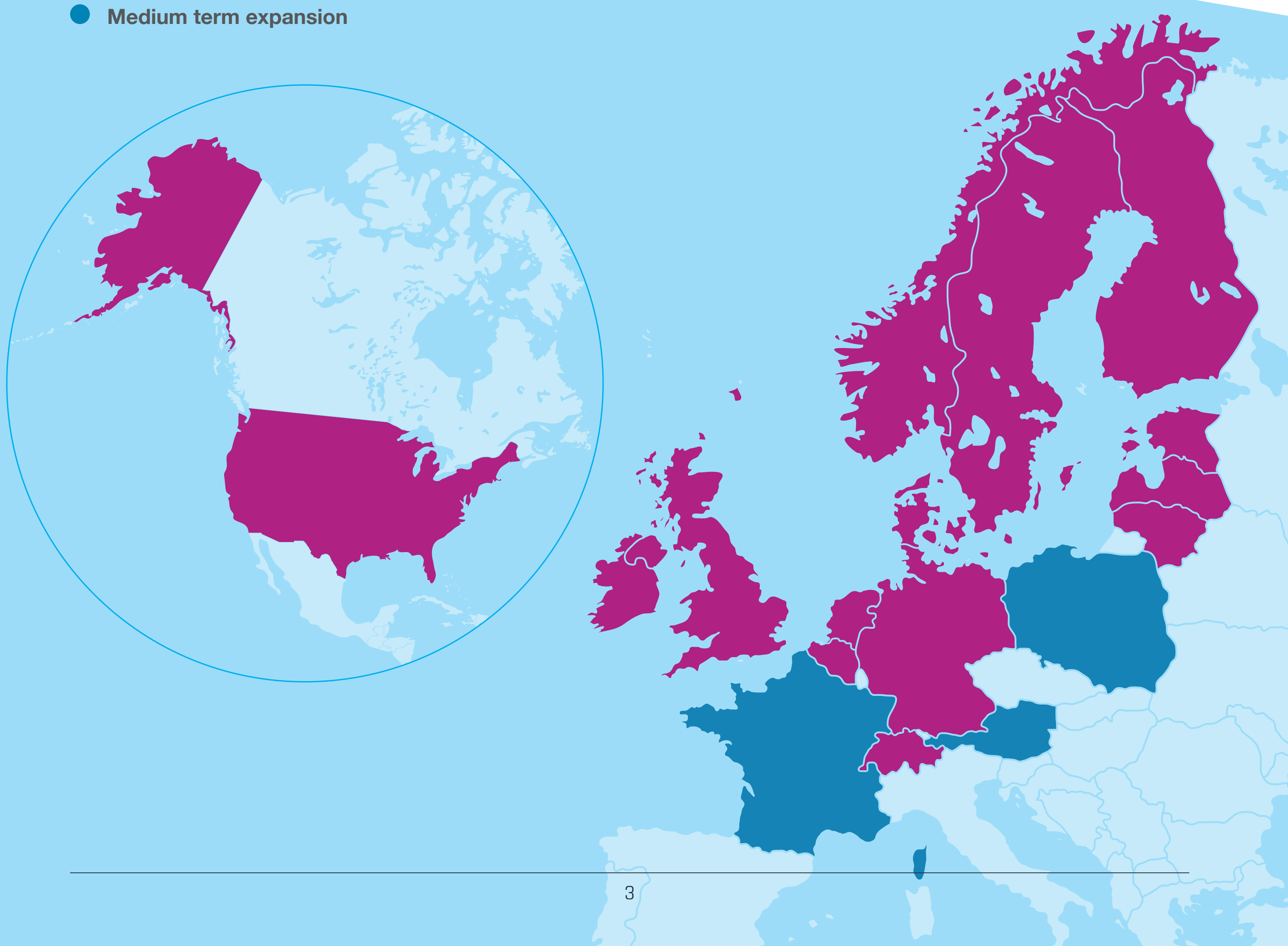
Supply Chain & Retail

- Key player in Pharma Supply Chain
- Supporting a network of 378 pharmacies
- #1 market position in wholesale in Ireland

Providing expertise throughout the product lifecycle

Global Footprint

- Active in 2021
- Medium term expansion



UNIPHAR AT A GLANCE

800k
Over 800,000 HCP interactions achieved in 2021

65
Managing over 65 EAPs for global manufacturers, from our global distribution centres

8.5%
Organic gross profit growth achieved in 2021

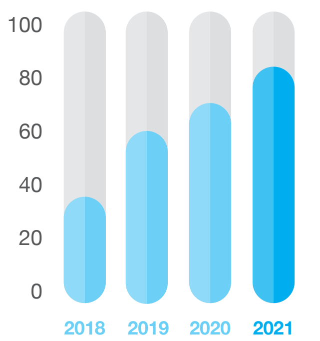
€274m
Gross profit of €274m, 26.3% increase year on year

€1.9bn
In 2021 the Group generated revenue of over €1.9bn

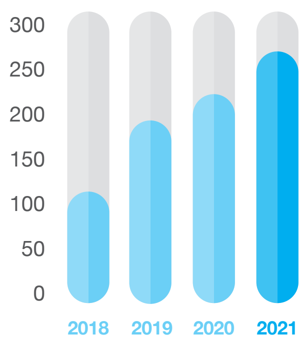
76.6%
Free cash flow conversion

Delivering Growth

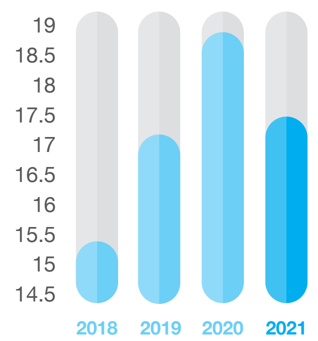
EBITDA
€'m



Gross Profit
€'m



ROCE
%



Delivering M&A

Five acquisitions with a strong strategic fit, expanding market share, increasing our presence in a new geography, expanding our global reach to the MENA region and strengthening our digital capability

Sustainability

Continued progress across all 5 Sustainability Pillars

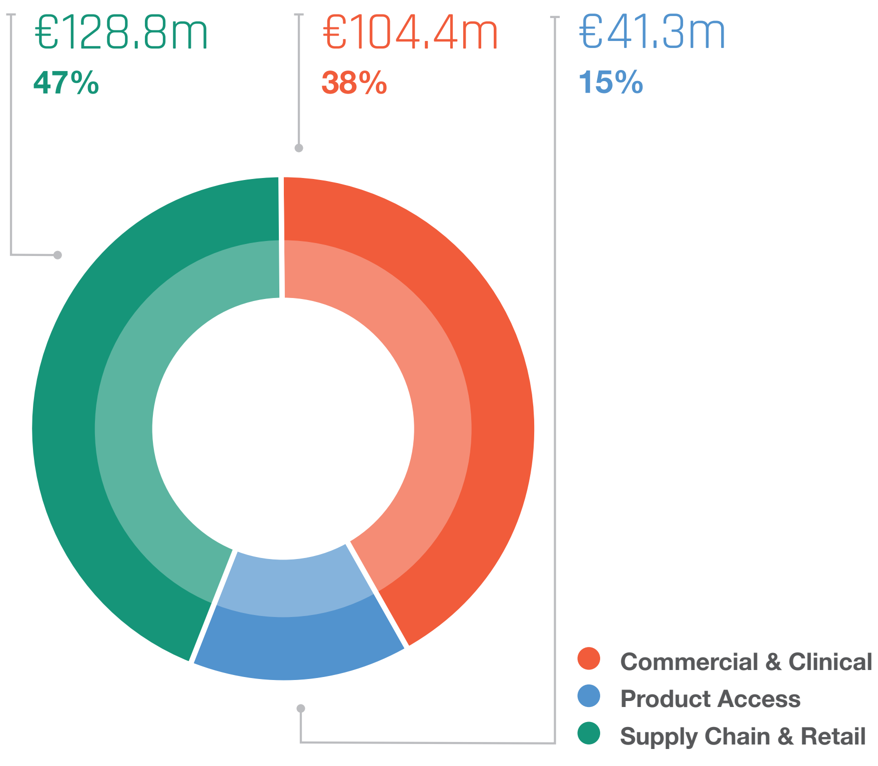
Summary Financial Results - Financial Year Ended 31 December 2021

Year ended 31 December	2021 €'000	2020 €'000	Growth Reported	Growth Constant Currency[2]
Revenue	**1,943,149**	1,823,854	6.5%	6.3%
Gross profit	**274,497**	217,252	26.3%	25.8%
Gross profit margin	**14.1%**	11.9%		
EBITDA[1]	**86,481**	66,713	29.6%	29.1%
Operating profit	**45,147**	39,944	13.0%	12.2%
Profit before tax excluding exceptional items	**50,444**	38,367	31.5%	30.7%
Net bank debt[1]	**(48,297)**	(34,419)		
Basic EPS (cent)	**17.8**	10.6		
Like for like adjusted EPS (cent)[1]	**16.2**	12.2		

1. *Additional information in relation to Alternative Performance Measures (APMs) are set out on pages 186 to 190.*
2. *Constant currency growth is calculated by applying the prior year's actual exchange rate to the current year's result.*

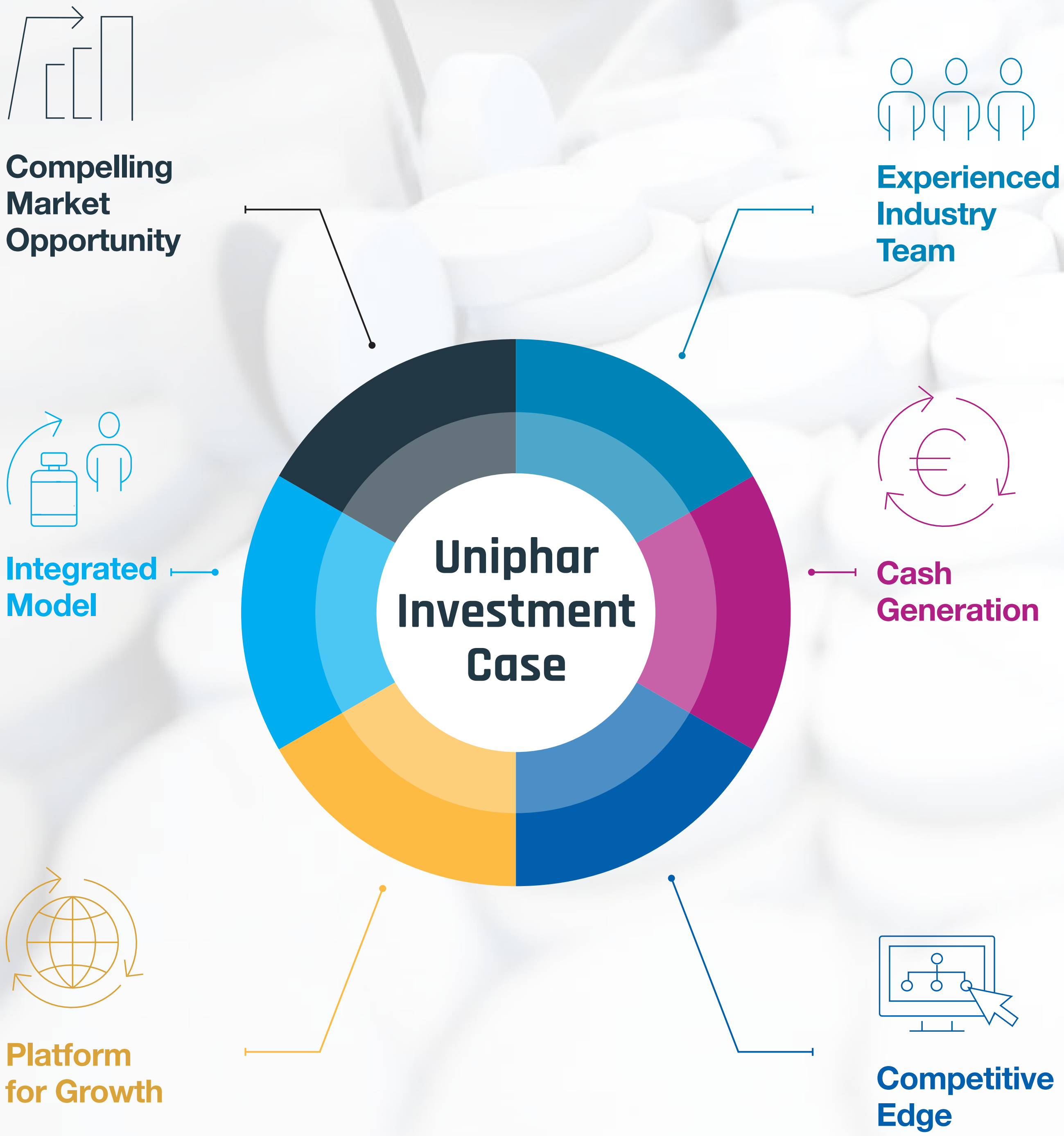
Diversified healthcare services business focused on growth markets

Divisional Gross Profit



INVESTMENT CASE

Diversified healthcare services business operating in growth markets.



Experienced Industry Team	» Executive management with many years of relevant industry experience, working with technical expertise and further enhanced by strong specialist market experience
Cash Generation	» Strong free cash flow generation delivering growth » Robust liquidity position with capital allocation prioritised to support sustainable organic growth, accretive M&A and a progressive dividend policy
Competitive Edge	» Longstanding manufacturer relationships » Sophisticated digital capabilities » High-tech distribution infrastructure
Platform for Growth	» A pan-European Commercial & Clinical service offering for our manufacturer clients » Growing our Product Access service on a global basis » Providing a multi-geography platform and expanded service offerings to new and existing manufacturer clients
Integrated Model	» End-to-end solutions across the value chain from early-stage development and throughout the product life cycle » Leveraging existing capabilities, technology, relationships and infrastructure to take advantage of substantial market opportunities
Compelling Market Opportunity	» Increasing requirements for speciality products » Continued growth in outsourcing by manufacturers » Highly fragmented European market

Performance Review
Read more on page 47

CHAIRMAN'S REPORT

€1.9bn

Group revenues across the three divisions increased to over €1.9bn

€50.4m

Group profit before tax and exceptional items up 31.5% to €50.4m

8.5%

Organic gross profit growth in a market still disrupted by the ongoing effects of Covid-19.

Performance Review
Read more on page 47

Our growth strategy of expansion on both a geographic and market share basis continues to deliver, with organic gross profit growth of 8.5% in a market still disrupted by the ongoing effects of the pandemic.

Uniphar has delivered a strong performance again this year, demonstrating the diversity of the Group's service offering and the benefit of the Group's focus and investment in technology platforms.

Our growth strategy of expansion on both a geographic and market share basis continues to deliver, with organic gross profit growth of 8.5% in a market still disrupted by the ongoing effects of the Covid-19 pandemic. For the second year running, Uniphar colleagues worldwide have shown remarkable resilience and commitment, delivering for our clients and our shareholders navigating the various challenges that Covid-19 presented.

Overview

Profit before tax increased 66.4% to €55.8m, achieved by growth across all divisions, and benefiting from the full year impact of our 2020 acquisitions of the Hickey's Pharmacy Group, Diligent Health Solutions, RRD International and Innerstrength Limited and our more recent acquisitions in 2021 of CoRRect Medical and BESTMSLs Group. The Group maintains a robust capital base with strong liquidity, a modest leverage position of 0.7x and net bank debt of €48.3m, which positions the Group well to continue to invest in further growth opportunities.

Adjusted earnings per share increased by 28.6% on FY 2020, to 16.2c. This was acheived on the back of a strong EBITDA result of €86.5m.

Corporate Governance & Sustainability

Our focus on improving our corporate governance structures continued in 2021. The composition of our Board saw a number of changes during 2021 which resulted in alignment with the requirements of the UK Code. Marie McConn, Padraic Staunton, Ger Penny and Padraic Dempsey, each of whom were deemed not to meet the independence criteria set out in the UK Code, resigned from the Board during the year. In January 2021, Jim Gaul and Liz Hoctor joined the Board, both of whom have been designated by the Board as independent.

On behalf of the Board, I would like to extend a warm thanks to each of the outgoing directors for their significant contributions to the Board over their respective terms.

At the time of IPO in 2019, the Board indicated its intention to continue to enhance corporate governance structures with a view to adopting the UK Code as the Group's corporate governance code within 3 years. I am delighted to confirm that following further governance changes during 2021, the Board resolved in early 2022 to adopt the UK Code as the Group's corporate governance code and to align the corporate governance practices of the Group to that Code.

> Sustainability is at the heart of our business ensuring patients have access to medicines and medical devices they need in the markets we serve, and 2021 saw a continued focus on the wider sustainability agenda of the Group.

Initiatives such as the Future of Work employee listening exercise, our second hugely successful Relay for Hope event and our commitment to setting transparent and ambitious carbon reduction targets aligned to the science-based target initiative are examples of how our sustainability agenda continues to gain momentum across the Group.

Mergers & Acquisitions

Since IPO in 2019, we have successfully executed 12 value accretive acquisitions, including five acquisitions announced in 2021. In Commercial & Clinical, we completed the acquisitions of CoRRect Medical in Germany, BESTMSLs Group in the US and E4H in the UK. In Product Access, we completed the acquisition of Devonshire Healthcare Services in the UK.

In Supply Chain & Retail, we announced the acquisition of the Navi Group, which is subject to approval by the Irish Competition and Consumer Protection Commission (CCPC). Work has already begun on the integration of the completed acquisitions, and we look forward to seeing the positive impact on the Group in the coming months.

Acquisitions completed in 2020, including RRD International, Diligent Health Solutions, Innerstrength and the Hickey's Pharmacy Group have all been successfully integrated into the business and are adding significant value to the organisation with previously identified synergies coming through.

Macro-economic impacts
In common with many companies, Uniphar has felt the impact of Brexit, particularly in the UK and Irish markets. However, the diversity of our service offering coupled with our ever-widening geographical reach has notably mitigated the impact to the Group. In 2019 and 2020, we saw pre-wholesale stockpiling by manufacturers to ensure that they had sufficient product to serve the market when the full impact of Brexit commenced. During 2021, like most in the value chain, we have seen some further impact to the stability of the supply chain, including a reduction in reliability of timing and increased costs. However, conscious of the potential impact on patients, Uniphar were well prepared and successfully supported our pharmaceutical and MedTech partners throughout.
While the ongoing impact of the pandemic has offered operational challenges in many parts of the business, these were managed well in 2020 and this continued to be the case in 2021. I would like to take this opportunity to highlight the huge effort and commitment shown by Uniphar colleagues all across the Group in this the second year of the pandemic. They have shown great strength and team spirit, holding the line and maintaining high standards of service to our customers through lockdowns, Covid-related staff shortages and uncertainty.

On behalf of the Board, I thank them.

Dividend
The Board remains committed to a progressive dividend policy as stated at the time of the IPO. The Directors are proposing a final dividend of €2.9m subject to approval at the Company's AGM. It is proposed to pay the dividend on 13 May 2022 to ordinary shareholders on the Company's register on at 5pm on 22 April 2021.

Together with the interim dividend of €1.5m paid in October 2021, this brings the total dividend for the year to €4.4m, an increase of 5% on 2020.

Looking forward
The Board remains confident that the Group's business model and strategies will continue to deliver long-term value for our shareholders. Acquisitions continue to play an important part in Uniphar's growth strategy, and the Group's Balance Sheet is well positioned to support our objectives.

We are well positioned to continue to grow in line with our medium-term divisional guidance.

On behalf of the Board, I would like to thank Ger and the Executive Management team for their exceptional leadership, and everyone throughout the organisation for their hard work and dedication during the year.

Maurice Pratt
Chairman

12

We have successfully executed twelve value accretive acquisitions since IPO in 2019

5

A further five acquisitions announced in 2021, two in the UK, one in Germany, one in Ireland and one in the US

€4.4m

A total dividend of €4.4m for the year including the interim dividend paid in October, subject to shareholder approval at the AGM

STRATEGIC REVIEW

Chief Executive's Report	12
Our Strategy	16
Business Model	18
Key Performance Indicators	20
People & Culture	22
Risk Management	24
Sustainability and Governance Report	32

CHIEF EXECUTIVE'S REPORT

26.3%

Gross profit growth of 26.3% with Gross profit margin increasing from 11.9% to 14.1%

€86.5m

EBITDA of €86.5m increased by 29.6% in the year

16.2 (cent)

Adjusted EPS increased by 28.6% to 16.2 (cent)

Performance Review
Read more on page 47

Over the last twelve months we have seen a considerable growth in profitability with gross profit increasing by 26.3% for the full year and a strong organic gross profit growth of 8.5%.

Our business performed strongly in 2021, with our teams delivering impressive results despite the continuing challenges caused by the Covid-19 pandemic. Over the last twelve months, we have seen a considerable growth in profitability, with gross profit increasing by 26.3% for the full year and a strong organic gross profit growth of 8.5%.

We work with seven out of ten of both the world's largest pharma companies and medical device companies globally. Our three divisions, Commercial & Clinical, Product Access and Supply Chain & Retail share a common culture, a thread of DNA, that insists on always putting the customer at the centre of what we do. This is what has allowed us to hit our targets and outperform the market through another challenging year for the healthcare sector.

Financial Review

2021 has been a strong year for Uniphar with our EBITDA increasing by 29.6% year-on-year, finishing at €86.5m compared to €66.7m in 2020. This strong profitability is reflected in a robust Return on Capital Employed for the year of 17.6%.

The Group has a solid capital structure in place with significant cash resources available. Finishing the year with leverage of 0.7x, and net bank debt of €48.3m, the Group is in a strong position to continue to invest in growth opportunities.

We took the opportunity during the year to expand our banking syndicate with the addition of two new international banking partners, HSBC and RBC. This expanded syndicate provides a strong platform to support our growth strategy as we move forward, both organically and through acquisition.

Sustainability

Sustainability continues to be a key focus for both the executive team and the Board and is at the core of our business, in providing patients with access to medicines and medical technology in the markets we serve. 2021 saw progress across all five of the Group's sustainability pillars. Our new Chief People Officer implemented a number of people and culture focused initiatives, including our Group-wide Future of Work employee listening exercise which drove the implementation of our global Hybrid Working Guidelines. On the environmental front, we took our first step in setting carbon reduction targets with the Group's formal commitment in December 2021 to setting a science-based carbon reduction target. While we continue to work on assessing our Scope 3 emissions, we have set an internal target to reduce our Scope 1 and 2 emissions by 5% per annum between 2019 and 2030, which would see us achieve our climate ambition of at least 50% reduction in our absolute Scope 1 and 2 emissions by 2030.

Quality, compliance and innovation were, as always, at the heart of how we ran our business in 2021. Our corporate governance agenda was further strengthened by the resolution of the Board to adopt the UK Code as our corporate governance framework in early 2022.

Under our community pillar, I was once again extremely proud of the charitable efforts of our teams in supporting both the second year of Relay for Hope in aid of our global cancer charity partners and The West End Tour in aid of the Mayo-Roscommon Hospice. As a Group, we succeeded in raising a phenomenal €350,000 for our charity partners across these two events, which brings our total charitable contributions over the past two years to well in excess of €600,000.

Mergers & Acquisitions

> We were very pleased to announce five acquisitions during the year across our three divisions, noting that the acquisition of the Navi Group is subject to approval by the CCPC.

CoRRect Medical is a Germany-headquartered company that specialises in the commercialisation and distribution of medical device products in the interventional cardiology sector across Germany & Switzerland.

BESTMSLs Group is a New York-headquartered company that provides outsourced medical affairs services including the provision of contract Medical Science Liaison (MSL) teams, recruiting, training, education and a range of innovative digital solutions for its pharma partners. BESTMSLs Group also operates The Doctors Channel, a digital platform which delivers expert medical information condensed into short streaming videos.

E4H is a UK based company offering a wide range of digital and communications solutions to the pharmaceutical industry, including brand and strategy commercialisation, digital development, omni-channel delivery, engagement and data analysis.

Devonshire Healthcare Services is a UK based company providing access to unlicensed and difficult to source medicines across the Middle East and North Africa (MENA) region for 25 years to a broad variety of healthcare authorities, hospitals, and overseas ministries of health.

The Navi Group, whose acquisition is subject to CCPC approval, drives innovation within the Irish pharmacy sector through leading digital platforms and consistent supply of quality pharmaceutical products to its Irish and MENA partners. On completion of this acquisition, the unique technology and value proposition of Navi combined with Uniphar's scalable high-tech distribution facilities and digital platforms would deliver an even stronger offering to our independent community pharmacy customer base.

Each completed acquisition included an upfront payment plus contingent consideration payable upon achievement of certain financial hurdles and each is expected to deliver a Return on Capital Employed to the Group in line with Uniphar's target rate of 12%-15% within three years.

The acquisitions completed during 2020 are now successfully integrated and mark a further milestone in developing our platform for growth, with previously identified efficiencies and margin synergies evident in our 2021 performance. We have successfully acquired innovative companies, with talented teams who are culturally aligned to the Group and whose value-add services complement and broaden our existing capabilities. We have worked hard to integrate them and continue to support and invest in them to ensure that, together, we can deliver on our ambitious growth expectations. We are now seeing the benefit of our disciplined approach coming through as both organic and inorganic growth. Looking at the divisions, all three have made significant progress this year in line with or ahead of our expectations:

Commercial & Clinical

Our Commercial & Clinical division is speciality focused and built on two elements – an extensive clinical understanding of the specialised products and complex therapeutic areas we service and a long history of building a partnership approach with our customers. Our MedTech business delivers a fully integrated model of sales, marketing and distribution services to MedTech manufacturers, while our Pharma business provides an insights-driven omni-channel solution to commercializing brands. Our unique combination of skills and resources has allowed us to provide a range of services ideally suited to the fragmented European market, whose widely varying healthcare systems, reimbursement regimes and regulatory nuances, can make the market very challenging for specialty manufacturers working to bring high-tech products to market across multiple territories.

M&A will continue to play an important role to accelerate our ability to provide a fully integrated commercial service for our clients in Europe.

Our Commercial & Clinical division continues to grow, with revenues reaching €300m and gross profit increasing by 13.2% on 2020. As we move forward we will look to leverage our expanding European platform with new and existing clients.

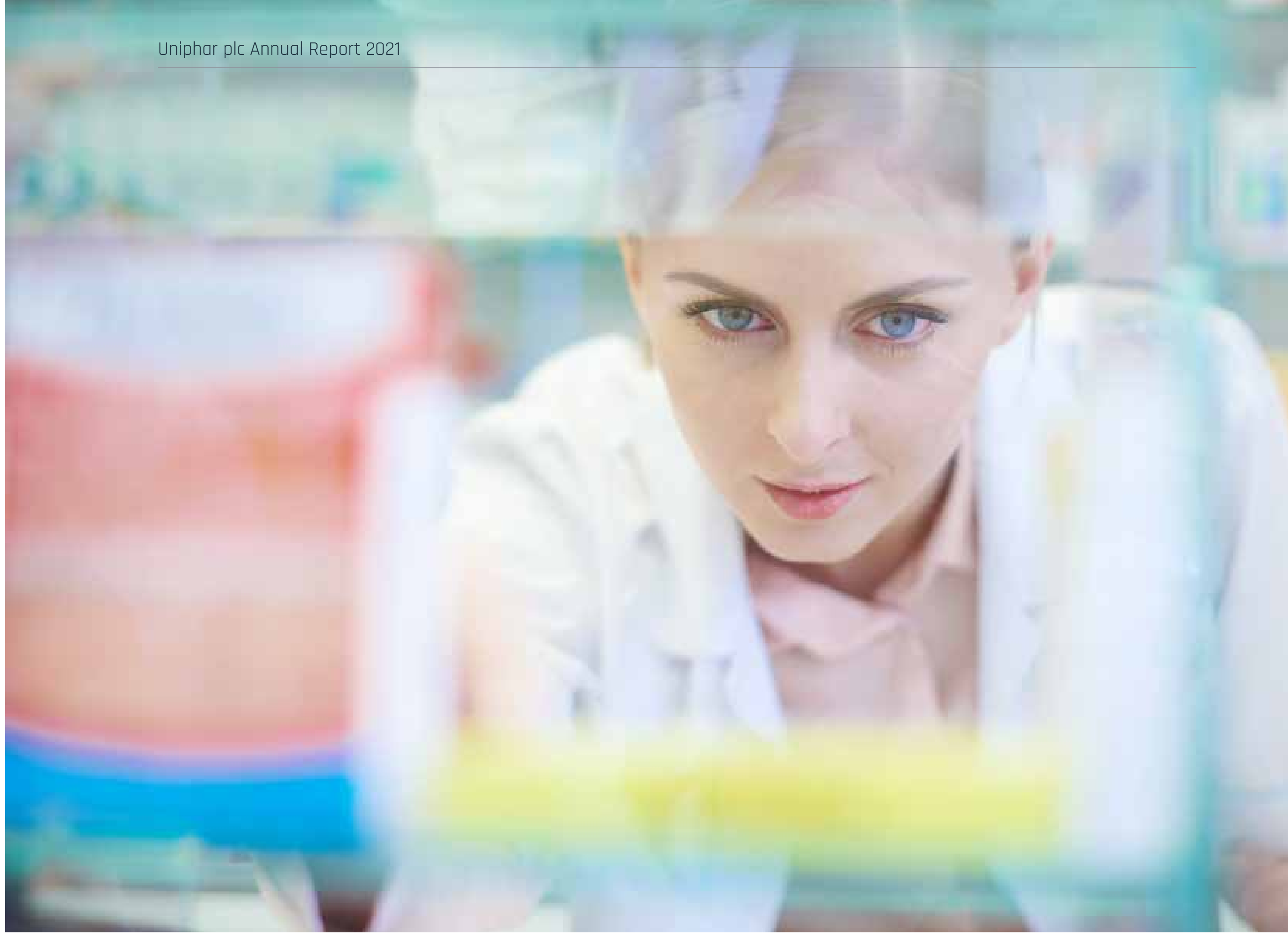
Product Access

Product Access performed ahead of expectations, reaching 35.8% gross profit growth on revenues of €157m. Our strategic focus in Product Access is to become a global leader in providing access to ethically sourced unlicensed medicines and the delivery of 'Expanded Access Programs' on a global basis. Our On Demand business supplies medicines which are unlicensed or otherwise difficult to source. Our Exclusive Access business works closely with the manufacturers of speciality medicines to manage the release of innovative and often high value treatments to specific patients. We have strengthened our capability in bespoke distribution through Durbin. Our more recent acquisitions of Innerstrength, RRD International, and Devonshire Healthcare Services bring expertise in the management of medicines in the early stage of the life cycle. Our digital platforms, combined with our deep expertise and global reach, give us a compelling value proposition for manufacturers seeking to manage the complexity and cost of bringing high-tech and speciality products to market.

Supply Chain & Retail

Our Supply Chain & Retail division continues to outperform the market, due in a large part to our focus on digital innovation providing us with a competitive advantage, both in terms of providing a superior service resulting in increasing market share and in managing our own costs. While lockdowns and restrictions have provided challenges for the retail business, our pharmacy staff have worked tirelessly throughout 2021 to make sure that customers and patients were looked after and received the products and services they required. During 2021, the retail business was focused on integrating the Hickey's Pharmacy Group, with the 36 Hickey's pharmacies migrated onto Uniphar IT systems and our digital expertise used to grow the brand's online presence.

When the current management team was appointed in 2010, this division held a c.25% market share in Ireland with no retail presence nor did our international divisions exist. Today we have c.53% market share in Supply Chain and are the market leading provider of pharmacy retail services and have created two international divisions from this solid foundation in Supply Chain & Retail. We believe that the success in this division in Ireland can be replicated in other markets through leveraging a divisional management team with a proven track record. We have demonstrated such operations provide a strong cash generative core and platform for our international divisions expansion of higher margin and high value-add services across the Group.



Looking forward

Over the last two years we have made excellent progress in building out our growth platforms in each division and we now have a strong position from which to address our target markets, with a growing global footprint, a focus on leveraging technology efficiently and a depth of expertise across our teams. In the Commercial & Clinical and the Product Access divisions, our focus on speciality products, and providing the often complex and multi-layered services that are needed by our manufacturer clients across the life cycle of their product, remains the cornerstone of our strategy. While in Supply Chain & Retail, we have the track record and management team in place to continue to grow our market share in Ireland while evaluating other growth opportunities through organic and inorganic investment, domestically and abroad.

Looking at 2022, we are confident we have the strategy, market opportunity, platform, competitive edge and, most importantly, the team to deliver on our growth plan for our business.

Gerard Rabbette

Gerard Rabbette
Chief Executive Officer

OUR STRATEGY

Uniphar's vision is focused on improving patient access to pharmaco-medical products and treatments by enhancing connectivity between manufacturers and healthcare stakeholders.

€1.9bn

Revenue of €1.9bn, 6.5% increase year-on-year

8.5%

Organic gross profit growth of 8.5% achieved

€274.5m

€274.5m Gross profit, 26.3% increase year-on-year

Since IPO in 2019, our vision and business strategy has served us well. Our vision is to improve patient access to pharmaco-medical products and treatments by enhancing connectivity between manufacturers and healthcare stakeholders. There is significant market opportunities in the markets we serve and we will continue to grow both organically while also accelerating growth through acquisitions.

Continued focus on our key strategic objectives - becoming a global leader in Product Access, providing best-in-class Commercial & Clinical services on a pan-European basis and maintaining and growing our market leadership position in Supply Chain & Retail across Ireland – have enabled us to deliver the results we committed to in 2019 and allowed us to remain on track to achieve our goal of doubling 2018 pro-forma EBITDA within five years of IPO.

Performance Review
Read more on page 47

> We continue to leverage M&A to accelerate these objectives and in 2021 completed four acquisitions, with a fifth, the acquisition of the Navi Group, subject to CCPC approval. All these acquisitions are in line with our growth strategy.

We completed three acquisitions in the Commercial & Clinical division. CoRRect Medical enables the provision of a fully integrated offering across the important German and Swiss medtech markets. Uniphar have brought their existing manufacturer relationships to the German and Swiss markets and have leveraged the highly experienced CoRRect management team and their local knowledge to launch a number of products, with more launches to come. This acquisition is an important step in our strategic objective of providing high value services to our manufacturer clients on a pan-European basis.

The acquisition of New York-headquartered BESTMSLs Group provides outsourced medical affairs services including the provision of contract MSL teams, recruiting, training, education and a range of innovative digital solutions for its pharma partners. In addition, The Doctors Channel, a digital platform, delivers expert medical information condensed into short streaming videos. A valuable operational addition to the Commercial & Clinical Pharma stable in itself, BESTMSLs Group is also of significant strategic value to our Product Access business, with the role MSLs play becoming increasingly important across late-stage clinical trials through to commercialisation. E4H offers a wide range of digital and communications solutions to the pharmaceutical industry, including brand and strategy commercialisation, digital development, omni-channel delivery and data analysis. E4H will be integrated into the Group's Commercial & Clinical division, enhancing Uniphar's value proposition of creating a truly differentiated omni-channel offering for pharmaceutical clients looking to commercialise their brands across Europe.

Devonshire Healthcare Services has provided access to unlicensed and difficult to source medicines across the MENA region for 25 years to a broad variety of healthcare authorities, hospitals, and overseas ministries of health.

Devonshire will be integrated into the Product Access division, expanding its global access into key hospitals in the MENA region for the benefit of both its On Demand and Exclusive Access businesses. Devonshire will benefit from Uniphar's existing operational infrastructure and drive cross-selling opportunities.

The Navi Group, the acquisition of which remains subject to CCPC approval, drives innovation within the Irish pharmacy sector through leading digital platforms and consistent supply of quality pharmaceutical products to its Irish and MENA partners. On completion of this acquisition, the unique technology and value proposition of the Navi Group combined with Uniphar's scalable high-tech distribution facilities and digital platforms would deliver an even stronger offering to our independent community pharmacy customer base.

As we look forward to the next five years, we must consider how markets have changed and what we have learnt on our journey:

- The pandemic has reinforced our core strategy, founded on innovative solutions, high value-add healthcare services and supply chain expertise.
- Expert, resilient teams, supported by a strong culture and ethos, is core to our success. We must continuously adapt to the evolving work environment and continue to listen to and invest in developing our growing workforce.
- Our deep relationships with healthcare stakeholders give us a unique global insight into emerging trends and pressures, allowing us to ensure we are ready to provide high value-add healthcare services that our customers need not just today, but also into the future.
- Our ongoing focus on digital innovation, delivery excellence and technical expertise are the essential drivers of our competitive advantage – we continue to invest to stay ahead.
- There is no lasting success without meaningful sustainability in our approach to how we do business.

The thread that connects it all is a laser focus on the needs of the customer and patient. These insights are part of our armoury as we look to adapting and planning the next five years for the Uniphar Group.

OUR BUSINESS MODEL

Our business model is to look for opportunities to offer specialist, outsourced services to manufacturers across the pharmaco-medical value chain, from the manufacturer's gate to the patient's home.

Our consistent results demonstrate the robustness of our business model, which focuses on:

Building Relationships

Building long term relationships of trust with manufacturers through our delivery excellence.

Understanding Client Needs

By creating links at multiple points and levels in the organisation to maximise our understanding of the client's needs and expectations.

Digital First

Using digital innovation to help us to meet those needs, constantly evolving and improving the client experience and our own productivity.

Multiple Geographies

By replicating this approach across multiple geographies and markets.

Reducing Environmental Impact

Operating our business in a sustainable, responsible and ethical manner, whilst reducing our impact on the environment.

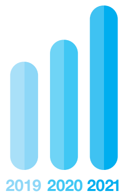
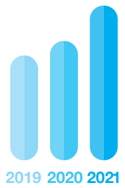
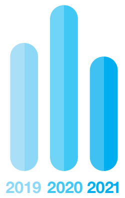
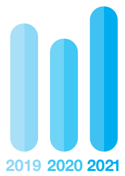
Always Growing

By acquiring companies and growing leaders and teams that are excellent at what they do and share our insistence on putting the customer and their patient at the centre of what we do.

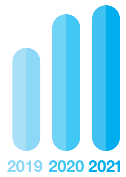
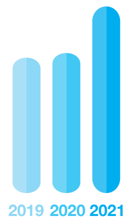
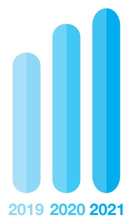
KEY PERFORMANCE INDICATORS

The Group has a range of Key Performance Indicators (KPIs) which are used to monitor Group performance, and measure progress against our strategy.

Financial

Key Performance Indicators	Why we measure it	Performance in 2021
Gross Profit (€m) €274.5 **2020:** €217.3m **2019:** €180.6m 	Gross profit is viewed by the Board as the best measure of top-line performance. It allows management to assess the performance of the business and is a key measure in the assessment of divisional performance.	Gross profit has increased by 26.3%, driven by strong organic gross profit growth of 8.5% in conjunction with the full year impact of 2020 acquisitions and the contribution from 2021 acquisitions. This performance includes growth across all three divisions.
EBITDA (€m)* €86.5 **2020:** €66.7m **2019:** €58.6m 	EBITDA provides management with an assessment of the underlying trading performance of the Group and excludes transactions that are not reflective of the ongoing operations of the business, allowing comparison of the trading performance of the business across periods and/or with other businesses.	Continued strong EBITDA performance increasing by 29.6% to €86.5m. Growth in EBITDA is driven by the expansion into higher margin businesses both organically and through acquisition, despite Covid-19 challenges. We remain on track to achieve our strategic objective of doubling 2018 pro-forma EBITDA within 5 years of IPO.
Free Cash Flow Conversion* 76.6% **2020:** 111.0% **2019:** 85.7% 	Free cash flow conversion represents the funds generated from the Group's ongoing operations. These funds are available for reinvestment, and for future acquisitions as part of the Group's growth strategy. A strong level of free cash flow conversion is key to maintaining a strong, liquid balance sheet.	Free cash flow conversion of 76.6%, reflects a strong performance and tight working capital management and growth delivered from cash reinvestment, offset by the unwind of 2020 Brexit related stock positions and Covid related contracts.
Return on Capital Employed* 17.6% **2020:** 18.7% **2019:** 17.3% 	This measure allows management to monitor business performance, review potential investment opportunities and the allocation of internal resources.	The Group's ROCE for 2021 was 17.6%, reflecting the impact of the Group's successful integration of acquisitions and strategic global expansion.
Adjusted Earnings per Share (cent)* 16.2 **2020:** 12.6 **2019:** 14.3 	Adjusted EPS is used to assess the after-tax underlying performance of the business in combination with the impact of capital structure actions on the share base. This is a key measure used by management to evaluate the businesses operating performance, generate future operating plans, and make strategic decisions.	The Group's Adjusted EPS for 2021 was 16.2 cent. Underlying earnings have increased by 33.0% from €32.9m in 2020 to €43.8m in 2021 driving growth. This is offset by the Group's LTIP and the consequent impact on the weighted average number of shares.

Non-Financial

Key Performance Indicators	Why we measure it	Performance in 2021
Number of Expanded Access Programs 65 **2020:** 61 **2019:** 46 	A key strategic priority of Product Access is the successful operation of Expanded Access Programs (EAPs), enabling the connection of the manufacturer to the patient. The number of these programs in operation during the year is a key metric in measuring progress against this priority, as well as the strength of ourmanufacturer relationships.	During 2021 the number of Expanded Access Programs in progress or completed by the Group grew to over 65, with Covid-19 having minimal impact on world-wide EAPs. The acquisition of Durbin in 2019 continues to enable synergistic growth across the Product Access division and provides a unique value proposition of technical and global market expertise to manufacturers.
Healthcare Professional Interactions 800k+ **2020:** 600k+ **2019:** 580k+ 	In Commercial & Clinical, interactions with healthcare professionals form an integral part of connecting the manufacturer to the patient and the success of the business.	Covid-19 lockdown measures and restrictions have resulted in a significant proportion of interactions with healthcare professionals taking place digitally rather than through more traditional methods. This has highlighted the importance of Uniphar's investment in digital solutions, allowing the organisation to respond effectively to evolving circumstances, further cementing our relationship with key healthcare stakeholders, and enabling the delivery of strong organic growth across the business.
Symbol Group Pharmacy Numbers 378 **2020:** 346 **2019:** 287 	The Uniphar Symbol Group consists of owned and franchised pharmacies operating under our Allcare, Life and Hickey's pharmacy brands as well as wholesale customers who we support through our range of innovative retail support services. The number of pharmacies operating under the Symbol Group provides management with insight into the strength of these brands in the marketplace.	The acquisition of the Hickey's Pharmacy Group in 2020 together with the addition of new members joining our symbol groups in 2021 has created a market leading offering of 378 pharmacies. This growth in pharmacy numbers demonstrates the strength of our market presence and the key role we play in the national health infrastructure. We support our pharmacies through our best-in-class supply chain e-commerce platform which enables a tailored solution to be provided to each group member.

*Details on how this was calculated are included in the APMs section on page 186 to 190.

Our Strategy
Read more on page 16

PEOPLE & CULTURE

People & Culture – A key pillar
Our business is built on the talent, ingenuity and commitment of our people. People & Culture is one of the five pillars of our Sustainability strategy. When we acquire a business, the **cultural fit** is always at the heart of the transaction; this is what has led to the success of our M&A strategy. We have built a diverse portfolio of businesses working together to provide integrated solutions to our healthcare clients, with a shared passion for delivering world-class solutions for our customers.

Who we are:

We are **straight forward, can-do, with a strong entrepreneurial spirit** that runs through every aspect of our business. We're always open to new and better ways of doing what we do. We **are proud of what we do** for our clients and we have fun working together to get it done.

Appointment of Chief People Officer
In February 2021, we appointed our first Chief People Officer, Lorraine Kenny, who has been tasked with developing a long-term people and culture strategy across Uniphar Group, uniting HR teams across our businesses and building on the great work already underway. 2021 has been about building solid foundations for the future, integrating the recently acquired businesses and, most importantly, supporting our teams as they coped with the ongoing challenges of the Covid-19 pandemic. In 2020, the pandemic enforced sudden changes to how we worked. This year, we have taken the important learnings from the pandemic and reimagined our work environment for the future.

Appointment of Jim Gaul, Workforce Engagement Director
Experienced non-executive director and people leader, Jim Gaul, was appointed to the Board in January 2021 and designated as our Non-Executive Director with responsibility for Workforce Engagement. His remit is to ensure that the views and experiences of our wider workforce have a formal voice at our Board table. Throughout 2021, Jim has been partnering with the Chief People Officer and the HR team to reimagine the future of work, post-pandemic. Jim has been instrumental in keeping the Workforce Engagement agenda active at Board level and providing guidance and support to the executive leadership and HR team, as we navigate the next steps of the pandemic journey.

Equity, Diversity & Inclusion
Our people are our most valuable asset. The aim is for our workforce to be truly representative of all sections of society and for each employee to feel respected and able to give their best. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities, and talent that our employees invest in their work represents a significant part of not only our culture, but our reputation and company's achievement as well. We embrace and encourage our employees' differences that make our employees unique. In 2021, we launched a Group-wide Equity, Diversity & Inclusion (ED&I) Policy. In 2022, we aim to strengthen our commitment to ED&I with the launch of a number of Employee Resource Groups.

Uniphar is committed to gender diversity and pay equity and is focused on building strong female leadership across the Group:

» Two out of eight of our Board members are female which represents 25% of the Board. The Board remain committed to keeping diversity and, in particular, gender diversity as a key consideration in succession planning

» Uniphar is also committed to an ongoing focus on developing our global talent pool and building a more diverse leadership team for the future. As at 31 December 2021, women accounted for 24% of senior management and 60% of total employees.

'The resilience is phenomenal… the feeling was " We're in it, but we're all in it".'

Wellbeing
In 2021, we strengthened our resolve to support employees through the ongoing Covid-19 pandemic and continued to focus our efforts on keeping our employees healthy and mentally well during these challenging times.

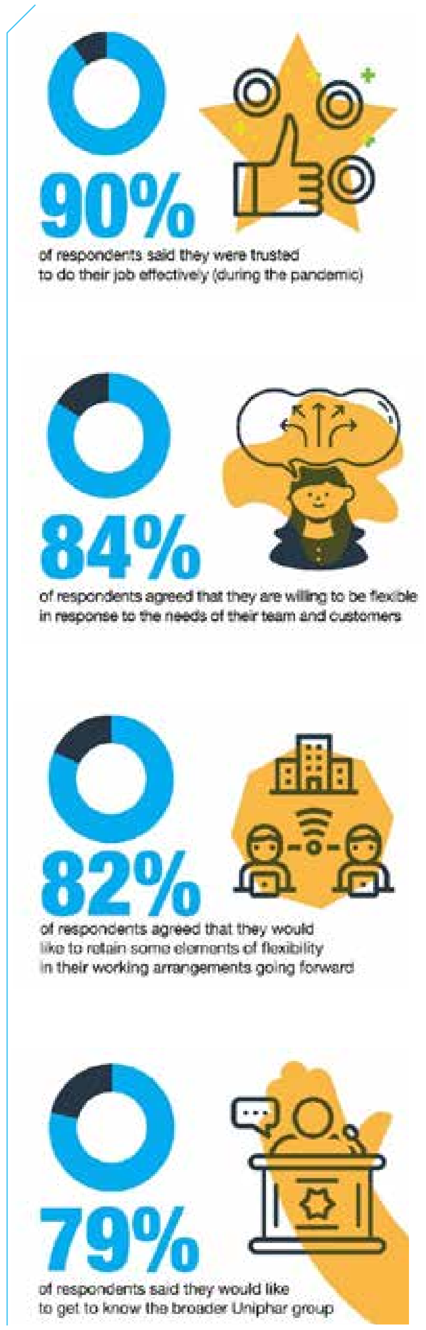
Across the Group, we implemented a wide range of initiatives to support our teams, including the launch of I AM HERE in our Commercial & Clinical division, a mental wellness programme grounded in the principle that "*It is ok not to feel ok, and it is absolutely ok to ask for help*".

Awards
In 2021, Uniphar's StarOUTiCO was awarded the prestigious Platinum level by Investors in People in the UK. Less than 1% of all companies who apply for accreditation gain Platinum level status, as this requires demonstration of the highest standards in how people are led, supported and developed within the business.

Future of Work
In July 2021, we embarked upon our first ever **global employee listening exercise, and to date we have engaged with more than 50% of our global workforce** through a series of one to ones, focus groups and pulse surveys. Our colleagues have shared with us their experiences working through Covid, the lessons we can all learn from this, and their expectations moving forward. Building upon this, our divisions and businesses are developing a number of initiatives and programmes in response to the feedback we heard and we continue to engage with our workforce to understand how we can best support their needs.

"The importance of family, and work life balance, really is the biggest thing we should learn from the pandemic in terms of people's mental health."

The research showed a number of key attitudes consistent across divisions:



In October 2021, Uniphar launched **Global Hybrid Working Guidelines**, designed to support leaders and their teams to shape the future of work, based on the feedback gathered through the employee listening exercise. At the heart of the guidelines is a simple philosophy; think customer, think team, think individual. Across our network, leaders and teams are exploring more flexible ways of working, while maintaining our laser focus on delivering for our customers and each other. At the heart of this sits trust and our desire to grow a global organisation where people can flourish.

We acknowledge that there are many roles that require the individual to be on-site or in the field and for whom hybrid working is not an option. We will continue to work with these teams to support work-life balance. We recognise that an improved work-life balance can enhance employee motivation, performance, and productivity. The health and well-being of our staff remains our number one priority and we continue to encourage participation in well-being initiatives and support programmes in conjunction with continued open dialogue with managers. Our over-riding concern is to ensure that our workplaces provide a safe and secure working environment for our people, our customers and our partners.

Looking forward
As we look to 2022, we will continue to actively engage across our organisation to ensure our work environment, policies and practices are progressive and reflective of the evolving needs of our global workforce. We have multiple exciting initiatives and programmes under development under the pillars of Talent, Learning and Development, and Equity, Diversity & Inclusion, that will enable our talented teams to thrive at Uniphar, providing opportunities for growth and development, both personally and professionally. Building out our Employee Value Proposition to support our expanding workforce is key to ensuring that we can continue to attract, grow and retain the very best industry talent at every level.

RISK MANAGEMENT

The Group's Risk Management Policy provides the framework to identify, assess, monitor and manage the risks associated with the Group's business. It is designed to enable the Group to meet its business objectives by appropriately managing, rather than eliminating, these risks.

Risk Management and Internal Control
The Directors have overall responsibility for the Group's system of internal control and for reviewing its effectiveness. Through the activities of the Audit, Risk and Compliance Committee, the effectiveness of these internal controls is regularly reviewed.

The Group has a dedicated Head of Internal Audit who meets with the Audit, Risk and Compliance Committee to monitor the adequacy of the Group's internal control systems. The Audit, Risk and Compliance Committee also meets with and receives reports from the external auditors. The Chairman of the Audit, Risk and Compliance Committee reports to the Board on all significant issues considered by the Committee.

The Group operates a Group-wide Risk Register which is reviewed and updated on a regular basis and is presented to the Audit, Risk and Compliance Committee where they consider the risks identified and the effectiveness of the mitigating actions taken, focusing on those deemed most critical.

Where necessary, the Board draws on the expertise of appropriate external consultants to assist in dealing with or mitigating risk.

Risk Management Framework
The Group's risk management framework provides the structure by which the principal risks are managed. The Group has implemented a 'three lines of defence' approach to ensure that risks are effectively managed across the Group. Each of these three "lines" play a distinct role within the Group's wider governance framework.

Risk Management Policy Standards and Guidelines

Principle Risks

Board/Audit, Risk and Compliance Committee

1st line of defence

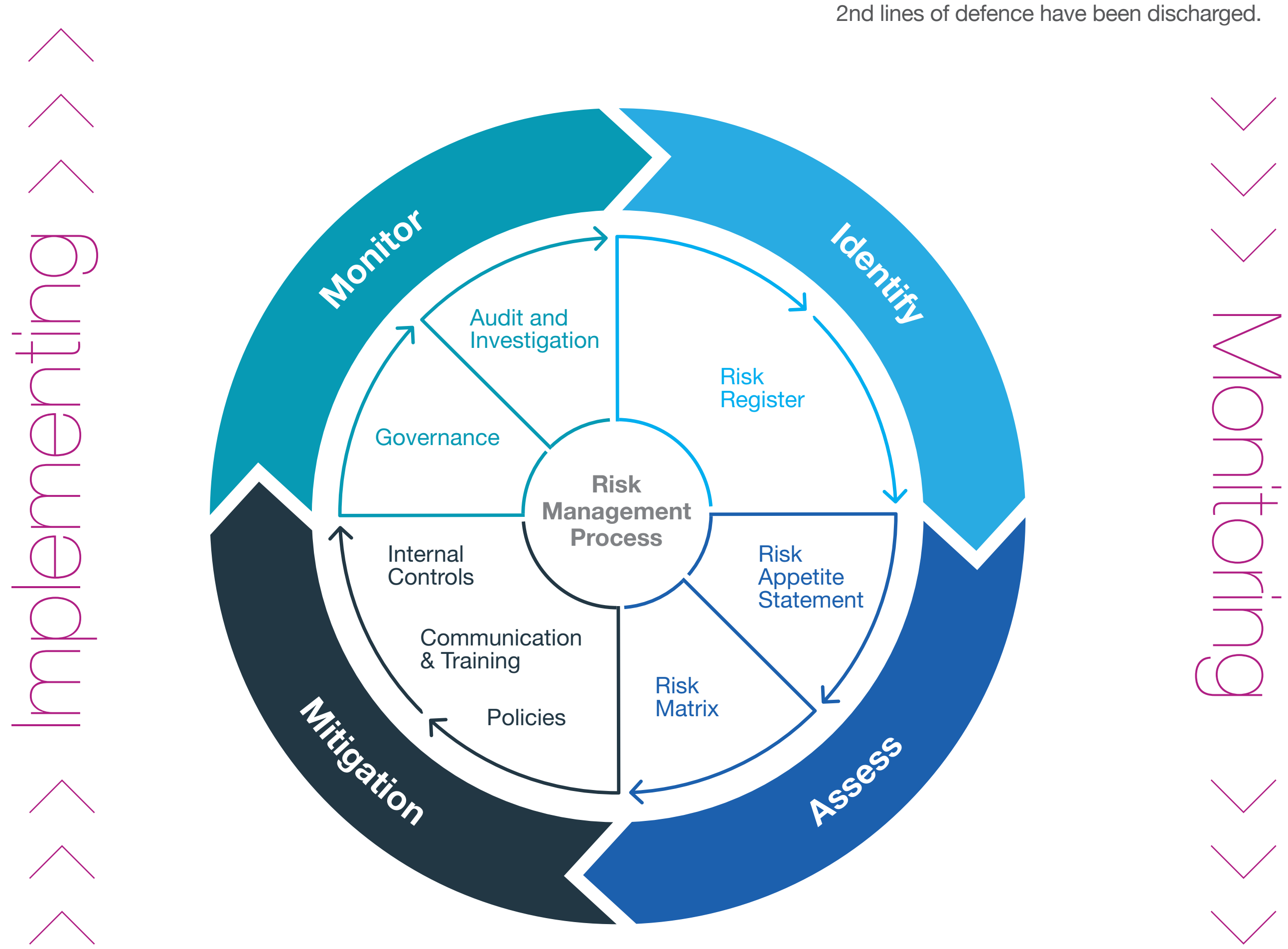
Operational Level
Processes and Controls in the ordinary operations of the business which identify, assess and reduce or mitigate risk exposure through management or internal control measures.

2nd line of defence

Risk Co-Ordinator
Responsible for overseeing and executing the Group's risk management process and maintaining the Group's Risk Management Policy and Risk Appetite Statement.

3rd line of defence

Internal Audit
Ensures independent oversight of the Risk Management Policy and the execution of the Group's risk management process. The Internal Auditor is responsible for testing the design and effectiveness of the Group's control environment and ensuring the risk management responsibilities of the 1st and 2nd lines of defence have been discharged.



Board/Audit, Risk and Compliance Committee

Board
Ensure prudent risk management is implemented in the Group. Review and approve the Group Risk Register along with Risk Appetite and Risk Management Policy.

Audit, Risk and Compliance Committee
Oversee the adequacy and effectiveness of the Group's internal controls. Responsible for the review and assessment of the effectiveness of the Group's risk management process.

Senior Management

Overall responsibility for establishing and embedding the risk management processes within the Group. The Group Risk Manager is responsible for monitoring, maintaining, and presenting the Group Risk Register to the Audit, Risk and Compliance Committee and the Board.

Risk Register Process

The Group's Risk Register process is based on a Group-wide approach. Risks are identified, assessed and monitored with a clear focus on the assignment of responsibility to each risk owner.

Individual risks are assessed and assigned a rating based on the likelihood of occurrence and potential impact. The Risk Register is reviewed regularly, and any new or emerging risks are added as they are identified and assessed.

Divisional management are responsible for completing and maintaining divisional Risk Registers, setting out the risks and mitigating factors pertaining to their area. The Group Risk Manager reviews these and updates the Group Risk Register as required for any significant risks arising. The Risk Manager reports to the Audit, Risk and Compliance Committee and the Board on risk during the year.

The Audit, Risk and Compliance Committee and the Board carry out a robust review of the Risk Register and communicate any required changes in mitigating actions back to executive and divisional management levels.

2021 Highlights

The Group continues to ensure that the risk management framework is integrated in the day-to-day activities across the business. During the year ended 31 December 2021, the Group carried out the following:

- Reviewed the Group Risk Register, updating for all the key risks facing the Group at this time;
- Performed a review of emerging and new risks, including the risk associated with Environment & Sustainability; and
- Continued to focus on Covid-19 and Cybercrime related risks.

Emerging Risks

In addition to considering our current principal risks, emerging risks are also considered as part of our overall risk management processes. Management identifies, assesses, and manages new and emerging risks in the same way as the Group's principal risks. Emerging risks can arise in two ways for the Group. The risk can be newly identified as part of the ongoing risk management process in existence across the Group; or the risk may already be identified on the Group Risk Register, but its potential impact has changed leading to a reassessment.

Enhanced focus has been brought to key risk areas in 2021, including Cybercrime and Environment & Sustainability. We continue to monitor these key areas, and the impact they may have on the Group.

Principal Financial and Reporting Risks and Uncertainties

Set out in the following tables are the principal risks and uncertainties facing the business, which have the potential to have a direct impact on the key strategic objectives of the Group. The principal risks are categorised as Strategic, Operational and Financial. These have been developed from a full review of the Group Risk Register, the business performance and evolving global trends.

These are not listed in order of priority nor do they represent an exhaustive list of all risks currently affecting the business. They represent what the Board deems to be the principal risks and uncertainties facing the Group at this time. Some risks may not be known to the Board at this time or may not be of material consequence at this time. The mitigating factors that are in place do not represent an absolute level of protection and elimination against the risk, rather they are designed to give reasonable protection against the impact of the risk.

Link to Strategic Initiatives Key	Strategic Initiatives Key to Trending	
Continued Client Growth	Stable	↔
Focused Market Leadership	Increasing	↗
Scaling Through Digital	Decreasing	↘

Key Principal Risks and Uncertainties

The key principal risks and uncertainties for the year ended 31 December 2021 are summarised below.

Strategic Risks

Risk	Impact	Mitigation	Trending
Brexit	The post-Brexit environment poses several risks for the Group due to uncertainty and complexities as to the future fiscal and regulatory landscape in the UK. This may have a negative impact on supply and trade. However, as the Group has traded through the initial Brexit uncertainty with Brexit plans in operation, this risk has decreased year-on-year. Brexit also has the potential to create market uncertainty and currency fluctuations which could impact the translation of our UK operations into the Group reporting currency.	A Brexit Plan is in operation to manage the risks across the Group. The Group has worked with its customers and suppliers to minimise the impact of any related disruption on the business, customers, and patients. The Group is continuing to expand its operations in Europe and the US creating geographical diversity. The Group monitors currency fluctuations for subsidiaries that operate in countries outside of the Eurozone. Brexit also presents opportunities in Commercial & Clinical for outsourced services and in Product Access for specialist procurement services.	↘
Acquisitions	Growth through acquisition continues to remain a key strategy for the Group. Failure to identify, complete and integrate acquisitions successfully may directly impact the Group's projected growth.	All potential acquisitions are assessed to measure their strategic fit and financial return. Specialist advisors are appointed to provide robust and thorough due diligence. Experienced management and project teams ensure integration is managed effectively to achieve identified benefits and minimise potential risks. The Group carries out a Goodwill Impairment Assessment annually, or more frequently if required, to ensure the carrying value remains appropriate.	↔
Economic & geopolitical risk	The global macroeconomic, regulatory, political, and legal environment may impact the markets in which we operate and in turn our client and supplier base. This may adversely affect the financial and operational results of the Group.	The Group closely monitors global political and economic conditions and responds quickly to any changes in circumstances or events. The Group has increased its geographical footprint to now include Ireland, the UK, the US, Benelux, the Nordics, and Germany, thus decreasing the reliance on one geographic market. The Group are monitoring the evolving situation in the Ukraine.	↔
Key personnel & succession planning	The success of the Group is directly correlated to the effectiveness and talent of its people, including Directors, senior management, and colleagues across all divisions. If the Group fails to attract, retain, and develop the skills and expertise of colleagues, this may adversely impact the Group's performance.	Succession planning and talent management is implemented across the Group ensuring that the appropriate skills, knowledge, and diversity are in place to ensure the future success of the Group. The Group looks to appropriately incentivise teams. The Group's Chief People Officer further supports the development of our teams across our growing global platform.	↔

Strategic Risks continued

Risk	Impact	Mitigation	Trending
Market perception & reputational risk	Uniphar plc is a publicly listed company and must communicate to the market and stakeholders regularly with updates on financial performance and key metrics. Failure to deliver in line with expectations may result in reputational damage impacting the Group's ability to achieve strategic targets.	The Group has financial reporting structures and timelines in place to ensure accurate and timely reporting. The Board reviews the financial and operating performance, together with the implementation of the strategic plan. The Group Investor Relations team actively engage with the investment community. The team ensure a timely and accurate communication of information to the market. A positive corporate culture reinforces ethically responsible behaviour in the business.	↔
Loss of competitive position	Changes in the competitive environment in which the Group operates may occur as a result of new market entrants, loss or material change in the terms of key customers or key suppliers, new technologies or regulatory changes. Failure of the Group to respond to any of these may result in the loss of its competitive edge and market share, which may put pressure on profitability and margins.	The Group continues to monitor market trends and demands to maintain its competitive edge. Individual business management teams manage the supplier and customer relationship and keep informed of any changes in their business strategies. Value-add and unique services are offered to enhance the relationship and promote customer loyalty. Strategic acquisitions enhance the commercial relationships within the pharmaco-medical market and provide a wider and more diverse service offering protecting the competitive position.	↔
Environment & Sustainability	The increasing global focus on environmental and sustainability governance is recognised by the Group, and also its stakeholders. The Group has identified specific sustainability and climate related risks in line with Taskforce for Climate related Financial Disclosures (TCFD) under various risk headings in the course of the Group's overall risk reporting framework. For example, the Group has identified a risk of loss of competitive position where the Group fails to progress its environmental and sustainability agenda in line with market expectations. Failure to appropriately assess, monitor and manage the Group's impact on the environment and the communities in which it operates may result in reputational damage, impacting the Group's ability to deliver results.	The Group recognises the lasting impact their actions can have on the environment and is committed to operating sustainably and reducing its environmental impact. The Group's Sustainability Council drives the sustainability agenda across the Group and ensures that sustainability targets are integrated across all businesses. In 2021 the Group completed a Group-wide carbon foot-printing exercise and submitted a full Carbon Disclosure Project (CPD) submission covering emissions across the entire business. The Group also formally committed to setting a science-based carbon reduction target across its Scope 1, 2 and 3 emissions and put in place an internal target to achieve a 5% annual reduction in Scope 1 and 2 emissions between 2019 and 2030. The Groups banking facilities incorporate Sustainability linked targets, and bonus metrics for Executive Directors and some senior management include specific sustainability and governance targets to ensure focus to achieve continuous improvements in this area.	NEW RISK

Cybercrime

The Group continues to review and strengthen its IT infrastructure and controls.

Operational Risks

Risk	Impact	Mitigation	Trending
Pandemic Risk – Covid-19	Covid-19 and its implications continue to evolve and change. The pandemic has caused financial, economic, and social disruptions globally, and new variants and further waves have the potential to cause further disruptions. The risks outlined below are based on current knowledge and projections of the circumstances: » Risk to product availability due to potential disruption to supply chains or shipping routes; » Risk to the health, safety, and wellbeing of our teams from the impact of ongoing outbreaks of Covid-19; » Operational impact due to unavailability of the teams caused by measures taken by either the Group or Government to contain an outbreak; and » The Group recognises the wider risk of a change in demand and lower general economic activity in the countries where it operates in the event of recurring outbreaks of the virus.	Uniphar continues to play a critical role in the healthcare infrastructure. Warehouse capacity across multiple locations, together with strong manufacturer relationships and exclusive distribution agreements, , enables the Group to ensure continuity of services and to meet the needs of customers in the event of any disruption to normal supply chain routes. The Group continues to follow Government guidance in each country it operates in. The Group has implemented several measures to protect our teams including remote working where possible, segregation and zoning, use of appropriate protective equipment and increased sanitisation and screening measures. Regular communications and updates are sent to all colleagues advising them of necessary precautions. Business continuity and contingency plans were put in place at the start of the pandemic and continue to evolve to respond to the changing environment. The nature of the product and services provided means that there is a continued requirement for pharmaco-medical products. While there may be a disruption in the demand for certain products and services and in elective procedures during the pandemic, the requirement for these services and procedures remain. Uniphar have continuously monitored the developing situation that the pandemic has created and responded dynamically throughout. The Group will continue in their approach to protect its key stakeholders and the wider community.	↔
IT systems	Digital capabilities are a specific strategic offering of Uniphar, and the alignment of IT strategy with the business strategy is essential. The Group is reliant on the effectiveness of its IT systems and network. Any interruption or downtime may have a negative impact on the Group's operations, financial conditions, and competitive position.	IT strategy is a key factor in the Group's strategic planning process, ensuring the development of IT systems and processes remains aligned with Group objectives. The Group actively monitors the performance and robustness of IT systems in place. The in-house IT team works in tandem with external providers to ensure all business-critical processes are safeguarded. A business continuity plan is in place to ensure the uninterrupted provision of services and to enable the restoration of key systems if necessary.	↔
Cybercrime	Failure to protect against the ongoing threat of a cyber-attack could lead to a breach in security, impacting operations, financial transactions, and sensitive information. The knock-on impact from an attack on one of our business partners is also an area of risk for the Group.	The Group have IT security processes in place to minimise the occurrence of cyber-attacks. Continuous user awareness is a key measure used in helping to protect against the threat of a cyber-attack. External audit and penetration testing is also carried out to identify vulnerable areas and put in place mitigating controls. IT infrastructure and controls have been continuously reviewed and strengthened to respond to the additional requirements arising from Covid-19. A cyber incident occurred in Q4 2021 with a 3rd party external service provider, resulting in an IT outage in one of our MedTech subsidiaries. Temporary replacement operational controls together with additional preventative and detective controls were put in place during the outage period. The experience and learnings from this incident further enhance the Group's continuity plans in responding to such an incident. For further details of the response see page 74 in the Audit, Risk and Compliance Committee Report.	↗

Operational Risks continued

Risk	Impact	Mitigation	Trending
Business interruption	The Group may be unable to provide a service to customers due to external factors affecting its operations such as, natural disasters, environmental hazards, or industrial disputes, resulting in potential lost sales and loss of customer loyalty.	A business continuity plan is in place and is updated and reviewed continuously to mitigate the risks to operational continuity.	↔
Health & safety	Uniphar distributes pharmaceuticals and medical devices to pharmacies, hospitals, and patients. Failure to follow all applicable regulations and guidance could impact patient safety. The health & safety and wellbeing of our staff is also paramount. With large operational facilities in various locations, it is essential we adhere to the highest standards of health & safety throughout the organisation. Failure to implement and follow proper health & safety procedures could have adverse effects on our people or patients. The Covid-19 pandemic presents an additional health & safety risk to our teams and wider community.	Dedicated quality functions are in operation across the Group ensuring adherence and compliance with good distribution practice, pharmacovigilance, and regulatory requirements. A robust health & safety framework is in place to ensure effective health & safety processes are in operation. In line with Covid-19 guidelines, additional PPE has been provided, restricted site access, sanitising stations and social distance measures have been put in place across all sites to protect our teams and the community from the impact of Covid-19. All measures have been taken to ensure the safety of all our stakeholders at this time.	↔
Laws, regulations & compliance	Uniphar operates in a highly regulated environment and as such is subject to both local and international laws and regulations in the jurisdictions it operates in. Failure to operate under any of these stringent laws and regulations could result in financial penalties, reputational damage, and risk to business operations.	The Board has overall responsibility for the corporate governance environment within the Group. A strong corporate governance culture exists with emphasis on continuous improvement. The Group General Counsel and Company Secretary has responsibility for the oversight of compliance across the Group. The Group also has an extensive quality and regulatory team who ensure compliance with all applicable regulations relating to our service offerings. In the area of GDPR, the Group has a dedicated Data Protection Compliance Officer and divisional Data Protection Officers for each division. The Data Protection Compliance Officer provides group guidance and governance to the divisional Data Protection Officers. In addition, the Group ensures that professional appropriately qualified personnel are employed in positions of responsibility. Education and internal training are provided on updates to laws and regulations as appropriate.	↔

Financial Risks

Risk	Impact	Mitigation	Trending
Foreign currency	The Group's reporting currency is Euro. Exposure to foreign currency is present in the normal course of business, together with the Group operating in jurisdictions outside of the Eurozone.	The Groups' activities are primarily conducted in the local currency of the operation, which results in low levels of transactional risk. The foreign currency risk has increased in recent years due to acquisitions in jurisdictions outside of the Eurozone. The Group reduces its exposure to currency fluctuation by matching foreign currency payments and receipts across business units. The current banking facility permits drawdown across multiple currencies which can create a natural hedge.	↗
Treasury	The Group is exposed to liquidity, interest rate and credit risks.	The Group Treasury Policy sets out how these risks are managed. The policy is reviewed and approved by the Audit, Risk and Compliance Committee. Cash forecasting and effective management reports are in place to monitor and minimise the financial risk. The current banking facility agreement provides sufficient headroom for the Group in terms of liquidity.	↔

The Group continues to ensure that the risk management framework is integrated in the day-to-day activities.

SUSTAINABILITY AND GOVERNANCE REPORT

CEO Sustainability Statement	33
Pillars & Materiality	34
People & Workplace	36
Community Involvement	38
Environment & Sustainability	41
Governance, Quality & Compliance	44
Business Solutions & Innovation	46

CEO SUSTAINABILITY STATEMENT

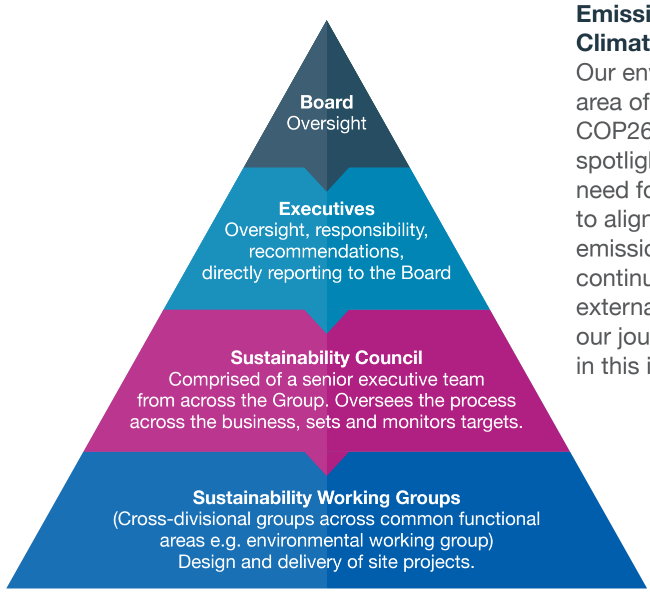
2021 was another significant year for Sustainability at Uniphar. Our Sustainabilty Council, established in 2020, saw progress across all five of our Sustainability pillars with a continued focus on the Sustainable Development Goals identified by the Group last year.

The ongoing Covid-19 crisis continued to present challenges for our business, like all others, but the resilience and dedication of our teams and our diverse business strategy meant that the Group continued to serve our customers, teams and communities throughout the year ensuring essential medicines and equipment reach patients, through retail pharmacy, on-demand and hospital channels.

People & Culture
We were delighted to welcome our new Chief People Officer in February 2021. The impact of this new role was visible immediately across the Group with several Group-wide people focused initiatives, including our first ever employee listening exercise around the Future of Work.

The Group also enhanced a number of key foundations with an updated Group-wide Code of Conduct, a new Group-wide Equity, Diversity and Inclusion Policy and the expansion of our Whistleblower Policy to include an external reporting line. Our business is built on our people, and keeping them safe and well have been key objectives for us during the year.

Our Sustainability Governance Structure



Supporting our Community
During 2021 the Group ran its second Relay for Hope event which aimed at clocking up 300,000 activity minutes in August-September to raise €300,000 for our chosen cancer charities. The Group was also the lead sponsor to The West End Tour, a Dublin to Mayo cross-country cycle in aid of the Mayo-Roscommon Hospice. I am delighted and very proud to say that across these events we succeeded in raising a phenomenal **€350,000** for our charity partners which brings our total charitable contributions over the past two years to in excess of €600,000. I would like to thank every single person who got involved, who roped in their friends and family, who pushed the boat out to help others – a huge thank you to you all.

Emissions Targets and Climate Reporting
Our environmental pillar was a key area of focus for us across 2021. COP26 threw a further global spotlight on climate change and the need for countries and companies to align in setting meaningful carbon emission targets for the future. We continued our engagement with external consultants to assist us on our journey to become best-in-class in this important area.

Having completed our first Group-wide carbon foot-printing exercise across Scope 1 and Scope 2 emissions during 2020, our aim was to build on this progress and to focus on assessing our Scope 3 emissions with a view to setting meaningful reduction targets for the future. We took the next step in that regard during 2021 by making a formal **commitment to set a Science Based Target before the end of 2023**, and we hope to be in a position to achieve that well in advance of that deadline. Our Scope 3 emissions assessment is well underway and we are focused on engaging with our value chain and suppliers as we work together to reduce our collective impact on the environment. In light of our commitment to the Science Based Target Initiative (SBTi), and while we work on gathering all data to enable us to set our SBTi targets, we have set an **internal target to reduce our absolute Scope 1 & 2 emissions by 5% per annum** between 2019 and 2030 in line with the SBTi 1.5° C aligned pathway for targets which would see us achieve our **climate ambition of at least 50% reduction in our absolute Scope 1 & 2 emissions by 2030.**

Our Sustainability linked banking facility together with the inclusion of sustainability remuneration targets for senior management ensures focus to achieve the targets we set for the business.

During the year we also made our **first full CDP (Carbon Disclosure Project) Climate Change submission** which covered our entire business globally and we are delighted to have obtained a "C" rating on foot of that submission. We are focused on improving that rating as we begin to set targets and take meaningful steps to decarbonise our business.

Sustainability Engagement - A Five Pillar Approach

Our Sustainability framework is centred on our five sustainability pillars and we understand that in order to meaningfully progress our sustainability agenda we must drive improvement across all pillars. The importance of excellence across all pillars was highlighted as we embarked on engagement with sustainability rating agencies during the year. We are delighted to have achieved an outstanding score of 10.9 from Sustainalytics, ranking us in the **1st percentile (out of 560) of global healthcare companies** and the 3rd percentile (out of 13,609) of all companies rated by Sustainalytics globally. Our MSCI rating has also recently increased from "A" to "A A". We believe these scores are testament to our focus across all of our sustainability pillars and demonstrate that sustainability has always be at the heart of how we operate our business.

We recognise that the area of Sustainability is fast moving and requires continuous monitoring, improvement and innovation and we look forward to improving all of our sustainability ratings and scores in the near term.

SUSTAINALYTICS ESG REGIONAL TOP RATED 2022

SUSTAINALYTICS ESG INDUSTRY TOP RATED 2022

Looking Forward

I would like to thank everyone in our business who supported our various sustainability initiatives this year, particularly our hugely successful Relay for Hope charity event. The spirit, dedication and resilience of our teams has shone through once again this year.

As we look ahead to 2022, we will continue to put our sustainability principles of **Integrity, Inclusivity, Legacy, Stewardship and Transparency,** at the heart of what we do and with a commitment in all aspects of our business to manage and continuously improve our environmental and social responsibilities effectively, through all our collective actions.

Gerard Rabbette

Ger Rabbette
Chief Executive Officer

Pillars & Materiality

Uniphar have identified five strategic pillars that define our approach to sustainability and, in line with the Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI), we have identified the areas and metrics that are perceived as the most material in our industry.

Sustainable Development Goals

3 Good Health and Well-Being; 8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure; 10 Reduced Inequalities; 12 Responsible Consumption and Production; 13 Climate Action

Pillar	What this pillar means to us:	Relevant SDGs	Materiality	Initiatives during 2021
People & Workplace	**Our people are our most important asset, and we are committed to making Uniphar a fulfilling and inclusive place to work.**	3 Good Health and Well-Being; 8 Decent Work and Economic Growth; 10 Reduced Inequalities	» Diversity & Inclusion Practices » Employee Health & Safety » Employee Wellbeing » Employee Training » Employee Labour Practices	» CPO Appointment » Future of Work strategy & Employee Listening » H&S Appointments » New ED&I Policy » Whistleblower Helpline » Wellness Initiative - I AM HERE » Appointment of Non-Executive Director for workforce engagement
Community Involvement	**Supporting employees to actively participate in the local communities where we are based is a long-standing objective for the Group and is achieved through serving the community and supporting good causes.**	3 Good Health and Well-Being; 10 Reduced Inequalities; 11 Sustainable Cities and Communities	» Charity & Fundraising » Active Community Support » Customer Privacy » Customer Welfare	» Critical Covid-19 Response » Relay for Hope & West End Tour raised €350,000 » Sponsorship of Irish Under 21s and Development Hockey Team » Local Charity Initiatives » Data Privacy & Cyber Security
Environment & Sustainability	**As the business grows and our geographical footprint expands, we remain committed to managing our environmental responsibilities effectively.**	11 Sustainable Cities and Communities; 12 Responsible Consumption and Production; 13 Climate Action	» Energy Management » Greenhouse Gas Emissions » Waste & Hazardous Waste Management » Pollution Prevention » Sustainable Transport & Logistics	» Group-Wide Carbon Footprint (Scopes 1&2) » Internal Scope 1 & 2 Target in line with SBTi » Scope 3 Assessment » Commitment to set Science Based Targets » Planning Supplier Engagement Programme
Governance, Quality & Compliance	**Operating in healthcare markets that are highly regulated and demand high quality and compliance standards, drives our quality focus and culture of continuous improvement. Ensuring the highest standards of governance, quality and compliance is fundamental to our business.**	3 Good Health and Well-Being; 9 Industry, Innovation and Infrastructure; 10 Reduced Inequalities	» Product Quality & Patient Safety » Business Ethics » Systemic Risk Management » Critical Incident Risk Management » Legal & Regulatory Requirements » Selling Practices & Product Labelling	» Step-up to UK Corporate Governance Code » Updated Group-Wide Code of Conduct » External Whistleblower line introduced » Data Protection Structure
Business Solutions & Innovation	**We believe a positive difference will be achieved through collaboratively developing innovative business solutions across all our divisions resulting in a more sustainable business and better outcomes for our stakeholders.**	8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production	» Business Model Resilience » Innovation » Supply Chain Management	» Continued strong performance through Covid-19 » Digital Focus & CTO Appointment » Acquisitions » Business Solutions » Planning Supplier Engagement Programme

People & Workplace

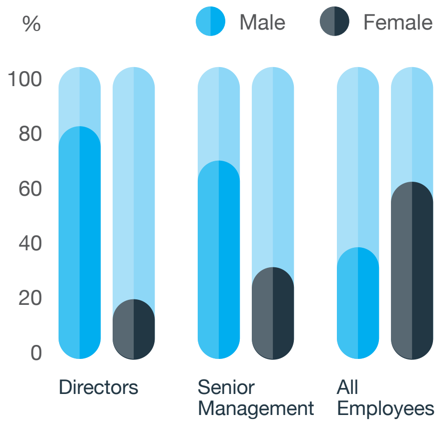
Equity, Diversity & Inclusion

At Uniphar, our people are our most valuable asset. We benefit from the increasingly global nature of our business which brings together different ideas, experiences, and capabilities from across the globe. The aim is for our workforce to be truly representative of all sections of society and for each employee to feel respected and able to give their best. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities, and talent that our employees invest in their work represents a significant part of not only our culture, but our reputation and Group's achievement as well. We embrace and encourage the differences that make our employees unique.

In 2021, the Group launched a new Groupwide Equity, Diversity & Inclusion (ED&I) Policy and in 2022, we aim to strengthen our commitment to ED&I with the launch of a number of Employee Resource Groups.

Uniphar is committed to gender diversity and equal pay and have strong female leadership across the Group. Two out of eight (25%) of our Board members are female. The Board remain committed to keeping diversity (including gender, social and ethnic backgrounds, and cognitive and personal strengths) as key considerations in succession planning.

Uniphar is also committed to an ongoing focus on developing our global talent pool and building a more diverse leadership team for the future. As at 31 December 2021, women accounted for 24% of senior management and 60% of total employees.



	Male %	Female %
Directors	75%	25%
Senior Management	76%	24%
All Employees	40%	60%

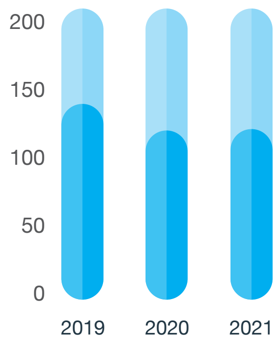
Health & Safety

At Uniphar, the health & safety and wellbeing of our staff is paramount. With large operational facilities in various locations, it is essential we adhere to the highest standards of health and safety throughout the organisation, ensuring best practice is adhered to at all times.

2021 saw the appointment of a number of new individuals with designated health & safety remit across the Group's various divisions. The Group is also focused on continuing to improve the Group's reporting framework in relation to health & safety incidents.

Uniphar provides training courses on a regular basis including training on Good Distribution Practices (GDP), manual handling and first aid. We monitor and investigate all safety concerns and analyse this data in order to continuously improve.

The number of reported health & safety incidents remained relatively static in 2021, with motor vehicle incidents accounting for 47% of all recorded incidents across the Group in 2021, a slight reduction on 2020 figures.



Number of H&S incidents	
2019	140
2020	121
2021	122

Wellbeing

In 2021, our focus on wellbeing continued as we looked to further support our employees through the ongoing Covid-19 pandemic, and to focus our efforts on keeping our colleagues healthy and mentally well during these challenging times.

Our Future of Work employee listening exercise involved discussions around how Covid-19 has changed our working habits for the future and we saw a huge emphasis on work-life balance coming through in the responses. It is fundamental that our people feel supported in achieving this balance and we hope that the launch of our Hybrid Working Guidelines in 2021 will assist those who can avail of hybrid working to find that balance. We will continue to work with our on-site and field-based staff who cannot avail of hybrid working to support work-life balance.

During 2021, we implemented a wide range of initiatives to support our teams across the Group, including the launch of the I AM HERE programme in our Commercial & Clinical division, a mental wellness programme grounded in the principle that "*It is ok not to feel ok, and it is absolutely ok to ask for help*".

Uniphar teams demonstrated great positivity and resilience in the face of adversity during 2021, and we recognise how essential our people are in supporting the sustainable development of our business.

Training & Development

Uniphar is committed to supporting and investing in the professional development of our employees. The Group provides a range of career development opportunities which enable our employees to reach their full potential and grow within our business. We also continue to support our employees through further education and professional exams.

Labour Practices

The Group is committed to complying with the highest labour standards across all jurisdictions in which we operate. Attracting and retaining the right people is essential for the success of our business. Equality underpins our recruitment activity ensuring that recruitment and selection processes promote fairness. In 2021, the Group introduced a new ED&I Policy which outlines the Group's approach and reaffirms our commitment to equality for all employees and potential employees. The Group's Dignity at Work Policy recognises the right for all employees to be treated with dignity and respect and the Group is committed to providing all employees with a safe working environment which is free from bullying, harassment and sexual harassment. The Group has a Modern Slavery Policy in place which is available on the Group website www.uniphar.ie.

The Group also recognises the Trade Unions of which some of its employees are members and engages with them as necessary.

Community Involvement

Uniphar's Charity Partners
2021 marked our second annual Relay for Hope event aimed at raising much needed funds for global cancer charities. At the outset of this year's event our goal was to clock up 300,000 activity minutes in August and September to raise €300k for our four chosen cancer charities. In order to cater for the diverse interests of all of our participants we moved away from a kilometre target to minutes of activity so everyone could take part by doing something they enjoyed. Activities undertaken included yoga, running, playing music, walking, knitting and baking. We are incredibly proud that together we exceeded both our minutes and financial targets.

This year our initiative also saw participants pin a Baton of Hope with names of loved ones who would benefit from the charities we were raising money for, to our Walls of Hope located in each of our global locations. A very moving and motivational initiative to remind us that the money we collectively raised really does change lives.

During the year the Group was also the main sponsor of The West End Tour in aid of the Mayo-Roscommon Hospice. Collectively we succeeded in raising a phenomenal **€350,000 for our charity partners across these two events**, which brings our total charitable contributions over the past two years to in excess of €600,000.

€350,000 raised for global charity partners

Active Community Support
Supporting our communities is at the core of what we do. Across each of our three divisions, Uniphar provides vital medicines, the highest quality medical devices and access to life saving drugs both nationally and across the globe.

During 2021, our teams continued to support our customers and our communities through the pandemic ensuring pharmacies and hospitals were supplied with the medicines and essential equipment they needed for their patients as well as mobilising teams for our pharma clients and sourcing and supplying unlicensed medicines to global markets.

Uniphar also supports a variety of local community initiatives across each of our businesses and locations.

Community Sponsorship
During 2021, the Group were delighted to announce its sponsorship of the Irish women's Hockey Under-21 and Development programme, known as the Junior Green Army. The sponsorship will extend into 2022, taking in a Six Nations tournament at home in Ireland.

Customer Privacy & GDPR
We are committed to protecting the personal data that we process as part of our service provision. We ensure that customers can trust us to keep their personal data safe and that they have a clear understanding of how and why the data is used. Uniphar has a robust GDPR framework in place, to ensure that we are operating consistently across the organisation and in accordance with applicable laws.

The Group applies the following data protection principles:

- Governance - We have appointed designated Data Protection Officers within each division. Their role is to monitor, advise and inform senior management regularly regarding compliance
- Transparency - We are open and honest about how and what data we process. We only use personal information for specified fair and lawful purposes
- Data Minimisation - We only collect necessary and relevant personal information
- Accountability - We continually monitor and assess regulatory compliance. We provide training to all personnel
- Retention - We do not retain personal information for longer than is necessary
- Accuracy - We keep personal information accurate, complete, and up to date
- Access Rights - We respect individuals' rights and choices
- Security - We use appropriate security safeguards to protect personal data
- International Transfer - We ensure protection for international transfers of personal information
- Privacy by Design - We implement appropriate measures to ensure the principles of privacy by design and default are embedded into our processes and systems
- Risk Assessments - We evaluate new business processes to ensure that they do not present any risk to data subjects

The Group has a Privacy Policy which is available on the Group's website (www.uniphar.ie/privacy-policy), and a Data Protection Policy which is available to the workforce.

Customer Welfare
The needs of our customers, the pharmacies, hospitals, manufacturers and patients we serve were paramount during 2021. Our can-do attitude coupled with our commitment to the highest standards of product quality and patient safety ensured this important item remained a priority throughout the year. Further details of our commitment to quality and ensuring patient safety are set out in our Governance, Quality and Compliance Report on page 44.

Environment & Sustainability

Energy Management
At Uniphar, we understand that our activities can have a lasting impact and we believe in protecting our environment for the benefit of future generations. We are committed to achieving our Sustainable Development Goals (SDGs) of Responsible Consumption and Climate Action.

Our efforts have to date centred around data collection and understanding our energy usage with a view to identifying the areas where we can achieve the greatest reductions in energy usage.

Our Citywest facility, our largest facility, has energy monitoring software providing a granular view of electricity usage throughout the facility. This software has enabled us to identify areas of inefficient electricity usage e.g. lights and electrical powered systems remaining on in non-operational hours. Using this information we are able to develop systems to reduce energy consumption.

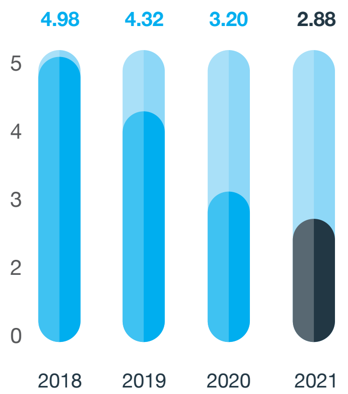
Greenhouse Gas Emissions
In early 2021, we carried out a Group-wide carbon foot-printing exercise to assess our Scope 1 & 2 carbon emissions across the entire Group. The outcome of that assessment was used to complete the Group's first full CDP submission in July 2021 and we are proud to have received a CDP "C" rating in respect of that submission.

In early 2022, we completed our carbon foot-printing exercise for 2021 in respect of Scope 1 & 2 emissions. The results of this exercise are set out below (excluding entities acquired during 2021 and adjusting all results to include entities acquired during 2020 for the first time). Following a 22.5% reduction in Scope 1 & 2 emissions from 2019 to 2020, 2021 saw a further reduction of Scope 1 & 2 emissions of just over 4% on an absolute basis representing a 26.5% overall reduction in absolute carbon Scope 1 & 2 emissions over the past two years. The Group's carbon intensity measurement has also reduced by 10% during the year.

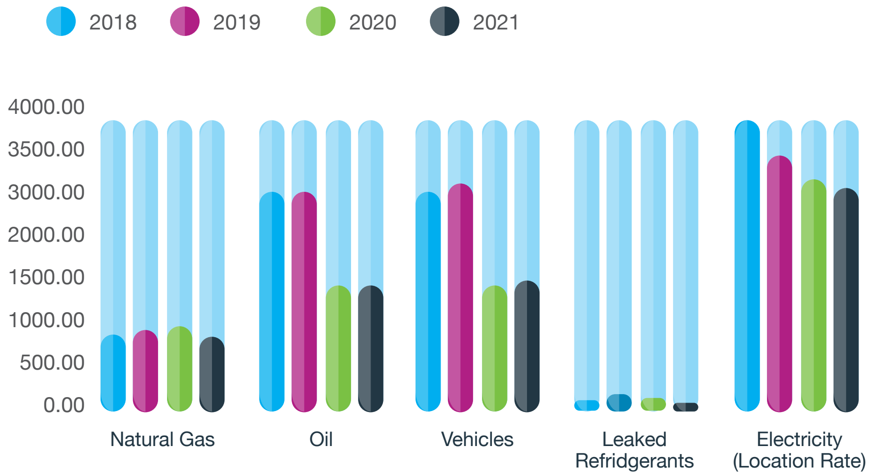
Group Intensity Measure	2018	2019	2020	2021
tCO2e/Million € Revenue	4.98	4.32	3.20	2.88

	Emissions (tCO2e)			
	2018	2019	2020	2021
Scope 1	3954.88	4158.42	2784.96	2655.25
Scope 2 (Location Rate)	3794.84	3345.85	3026.24	2920.53
Total:	**7749.72**	**7504.27**	**5811.20**	**5575.78**

Group Intensity Measure
tCO2e/Million € Revenue



Uniphar Group Emissions by Emission Source



Throughout the year we continued our engagement with external environmental consultants who assisted us in commencing our assessment of our Scope 3 emissions with a view to setting meaningful carbon emissions targets for the future.

In December 2021, we **formally committed through the Science Based Target Initiative (SBTi) to setting a science based target** before the end of 2023 and we hope to be in a position to achieve this well ahead of the deadline. While we work on gathering all data to enable us to set our science based targets, we have set an internal target to **reduce our absolute Scope 1 & 2 emissions by 5% per annum between 2019 and 2030** in line with the SBTi 1.5° C aligned pathway for targets which would see us achieve our climate ambition of at least **50% reduction in our absolute Scope 1 & 2 emissions by 2030.**

2021 also saw increased discussion around environmental matters and emissions at the Board table. Regular reports from the Sustainability Council to Board, as well as a focus on climate related risks when reviewing our Risk Register represent the dawn of a new era on how we integrate these matters into our business. The Group is currently assessing to what extent the Group's activities are aligned to the EU Taxonomy Regulations and are preparing to report in line with the Corporate Sustainability Reporting Directive (CSRD). Our CDP response is broadly aligned to the Taskforce for Climate related Financial Disclosures (TCFD) and we have set out below an indication of where the disclosure recommendations of TCFD can be found elsewhere in this Report.

Taskforce for Climate related Financial Disclosures (TCFD)			Link to Annual Report Section
Governance	Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	CEO Sustainability Statement 33
		b) Describe management's role in assessing and managing climate-related risks and opportunities.	Risk Management Report Page 24 to 31
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Risk Management Report Page 24 to 31
		b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Risk Management Report Page 24 to 31 Business Model Page 18 and 19
		c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Not yet identified
Risk Management	Disclose how the organisation identifies, assesses, and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	Risk Management Report Page 24 to 31
		b) Describe the organisation's processes for managing climate-related risks.	Risk Management Report Page 24 to 31
		c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Risk Management Report Page 24 to 31
Metrics & Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Environment & Sustainability Report Page 41 to 43
		b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Environment & Sustainability Report Page 41 to 43
		c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Environment & Sustainability Report Page 41 to 43

Waste and Hazardous Waste Management
Across all our sites we are continuously exploring ways to reduce, reuse and recycle. We have been a member of Repak since 1999 and we make considerable efforts across the business to reduce plastic waste. As part of our overall Scope 3 emissions assessment, the Group collated data from all locations across the business in relation to waste. In 2021, **84% of the Group's waste (approximately 870 tonnes of waste) were diverted from landfill.**

Relevant parts of our business are compliant with the Waste Electrical and Electronic Equipment Directive (WEEE).

Pollution Prevention
The Group recognises the importance of protecting the environment around us and ensuring that our operations do not emit pollution into our surrounding environment. During 2021, there were no reportable instances of pollution across the Group.

Sustainable Transport
We are conscious that a significant portion of our carbon footprint arises through outsourced activities such as logistics and through our supply chain and we are committed to working with our supply chain partners in this area. As part of our commitment to set a Science Based Target we are in the process of identifying our material suppliers with a view to engaging with them on setting their own emissions targets. We are also in the process of implementing our Supplier Code of Conduct and Responsible Sourcing Guidelines for the Group which we aim to roll out during 2022.

SBTi

Formal commitment during 2021 to set a Science Based Target

84%

In 2021, 84% of the Group's waste (approximately 870 tonnes of waste) were diverted from landfill

Governance, Quality & Compliance

Governance, Quality & Compliance
Adopting the highest standards of Governance, Quality & Compliance is essential to the success of our business. The governance of our business is dealt with in extensive detail in the Corporate Governance section of this report on page 62.

Product Quality & Patient Safety
The healthcare industry is a highly regulated industry, and this regulation is essential to protect the health & safety of people who use the products and services we supply. The Group is committed to ensuring that the products we supply reach the patient in perfect condition and that we provide all services in an ethical and compliant manner. Through extensive training the Group places a focus on a quality culture and a strong understanding of quality risk management which allows us to meet or exceed the requirements and expectations of our customers and partners.

Uniphar has a robust digital quality management system (QMS) in place, underpinned by the core GxP regulatory requirements, which ensures alignment and ongoing certification with ISO 9001 2015.

The Group's ISO 9001 2015 certification was renewed during 2021. This allows us to comply with the many regulatory regimes, including importation, storage, distribution of products in accordance with EU GDP regulations as well as promotion of and engagement with pharmaceutical and medical device manufacturers in an ethical and compliant manner.

Business Ethics
Uniphar is committed to promoting a corporate culture that is based on sound ethical values and behaviours and using it as an asset and a source of competitive advantage within its business. During 2021, the Board approved an updated Group-wide Code of Conduct. The Code of Conduct is an overview of our responsibilities to each other and to the many different constituencies we serve – to our clients, customers, principals and to the communities where we live and work, and it defines business conduct standards for everyone who works for us, in all business areas, in every function, geography and role. The Group also has a Whistleblower Policy in place establishing a structure where behaviours which depart from this ethical culture can be reported whilst protecting the rights of the whistle-blower. This policy was updated during 2021 to include an external reporting line.

Anti-bribery & Corruption
The Group has in place an Anti-Bribery and Corruption Policy and adopts a zero-tolerance approach to all forms of bribery and corruption. These standards are communicated to, and expected of, all employees.

Human Rights
The Group is opposed to any form of slavery and human trafficking and conducts its business in line with the UK Modern Slavery Act 2015 and has a Modern Slavery Policy in place which is available on the Group's website (www.uniphar.ie).

Conflict of Interest
The Group is conscious that at times, interests of our employees may conflict with those of the Group or our customers. The Group has a Conflict of Interest Policy in place which seeks to manage or avoid ethical, legal, financial or other conflicts of interest and to ensure that activities and interests of our employees do not conflict with their obligations to the Group or its welfare.

Risk Management

Systemic Risk Management
The Group has a robust risk management framework in place which provides the structure for managing the principal risks of the business. Details of this risk management framework are detailed on pages 24 to 31. In addition, the quality and regulatory personnel across the Group perform regular risk assessments and have robust validation processes in place.

Critical Incident Risk Management
Critical incident management requires a coordinated response from multiple teams to ensure any critical incidents (regardless of severity) are appropriately managed. Our internal reporting lines and focus on open communication across divisions and functions ensures that any critical incident identified is managed appropriately.

Legal and Regulatory Requirements
The Group appreciates the importance of regulatory expertise in navigating the ever-changing regulatory environment in which we operate. The Group's General Counsel heads the legal and compliance function across the Group with external legal and regulatory support sought where necessary. Our extensive quality teams specialise in healthcare regulation and the requirements of GDP and other regulatory codes relevant to our business. Appropriate training of our teams on the applicable regulations in the areas in which they work is essential to maintaining the Group's reputation for quality and regulatory excellence.

Selling Practices & Product Labelling
As a healthcare business engaged in the sale, marketing and distribution of pharmaceutical products and medical devices, the Group is subject to extensive regulation on Selling Practices and Product Labelling. Regulations, together with industry codes of practice, set down strict requirements within which the Group must operate and the Group's quality policies, manuals, extensive standard operating procedures (SOPs), and employee training programmes are designed to ensure the Group meets its obligations and ensures compliance to the fullest extent. The Group's internal procedures are the core of the Group's Quality Management System and it is through these robust procedures and ongoing training and development that the Group continues to meet the regulatory standards across all engaged activities.

The Group is also required to comply with standards relating to the provision of information to healthcare professionals (HCP), patients and the public. The Group is committed to enabling doctors and healthcare professionals to offer their patients the best possible therapeutic care by providing them with complete, accurate and up to date information in accordance with the applicable legislation on the promotion of medicinal products.

Business Solutions & Innovation

Business solutions & innovation is something we are passionate about. It underpins our "can-do" culture and entrepreneurial spirit and is central to not only our organic growth but also a key factor in identifying appropriate M&A targets.

Business Resilience

Business resilience remained a key focus during 2021 as businesses globally were impacted by a full year of Covid-19 and further restrictions. The resilience and dedication of our teams coupled with clear strategic objectives and agility to adapt traditional business models meant the Group was well positioned to continue to deliver for all of our stakeholders. The Group's diversity in product portfolios and services offerings as well as our digital capabilities were key to the Group's continued success during 2021.

Innovation

Uniphar prides itself on its innovative and entrepreneurial culture. This is evident in all areas of the business from implementing improvements in existing systems, identifying new market opportunities, evaluating acquisition targets, and enhancing our digital capabilities.

During 2021, the Group appointed a new Chief Technology Officer, who is tasked with coordinating our digital strategy across the Group. Our digital focus has been a key differentiator for our business and meant that the Group was in a better position to respond to some of the challenges presented by the Covid-19 pandemic. Our new Chief Technology Officer will ensure that the Group has a strategic cohesive digital programme across all divisions and that we are in a position to scale our infrastructure as our business continues to grow and expand geographically.

The acquisition of BESTMSLs Group, headquartered in New York, re-enforces the group's commitment to deliver innovative solutions for our customers. Among its many services, BESTMSLs Group offer HCPs a digital platform, via it's 'Peer Now' service, to communicate directly with qualified medical science liaisons. While The Doctor's Channel offers an additional stream, via short online videos, to provide educational material to HCPs relating to specific illnesses and therapeutic areas.

The Group's multi-channel account management model has evolved further during the year and following the acquisition of E4H now represents a truly 'Omni-Channel' approach to commercialising pharma brands. Digital services such as webinars, advisory boards, podcasts & microsites now all form part of the Group's unique service offering.

Supply Chain Management

As part of our commitment to setting a Science Based Target, we are cognisant of the need to increase engagement with our supply chain on key areas of sustainability, including business ethics and environmental matters. During 2021, the Group commenced work on a supply chain engagement programme including a new Supplier Code of Conduct and Responsible Sourcing Guidelines which the Group intends to roll out during 2022. We appreciate that some of the objectives we have set for ourselves cannot be achieved without meaningful engagement with our supply chain.

PERFORMANCE REVIEW

Financial Review	48
Commercial & Clinical	52
Product Access	54
Supply Chain & Retail	56

FINANCIAL REVIEW

16.2c
Adjusted EPS
(2020: 12.6c)

€48.3m
Net Bank Debt €48.3m
(2020: €34.4m)

2021 Financial Highlights

Gross Profit
2021 €274.5m
2020 €217.3m

Organic Gross Profit Growth
2021 8.5%
2020 6.7%

EBITDA
2021 €86.5m
2020 €66.7m

Net Bank Debt
2021 €48.3m
2020 €34.4m

ROCE
2021 17.6%
2020 18.7%

Basic Earnings Per Share
2021 17.8c
2020 10.6c

Adjusted Earnings Per Share
2021 16.2c
2020 12.6c

Significant growth of 28.6% in adjusted EPS, driven by a strong performance across the three divisions and from our acquisitions. The Group's strength is underpinned by a robust Balance Sheet, strong liquidity and low net debt.

Summary financial performance

			Growth	
Year ended 31 December	**2021 €'000**	**2020 €'000**	**Reported**	**Constant currency**
IFRS measures				
Revenue	1,943,149	1,823,854	6.5%	6.3%
Gross profit	274,497	217,252	26.3%	25.8%
Operating profit	45,147	39,944	13.0%	12.2%
Basic EPS (cent)	17.8	10.6		
Alternative performance measures				
Gross profit margin	14.1%	11.9%		
EBITDA	86,481	66,713	29.6%	29.1%
EBITDA %	4.5%	3.7%		
Adjusted EPS (cent)	16.2	12.6		
Net bank debt	(48,297)	(34,419)		
Return on capital employed	17.6%	18.7%		

Revenue
Revenue increased by 6.5% in the year (6.3% constant currency) to over €1.9bn. The increase was largely due to the strong performance in Supply Chain & Retail, which includes the benefit of the 2020 acquisition of the Hickey's Pharmacy Group together with a strong market share and growth in the consumer business.

Gross profit
Gross profit growth of 26.3% (25.8% constant currency) was achieved through our acquisitions completed in 2020 and 2021, together with organic growth of 8.5% (2020 6.7%). Strong organic growth was delivered across all three divisions, with the highest being in our Product Access division with organic growth of 19.9% as the Exclusive Access business continued to deliver new programs. Gross profit margin has also increased from 11.9% to 14.1% delivering on our strategy of expanding into higher growth, higher margin sectors and businesses. Our geographical footprint has expanded during the year with an increase of 32% of gross profit generated from outside of Ireland which is due to the recent acquisitions and expansion of the pan-European footprint in Commercial & Clinical, and the expansion of the global footprint of the Product Access division.

Divisional gross profit

Year ended 31 December	2021 €'000	2020 €'000	Growth Reported	Growth Constant Currency	Growth Organic
Commercial & Clinical	104,398	92,193	13.2%	12.0%	7.9%
Product Access	41,318	30,423	35.8%	35.9%	19.9%
Supply Chain & Retail	128,781	94,636	36.1%	36.1%	5.8%
	274,497	217,252	26.3%		8.5%

EBITDA
EBITDA has increased by €19.8m (29.6%, constant currency 29.1%) to €86.5m reflecting the full year impact of the 2020 acquisitions, the organic growth in 2021 together with the investment in our teams and our infrastructure for further growth.

Exceptional items
Pre-tax exceptional credit of €5.4m was recognised in 2021, which includes a net release of deferred consideration of €19.8m following a review of the expected performance against earn-out targets and contractual obligations. This was offset by costs of €14.4m which relate to redundancy and restructuring, acquisitions, and integration related costs. See note 4 in the financial statements for further details.

Strong financial indicators

17.6%
ROCE

76.6%
Free Cash Flow Conversion

Earnings per share
Basic earnings per share increased from 10.6 cent to 17.8 cent in 2021. The increase is a result of a significant increase in underlying earnings partially offset by an increase of 2.8% in the weighted average number of shares when compared to 2020.

Adjusted earnings per share is calculated after adjusting for amortisation of acquisition related intangibles and exceptional costs. The Group's adjusted earnings per share for 2021 was 16.2 cent (2020: 12.6 cent). Underlying earnings have increased by 33.0% from €32.9m in 2020 to €43.8m in 2021. This was partially offset by a 2.8% increase in the weighted average number of shares in issue as a result of the satisfaction of performance conditions attached to LTIP shares during the year.

Cash flow and net bank debt
The Group delivered a strong cash performance during the year, with a free cash flow conversion of 76.6% and a net bank debt position of €48.3m (2020: €34.4m).

Year ended 31 December	2021 €'000	2020 €'000
Net cash inflow from operating activities	52,177	65,978
Net cash outflow from investing activities	(49,658)	(110,326)
Net cash inflow/(outflow) from financing activities	13,259	(8,715)
Foreign currency translation movement	1,837	(567)
Increase/(decrease) in cash and cash equivalents in the year	17,615	(53,630)
Movement in restricted cash	(3,097)	955
Non-cash movement in borrowings	350	-
Cash flow from movement in borrowings	(28,746)	(8,366)
Movement in net bank debt	(13,878)	(61,041)

Strong working capital management continues to be a focus for the Group, and this is reflected in the cash generated from operating activities of €52.2m. Trade and other receivables have increased due to strong sales growth across businesses particularly in Q4 which in turn has also impacted trade and other payables at the end of the period. Free cash flow conversion for the period was 76.6% which exceeds the medium-term free cash flow conversion target of 60-70%.

The net cash outflow from investing activities of €49.7m principally consisted of deferred and deferred contingent consideration payments of €12.3m, capital investment of €14.4m (including a new regional distribution facility, operational since May 2021), and acquisitions completed during the year of €32.3m. This is offset by net cash acquired on acquisition of €5.4m and a receipt of €3.4m in respect of working capital adjustments relating to acquisitions completed in 2019. Other movements included receipts from disposal of assets held for sale of €0.4m, and receipts of deferred consideration receivable of €0.2m.

The net cash inflow from financing activities of €13.3m was due to an increase in borrowings and the release of restricted cash into cash and cash equivalents offset by repayment of borrowings, principal lease payments and the payment of dividends.

New banking partners
With the addition of two new international banking partners, RBC, and HSBC joining the existing banking syndicate during the year, the Group is in a strong position to continue to invest in growth opportunities. Net bank debt was €48.3m (2020: €34.4m) and leverage remained low at 0.7x, providing a solid platform to support future growth and investment as opportunities arise.

Taxation
The Group's tax charge inclusive of prior year adjustments has increased by €2.0m to €7.7m in 2021 reflecting the tax arising on both organic and acquisition related profit growth. The effective tax rate year-on-year has increased from 14.9% to 16.8% following the increased contribution of profits from higher rate tax jurisdictions outside of Ireland. The effective tax rate is calculated as the pre-exceptional income tax charge for the year as a percentage of the profit before tax and exceptional items.

Foreign exchange
The Group continues to expand into new geographies, together with the continued growth in existing geographies outside of the Eurozone results in a foreign exchange exposure for the Group being the translation of local income statements and balance sheets into Euro for Group reporting purposes.

On a constant currency basis, revenue increased by 6.3% vs 6.5% reported growth, gross profit increased 25.8% vs 26.3% reported growth and operating profit increased by 12.2% vs 13.0% reported growth.

	2021 Average	2020 Average
GBP	0.8596	0.8888
US Dollar	1.1824	1.1401
Swedish Krona	10.1449	10.4815

Return on capital employed (ROCE)
Group ROCE in 2021 of 17.6% (2020: 18.7%), is a modest decrease versus the prior year reflecting the impact of current and prior year acquisitions as the Group continued to invest in higher margin, higher value businesses and expand into new geographies. The investment made during 2021, both from a capital and acquisitions perspective, will deliver further benefits and growth in the coming years.

Details on how this was calculated are included in the APMs section on page 186 to 190.

Dividends
The Board remains committed to a progressive dividend policy as stated at the time of the IPO. The Directors are proposing a final dividend of €2.9m (€0.011 per ordinary share), subject to approval at the Company's AGM. It is proposed to pay the dividend on 13 May 2022 to ordinary shareholders on the Company's register at 5pm on 22 April 2022. Together with the interim dividend of €1.5m (€0.005 per ordinary share) paid in October 2021 this brings the total dividend for the year to €4.4m (€0.016 per ordinary share), an increase of 5% on 2020.

Tim Dolphin
Chief Financial Officer

COMMERCIAL & CLINICAL

Commercial and Clinical continued to deliver a strong performance in 2021 with organic gross profit growth of 7.9%, reinforcing our role as a trusted partner to our clients and customers.

The Business
Commercial & Clinical provides outsourced sales, marketing and distribution solutions to pharmaceutical and medical device manufacturers on a pan-European basis, with a bespoke service offering in the US. The division is focused on the commercialisation of speciality products for our manufacturer clients. Our continued focus in expanding our geographic and client base means we are now active in 15 markets, representing 67 manufacturers across two or more of these geographies. We are able to deliver flexible commercial solutions ensuring our healthcare customers had access to critical information and products throughout the Covid-19 pandemic.

Highlights
Commercial and Clinical continued to deliver a strong performance in 2021 with organic gross profit growth of 7.9%, reinforcing our role as a trusted partner to our clients and customers. The expertise and agility of our teams, our speciality focus, the diversity of our product portfolio and our digitally enabled sales teams ensured the business achieved a robust performance in a challenging environment.

Key performance highlights include:

» Revenue growth of 11.2% achieved across the division;
» Strong revenue growth of 29.7% in our Pharma business unit achieved through our insight driven, digitally enabled customer centric solutions;
» An increase of 30.6% in gross profit achieved from outside of Ireland;
» Increase in the number of manufacturers represented in more than one geography to 67 (2020: 47); and
» Completion of the acquisitions of CoRRect Medical, BESTMSLs Group and E4H significantly enhancing the division's capabilities.

MedTech
Our MedTech offering provides a fully integrated solution for our clients in sales, marketing and distribution of medical devices across interventional cardiology/radiology, orthopaedics, ophthalmology, minimally invasive surgery, diagnostic imaging and critical care.

Covid-19 continued to have an impact on all markets in which MedTech operates. Lockdowns and continued restrictions saw the cancellation of many elective procedures across Europe throughout 2021, and the increased Covid-19 activity across our health systems challenged the traditional face-to-face interactions with stakeholders.

2021

Number of employees

1,350+

Number of countries operating in:

15

Revenue generated outside of Ireland (%)

61%

Commercial & Clinical

Year ended 31 December	2021 €'000	2020 €'000	Growth Reported	Growth Constant Currency
Revenue	299,908	269,780	11.2%	9.8%
Gross profit	104,398	92,193	13.2%	12.0%
Gross profit margin	34.8%	34.2%	60bps	

The diverse nature of the products in our portfolio, combined with our geographic spread, allowed our business to achieve growth in this challenging period. By combining clinically trained teams, strong manufacturer relationships and established supply chain infrastructure we were able to source, supply and educate our customers on the best use of new technologies and products during this period. Our critical care speciality in particular continued to outperform during 2021.

The acquisition of CoRRect Medical was completed in July 2021, and the integration is now substantially complete. With a significant presence in Germany and Switzerland, the acquisition further enhances our pan-European offering, strengthens our interventional portfolio, and provides further new opportunities to bring existing agencies to new markets.

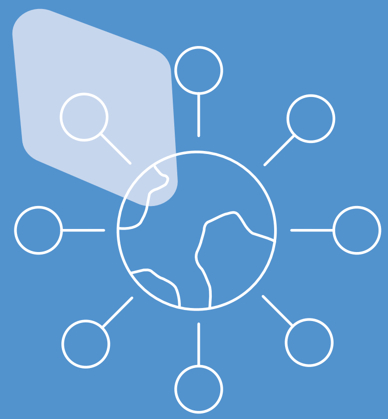
Pharma
Our Pharma business unit focusses on providing insight-driven, digitally enabled customer centric solutions for pharmaceutical partners. This allows Uniphar to engage with healthcare professionals with targeted information by utilising the channel that is most convenient for them.

In addition, Uniphar's Pharma business unit has continued to invest in digital technology to develop omni-channel sales solution capabilities with the goal of optimising commercial outcomes for our partners. This investment in our digital platforms has been of particular benefit during the Covid-19 pandemic, where face-to-face meetings have become more difficult and the structural shift in the healthcare market towards digital communications has accelerated. The acquisition of E4H which was completed in December, enhances Uniphar's value proposition of creating a truly differentiated omni-channel offering for pharmaceutical clients looking to commercialise their brands across Europe. E4H offers a wide range of digital communications solutions to the pharmaceutical industry, including brand and strategy commercialisation, digital development, omni-channel delivery, engagement and data analysis.

The recent acquisitions of Diligent Health Solutions (Q4 2020), and BESTMSLs Group (Q3 2021) have extended our presence into the strategically important US market, and significantly enhances the capabilities of the Pharma business unit. Diligent, with its enhanced call centre services, brings additional capabilities to our Commercial & Clinical division, and their capabilities have now been extended to the European market with the first programme launched in Q4 2021. BESTMSLs Group, a New York-headquartered Group, provides outsourced medical affairs services including the provision of contract MSL teams, and innovative digital solutions. While Diligent and BESTMSLs Group are US-based, our focus is to continue to enable these service offerings across our Commercial & Clinical and Product Access targeted geographies.

Looking Forward
The ability of the Commercial & Clinical division to continue to grow through the market disruption caused by the Covid-19 pandemic, demonstrates the inherent strength in Uniphar's offering. Expansion into mainland Europe, the Nordics and the US has been successful and will continue to provide opportunities to grow our long–standing manufacturer partnerships into new geographies. The extension of the US acquisitions service offerings to the European market provides a further growth opportunity from 2022 onwards. In the medium-term, the Group is focused on identifying further Pharma and MedTech acquisitions to build out our growing platform, serving our clients across multiple geographies.

PRODUCT ACCESS



The Product Access business has exceeded expectations this year, hitting 19.9% organic gross profit growth.

The Business
We work to ensure equitable access to medicines for patients on a worldwide basis. Partnering with manufacturers, we provide the global reach and world class execution required to help them to ensure patients can get access to their early stage, high-tech or otherwise difficult to source medicines. Our digital capabilities and our expert multilingual teams enable us to offer a high standard of service quality and implementation.

Highlights

- 35.8% gross profit growth achieved across the division;
- 10 new EAPs in 2021 bringing our cumulative experience on EAPs in the Group to over 65; and
- One strategically valuable acquisition, Devonshire Healthcare Services Limited in Q4 2021.

The Product Access business has exceeded expectations this year, hitting 19.9% organic gross profit growth. Our Exclusive Access business has performed strongly during the year, we have comfortably hit our target of new Expanded Access Programs and are now well-established as a significant player in this growing global market. The reduction in revenue during the period reflects the planned discontinuation of a legacy contract with minimum gross profit contribution.

Over the last three years we have actively acquired companies with the expertise, reputation and reach to complement our existing capabilities and we have integrated them seamlessly into our existing operations. Through Durbin, we have built out our capability in new regions, and the acquisition of Devonshire Healthcare Services will add direct access into the MENA market. The acquisition of RRD International in 2020 and, more recently, BESTMSLs Group have strengthened our expertise in the management of medicines in the early stage of product life cycle. We have accelerated our progress towards our goal of providing speciality manufacturer clients with an unparalleled product access service on a global basis.

Uniphar Patient Portal
The Uniphar patient portal, Uniphi, went live in 2021 as planned and is now fully operational. Every Expanded Access Program (EAP) can benefit from the support offered by the Uniphi technology, which combines patient enrolment with personalised patient education. The portal is operated by Innerstrength who have already become an integral part of the Product Access offering.

On Demand
While Pharmasource, our Irish based On Demand business had a record year, achieving double digit growth in a mature market, Brexit impacted our UK On Demand business as exports from the UK to other markets became slower and more complex. This impacted every UK-based company operating in the market.

2021

Number of employees

250+

Number of countries operating in:

130

Revenue generated outside of Ireland (%)

56%

Product Access

Year ended 31 December	2021 €'000	2020 €'000	Growth Reported	Growth Constant Currency
Revenue	157,152	187,505	(16.2%)	(16.9%)
Gross profit	41,318	30,423	35.8%	35.9%
Gross profit margin	26.3%	16.2%	1010bps	

The change in the market encouraged us to accelerate our strategy of targeting non-EU markets, and together with the acquisition of Devonshire Healthcare Services, gives us direct access to MENA markets. Through providing On Demand services, the Devonshire Healthcare Services acquisition will enable us to build up a strong trading relationship with customers that will support growth in our Exclusive Access business in these markets in the near to medium term.

Exclusive Access - size of Expanded Access Programs (EAPs) growing
In 2021, we have really started to feel the benefit of our acquisition strategy which has given us the firepower to become a globally successful player in this space. Our 2020 acquisitions of RRD International and Innerstrength have played a pivotal role in expanding our ability to address the important US market. RRD's deep early-stage experience in clinical development allows us to offer a world class standard of clinical support that our speciality pharma manufacturer clients, both emerging and well-established, really value. In addition, Innerstrength's technological leadership ensures that we can deliver a superior offering than any of our competitors in the areas of patient education and adherence.

In 2021, we have made significant investment in delivering excellence, by strengthening strategic management and project management capabilities within our team. This year, we are seeing the high quality of our program delivery being recognised by our clients. In addition, we have expanded the therapeutic areas in which we operate; we have built a strong reputation in areas such as Oncology, Neurology, HIV and Gene Therapy over recent years, and this year, we have broadened into CAR T-cell Therapy and Transplant. We are now seeing a significant increase in the size of the opportunities we are working on with emerging, mid-size and big pharma clients.

While we see the bulk of the growth in the market with our traditional targets of emerging and mid-size biotech innovators, one of the strategic goals for the division this year has been to attract EAPs from top 10 pharma manufacturers. With their larger programs and more exigent requirements, working with these companies stretches us to achieve constant improvement in compliance, governance and service which benefit all our EAP customers. We expect to continue to attract larger EAPs from companies of all sizes as our investment in scalable infrastructure continues and our reputation for excellence grows in the market.

Looking ahead
We continue to focus on delivering double digit gross profit growth. With another strong performance of 19.9% organic gross profit growth, we have positioned ourselves as a significant player in this growing market. Our recent acquisitions are not only enhancing the attractiveness of our EAP offering, but they also offer considerable cross-selling opportunities. We see 2022 as a year where we will continue to develop our On Demand and Expanded Access Programs services, investing in digital technology and scalable infrastructure, expanding into new regions beyond Europe and the US.

All this development, however, will be happening against the backdrop of a market that has taken a knock from Covid-19. The pandemic has slowed the rate of growth in the market by delaying product developments, and we expect a considerable amount of reorganisation and consolidation in the pharmaceutical market. This may delay some decisions in 2022, but it will ultimately mean additional opportunities for us in an 18-36 month timeframe.

We see our strong digital infrastructure, combined with our deep expertise and increasingly global reach, as well as our growing reputation for managing the most sensitive products and complex supply chains successfully, giving us a compelling value proposition for manufacturers of high-tech and speciality products.

SUPPLY CHAIN & RETAIL

Growth in the year in the Supply Chain & Retail division was achieved through the strong performance of the Hickey's Pharmacy Group and through organic gross profit growth, with significant new business wins.

The Business
The Supply Chain & Retail division comprises of our pre-wholesale and wholesale pharmaceutical distribution business, with 1,850 community pharmacy customers and a vertically integrated model with 378 owned, franchised or supported pharmacies. Uniphar holds c. 53% of the current market share and is an essential part of the national health infrastructure in Ireland.

Highlights
- 36.1% growth in gross profit;
- New €10m distribution hub in Annacotty now live – facilitating capacity for growth;
- Proof of concept of new managed service model in Retail with the Cara Pharmacy Group; and
- Digital innovation and omni-channel capability assisting our retail pharmacy partners.

Wholesale
Growth in the year was achieved through the strong performance of the Hickey's Pharmacy Group and through organic gross profit growth with significant new business wins. The Wholesale business had a particularly strong second half of the year, following the lifting of the most severe lockdown restrictions mid-year.

Uniphar's robust operations infrastructure proved itself capable of dealing with the pressures of the pandemic, and we saw more independent pharmacies turning to Uniphar for support. The Group's new distribution centre in Annacotty, Co. Limerick, was fully operational in Q2 2021 and provides an additional 30% capacity. This investment has given additional flexibility to our operational infrastructure and allowed us to rebalance our regional volumes, in line with customer growth and the wider market recovery in H2 2021.

Prescription and OTC products continue to be at the core of what we provide to our community pharmacy customers, however, we have also seen considerable growth in our consumer products business, with sales rising by 51% year-on-year as we added new agencies and our own brands. A strong consumer offering is a key part of providing our community pharmacy customers with a 'one stop shop' for everything they need to run their pharmacy.

In our retail business we developed a full-service managed model and trialled it in the market, with the successful negotiation of a three-year supply and franchise agreement with the owners of the Cara Pharmacy Group. We see future potential in this approach for growth in wholesale market share.

2021

Number of employees

1,150+

Market Share

53%

Retail Pharmacy Network

378

Supply Chain & Retail

Year ended 31 December	2021 €'000	2020 €'000	Growth Reported	Growth Constant Currency
Revenue	1,486,089	1,366,569	8.7%	8.7%
Gross profit	128,781	94,636	36.1%	36.1%
Gross profit margin	8.7%	6.9%	180bps	

In December 2021, we announced the acquisition of the Navi Group, a company we have partnered closely with for half a decade. The acquisition remains under consideration by the CCPC. Should we get agreement to proceed, this strategic investment brings with it market share in the form of additional pharmacy customers, an innovative and experienced trading team and most importantly, a number of innovative digital solutions for retail pharmacy based on proprietary digital technologies. This will complement our own technologies and will accelerate our ability to support our customers to achieve a fully connected pharmacy.

Pre-wholesale
Both the business and the underlying market experienced growth in the year. The Brexit readiness strategy implemented in 2020 allowed us to support our manufacturers and ensure continuity of supply to the Irish market. We worked in partnership with our manufacturers who had products coming from the UK to ensure we had the relevant licences and procedures in place to mitigate against any impact.

A new four-year IPHA agreement comes into effect in 2022 and will bring with it market changes across our client manufacturer portfolios, as we see the growing penetration of biosimilar products. We are in a strong position as we enter 2022, with contract renewals completed with a number of our long-standing manufacturers.

Retail
Covid-19 impacted the retail pharmacy business in the first half of the year with decreased footfall and operational challenges. One of the biggest challenges for the sector as a whole has been staffing, with pharmacists, technicians and floor staff difficult to recruit, bringing with it increased pressure on pay costs. Despite this, our retail stores continued to deliver for their customers, supporting them with courtesy, expertise and kindness, as they have done throughout the pandemic.

The successful integration of the Hickey's Pharmacy Group was a key milestone in 2021. The acquisition was earnings accretive from day one, with the 36 pharmacies migrated on to Uniphar IT systems and using our digital expertise to grow the brand's online presence.

Online/Digital
By focusing on digital solutions in our own operations and in the back office for pharmacies, we have brought our pharmacy customers on a journey with us, reducing reliance on paper and progressing to simplified workflows and administration for pharmacy teams. There was significant progress made on bringing digital to front of house in 2021, with strides made in eCommerce and digital innovation in our supported pharmacies. Allcare and Life pharmacy symbol groups both now offer online doctor services, patient apps and online shopping. The acquisition of Navi Group (subject to CCPC approval), with its focus on technological innovation in retail pharmacy, will allow us to accelerate and strengthen our digital offering to our pharmacy partners and customers.

Looking forward
This division offers significant benefits to the Group's overall capabilities through our high-tech distribution facilities, our scalable digital infrastructure, our long-standing manufacturer relationships and our highly skilled people, who have deep insights into the healthcare eco-system. The integration of the Navi Group (subject to CCPC approval) will be a major focus for the division in 2022. As we look for additional growth, we cannot ignore the potential of other small/medium sized markets in which our successful Irish model might be replicable.

GOVERNANCE

Company Information	59
Board of Directors	60
Corporate Governance Statement	62
Corporate Governance Report	63
Audit, Risk and Compliance Committee Report	71
Nominations and Governance Committee Report	75
Remuneration Committee Report	79
Directors' Report	91

COMPANY INFORMATION AS AT 31 DECEMBER 2021

Board of Directors
M. Pratt (Chairman)
G. Rabbette (Chief Executive Officer)
T. Dolphin (Chief Financial Officer)
J. Berkowitz
J. Gaul
L. Hoctor
P. Hogan
S. Webb

Company Secretary and Registered Office
A. McCarthy
Uniphar plc
4045 Kingswood Road
Citywest Business Park
Co. Dublin
D24 V06K

Registered Number
224324

Auditors
PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
Dublin 1
D01 X9R7

Legal Adviser
William Fry
2 Grand Canal Square
Dublin 2
D02 A342

Nomad and Euronext Growth Adviser
Davy
Davy House
49 Dawson Street
Dublin 2
D02 PY05

Registrar
Computershare Investor Services (Ireland) Limited
3100 Lake Drive
Citywest Business Campus
Dublin 24
D24 AK82

Principal Bankers
Bank of Ireland
Allied Irish Banks
Royal Bank of Canada
HSBC Bank

Joint Brokers
Davy
Davy House
49 Dawson Street
Dublin 2
D02 PY05

RBC Europe Limited
100 Bishopsgate
London
EC2N 4AA

Stifel Nicolaus Europe Limited
150 Cheapside
London
EC2V 6ET

Investor Relations
B. O'Shaughnessy
Uniphar plc
4045 Kingswood Road
Citywest Business Park
Co. Dublin
D24 V06K

Website
Further information on Uniphar plc is available on the Group's website:
www.uniphar.ie

BOARD OF DIRECTORS

Maurice Pratt
Non-Executive Chairman

Nationality: Irish
Appointed: July 2003
Independent: No

Committee Memberships
Nominations and Governance

Experience
Maurice was appointed Chairman in 2009, having joined the Board as a non executive director in July 2003. Former Chief Executive Officer of Tesco Ireland Limited and C&C plc, Maurice is currently Chairman of Nursing Homes Ireland, Serious Fun Children's Network and B&B Ireland and is a non-executive director of Powerscourt Distillery Limited.

Principal Skills
Leadership, Strategy, International Markets, Sustainability and Governance

Ger Rabbette
Chief Executive Officer

Nationality: Irish
Appointed: March 2010
Independent: No

Committee Memberships
Nominations and Governance

Experience
An industry veteran, Ger joined Uniphar from Celesio, where he was Managing Director of Movianto Ireland and Head of Celesio Manufacturing Solutions Ireland. He is a Chartered Accountant by training and has held a range of senior positions in the healthcare sector with Cahill May Roberts and the wider Celesio Group.

Principal Skills
Industry, Leadership, Strategy, Finance, International Markets, Sustainability and Governance, M&A

Tim Dolphin
Chief Financial Officer

Nationality: Irish
Appointed: July 2010
Independent: No

Committee Memberships
N/A

Experience
Tim joined Uniphar from Topaz Energy Limited where he was a member of the senior management team. Prior to this, Tim held various senior finance positions with Royal Dutch Shell plc in Ireland. He is a Chartered Accountant by training and is a director of the Pharmaceutical Distributors Federation Ireland CLG.

Principal Skills
Industry, Leadership, Strategy, Finance, Legal & Regulatory, International Markets, M&A

Paul Hogan
Non-Executive Director

Nationality: Irish/American
Appointed: June 2019
Independent: Yes

Committee Memberships
Audit, Risk & Compliance
Nominations and Governance

Experience
A Chartered Accountant by training, Paul is CFO of Brook & Whittle Limited, a private equity owned packaging group headquartered in Connecticut, US. Paul was previously CFO at Nelipak Healthcare and Director of Development and CFO of the Clondalkin Group. He trained in Audit and Business Advisory in PwC.

Principal Skills
Industry, Leadership, Strategy, Finance, International Markets, M&A

Jeff Berkowitz
Non-Executive Director

Nationality: American
Appointed: September 2020
Independent: Yes

Committee Memberships
Nominations and Governance
Remuneration

Experience
Jeff has extensive global healthcare experience, having held senior executive positions at UnitedHealth Group-Optum, Walgreens Boots Alliance Inc. and Merck & Co Inc. Jeff is CEO of Real Endpoints LLC, and serves on the board of directors of H. Lundbeck A/S, Esperion Therapeutics, Inc., and Zealand Pharmaceuticals, Inc.

Principal Skills
Industry, Leadership, Strategy, Legal & Regulatory, International Markets, Sustainability and Governance, M&A

Audit, Risk and Compliance Committee

Chair
Paul Hogan

See pages 71 to 74 for our **Committee Report**

Nominations and Governance Committee

Chair
Jeffrey Berkowitz

See pages 75 to 78 for our **Committee Report**

Remuneration Committee

Chair
Sue Webb

See pages 79 to 90 for our **Committee Report**

Chief Executive Officer

Ger Rabbette

See pages 12 to 15 for our **CEO Report**

Sue Webb
Non-Executive Director

Nationality: English
Appointed: June 2019
Independent: Yes

Committee Memberships
Audit, Risk & Compliance
Remuneration

Experience
Sue held a variety of sales and marketing roles for Novartis Pharmaceuticals, UK, Ltd, including Country President, UK & Region Head of Country Management, Europe. Previously, Sue worked for Ortho McNeil in the US and Janssen-Cilag in the UK, gaining significant experience in pricing, strategy, country re-organisation and pharmaceutical product launches.

Principal Skills
Industry, Leadership, Strategy, International Markets, M&A

Jim Gaul
Non-Executive Director

Nationality: Irish
Appointed: January 2021
Independent: Yes

Committee Memberships
Audit, Risk & Compliance
Nominations and Governance

Experience
Jim is a Certified Public Accountant and former Chief Financial Officer of Sanofi Ireland & Mount Carmel Private Hospital. He has a strong track record in financial management and global healthcare and is a former director of Carraig Insurance and Valeant Pharmaceuticals Ireland. He is currently a non-executive director of a number of OPKO Health subsidiaries.

Principal Skills
Industry, Leadership, Strategy, Finance, International Markets, Sustainability and Governance

Liz Hoctor
Non-Executive Director

Nationality: Irish
Appointed: January 2021
Independent: Yes

Committee Memberships
Audit, Risk & Compliance

Experience
Liz is a qualified pharmacist and former president of the Irish Pharmacy Union (IPU). With over twenty years' experience advocating at both political and administrative levels of Government on behalf of the pharmacy profession, Liz has developed an in-depth understanding of the Irish, European and International Healthcare Systems. Liz recently completed a Diploma in Corporate Governance.

Principal Skills
Industry, Leadership, Legal & Regulatory, Sustainability and Governance

Aisling McCarthy
General Counsel & Company Secretary

Nationality: Irish
Appointed: May 2019

Experience
Aisling joined Uniphar in May 2019 from William Fry where she spent 12 years specialising in Corporate M&A transactions and restructurings. She is responsible for the Group's legal, company secretarial, risk and compliance functions and also Chairs the Group's Sustainability Council.

CORPORATE GOVERNANCE STATEMENT

Dear Shareholder
On behalf of the Board, I am pleased to introduce the Group's Corporate Governance Report for 2021. This report outlines the clear roles and structures we have in place for managing corporate governance and seeking to ensure that the Group is positioned to meet corporate governance standards at all times.

Adoption of UK Corporate Governance Code
2021 was another year of significant progress for the Group's corporate governance agenda. At the time of IPO in 2019, the Board indicated its intention to continue to enhance corporate governance structures with a view to adopting the UK Code as the Group's corporate governance code within 3 years of IPO. I am delighted to confirm that following a number of significant governance changes during 2021, the Board resolved in early 2022 to adopt the UK Code as the Group's corporate governance code and to align the corporate governance practices of the Group to that Code. The Corporate Governance Report on pages 63 to 70 sets out enhancements we have made throughout 2021 in order to comply with the Code. We remain committed to maintaining the highest standards of corporate governance across the Group to support the delivery of our strategy and provide long-term sustainable value to our shareholders and other stakeholders.

Board & Committee Composition Changes During the Year
There have been a number of changes to the Board's composition during the year. 2021 saw the resignation from the Board of Marie McConn, Padraic Staunton, Ger Penny and Padraic Dempsey, each of whom contributed hugely to the Board during their respective terms and on behalf of the Board, I would like to extend a warm thanks to each of them for their commitment and contributions.

January 2021 also saw the appointment of two new Independent Non-Executive Directors – Jim Gaul and Liz Hoctor, both of whom bring a wealth of experience to our Board. Jim Gaul was also designated as the Group's first Non-Executive Director with responsibility for workforce engagement. The increase in independent representation on the Board facilitated the re-composition of each of our Board Committees in early 2021, resulting in Committee compositions in line with the requirements of the UK Code. A full list of Board and Committee changes that occurred during the year is set out on page 84.

Board operations in the context of Covid-19
Since the onset of Covid-19 in March 2020, Board and Board Committee meetings have been held remotely. The Board received regular reports on the impact of Covid-19 on our employees and on the Group's activities since the onset of the pandemic. While the lack of in-person meetings presents certain challenges, and the Directors and I look forward to sharing a boardroom table again in the not-too-distant future, during this time these meetings have continued to run efficiently, and it is a credit to our Directors and the Group's senior management that meetings have remained so effective during these challenging times.

Looking Ahead
As we look forward, in 2022 the Board will continue to focus on the strategic objectives of the Group and each of the Group's divisions. Monitoring corporate governance compliance, and performance against sustainability targets will also be key objectives for the Board. The appointment of the Group's Chief Technology Officer during 2021 will ensure that the Group's digital focus and strategy will also be a significant focus for the Board during 2022 and Jim Gaul's appointment as Non-Executive Director with responsibility for workforce engagement, together with the appointment of the Group's Chief People Officer during 2021, will see the people focused agenda of 2021 continue in 2022.

Whilst the past 24 months have seen extraordinary challenges globally, we believe the governance structures we have in place enable the Group to effectively monitor and manage risk, assess opportunities and continue to deliver on our strategy in the interests of all our stakeholders.

Maurice Pratt
Chairman

CORPORATE GOVERNANCE REPORT

The Directors acknowledge the importance of good corporate governance and believe that it creates shareholder value by improving performance, whilst reducing or mitigating the risks that a company faces as it seeks to create sustainable growth over the medium to long-term.

At the time of IPO, the Group adopted the QCA Code as the Group's corporate governance code and the Group complied with each of the ten principles of the QCA Code throughout 2021. During 2021 and early 2022 the Board made significant progress in bringing the Group's corporate governance regime in line with the requirements of the UK Code and in January 2022, the Board resolved to adopt the UK Code as its corporate governance code in line with commitments made at the time of IPO.

Following the corporate governance changes implemented during 2021 as outlined below, the Group now complies with all provisions of the UK Code, save that:

(1) Provision 18 – The Articles of Association currently provide for annual retirement by rotation of one third of the Directors. A resolution will be proposed at the 2022 AGM to amend the Articles to provide for annual retirement by rotation of all Directors who may then, if eligible, seek re-election. To demonstrate commitment to this objective all Directors will voluntarily put themselves forward for re-election at the 2022 AGM.

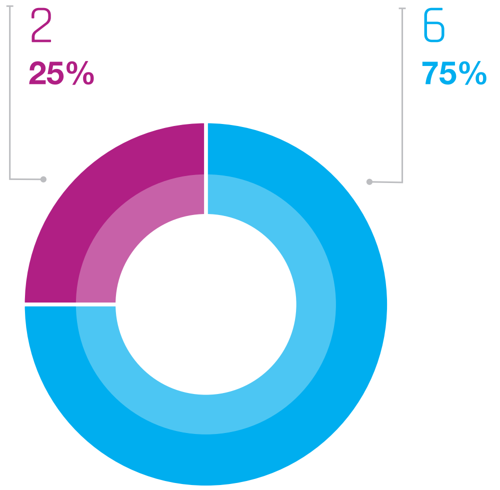
(2) Provision 19 – The Chair's tenure exceeds nine years. The Board believe that given the significant changes to Board and Committee compositions in the past 3 years including a further six board changes during 2021, Maurice Pratt has been instrumental in maintaining a sense of stability and continuity through this period of change and believe that he is best placed to continue to steer the Board through these transitional times.

Corporate governance changes implemented during 2021 and early 2022 in line with the UK Code are:

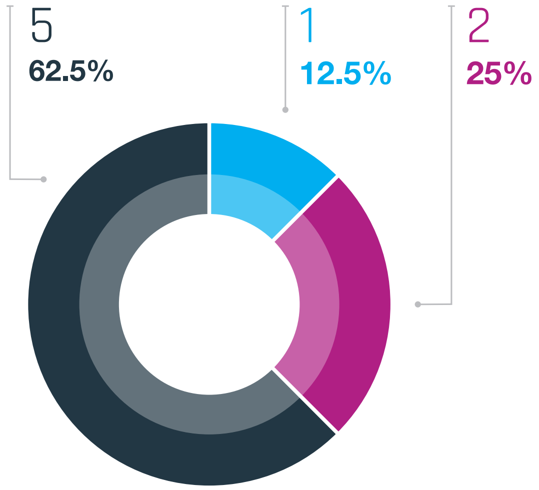
UK Code	Steps Taken during 2021
Board Leadership and Company Purpose	» Jim Gaul appointed as the designated Non-Executive Director for workforce engagement » Group-wide Future of Work employee listening exercise » Updated Group-wide Code of Conduct » Update to Group Whistleblower Policy to include an externally monitored reporting line
Division of Responsibilities	» Majority of Directors on the Board now deemed to be Independent » Number of Directors on the Board reduced from ten to eight » Number of Executive Directors on the Board reduced from three to two
Composition, Succession and Evaluation	» Board composition refreshed with the resignation of Marie McConn, Padraic Staunton, Ger Penny and Padraic Dempsey each of whom were deemed not to be independent and the appointment of Jim Gaul and Liz Hoctor each of whom are deemed to be independent » Nominations and Governance Committee composition refreshed in line with UK Code » Proposal to amend Articles of Association at 2022 AGM to provide for annual retirement by rotation of all Directors with all Directors seeking re-election voluntarily at 2022 AGM » Annual Board Performance Evaluation conducted including individual director evaluations
Audit, Risk and Internal Control	» Composition of Audit, Risk and Compliance Committee refreshed, in line with UK Code
Remuneration	» Composition of Remuneration Committee refreshed, in line with UK Code » Formal clawback policy on annual bonus introduced » Minimum shareholding requirement of 200% of base salary introduced for Executive Directors » Post-employment shareholding requirement of 200% of base salary for a period of two years introduced » Reduction in pension entitlement to 7.5% of annual base salary in line with the average contributions available to the Group's wider workforce

Board of Directors
At the date of signing, the Board comprises of eight Directors, two of whom are Executive Directors and six of whom, including the Chairman, are Non-Executive Directors, reflecting a blend of different experience and backgrounds. Of the Non-Executive Directors, five of these have been deemed by the Board to be independent. Biographies of all of the Directors are set out on pages 60 and 61.

Board Diversity



Board Composition



During the year the number of Executive Directors reduced from three to two on the resignation of Padraic Dempsey from the Board. The Board believes that, given the reduction in the size of the Board since IPO from twelve to eight, the reduction in number of Executive Directors improves the balance between Executive and Non-Executive Directors. The Board believes this combination of Executive and Non-Executive Directors allows it to exercise objectivity in decision making and control of the Group's business.

Division of Responsibilities
The Board retains ultimate accountability for good governance and is responsible for monitoring the activities of the executive team. The Board has a collective responsibility and legal obligation to promote the interests of the Group and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the Chairman.

The roles of Chairman and Chief Executive Officer are not combined and there is a clear division of responsibilities between them. The Chairman's responsibility is to lead the Board, and this ensures that the Board is effective and efficient. The Chief Executive Officer is accountable to the Board for all authority delegated to the executive team.

Chairman
The Chairman has overall responsibility for corporate governance throughout the Group. He leads and chairs the Board, ensuring that Committees are properly structured and operate with the appropriate terms of reference. He ensures that all Directors contribute effectively in the development of the Group's strategy and consider the inherent risk included in the implementation of the chosen strategy. The Chairman is involved in the development of strategy and setting objectives together with the Chief Executive Officer and oversees communication between the Company and its shareholders.

Chief Executive Officer
The Chief Executive Officer provides leadership and management of the Group and leads the development of objectives, strategies and performance standards as agreed by the Board. He monitors, reviews and manages key risks and strategies with the Board, and ensures that the assets of the Group are maintained and safeguarded. He also takes a leading role on investor relations activities to ensure communications and the Company's standing with shareholders and financial institutions is maintained. The Board has delegated responsibility for the management of the Group, through the Chief Executive Officer, to the Executive team.

Non-Executive Directors
The Non-Executive Directors contribute independent thinking and judgement through the application of their external experience and knowledge, scrutinise the performance of management, provide constructive challenge to the Executive Directors and ensure that the Group is operating within the governance and risk framework approved by the Board.

Company Secretary
The Company Secretary is responsible for providing a clear and timely information flow to the Board and its Committees and supports the Board on matters of corporate governance and risk. All Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are complied with. The appointment and removal of the Company Secretary is a matter for the Board.

Senior Independent Director
Paul Hogan holds the position of Senior Independent Director of the Board. This role provides a sounding board for the Chairman and serves as an intermediary for the other Non-Executive Directors when necessary. The Senior Independent Director is also available to shareholders if they have concerns.

Committees
The Board is supported in its function by the Audit, Risk and Compliance Committee, the Nominations and Governance Committee and the Remuneration Committee and reports from each of these Committees are contained on pages 71 to 90.

A formal Schedule of Matters Reserved for the Board is in place and is reviewed annually. Specific responsibilities reserved for the Board include:

» responsibility for the overall leadership of the Group and setting the Group's values and standards;
» approval of the Group's purpose, strategic aims and objectives;
» promoting the long-term sustainable success of the Group, generating value for shareholders and contributing to wider society;
» embodying and promoting a corporate culture that is based on sound ethical values and behaviours and using it as an asset and a source of competitive advantage;
» undertaking an assessment of the prospects of the Group, over a defined period and determining why it considers that period to be appropriate;
» ensuring maintenance of an effective system of internal control and risk management;
» approving changes to the structure, size and composition of the Board, following recommendations by the Nominations and Governance Committee;
» undertaking a formal and rigorous review of its own performance, that of its Committees and individual Directors, and the division of responsibilities; and
» considering the balance of interests between shareholders, employees, customers and the community.

Appointment of Directors
The Board has a formal Board Appointments Policy in place which sets out the procedure and criteria to be applied when considering the appointment of new individuals to the Board. As part of this procedure, the Nominations and Governance Committee evaluate the balance of skills, experience, independence, diversity and knowledge currently on the Board and the formal Board evaluation procedure facilitates this assessment.

During 2020 and early 2021, in line with the Board Appointments Policy, a leading firm of organisational consultants were engaged in the search for additional Independent Non-Executive Directors for the Board resulting in the appointment of Jim Gaul and Liz Hoctor in January 2021.

Conflicts of Interest
The Group has a Conflicts of Interest Policy in place which provides that where incoming or existing Directors retain or accept new appointments with other companies including related companies, this should be fully disclosed to the Company Secretary and the Chairman for approval to ensure that any conflicts of interests are identified in a timely manner. Before accepting any outside directorship, a Director must engage with and seek approval of the Chair and the Company Secretary.

Re-election of Directors
The Articles provide that at least one third of the Company's Directors must retire annually by rotation and are then eligible for re-election in accordance with the Articles. In compliance with the UK Code, the Board intends to propose the amendment of the Articles at the 2022 AGM to provide that all Directors must retire annually and, if eligible, present themselves for re-election to the Board. At the 2022 AGM all directors will voluntarily go forward for re-election to the Board.

The Board is cognisant that while our Chairman is the longest serving member of our Board, the UK Code allows some flexibility in relation to Chair tenure to facilitate effective succession planning and the development of a diverse board. The Board is also cognisant of the significant change to Board composition and Committee composition over the last two years, including a further six Board changes during 2021. The Board believe Maurice Pratt, as Chairman, has been instrumental in maintaining a sense of stability and continuity through this period of change and believe that he is best placed to continue to steer the Board through these transitional times.

Induction, development and training
The Directors believe that the Board has significant industry, financial, strategic and governance experience, possessing the necessary mix of experience, skills, personal qualities, and capabilities to deliver the strategy of the Group for the benefit of shareholders over the medium to long-term. The skills of each of our directors are highlighted in the director biographies on pages 60 and 61.

The Board is kept abreast of key developments regarding corporate governance and AIM and Euronext Growth regulation by its Nominated Adviser and Euronext Growth Adviser, and its legal advisers. The Company's legal advisers provide updates on relevant legal and governance issues with the Nominated Adviser and Euronext Growth Adviser providing the Board with training on the AIM Rules and Euronext Growth Rules (as applicable) and refresher training as and when required.

The Company Secretary also helps keep the Board up to date on corporate governance developments and liaises with the Nominated Adviser and Euronext Growth Adviser on areas of AIM and Euronext Growth Rules requirements.

The Directors have access to the Nominated Adviser and Euronext Growth Adviser, Company Secretary, lawyers, and auditors as and when required and are able to obtain advice from other external bodies when necessary.

The Board also has a formal Board induction procedure in place which provided the basis for the induction of the two new Independent Non-Executive Directors to the Board in 2021. When new Directors join the Board, they are provided with extensive briefing materials on the Group and its operations, as well as training where appropriate.

Board Evaluation
The Board believes that, in addition to dealing with any matters as they arise, it is appropriate to carry out a formal evaluation of the performance of the Board each year. This is intended to ensure that the Board remains effective, well-informed, and able to make high quality and timely decisions for the benefit of all stakeholders of the Group. The Chairman is responsible for overseeing the annual evaluation process.

The annual performance evaluation procedure includes an evaluation of:

» the composition and structure of the Board, to include balance of skills, experience and knowledge on the Board;
» the Boards' diversity, to include gender, social and ethnic backgrounds, and cognitive and personal strengths;
» independence of the Board and individual Directors;
» how the Board works together as a unit to achieve objectives and fulfil responsibilities;
» how the Board discharges its roles and responsibilities;
» Board processes, to include effectiveness of meetings, agendas, forward planning and reporting;
» the Chairman's leadership style and approach;
» performance of Committees; and
» individual Directors' performance and ability to contribute effectively and ongoing commitment to their role as Director and, if relevant, Committee membership.

In November 2021, the Board conducted a full Board evaluation in line with the Annual Performance Evaluation Procedure, including individual director self-assessments led by the Chair. The outcome of the Board Evaluation was very positive with the open discursive culture of the Board and Chair leadership key features of responses.

The evaluation did not identify any areas that required particular focus. Communication of the Group's mission and vision to all levels within the Group, as well as updating the Board in relation to all communication with internal stakeholders, including staff, were two areas identified where some improvement could be made. The strengthening of the Group HR function with the appointment of the Group's Chief People Officer and the appointment of Jim Gaul as Workforce Engagement Director will increase emphasis on these topics. Feedback through the Future of Work engagement has also led to Group-wide Quarterly Leaders Updates which gives greater visibility to all leaders of key strategic objectives and performance across all divisions. It was also agreed that board evaluation feedback would be added as a rolling item on the Board's annual agenda to ensure that matters identified in the Board evaluation are being addressed.

The Non-Executive Directors also met with the Chair during 2021 without Executive Directors present and discussed a wide range of issues, including those considered by the various standing Board Committees. In addition, the Non-Executive Directors, led by Paul Hogan as Senior Independent Director, met without the Chair present in December 2021, to review the performance of the Chair during the year.

Board succession planning
The Board plans for its own succession with the assistance of the Nominations and Governance Committee and has prepared a succession plan to ensure that the Board has continuity of relevant skills and independence in the future. In so doing, the Board considers the skill, knowledge and experience necessary to enable it to meet the strategic vision for the Group. Diversity, to include gender, social and ethnic backgrounds, and cognitive and personal strengths, is also a key feature of the Board succession plan.

During 2021, the Board made significant progress in implementing the Board's succession plan. Changes included the appointment of Jim Gaul and Liz Hoctor as Independent Non-Executive Directors, further enhancing the independent representation on the Board and the resignation of, Marie McConn, Padraic Staunton, Ger Penny and Padraic Dempsey each of whom were deemed by the Board not to meet the UK Code's independence criteria.

Independence
2021 saw a further increase in the independent representation on the Board resulting in a majority of the Directors now being deemed independent. Of the existing Non-Executive Directors, the Board has determined that Paul Hogan, Sue Webb, Jeff Berkowitz, Jim Gaul and Liz Hoctor are independent in character and judgement and that there are no relationships or circumstances which could materially affect or interfere with the exercise of their independent judgement. Maurice Pratt is not deemed to be independent as a result of his tenure on the Board.

Time Commitment
Each Board member commits sufficient time to fulfil their duties and obligations to the Board and the Group. Expectations in terms of time commitment are clearly set out in the terms of appointment of all Non-Executive Directors.

There were nine formal meetings of the Board during 2021. Details of Directors' attendance at those meetings are set out in the table below. The Chairman sets the agenda for each meeting, in consultation with the Chief Executive Officer and the Company Secretary. Board papers are circulated to Directors in advance of meetings.

Attendance at Board and Board Committee meetings in 2021

	Board		Audit, Risk and Compliance Committee		Nominations and Governance Committee		Remuneration Committee	
Director	A	B	A	B	A	B	A	B
M. Pratt	9	9	-	-	3	3	1	1
G. Rabbette	9	9	-	-	3	3	-	-
T. Dolphin	9	9	-	-	-	-	-	-
P. Dempsey	9	9	-	-	-	-	-	-
P. Hogan	9	9	9	9	3	3	-	-
M. McConn	1	1	-	-	1	1	-	-
G. Penny	9	9	2	2	-	-	-	-
P. Staunton	5	5	-	-	-	-	1	1
S. Webb	9	9	9	9	-	-	3	3
J. Berkowitz	9	8	-	-	3	3	2	2
J. Gaul	9	9	8	8	2	2	-	-
L. Hoctor	9	8	8	8	-	-	-	-

Column A indicates the number of meetings held during the period in which the Director was a member of the Board and/or Committee.

Column B indicates the number of meetings attended during the period in which the Director was a member of the Board and/or Committee.

During 2021, Marie McConn, Padraic Staunton, Ger Penny and Padraic Dempsey each stepped down from the Board. In January 2021, Jim Gaul and Liz Hoctor were appointed to the Board.

Board Committees
The Board has three permanent Committees to assist in the execution of its responsibilities. These are the Audit, Risk and Compliance Committee, the Nominations and Governance Committee and the Remuneration Committee. Ad hoc committees are formed from time to time to deal with specific matters, for example, during 2021 the Board constituted a sub-committee to finalise the terms of the half year results announcement. Each of the permanent Committees has terms of reference under which authority is delegated to them by the Board and a copy of the terms of reference of each Committee are available on the Company's website www.uniphar.ie. The Chair of each Committee reports to the Board on its deliberations, attends the AGM and is available to answer questions from shareholders throughout the year.

A number of changes were made to the composition of the Committees during 2021 resulting in the committees composition being in line with the UK Code. The current membership of each Committee, details of attendance, each member's tenure, and the roles and responsibilities of each Committee are set out in the individual Committee reports on pages 71 to 90.

Audit, Risk and Compliance Committee
The Audit, Risk and Compliance Committee consists of four Non-Executive Directors: Paul Hogan, Sue Webb, Jim Gaul and Liz Hoctor. Paul Hogan is Chair of this Committee and is considered by the Board to be independent. Paul Hogan and Jim Gaul also have extensive financial experience and expertise. It can be seen from the Directors' biographical details appearing on pages 60 and 61 that the members of the Committee bring to it a wide range of experience and expertise. The Committee met nine times during 2021.

The Chief Financial Officer, and senior members of the Group Finance team, normally attend meetings of the Committee while the Chief Executive Officer attends when necessary. The external auditors attend as required and have direct access to the Committee Chair at all times. During the year, the Committee met with the external auditors without management being present.

Nominations and Governance Committee
The Nominations and Governance Committee consists of the Chairman, the Chief Executive Officer and three Non-Executive Directors: Jeff Berkowitz, Paul Hogan and Jim Gaul. Jeff Berkowitz is Chair of this Committee and is considered by the Board to be independent. The Committee assists the Board in ensuring that the composition of the Board and its Committees is appropriate to the needs of the Group.

During 2021, the terms of reference of this Committee were expanded to include general governance matters and the Committee was renamed as the Nominations and Governance Committee.

In discharging its responsibilities, the Committee uses the services of independent consultants as required.

Remuneration Committee
The Remuneration Committee consists of two Independent Non-Executive Directors: Sue Webb and Jeff Berkowitz. Sue Webb is Chair of this Committee and is considered by the Board to be independent.

The Committee receives advice from leading independent compensation and benefits consultants when necessary.

Stakeholder Engagement
The Company has established a framework for stakeholder engagement which identifies the key stakeholders of the Group and sets out mechanisms for engaging and communicating with them and details key responsibilities.

Stakeholder	How we Engage with Stakeholders
Shareholders	The Group believes that understanding and meeting shareholder needs and expectations is a key business objective in and of itself. The Group has an active investor relations programme and details of communications with shareholders during 2021 are set out in greater detail below.
Employees	With a workforce of over 2,850, communication is a key priority for the Group. The Group recognises that an essential part of its continued success is the support and involvement of its employees. Given the diverse range of functions throughout the Group, there is no one size fits all approach to employee engagement and communication. The Group also recognises the Trade Unions of which some of its employees are members and engages with them as necessary. Jim Gaul was appointed designated Non-Executive Director for workforce engagement during 2021 and further details of workforce engagement during the year are set out in this report.
Customers/ Suppliers	Customer and supplier satisfaction is key to the business of the Group and therefore the group must continually engage with its customers and suppliers to ensure satisfaction and achievement of KPIs. The method of communication depends on the nature of the relationship and the effectiveness of the communication strategy is kept under constant review by the Group.
Advisers	The Group has a number of long-standing and trusted advisers in addition to new engagements on an as needed basis. Open communication between the Group and its advisers ensures expectations are managed and optimum service levels are achieved. Where appropriate, the Group encourages communication between its advisers to ensure a cohesive approach.
Regulators	The Group takes its obligations to make notifications, filings and returns to various Regulators seriously and seeks to ensure prompt, effective and transparent communication with its Regulators.
Press/Media/ Public	The Group engages the services of Q4 Public Relations to handle its media and press communication and the Group Director of Corporate Development also plays a key role in communicating with this important stakeholder.

Communications with Shareholders
The Board are committed to engaging with the international financial community and shareholders on a regular basis. A dedicated investor relations function is in place, focused on continuing to increase awareness of Uniphar across the international financial community and the Group has an investor relations policy in place to:

- outline the Company's methods of communication with shareholders;
- ensure that the Company communicates effectively with all shareholders; and
- ensure that the Company discloses information correctly, in a balanced, transparent and timely way and simultaneously to shareholders.

During 2021, the Company conducted more than 200 meetings and conferences calls across 127 existing and prospective investors. A summary of key conferences is included on the next page (not exhaustive):

Date	Activity
January 2021	Davy Investor Conference (virtual)
March 2021	2020 Preliminary Results & Roadshow (virtual)
March 2021	Davy/Peel Hunt UK & Ireland Equity Ideas Conference (virtual)
May 2021	AGM
September 2021	Interim Results & Roadshow (virtual)
October 2021	Berenberg UK Opportunities Conference (in person)
November 2021	Paris Roadshow (in person)
November 2021	Goodbody Conference (virtual)
November 2021	Investec Best Ideas Conference (virtual)

The Group's focus on investor relations and the growing interest from equity market participants is evidenced by the growing pool of independent equity analysts providing research coverage on the Group. Engaging with the analyst community is a key part of how Uniphar communicates with the capital markets. During the year, Uniphar carried out over 30 calls with analysts providing market updates and ongoing company education. Six independent research analysts now provide equity research on the Group.

Additionally, shareholders are kept up to date on matters of a material substance and/or a regulatory nature, including M&A activity where relevant, via announcements made through the regulatory news service. On a day-to-day basis, the Group welcomes ad-hoc queries directly via telephone, post or email and up to date details and a variety of information that may be of interest to shareholders is available on the Group's website; www.uniphar.ie. The Chair and the Chairs of each Board Committee are also available to investors to discuss matters relating to their respective roles.

The Board is kept up to date with the views of the shareholders through regular updates from the investor relations team following engagement with shareholders. The Board also receives briefings from the Group's brokers on topics such as market perception, investor feedback, the development of our share register as well as regulatory topics.

The Board views the Annual Report as well as its Interim Results as key communication channels through which progress in meeting the Group's objectives and updating its strategic targets can be given to all shareholders. The Company's AGM is an opportunity for shareholders to meet with the Chairman and other members of the Board. The meeting is open to all shareholders, giving them the opportunity to ask questions and raise issues during the meeting or more informally following the meeting. The results of the Company's AGM are announced via the regulatory news service. Whilst restrictions in relation to Covid-19 in 2021 meant that the Company's AGM could not take place in person, the AGM was transmitted via conference call and shareholders were given the opportunity to vote and raise questions in advance.

The Company has also implemented a "Significant Votes Against a Resolution Procedure" which will ensure that where 20% or more of votes have been cast against the Board's recommendation for a resolution at a general meeting of shareholders, the Board will engage with shareholders and seek to understand their views in relation to the significant vote against.

Workforce Engagement
In January 2021, Jim Gaul was appointed to the Board as designated Non-Executive Director for workforce engagement. The Board believe that having a designated workforce engagement role at Board level, coupled with the appointment of the Group's Chief People Officer, marks an era of more formal engagement with the Group's workforce and increased representation of the views of our workforce at senior management and Board level.

Jim Gaul's responsibilities as designated workforce engagement Non-Executive Director include:

- liaising with the Chief People Officer and HR teams on employee engagement mechanisms in place across the Group to ensure that they are effective and remain relevant over time and developing a plan for formal workforce engagement;
- assessing the output of workforce engagement exercises to identify issues and trends arising and working with the Chief People Officer and HR teams to implement a plan to address any such issues and trends;
- briefing the Board regularly on proposals for future workforce engagement and the outcomes from any engagement undertaken;
- ensuring that views and interests of employees are considered by the Board.

In 2021, the Group conducted its first ever global employee listening exercise in relation to the Future of Work. The Group directly engaged with over 800 of our workforce through a series of one to ones, focus groups and survey. The outcomes from this exercise are described in more detail in the People and Culture Section of this report at pages 22 and 23.

Compliance with Section 172 U.K. Companies Act 2006
The UK Code provides that outside of shareholders, the Board should understand the views of the Company's other key stakeholders and describe how their interests and the matters set out in section 172 of the UK Companies Act 2006 have been considered in Board discussions and decision-making. While section 172 is a provision of UK company law, and there is no direct comparator in the Irish Companies Act 2014, the Board

believe that as a company listed on AIM in the UK with significant business operations in the UK and in the spirit of compliance with the UK Code, it is important to address these provisions. The Directors are confident that they have acted to promote the success of the Company for the benefit of shareholders, whilst having regard to the provisions (a) to (f) of section 172.

Section 172 Matters	How the Board had regard to these matters	Relevant Annual Report Section
(a) The likely consequences of any decision in the long term	» Strategic planning » Budgets and forecasting » Sustainability Metrics » ROCE	Strategic Review Pages 12 to 46
(b) The interests of the company's employees	» Designated Workforce Engagement Non-Executive Director » Future of Work Employee Listening Exercise	People & Culture Pages 22 and 23 Sustainability and Governance Report Pages 32 to 46
(c) The need to foster the company's business relationships with suppliers, customers and others	» Strategic planning » Business Model considerations » Divisional updates	Our Strategy page 16 Business Model page 18 Performance Review pages 48 to 57
(d) The impact of the company's operations on the community and the environment	» Integrating Sustainability into Strategy discussions » Regular Sustainability Council reports to Board » Targets and Metrics to monitor performance against KPI » Relay for Hope and community involvement initiatives	Sustainability and Governance Report Pages 32 to 46
(e) The desirability of the company maintaining a reputation for high standards of business	» Update to the Whistleblower Policy to include external reporting line » Updated Group-wide Code of Conduct » New Group-wide ED&I Policy » Modern Slavery Policy » Anti-bribery and Corruption Policy	People & Culture Pages 22 and 23 Governance, Quality & Compliance Report Pages 44 and 45
(f) The need to act fairly between members of the company	» Extensive Investor Relations Programme » 20% Votes Against Policy	Corporate Governance Report Pages 63 to 70

Internal control and risk management

The Directors have overall responsibility for the Group's system of internal control and for reviewing its effectiveness. This system is designed to help the Group meet its business objectives by appropriately managing, rather than eliminating, the risks to those objectives. Through the activities of the Audit, Risk and Compliance Committee, the effectiveness of these internal controls is regularly reviewed.

The Group's Risk Management Policy is designed to provide the framework to identify, assess, monitor, and manage the risks associated with the Group's business. Further details in relation to the Group's material risks and risk management framework are set out on pages 24 to 31.

Culture

2021 saw an increased focus on culture and values at Board discussions as the Board continued to consider the impact of Covid-19 on the Group, its customers and employees as well as our work environment for the future. The "can-do" culture across the Group remained evident throughout the year as the teams continued to pull together to meet client and customer needs in changing and challenging times.

The Schedule of Matters Reserved for the Board includes an obligation on the Board to:

- embody and promote a corporate culture that is based on sound ethical values and behaviors and use it as an asset and a source of competitive advantage; and
- establish a framework for setting, promoting, monitoring, and assessing culture.

The appointment of the Group's Chief People Officer is a significant step in driving the focus on culture across our continuously growing Group.

The Chief People Officer has been tasked with developing a long-term people and culture strategy across the Group and during 2021, the Board received regular updates on a number of initiatives designed to build solid foundations for the future including the Future of Work employee listening exercise, an updated Group-wide Code of Conduct, a new Group-wide Equity, Diversity and Inclusion Policy, a re-design of the Group office headquarters in Citywest to provide a working environment better suited to new ways of working as well as the strengthening of the HR function across the Group.

The appointment of Jim Gaul as designed Non-Executive Director for workforce engagement will also ensure that the views and opinions of the wider workforce will be taken into consideration at Board discussions.

See People & Culture section on pages 22 and 23.

AUDIT, RISK AND COMPLIANCE COMMITTEE REPORT

On behalf of the Audit, Risk and Compliance Committee, I am pleased to present the report for the year ended 31 December 2021. This report provides a summary of the Committee's role and responsibilities, and how the Committee discharged these during 2021.

Membership

The members of the Committee are set out in the table below, along with the date of each members' appointment, and details of their attendance at Committee meetings during the year. In January 2021, the Committee composition was refreshed with the appointment of Jim Gaul and Liz Hoctor to the Board, and Ger Penny stepped down from the Committee. On behalf of the Committee I would like to thank Ger Penny for his contribution to the Committee over the past two years. The Committee member's biographies are set out on pages 60 and 61.

The Committee is appointed by the Board and the terms of reference of the Committee state that the composition should comprise of a minimum of three Independent Non-Executive Directors, to the extent possible. The Committee consists of four Independent Non-Executive Directors and therefore meets this independence criteria.

The members of the Committee bring to it a wide range of experience and expertise including significant financial experience and knowledge of financial reporting principles.

Committee Member	Position	Appointed	Resignation	Attendance
Paul Hogan	Committee Chair (Independent)	Jun 2019	N/A	9/9
Ger Penny	Non-Executive Director	Jun 2019	Jan 2021	2/2
Sue Webb	Independent Non-Executive Director	Sept 2020	N/A	9/9
Jim Gaul	Independent Non-Executive Director	Jan 2021	N/A	8/8
Liz Hoctor	Independent Non-Executive Director	Jan 2021	N/A	8/8

Audit, Risk and Compliance Committee Activities

Financial reporting	Review of the annual and interim reports and related statements
	Consider accounting policies and the impact of new accounting standards
	Review of the Annual Report, and confirm if it is fair, balanced and understandable
	Consider key audit and accounting issues and judgements
	Review principal risks and uncertainties
	Review goodwill impairment assessments
	Review the accounting for significant acquisitions
	Approve going concern assessment
Governance	Corporate governance update
	Risk management review
	Treasury policy review
	Data protection review
	Directors' Compliance Statement policy and procedures
Internal audit and risk management controls	Approve and review the internal audit plan and resources
	Review of internal audit reports and monitor progress on open actions
	Assessment of the principal risks and effectiveness of internal control systems
External auditors	Review the independence, objectivity, performance and effectiveness
	Approval of the audit engagement letter and audit fees
	Approval of the audit plan and identification of significant risks

Role of the Committee
The Committee is responsible for ensuring that the financial performance of the Group is accurately reported. The Committee's role includes:

- monitoring the integrity of the financial statements of the Group;
- reviewing significant financial reporting issues;
- reviewing the effectiveness of the internal controls;
- monitoring and reviewing the effectiveness of the internal audit function; and
- making recommendations to the Board on the appointment or removal of the external auditors as well as approving their remuneration and terms of engagement and evaluating their performance.

A copy of the terms of reference of the Committee is available on the Group's website, www.uniphar.ie.

Meetings of the Committee
The Committee met nine times during 2021. The Chief Financial Officer and senior members of the Group Finance team attend meetings of the Committee while the Chief Executive Officer attends when necessary. The external auditors attend as required and have direct access to the Committee Chair at all times. During the year, the Committee met with the external auditors without management being present.

Financial Reporting and Key Areas of Focus
The Committee has an important oversight role in providing the Board with assurance as to the propriety of the financial reporting process. As part of this role, the Committee considers significant accounting policies and any changes made to them together with material judgements and estimates.

During the year, the Committee reviewed the clarity and integrity of the disclosures in the financial statements and completed an in-depth review of the goodwill impairment assessment, going concern assessment and acquisition accounting. These reviews included discussions with both senior management and the external auditor.

The Committee reviewed the Annual Report and confirmed to the Board that, in its view, it was fair, balanced and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

Goodwill Impairment Assessment
The Committee considered the carrying value of goodwill in the 2021 financial statements together with the recoverability of the carrying value through future cash flows. For the purposes of its annual impairment testing process, the Group assesses the recoverable amount of each of the Group's cash generating units (CGUs) based on the calculation of the value-in-use. The Committee reviewed the goodwill impairment methodology and specifically assessed the key assumptions used to estimate the recoverable amount of each CGU, including future cash flows and discount rates applied in the calculation of the value in use, along with the sensitivity analysis performed.

The Committee found the methodology to be robust and the results of the assessment, together with the disclosures in note 10 (Intangible Assets), to be appropriate. The goodwill impairment test was of particular focus by the external auditors who provided a detailed assessment of their analysis to the Committee.

Acquisition Accounting
During 2021, the Group completed four acquisitions with a strong strategic fit and also the acquisition of two independent community pharmacies. For each of these acquisitions, the Committee discussed with management and the external auditors the accounting treatment of the consideration paid, the costs incurred for each transaction and the related judgements. The Committee is satisfied that the accounting treatment is appropriate.

Going Concern Assessment
As part of the process of preparing the Going Concern Statement, a thorough review is carried out on the Group's forecasts, projections and available banking facilities, taking account of possible changes in trading performance and the principal risks and uncertainties facing the Group. The Committee reviewed the going concern assessment and are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of 12 months from the date of approval of these financial statements.

Risk Management
The Group's internal control and risk management framework is embedded within the organisational structure. The Committee is responsible for reviewing the adequacy and effectiveness of the internal control system and risk management on behalf of the Board.

During the year, the Committee reviewed the process followed by the Group to identify and manage risk and to determine the principal risks faced by the Group. The Committee is satisfied that the risk management process is robust.

Further details on the Group's risk management are contained on pages 24 to 31.

Internal Audit
The Committee is responsible for monitoring and reviewing the operation and effectiveness of the Internal Audit function including its focus, plans, activities and resources.

The Committee reviewed and approved the internal audit plan for the year having considered the adequacy of the team's size and expertise within the function. During the year, the Committee received regular reports from the Head of Internal Audit summarising findings from the work of Internal Audit and the responses from management to address these findings. The Committee monitors progress on the implementation of the action plans on significant findings to ensure these are completed satisfactorily.

External Auditor
The Committee has an important role in supporting the Board in discharging its duties by providing independent oversight over the external audit.

Independence and Objectivity of External Auditor
The Committee is responsible for ensuring that the external auditor is objective and independent. PwC as external auditor is precluded from engaging in certain non-audit services which would compromise its independence, violate any laws and regulations and affect its appointment as external auditor.

The Committee has determined that for taxation services which are permissible under the relevant auditor independence rules that such services may be procured by the Group from our auditors. The Committee has also determined that the auditor, subject to appropriate safeguards on their independence, may be engaged to provide permitted financial due diligence services. During 2021, as presented in the financial statements, the level of non-audit fees received by PwC was €1m. The non-audit services performed by PwC during the year related taxation services and advisory work in connection with due diligence on acquisitions completed during the year.

The Committee performed a review of the audit and non-audit services provided by the external auditor and the fees charged for those services in respect of the year ended 31 December 2021. Following this review and the confirmation in writing received from the Group's external auditor re-affirming its independence and objectivity, the Committee is satisfied as to PwC's independence and objectivity.

As a listed entity, the external auditor is required to rotate the audit partner responsible for the Group audit every five years. The current audit partner has completed his second year.

Effectiveness

The Committee is also responsible for assessing the effectiveness of the external audit process and for communicating the results of this assessment to the Board. In doing so the Audit, Risk and Compliance Committee considers the quality of service, the quality of the reports produced by the external auditor, feedback from the finance team and meetings held with the external auditor.

The external audit plan for the year ended 31 December 2021 was presented by PwC to the Committee at its meeting in October 2021. The Committee reviewed and appropriately challenged the external auditor before agreeing the proposed audit scope and approach. PwC subsequently presented a detailed report of their audit findings to the Committee at its meeting in February 2022.

In its assessment of the external auditor, the Committee had full regard to the auditor's competence, the quality and efficiency of the audit, and whether the audit fee is appropriate in relation to the size, complexity, and risk and control profile of the Group. After taking into account all of the above factors, the Committee continues to be satisfied with the performance of PwC and has informed the Board accordingly.

Cyber incident

On 26 October 2021, as a result of a cyber incident with a 3rd party external service provider, an IT outage was experienced by the Sisk Healthcare Group, which lasted for approximately six weeks.

The 3rd party IT service provider is ISO 27001 certified, and procedures and protocols were immediately put in place to ensure risk assessments were completed, together with containment, governance and regulatory compliance. All servers impacted by the cyber incident were shut down and replaced, with the production data centre wiped and rebuilt. As a result, the IT systems for the Sisk Healthcare Group were not accessible for a number of weeks and alternative manual controls were put in place to ensure continuity of service. Physical back up tapes were verified, and data restored to the 16 October, with lost data rebuilt from alternative company records and the manual recording of activities in place for the six week period until the IT systems were fully reinstated.

As the Sisk Healthcare IT data centres and the core Uniphar network are not physically connected, there was a very low risk of contagion spreading to the Uniphar Group's network. As an additional control, all Sisk Healthcare data communications were quarantined. This ensured that no subsequent virus or malicious software could be transmitted through email or teams. The IT team reviewed all potential points where the Sisk Healthcare Group IT infrastructure could impact Uniphar and found that none existed.

A cross functional project team consisting of senior members of the operations, finance, IT and regulatory teams was established to address the operational issues, financial risks and they ensured regulatory compliance. The Executive Directors received regular updates and provided briefings to both the Board and the Audit, Risk and Compliance Committee. In addition, the external auditors were kept fully informed of the incident. Temporary replacement operational controls were in place during the manual and additional preventative and detective controls were put in place to ensure the accurate recording of the financial information of the Sisk Healthcare Group.

In line with all companies the threat of cyber crime is constantly evolving and the Group has taken the experience and learnings from this incident to further strengthen the teams knowledge in cyber prevention and response strategies.

In conclusion the Committee are satisfied that the appropriate actions were taken, and the financial statements are not materially misstated.

Areas of Focus for 2022

Looking ahead to 2022, the Committee will continue to provide oversight on areas of key judgements, in addition to focusing on the financial reporting process, internal controls (including controls integration of new acquisitions) and risk management.

On behalf of the Committee

Paul Hogan
Chair of the Audit, Risk and Compliance Committee

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

On behalf of the Nominations and Governance Committee, I am pleased to present the report of the Committee for the year ended 31 December 2021, which provides a summary of the Committee's role and responsibilities, and how the Committee discharged these during 2021.

Membership

The members of the Committee are set out in the table below, along with the date of appointment of each member and details of their attendance at Committee meetings during the year.

2021 saw further changes to the composition of the Committee. In January 2021, Jim Gaul was appointed to the Committee on his appointment to the Board and Marie McConn resigned from the Committee on her resignation from the Board. Biographies of each Committee member are set out on pages 60 and 61.

The Committee is appointed by the Board and the terms of reference of the Committee state that the composition should comprise of a minimum of three Directors, the majority of whom must be Independent Non-Executive Directors. Changes made to the composition of this Committee in early 2021 mean that this Committee now comprises a majority of Independent Non-Executive Directors in line with UK Code requirements.

Each appointment to the Committee is for a term of up to three years, which may be extended by up to two further three-year terms, provided the Director in question continues to meet the criteria for membership of the Committee. The terms of reference of this Committee also provide that the Chairperson of the Board shall be a member of this Committee and as such, Maurice Pratt continues his position on this Committee notwithstanding he has exceeded three consecutive terms.

Committee Member	Position	Appointed	Resignation	Attendance
Jeff Berkowitz	Committee Chair (Independent)	Sept 2020	N/A	3/3
Maurice Pratt	Non-Executive Chairman	Oct 2009	N/A	3/3
Ger Rabbette	Chief Executive Officer	Sept 2020	N/A	3/3
Paul Hogan	Independent Non-Executive Director	Sept 2020	N/A	3/3
Marie McConn	Non-Executive Director	Oct 2009	Jan 2021	1/1
Jim Gaul	Independent Non-Executive Director	Jan 2021	N/A	2/2

Under the terms of reference, the Chair of the Committee may be either the Chair of the Board or another Independent Non-Executive Director.

Role of the Committee

The Committee is responsible for overseeing succession planning for the Board and senior management and assessing the leadership needs for the Group in terms of the ability of the Group to compete effectively. In that regard the Committee's roles include:

- reviewing the structure, size and composition of the Board including the skills, knowledge and experience of the Directors;
- making recommendations to the Board with regard to any changes to its composition or that of the Committees;
- identifying and nominating candidates to fill Board vacancies;
- overseeing the performance evaluation of the Board; and
- succession planning for senior management.

In January 2021, the terms of reference of the Committee were expanded to include oversight of general governance matters and the Committee was renamed as the Nominations and Governance Committee. A copy of the terms of reference of the Committee is available on the Group's website, www.uniphar.ie.

During 2021, the Committee focused on two principal areas:

1) Board composition and succession planning – resulting in several further changes to Board and Committee composition; and
2) Corporate governance compliance – conducting a gap analysis between existing corporate governance arrangements and the UK Code.

In January 2022, on the recommendation of the Committee following the corporate governance compliance review conducted, the Board resolved to adopt the UK Code as its corporate governance code, bringing its corporate governance standards in line with that code and fulfilling the commitment made at the time of IPO to transition to compliance with the UK Code within three years. Details of the steps taken during 2021 to bring compliance in line with the UK Code, together with details of the provisions of the UK Code that the Board consider not to have been met, are set out in the Corporate Governance Report on page 63.

Meetings of the Committee

The Committee met three times during 2021. The principal matters dealt with by the Committee included the following:

- Board succession and retirement by rotation;
- evaluation of potential Independent Non-Executive candidates;
- recommendation of the new Independent Non-Executive Directors for appointment to the Board and Committees;
- resignations of the outgoing Directors;
- composition of the Committees;
- review of terms of reference of the Committee expanding its remit to cover governance matters; and
- corporate governance review and gap analysis with the provisions of the UK Code.

Board and Committee Composition

Resignations of Non-Executive Directors

During 2021, Marie McConn, Padraic Staunton, Ger Penny and Padraic Dempsey resigned from the Board. Each of these directors were deemed not to be independent by the Board in line with the criteria set down in the UK Code.

They each contributed hugely to the Board during their respective terms and on behalf of the Committee and the Board, I would like to extend a warm thanks to each of them for their commitment and contributions to the Group over their respective terms.

Appointment of Non-Executive Directors

In late 2020, the Board engaged the services of a leading firm of organisational consultants to assist with the search for additional Independent Non-Executive Directors for the Board who possess the skills and diversity profile sought by the Board. The outcome of this process saw the appointment of Jim Gaul and Liz Hoctor in January 2021 as new Independent Non-Executive Directors further increasing the independent representation on the Board. On appointment Jim Gaul was designated as Non-Executive Director for workforce engagement.

Elections and re-elections at AGM

The Articles currently provide (1) that at least one third of the Directors must retire annually by rotation and (2) the terms on which they are eligible for re-election. Re-appointment is not automatic. In line with the Company's move to comply with the provisions of the UK Code, the Board have resolved to put forward a resolution at the Company's 2022 AGM to amend the Articles to provide that all Directors must retire annually at the Company's AGM and, if desired and eligible, seek re-election. The Board have further resolved that pending shareholder approval of the amendment to the Articles at the 2022 AGM, all Directors will retire by rotation and seek re-election at the 2022 AGM. Directors seeking re-election are subject to a performance appraisal which is overseen by the Committee.

At the Company's AGM on 12 May 2021, Maurice Pratt, Tim Dolphin and Paul Hogan were re-elected by the shareholders in line with the Company's rotation policy. Jeff Berkowitz, Jim Gaul, and Liz Hoctor were elected by the shareholders following their appointment to the Board by their fellow Board members in early 2021.

Board Committee Composition

The Committee and Board completed a review of the composition of the main Board Committees (Audit, Risk and Compliance Committee, Nominations and Governance Committee and Remuneration Committee) having regard to skills, experience, diversity and the time required of each of the Non-Executive Directors in discharging their responsibilities, as well as the recommendations of the UK Code and the terms of reference of each Committee in relation to recommended Independent representation on those committees.

Significant changes were made to the composition of those committees in early 2021 with the result that the Audit, Risk and Compliance Committee and the Remuneration Committee now each comprise 100% Independent Non-Executive Directors and the Nominations and Governance Committee now comprises a majority of Independent Non-Executive Directors.

Each appointment to a Board Committee is for a term of up to three years, which may be extended by up to two further three-year terms, provided the Director in question continues to meet the criteria for membership of the relevant committee. With the exception of Maurice Pratt's tenure on the Nominations and Governance Committee as a result of his position as Chair of the Board, none of the other committee members have served on committees for longer than the tenure set out in the terms of reference.

Boardroom Diversity

The Board is keen to ensure the Group benefits from the expertise and insights of a high-quality Board comprising of individuals with an appropriate balance of skills and experience. Each year the Committee reviews the business' evolving needs and the core competencies and construct of our Board. Details of the skills attributed to each Director can be found in the Director biographies on pages 60 and 61.

Diversity and equality in all aspects remain key values in relation to Board appointments, to include gender, social and ethnic backgrounds, and cognitive and personal strengths. Two out of eight of the Directors on the Board are female which represents 25% of the Board. The Board and the Committee remain focused on enhancing the broader diversity agenda as well as female representation at Board and senior management level and the Board believe the strong female representation at senior management level as set out in the Sustainability and Governance Report on page 32 is testament to the Group's commitment to diversity and equality. In addition, the Board approved a new Group-wide Equity, Diversity and Inclusion Policy during 2021 and aim to strengthen the Group's commitment to Equity, Diversity and Inclusion with the launch of a number of employee resource groups in 2022.

Succession Planning

Board succession was a continued focus of the Committee in 2021 and significant progress was made in implementing the Board's succession plan to move the composition of the Board and its committees in line with the requirements of the UK Code.

2021 saw a number of long-serving and valued members of the Board resign, and two new Independent Non-Executive Directors were appointed. In 2021, the number of Independent Non-Executive Directors on the Board increased from three to five and the number of Executive Directors on the Board decreased from three to two. The Committee recognises the significant change in Board composition in the period from IPO to date and is satisfied that the Company now meets the requirements of the UK Code in this regard. The Committee also recognises the need for the Committee going forward to ensure stability and continuity within the Board and its committees.

Length of Tenure

The length of tenure on the Board and on the three main Board committees as at 31 December 2021 is set out below:

	Board of Directors Years	Audit, Risk and Compliance Committee Years	Remuneration Committee Years	Nominations and Governance Committee Years
Executive Directors				
Ger Rabbette	11.8	-	-	1.3
Tim Dolphin	11.4	-	-	-
Non-Executive Directors				
Maurice Pratt	18.5	-	-	12.2
Paul Hogan	2.5	2.5	-	1.3
Sue Webb	2.5	1.3	2.5	-
Jeff Berkowitz	1.3		1.3	1.3
Jim Gaul	1	1	-	1
Liz Hoctor	1	1	-	-
Average tenure	**6.25**	**1.45**	**1.90**	**3.42**

Chair Tenure

As noted, 2021 saw a number of long serving members of the Board step down. Maurice Pratt as Chairman is the only remaining Non-Executive Director on the Board for more than the recommended nine-year period. The Board and the Committee are cognisant that the UK Code allows some flexibility in relation to Chair tenure to facilitate effective succession planning and the development of a diverse board. The Board and its Committees have seen further significant change during 2021 with four Director resignations, two Director appointments and the reconstitution of all Board Committees in line with UK Code requirements. In the interests of maintaining stability at a time of significant change, the Board and the Committee believe that our current Chairman is best placed to continue to chair the Board through this transitional phase.

Areas of Focus for 2022

In 2021, the Committee focused on the implementation of its Board succession plan to ensure an effective transition to UK Code compliance. As our business continues to grow, the Committee will focus on senior management succession planning to ensure the Group continues to have the depth of resources required to compete effectively in all markets in which it operates.

On behalf of the Committee

Jeff Berkowitz
Chair of the Nominations and Governance Committee

REMUNERATION COMMITTEE REPORT

As Chair of the Remuneration Committee, I am pleased to present the report for the Committee for the year ended 31 December 2021. The objective of this Report is to provide the shareholders with information to enable them to understand the remuneration structures in place and how they relate to the Group's financial performance. The report also provides a summary of the Committee's roles and responsibilities and how these were discharged during 2021.

Performance in 2021

The Group continued to demonstrate resilience in the face of the ongoing challenges of the Covid-19 pandemic by delivering a strong financial performance for 2021 at both a gross profit and EBITDA level, with a strong free cash flow conversion resulting in lower than projected net debt. The Group achieved organic gross profit growth in excess of 8%. A detailed summary of the Group's financial performance during 2021 is set out in our Financial Review section of this Report at page 48.

Shareholder Return in 2021

In May 2021, the Group paid a final dividend to shareholders of €4.2m in respect of the year ended 2020 and in October 2021, the Group paid an interim dividend of €1.5m. As a result of the Group's strong performance in 2021, it is proposed that, subject to shareholder approval at the Group's AGM in May 2022, that a final dividend of €2.9m will be paid to shareholders on the register at 5pm on 22 April 2022.

UK Code Compliance

Following a number of significant changes to the Remuneration Policy of the Group during 2020 to align the Remuneration Policy of the Group to the requirements of the UK Code and widely accepted best practice, the Board resolved in January 2022 to formally adopt the UK Code as the Corporate Governance Code of the Group.

The remuneration changes that were implemented in 2020 saw a number of impacts on Executive Director remuneration and the Committee believe that the current Remuneration Policy is effective in aligning to the Group's purpose and values, links to the successful delivery of the Group's long-term strategy and shareholder interests and reflects the Group's strong performance during the year. No changes are proposed to the Remuneration Policy for 2022.

The Committee has ensured that the disclosures in relation to the remuneration structures reflect best corporate governance practice, having regard to the Group's size and the markets on which its shares are listed.

Committee Member	Position	Appointed	Resignation	Attendance
Sue Webb	Committee Chair (Independent)	Jun 2019	N/A	3/3
Maurice Pratt	Non-Executive Chairman	Oct 2009	Jan 2021	1/1
Padraic Staunton	Non-Executive Director	Oct 2009	Jan 2021	1/1
Jeff Berkowitz	Independent Non-Executive Director	Jan 2021	N/A	2/2

2021 Executive Director Remuneration at a glance*

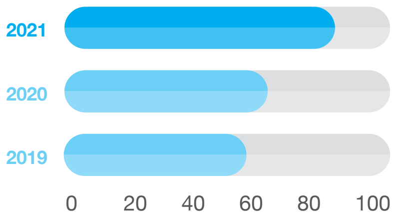
G. Rabbette

Salary/Fees	€600,000
Pension/Allowance	€45,000
Other Benefits	€50,000
Fixed Pay	€695,000
Bonus	€585,000
Total 2021	€1,280,000
LTIP	€nil

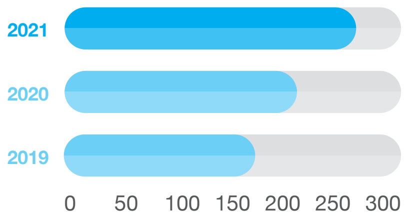
T. Dolphin

Salary/Fees	€400,000
Pension/Allowance	€30,000
Other Benefits	€45,000
Fixed Pay	€475,000
Bonus	€390,000
Total 2021	€865,000
LTIP	€nil

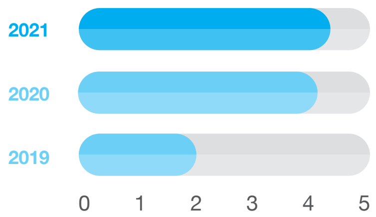
EBITDA
€'m



Gross Profit
€'m



Dividends
€'m



*Total dividend in respect of each financial year.

Committee Composition Changes

In January 2021, the Board approved a number of changes to the composition of the Committee with the resignation of long-standing members Maurice Pratt and Padraic Staunton and the appointment of Jeff Berkowitz to the Committee.

The composition of the Committee currently consists of 100% Independent Non-Executive Directors in line with the provisions of the UK Code and the terms of reference of the Committee. Biographies of each Committee member are set out on pages 60 to 61.

Role of the Committee

The Committee's main duties are to:

- determine the Group's policy on executive and senior management remuneration;
- review the suitability of performance measurement criteria for the Executive Directors, the Chairman and senior key management;
- review the notice periods for Executive Director employment contracts;
- determine compensation arrangements for early termination of employment contracts;
- administer LTIP schemes for Executive Directors and key senior management; and
- review the performance of Executive Directors against key performance indicators for the purposes of determining annual bonus entitlements and make recommendations to the Board about pay out level.

Meetings of the Committee

The Committee met three times in 2021 and each member serving on the Committee attended all meetings arising during their respective terms in 2021.

Remuneration Policy in 2022

Following the extensive re-alignment of Executive Director remuneration performed in 2020, the Committee has determined that the core substance of the Remuneration Policy continues to align with our Group business strategy and priorities. The performance metrics for the 2022 annual bonus scheme mirror those for 2021. The performance targets linked to each metric for 2022 are commercially sensitive and are therefore not disclosed. There are no other changes proposed to the Remuneration Policy for 2022.

On behalf of the Committee

S. A. Webb.

Sue Webb
Chair of the Remuneration Committee

Remuneration Policy

The Group is committed to promoting a transparent remuneration structure. The following table outlines the key factors considered by the Committee in accordance with the requirements of the UK Code.

UK Code	Uniphar Remuneration Policy
Clarity	
Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	The annual bonus and the LTIP scheme have been designed to incentivise Executive Directors to achieve defined, stretch targets in line with the Group's growth strategy. Performance measures and targets are reviewed each year by the Committee to ensure that they continue to be clear and appropriate.
Simplicity	
Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	There is a grid-based bonus structure in place to reflect a scale of performance which has been externally benchmarked. This supports the Committee's aim of operating a simple remuneration structure designed to align the Executive Directors interests with those of shareholders in achieving the Group's growth strategy.
Risk	
Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	The Remuneration Policy was designed to provide an appropriate level of remuneration to recruit and retain the necessary skill and talent to develop and deliver the business strategy, with the objective of delivering strong growth in a sustainable and focused way to deliver long term value to stakeholders.
Predictability	
The range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the policy.	The Committee believe it is important that a significant proportion of the remuneration package of Executive Directors and senior management is performance related. The potential value and composition of Executive Directors remuneration packages at minimum, on target, and maximum scenarios are outlined on page 89.
Proportionality	
The link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance.	Payments of the annual bonus requires the delivery against ambitious strategic targets for the Group. The performance measures are directly aligned to the Group's strategy and KPIs. The vesting of the Group's LTIP is directly aligned to the delivery of significant growth in the Group's share price over the period to 31 December 2024. The Committee has direction to exercise judgement and discretion in authorising remuneration outcomes to ensure that they are appropriate and reflective of overall performance.
Alignment to Culture	
Incentive schemes should drive behaviours consistent with company purpose, values and strategy.	The Committee is cognisant that the Remuneration Policy is aligned and benchmarked to market leaders, competitors, and industry standards, to ensure that it is fair and competitive. Uniphar places a strong emphasis on working responsibly and sustainably, and for this reason a specific sustainability and governance measure is included as part of the bonus grid. Details of how the performance measures are linked to the delivery of the Group's strategy are outlined on page 85.

Consideration of conditions elsewhere in the Group
Whilst the Committee does not directly consult with employees when formulating Executive Director pay policy, the Committee does take into consideration information on pay arrangements for the wider employee population when determining the remuneration of Executive Directors. Since 2021, Executive Director pension contributions are aligned with that of the wider workforce of Uniphar Group. The appointment of Jim Gaul to the Board in January 2021 with remit over employee engagement, further enhances consideration of wider workforce conditions when making Board decisions.

Consultation with Shareholders on Executive Remuneration
The Committee did not engage in formal shareholder consultation during the year in relation to Executive remuneration.

Directors' Remuneration Policy Report
Executive Directors
Executive remuneration within the Group can be broken down into the following five components which we believe provide a fair balance between fixed and performance related remuneration.

Key	Purpose & Link to Group Strategy	Operation	Detail	Performance Metric
Salary	Provide an appropriate level of fixed remuneration to recruit and retain the necessary skill and talent to develop and deliver on the business strategy.	An appropriate base salary is set and reviewed by the Committee annually. Factors taken into consideration include: » skills & experience; » specific role and level of responsibility; and » external benchmarks, including economic indicators and geographical scope.	Base salaries and increases are aligned and benchmarked to market leaders, competitors and industry standards. Future salary increases for Executive Directors will be linked to those of the wider Group workforce.	Not Applicable.
Bonus	To drive and reward for the delivery of business objectives over the financial year.	The Committee reviews the performance of the Executive Directors for the purposes of determining annual bonus entitlements and makes recommendations to the Board as to the pay-out level.	There is a bonus grid in place which is designed to align management's interests with those of shareholders. The maximum potential bonus opportunity for Executive Directors is up to a maximum of 130% of base salary. The bonus opportunity for the achievement of on-target Group and personal performance targets is up to 75% of maximum opportunity, being 97.5% of base salary. At the threshold performance level of 95% of target, a bonus opportunity of 37.5% of maximum, being 49% of base salary is payable. Where the threshold performance of 95% is not reached, no bonus is payable. In 2021, the Committee approved the deferral of 100% of Executive Directors' gross annual bonus entitlement for a period of 5 years in the form of in-market share purchases.	Based on the bonus grid, 80% of Executive Directors bonus is linked to Group performance and specifically in achieving challenging financial performance targets. The remaining 20% opportunity is linked to non-financial performance targets established by the Committee, being personal as well as, sustainability and governance objectives.
Pension	To provide a competitive, flexible retirement benefit that does not impose any unacceptable level of financial risk on the Group.	Executive Directors are enrolled into a defined contribution pension plan or are offered the alternative of cash allowances.	Pension contributions of 7.5% of annual base salary applies to all Executive Directors, aligning with the average contributions available to the Group's wider workforce.	Not Applicable.
Benefits	To provide other market competitive monetary and non-monetary benefits.	Provide a level of benefits or specified monetary allowances including, healthcare and car.	The level of benefits is set at an appropriate market rate.	Not Applicable.
LTIP	To reward participants for the delivery of the Group's long-term goals and driving shareholder value.	The LTIP was established in 2018 and represents 4.8% of issued share capital, with Executive Directors and key employees participating in the arrangement.	The Group's current LTIP is fully allotted and the details of each Executive Director's interest is set out below.	Vesting of the LTIP shares is subject to (i) reaching the share price targets set out below: €1.75 – 25% €2.25 – 25% €2.75 – 25% €3.30 – 25% and (ii) remaining in employment with the Group on 31 December 2024. All share price targets were met during 2021.

Non-Executive Directors
The Board aims to recruit high-calibre Non-Executive Directors, with broad commercial, international or other relevant experience. Non-Executive Directors cannot individually vote on their own remuneration. Non-Executive Director remuneration is reviewed by the Chairman and the Executive Directors and discussed and agreed by the Board. Non-Executive Directors may attend the Board discussion but may not participate in it.

In accordance with the resolution passed at the 2019 AGM, the aggregate fees payable to the Non-Executive Directors shall not exceed €750,000. Changes to the total aggregate remuneration of all Non-Executive Directors is subject to shareholder approval.

Non-Executive Directors are paid additional amounts to take account of increased time commitments including acting as the Senior Independent Director and Chair of a Board Committee. In addition, all reasonable and documented expenses incurred in the performance of the Non-Executive Directors' duties are reimbursed.

Annual Report on Remuneration 2021

The following table sets out the total remuneration for Directors for the years ended 31 December 2021 and 31 December 2020:

Director	Salary /Fees €'000	Pension/ Allowance €'000	Other Benefits[9] €'000	Fixed Pay €'000	Bonus €'000	LTIP €'000	Variable Pay €'000	Total 2021 €'000	Total 2020 €'000
Executive Directors									
G. Rabbette	600	45	50	695	585	-	585	1,280	1,280
T. Dolphin	400	30	45	475	390	-	390	865	865
P. Dempsey[1]	400	30	45	475	390	-	390	865	865
Non-Executive Directors									
M. Pratt	176	-	-	176	-	-	-	176	176
J. Berkowitz[5]	100	-	-	100				100	29
P. Hogan	100	-	-	100	-	-	-	100	89
M. McConn[4]	2	-	-	2	-	-	-	2	70
G. Penny[1]	70	-	-	70	-	-	-	70	70
P. Staunton[2]	25	-	-	25	-	-	-	25	70
S. Webb	85	-	-	85	-	-	-	85	81
J. Gaul[3]	65	-	-	65	-	-	-	65	-
L. Hoctor[3]	65	-	-	65	-	-	-	65	-
H. McSharry[6]	-	-	-	-	-	-	-	-	64
M. Moran[7]	-	-	-	-	-	-	-	-	40
J. Holly[8]	-	-	-	-	-	-	-	-	25
Total	2,088	105	140	2,333	1,365	-	1,365	3,698	3,724

1. P. Dempsey and G. Penny resigned as Directors on 17 December 2021.
2. P. Staunton resigned as a Director on 12 May 2021.
3. J. Gaul and L. Hoctor were each appointed to the Board on 26 January 2021.
4. M. McConn resigned as a Director on 26 January 2021.
5. J. Berkowitz was appointed as a Director on 18 September 2020.
6. H. McSharry resigned as a Director on 18 September 2020.
7. M. Moran resigned as a Director on 1 August 2020.
8. J. Holly resigned as a Director on 26 May 2020.
9. Other benefits principally include health and car allowances.

Executive Directors Remuneration

Executive remuneration within the Group can be broken down into the following five components which we believe provide a fair balance between fixed and performance related remuneration.

Base Salary

The base salaries of Executive Directors are reviewed annually having regard to personal performance, skills and experience, changes in levels of responsibility, external benchmarks to market leaders, competitors, and industry standards, as well as the pay and conditions in the wider Group. There were no changes to Executive Director base salaries during 2021.

The following table sets out the salaries for the Executive Directors for the relevant financial year:

	2021 €'000	2020 €'000
G. Rabbette	600	600
T. Dolphin	400	400

Annual Bonus

For the year ended 31 December 2021, the maximum potential bonus opportunity for Executive Directors was up to a maximum of 130% of base salary. The bonus opportunity for the achievement of on-target Group and personal performance targets was up to 75% of maximum opportunity, being 97.5% of base salary. At the threshold performance level of 95% of target, a bonus opportunity of 37.5% of maximum, being 49% of base salary is payable. Where the threshold performance target of 95% is not reached, no bonus is payable.

In setting the on-target return the Committee and the Board were cognisant of the ambitious strategic targets set for the Group and sought to align the Executive Directors interests with those of shareholders in achieving the Group's stated strategy. On this basis the Committee and the Board believe that 75% of the maximum opportunity for achieving performance targets is appropriate.

The following table sets out the performance measures applied for Executive Directors for the year ended 31 December 2021:

	% of maximum	Link to strategy
EBITDA	40%	Key measure of underlying profitability
Stretch EBITDA	25%	Delivery of Group's long-term growth strategy
Organic Gross Profit Growth	7.5%	Key measure of continued client growth
Free Cash Flow Conversion	7.5%	Cash generation for reinvestment or return to shareholders
Financial targets	**80%**	
Personal Objectives	15%	Ensure focus on strategic/functional priorities of the Group
Sustainability & Governance	5%	Drive continuous improvements in sustainability, governance and culture across the Group
Non-Financial Targets	**20%**	
	100%	

The performance targets were set by the Committee based on the Board approved budget for the year.

Committee discretion

The Committee has retained the discretionary ability to adjust the value of an award under the annual bonus scheme, if the award in the Committee's opinion taking all circumstances into consideration produces an unfair result. In exercising this discretion, the Committee may take into consideration the individual or the Group's performance against non-financial measures. In respect of the financial year ended 31 December 2021, the Committee have exercised this discretion in respect of potential awards under the Stretch EBITDA annual bonus metric and, in light of the global impact of the Covid-19 pandemic, have concluded it to be appropriate to make no annual bonus award in respect of this metric during 2021.

Review of financial targets

Subsequent to the end of the financial year, the Committee reviewed actual performance against the targets set for each Executive Director. Following this review, the Committee determined that the Executive Directors should be awarded bonuses based on the achievement of financial targets as illustrated in the table below:

	% of maximum	Actual %
EBITDA	40%	40%
Stretch EBITDA	25%	0%
Organic Gross Profit Growth	7.5%	7.5%
Free Cash Flow Conversion	7.5%	7.5%
Financial targets	**80%**	**55%**

Due to the commercial sensitivity of the Group's defined financial targets these targets have not been disclosed. The following table summarises performance for each of the financial objectives:

Measure	Definition	Performance Targets	Actual Performance
EBITDA	Earnings before exceptional items, net finance expense, income tax expense, depreciation and intangible assets amortisation. The impact of unbudgeted acquisitions and disposals are excluded.	The pay-out of the Group EBITDA bonus is based on the achievement of defined threshold and budget targets. Threshold performance equates to 95% of budget EBITDA. On achievement of threshold performance, 50% of the portion of the bonus attributable to EBITDA performance is payable. This increases to 100% pay-out of EBITDA bonus when 100% of Group EBITDA budget is achieved. Payment for performance between threshold and budget is on a pro-rata basis. No portion of basic bonus is paid where actual EBITDA is below threshold performance.	100% of the bonus % attributed to Group EBITDA being achieved has been awarded.
Stretch EBITDA	The Stretch EBITDA measure is the Group EBITDA including the contribution of unbudgeted acquisitions and disposals.	Achievement of stretch bonus is based on pre-defined Stretch EBITDA targets. Payment for performance between achievement of budget and the stretch target is on a pro-rata basis.	The Committee have exercised their discretion, and in light of the global impact of the Covid-19 pandemic have concluded that the Stretch EBITDA element of the annual bonus should not be applied in 2021.
Organic Gross Profit Growth	Organic gross profit growth is defined as the growth from restated prior period gross profit to current period gross profit as a % of the restated prior period value. The restatement to the prior year value is to include the corresponding prior period performance of acquisitions and exclude the prior period performance of disposals.	Achievement of the bonus required organic gross profit growth in the year.	The Committee determined that organic gross profit growth exceeded the target, and accordingly, this element of the bonus was achieved in full.
Free Cash Flow Conversion	Free cash flow conversion is defined as EBITDA, less investment in working capital, less maintenance capital expenditure, divided by EBITDA.	The Group's free cash flow conversion target for the purpose of the annual bonus is in line with achieving the Group's medium-term outlook. Threshold performance equates to a free cashflow conversion of 5% below the target range resulting in a payout of 50%. No bonus is paid if actual free cash flow is below threshold performance. 100% of bonus is paid if budget free cashflow is reached or exceeded. Payment between threshold and budget performance is on a pro-rata basis.	Actual free cashflow conversion exceeded the targeted performance, and accordingly, this element of the bonus was achieved in full.

Review of non-financial targets

20% of the maximum bonus opportunity is linked to non-financial performance targets recommended by the Committee and subsequently approved by the Board. Subsequent to the end of the financial year, the Committee reviewed actual performance against the targets set for each Executive Director. Following this review, the Committee determined that the Executive Directors should be awarded bonuses based on the achievement of non-financial targets as illustrated in the table below:

	% of maximum	Actual %
Personal Objectives	15%	15%
Sustainability and Governance	5%	5%
Non-Financial Targets	**20%**	**20%**

Personal objectives

The Executive Directors are also measured against personal and strategic objectives, which in 2021 focused on Leadership and Strategy, Portfolio Optimisation, Operating Model, and Talent and Succession. Performance against these objectives is determined by the Committee by reference to key targets agreed with the Executives at the start of the year.

These objectives include the achievement of operational goals, the executive's contribution to Group strategy as a member of the Board, and specific goals related to their functional role.

	Achievements
G. Rabbette	**Leadership and Strategy:** Developed the Group's strategy and long-term vision and managed its implementation during the year. **Portfolio Optimisation:** Identified and executed M&A transactions to enable the implementation of the Group's strategy. **Operating Model**: Led and embedded significant enhancements to the Group's operating model, driving commercial excellence, global consistency, and agility. **Talent and Succession:** Took a leading role in driving talent development within the Group and building a succession plan to meet the businesses longer term leadership needs.
T. Dolphin	**Leadership and Strategy:** Worked across all business and functional areas, supporting the development and implementation of the Group's strategy and long-term vision. **Portfolio Optimisation:** Evaluated and executed M&A transactions to enable the implementation of the Group's strategy. **Operating Model**: Took an active role in driving changes to the Group's operating model ensuring its cost effectiveness. **Talent and Succession:** Actively contributed to identifying and developing potential future talent.

Sustainability & Governance

Uniphar places a strong emphasis on working responsibly and sustainably. The Committee determined that in order to align the Executive Directors' to these interests, specific performance targets should be introduced to drive continuous improvements in sustainability, governance and culture across the Group.

The Committee determined that the Executive Directors should be awarded the maximum bonus opportunity attributable to Sustainability and Governance as a result of the following:

» the continued successful implementation of the sustainability framework and governance structure across the Group as outlined in the Sustainability and Governance Report;
» establishing internal carbon reduction targets and formally committing to setting a Science Based Target in respect of carbon emission reduction across the Group;
» supporting the Future of Work employee listening exercise; and
» the implementation of initiatives across the Group's locations as outlined in the Sustainability and Governance Report.

Total annual bonus payable

Following a review of the actual performance for both the financial and non-financial measures against targets, the Committee recommended, and the Board approved a total bonus outcome of 75% of maximum bonus opportunity, being 97.5% of base salary. 100% of the gross bonus achievement will be deferred for a period of five years in the form of in-market share purchases. Shares purchased in-market will be held by an Irish registered employee benefit trust established by the Company and the beneficial interest will be held by the Executive Directors subject to restrictions on dealing for the five-year period. The restrictions will cease in 2027 in respect of the 2021 deferred bonus amount.

The Committee considers the level of achievement is appropriate and reflective of the overall performance of the Group in the year and the value created for shareholders.

Clawback Policy

Bonus payments made to Executive Directors are subject to clawback for three years from payment in certain circumstances including:

- a material misstatement of the Company's audited financial statements;
- a material breach of applicable health and safety regulations; or
- business or reputational damage to the Company or a subsidiary arising from a criminal offence, serious misconduct or gross negligence by the individual Executive.

Pension

All pension benefits for Executive Directors are determined in relation to base salary. Fees payable to Non-Executive Directors are not pensionable. Under the current Remuneration Policy pension benefits for Executive Directors are 7.5% of base salary, in line with average pension contributions available to the Group's wider workforce.

Other Benefits

Employment-related benefits for Executive Directors provide a level of benefits or specified monetary allowances including, healthcare and car allowances.

LTIP

There were no LTIP share awards granted to Executive Directors in 2021 and the existing LTIP, which was put in place in 2018, prior to the Company's IPO, is now fully allotted. The existing share awards granted to Executive Directors, which will vest on 31 December 2024, are subject to performance conditions relating to share price targets and remaining in employment with the Group on the vesting date. During 2021, all share price performance conditions attributable to these LTIP share awards were satisfied. These shares remain subject to the satisfaction of the employment condition and as a result are not yet vested.

The table below sets out details of share awards made under the 2018 LTIP currently held by Executive Directors.

Executive Director	Grant Date	Exercise Price	No of share awards at 1 Jan 2021	Granted	Vested/ Exercised	Lapsed	No of share awards at 31 Dec 2021	End of Performance Period
G. Rabbette	28 Apr 2018	n/a	3,685,427	-	-	-	3,685,427	31 Dec 2024
T. Dolphin	28 Apr 2018	n/a	2,284,965	-	-	-	2,284,965	31 Dec 2024

Minimum Shareholding Requirements

The Committee has sought to promote long-term shareholdings by Executive Directors, to support alignment with shareholder interests, and has adopted minimum shareholding requirements for Executive Directors. These guidelines specify that Executive Directors should, over a period of five years from the date of appointment, build up and then retain a shareholding in the Company with a valuation of at least equal to 2x their annual base salary.

Additionally, the Committee has adopted guidelines relating to post-employment shareholding guidelines. These guidelines require that Executive Directors maintain their full minimum shareholding requirement of 2x base salary for a period of two years post-employment.

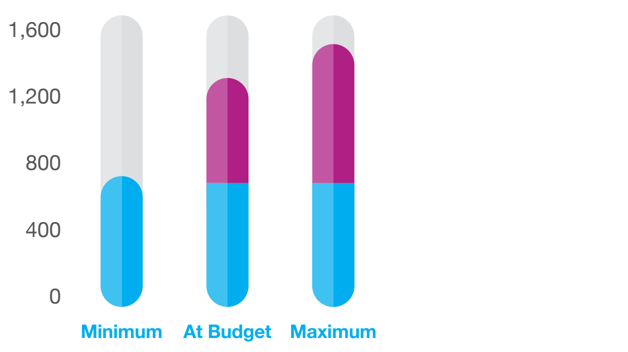
Current Executive Director shareholdings at 31 December 2021 as a multiple of their base salary:

	Minimum	Actual*
G. Rabbette	2.0x	68x
T. Dolphin	2.0x	70x

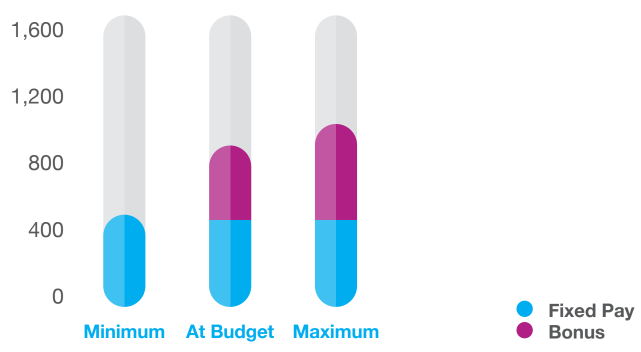
* Based on closing share price of €5.00 on 31 December 2021.

Performance related remuneration outcomes

CEO – Scenario Pay Structure
€'000



CFO – Scenario Pay Structure
€'000



Remuneration consists of fixed pay (base salary, pension, and benefits) and variable pay (annual bonus and LTIP). A significant portion of Executive Directors' remuneration is linked to the delivery of key business goals over the short and long-term and the creation of shareholder value. The charts above present scenarios of the remuneration outcomes of:

	Pay-out levels
Minimum	» Fixed Pay » No bonus pay-out
At Budget	» Fixed Pay » 75% of maximum bonus opportunity in line with budgeted performance targets
Maximum	» Fixed Pay » 100% of maximum bonus opportunity in line with budgeted performance targets

Percentage change in Executive Director's remuneration

The following table sets out the relative change from 2020 to 2021 in the remuneration earned by the Executive Directors compared with the average percentage change for the Group's employees:

€'000	2021	2020	% Change
G. Rabbette	1,280	1,280	-
T. Dolphin	865	865	-
Total Executive Directors	2,145	2,145	-
Average Employee Remuneration	57.1	60.6	(5.8%)

Relative Importance of Spend on Pay

The table below sets out the amount paid in remuneration to all employees of the Group compared to gross profit, EBITDA and dividends declared in respect of the financial year:

€'000	2021	2020	% Increase
Total Employee Remuneration*	166,861	136,717	22.0%
Gross Profit	274,497	217,252	26.3%
EBITDA	86,481	66,713	29.6%
Dividend**	4,400	4,200	4.8%

* Total employee remuneration includes €190,000 (2020: €209,000) of payroll costs which have been capitalised during the year.
** Reflecting progressive dividend commitment made at the time of IPO.

Advisers to the Committee

During 2021, the Group engaged the services of external remuneration consultants Willis Towers Watson. Their advice related to the structuring of remuneration packages for executives, non-executives, and key senior management. The total fees paid to Willis Towers Watson during the year were €13,000, these were charged on a time and materials basis.

The Group also engaged the services of William Fry and PwC in relation to the implementation of the decisions of the Board on remuneration during the year. No other external advisers were engaged in respect of remuneration consulting services during the year.

Payments to former Directors

There were no payments to former Directors during the year.

Payments for loss of office

There were no payments to Directors for loss of office during the year.

Non-Executive Directors Remuneration

The Board aims to recruit high-calibre Non-Executive Directors, with broad commercial, international or other relevant experience. Fees paid to the Non-Executive Directors for the 2020 and 2021 financial years are outlined in the Remuneration table on page 84.

Non-Executive Directors do not participate in any Group share incentive or award scheme.

Service Contracts/Letters of Appointment

Details of the service contracts for the Executive Directors are outlined below:

Name	Title	Date of Contract	Notice Period
Ger Rabbette	Chief Executive Officer	27 June 2019	12 months
Tim Dolphin	Chief Financial Officer	27 June 2019	12 months

The Company can terminate Executive Director employment by making a lump sum payment in lieu of notice consisting of the basic salary for the notice period. Standard 'cause' provisions are included which allow the Company to terminate without notice or the obligation to make a payment in lieu of notice. There are also standard 'garden leave' provisions for all Executive Directors together with post-termination restrictions on competing activity and non-solicitation of customers or key employees which are effective for a period of 12 months after termination.

Each of the Non-Executive Directors has been appointed under the terms of a letter of appointment. Appointment is terminable by either party giving one month's written notice or otherwise in accordance with the Articles. Continuation of appointment is contingent on satisfactory performance, re-election (where applicable) in accordance with the Articles and any relevant statutory provisions for the removal of Directors. Standard 'cause' provisions are included that entitle the Company to terminate a Non-Executive Director's appointment without notice or payment of compensation.

The appointment letter includes membership of any Board Committees, the fees to be paid and the time commitment expected. The letter also covers matters such as confidentiality, data protection and the Company's share dealing policy. Dates of appointment and retirement for the current Non-Executive Directors are set out below:

Name	Date of Appointment	Date of Retirement
M. Pratt	1 July 2003	-
J. Berkowitz	18 September 2020	-
G. Penny	20 August 2018	17 December 2021
P. Staunton	25 September 2009	12 May 2021
M. McConn	25 September 2009	26 January 2021
P. Hogan	27 June 2019	-
S. Webb	27 June 2019	-
J. Gaul	26 January 2021	-
L. Hoctor	26 January 2021	-

DIRECTORS' REPORT

The Directors present their director's report and audited Group financial statements for the year ended 31 December 2021.

Principal activities and review of the development of the business

The Group is a leading service provider within the pharmaceutical and healthcare sector headquartered in Ireland, with offices in the UK, the Benelux, the Nordics, Germany and the US.

By operating a strong service-based culture and working with our partners, we provide an innovative range of services, including product distribution and the provision of specialist services for the pharmaceutical and healthcare sector. The business is divided into three trading divisions: Commercial & Clinical, Product Access and Supply Chain & Retail.

- Commercial & Clinical provides outsourced sales, marketing & distribution solutions to multinational pharmaceutical and medical device manufacturers. Active in Ireland, the UK, the Benelux, the Nordics, Germany and the US, the Group is growing with its clients to provide pan-European solutions and a bespoke service offering in the US. Uniphar has built fully integrated digitally enabled customer centric solutions that are supported by our highly experienced and clinically trained teams, leveraging our digital technology and insights which allows us to deliver consistently exceptional outcomes for our clients.
- Product Access consists of two service offerings: On Demand and Exclusive Access. On Demand offers pharmacy led solutions for sourcing and supplying unlicensed medicines to meet the needs of both retail and hospital pharmacists; and Exclusive Access offers manufacturer led solutions for controlling the release of speciality medicines for specifically approved patient populations in agreed markets. The Group currently delivers product access solutions on a global basis.
- Supply Chain & Retail provides both pre-wholesale distribution and wholesale distribution of pharmaceutical, healthcare and animal health products to pharmacies, hospitals and veterinary surgeons in Ireland. The Division is an established market leader in Ireland with c.53% market share in the wholesale/hospital market, supported by a network of 378 owned, franchised and symbol group pharmacies. The business supports the diverse customer base through the provision of strong service levels coupled with innovative commercial initiatives. Supply Chain & Retail is an Irish only business for the Group, although the manufacturer relationships and infrastructure are utilised for the benefit of the growth divisions, Commercial & Clinical and Product Access.

The three trading divisions work in synergy to allow us to support healthcare professionals and manufacturer customers to provide their patients and communities with the medicines and care that they need.

Business review

Our business performed strongly in 2021, demonstrating the diversity of the Group's service offering, the strength of our teams and the continued focus on providing technology driven solutions. This strong result was against the backdrop of another challenging year caused by the disruptive impact of the Covid-19 pandemic.

Gross profit increased to €274.5m from €217.3m which was a rise of over 26%. The increase was achieved through our acquisitions completed in 2020 and 2021, together with organic growth of 8.5%. During 2021, the Group continued its strategy of expanding its geographic footprint and market share and completed four acquisitions during the year, with a fifth, the acquisition of the Navi Group pending approval by the CCPC. These acquisitions led to an increase in the Group's goodwill of €64.4m to €425.2m. The acquisitions were spread over our three divisions; the Commercial & Clinical division acquired CoRRect Medical in the MedTech business unit, and BESTMSLs Group and E4H in its Pharma business unit. Product Access also continued its expansion with the addition of Devonshire Healthcare Services to the Division. Supply Chain & Retail announced the acquisition of the Navi Group, which is subject to approval by the Irish CCPC. Acquisitions completed in 2020, including RRD International, Diligent Health Solutions, Innerstrength Limited and the Hickey's Pharmacy Group have all been successfully integrated into the business and are adding significant value to the Group, with previously identified efficiencies coming through.

Strong cash generation continues across the Group, and this is reflected in the cash generated from operating activities of €52.2m. Free cash flow conversion for the period was 76.6%, exceeding the medium-term free cash flow conversion target of 60-70%.

With the addition of two new international banking partners, RBC, and HSBC joining the existing banking syndicate during the year, the Group is in a strong position to continue to invest in growth opportunities. Net bank debt was €48.3m (2020: €34.4m) and leverage remained low at 0.7x, providing a solid platform to support future growth and investment as opportunities arise.

The Group have a number of key performance indicators (KPIs) which are used to monitor the Group's performance. These KPIs are outlined further in our key performance indicators section on pages 20 and 21.

Covid-19

The Group continues to monitor and respond appropriately to the ongoing threat and risks posed by the Covid-19 pandemic. Uniphar continues to play a significant role in healthcare infrastructure ensuring the continuity in the supply and distribution of much needed medicines, medical devices, and related services. The nature of the products and services offered means that there is a continued demand for pharmaco-medical products. The measures the Group has undertaken to respond to the challenges posed by the pandemic has resulted in change across its business for staff, customers, and the community in which it operates and serves.

In Supply Chain & Retail the normal pattern of demand was disrupted particularly at the start of the year when strict lockdowns were in place, the additional capacity provided by our new regional distribution facility in Limerick proved invaluable in dealing with peaks in demand above the normal expected levels. The Retail pharmacy business experienced decreased footfall in the first half of the year, this recovered well in the second half of the year, with high demand in consumer and well-being products, including our own brand ranges.

In Commercial & Clinical the continued restrictions saw the cancellation of many elective procedures across Europe, and the increased Covid-19 activity across our health systems challenged the traditional face-to-face interactions with stakeholders. The diverse nature of the products in our portfolio, combined with our geographic spread, provided insulation against the disruption caused and as the restrictions eased activities have resumed at high levels in an effort to address hospital backlogs.

Product Access has not experienced any significant disruption due to the nature of the services provided, however the pandemic has slowed the rate of growth in the market by delaying product developments, and we expect a considerable amount of reorganisation and consolidation in the pharmaceutical market, which may delay some decisions in 2022, but will ultimately mean additional opportunities for us in an 18-36 month timeframe.

The health, safety and wellbeing of our teams has remained a key priority during the pandemic. Throughout the business, several measures have been implemented to protect our teams including remote working where possible, use of appropriate personal protective equipment and increased sanitisation and screening measures. We are also investing in improving working environments, particularly our headquarters at Citywest in Dublin, Ireland, to adapt them and make them more suited to hybrid working, with the focus on more collaborative and flexible spaces in a safe post-Covid working environment.

Acquisitions and disposals

We continue to leverage M&A to support our objectives and in 2021 we completed four acquisitions, with the fifth, the Navi Group, being subject to CCPC approval. Acquisitions completed in 2020, including RRD International, Diligent Health Solutions, Innerstrength and the Hickey's Pharmacy Group have all been successfully integrated into the business and are adding significant value.

CoRRect Medical accelerates the Group's organic entry into the German market, further strengthening our pan-European presence across our chosen specialities and expanding our geographic footprint to grow our existing client base. BESTMSLs Group provides outsourced medical affairs services including the provision of contract MSL teams. The acquisition increases Uniphar's presence in the strategically important US market & BESTMSLs Group will work alongside, and benefit from, our recent US acquisitions of Diligent Health Solutions and RRD International. E4H enhances the Group's brand commercialisation and pharmaceutical marketing agency offering to large pharmaceutical companies.

Product Access acquired pharmaceutical distributor Devonshire Healthcare Services, a global hospital supplies company providing access to unlicensed and difficult to source medicines across the MENA region for 25 years to a broad variety of healthcare authorities, hospitals, and overseas ministries of health.

Supply Chain & Retail announced the acquisition of the Navi Group which is subject to CCPC approval. The Navi Group drives innovation within the Irish pharmacy sector through leading digital platforms and consistent supply of quality pharmaceutical products to its Irish and MENA partners. On completion of this acquisition, the unique technology and value proposition of Navi combined with Uniphar's scalable high-tech distribution facilities and digital platforms would deliver an even stronger offering to our independent community pharmacy customer base.

These acquisitions represent another important development in the delivery of Uniphar's growth strategy.

Pre-tax exceptional income in 2021 of €5.4m was driven largely by the release of deferred contingent consideration. See note 4 for further details of exceptional income incurred during the year.

Results for the year

The Group Income Statement for the year ended 31 December 2021 and the Group Balance Sheet at that date are set out on pages 105 and 107 respectively. The Group's gross profit was €274,497,000 (2020: €217,252,000) and earnings before interest, tax, depreciation, amortisation and exceptional items (EBITDA) was €86,481,000 (2020: €66,713,000).

The Group's profit on ordinary activities before tax was €55,801,000 in 2021 (2020: €33,531,000). After including a tax expense of €7,679,000 (2020: €5,720,000) and profit attributable to non-controlling interests of €45,000 (2020: losses of €16,000), the profit for the financial year attributable to owners is €48,077,000 (2020: €27,827,000).

There was a strong cash performance in 2021, and despite the Group's significant investment in infrastructure and strategic acquisitions during the year, the strong free cash flow performance places the Group in a position of strength with a low leverage of 0.7x and net bank debt of €48.3m at the year end.

Total equity of the Group at 31 December 2021 was €251,564,000 (2020: €202,535,000).

Future developments

Uniphar remains confident in delivering on expectations set at our IPO and the Group's medium-term organic gross profit growth targets at a divisional level remain unchanged. We have a robust plan in place across the three divisions and we remain committed to building a pan-European offering in our Commercial & Clinical division in addition to providing bespoke services in the US. In Product Access we will continue to develop our On Demand and Expanded Access Programs services, investing in digital technology and scalable infrastructure, expanding into new regions beyond Europe and the US. In Supply Chain & Retail, we continue to leverage our key assets and grow our market share.

M&A will continue to play an important part in Uniphar's growth strategy, and we will continue to have a disciplined approach and manage an active pipeline of acquisition opportunities to add further scale and breadth to the existing platform. The management team are committed to maximising the full potential of our recent acquisitions and delivering long term value for all our stakeholders.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements of the Group and Company in accordance with Irish law.

Irish law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have also chosen to prepare the parent company financial statements under IFRSs as adopted by the European Union.

Under Irish law, the Directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the Group's and Company's assets, liabilities, and financial position as at the end of the financial year and the profit or loss of the Group and Company for the financial year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS and ensure that the financial statements contain the additional information required by the Companies Act 2014; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Group and Company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Group and Company to be determined with reasonable accuracy; and
- enable the Directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Directors confirms that they consider that the Annual Report and Consolidated Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

The Directors in office at the date of this report have each confirmed that:

- insofar as they are aware, there is no relevant audit information of which the Company's statutory auditor is unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's statutory auditor is aware of that information.

Directors' compliance statement
The Directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations as defined in the Companies Act 2014 (the 'Relevant Obligations').

The Directors confirm that:

(1) A compliance policy statement setting out the Company's policies respecting compliance by the Company with its relevant obligations has been drawn up;
(2) Appropriate arrangements or structures that are designed to secure material compliance with the Company's relevant obligations have been put in place; and
(3) A review of the arrangements and structures, referred to at 2 above has been conducted during the year ended 31 December 2021.

Audit, Risk and Compliance Committee
In accordance with Section 167 of the Companies Act 2014, the Group has established an Audit, Risk and Compliance Committee. Full particulars are provided in the Audit, Risk and Compliance Committee Report at pages 71 to 74.

Corporate governance Statements by the Directors in relation to the Group and Company's application of corporate governance principles and the Group's system of internal controls are set out in the Corporate Governance Report at pages 63 to 70.

Going concern
The Directors have made appropriate enquiries and carried out a thorough review of the Group's forecasts, projections, and available banking facilities, taking account of possible changes in trading performance and considering business risk.

Uniphar plays a significant role in the healthcare sector, ensuring continuity in the supply and distribution of much needed medicines, medical devices, and related services.

The Group has a robust capital structure with strong liquidity, supported into the future by the banking facility with a remaining term of 3.5 years (with two options to extend by a further one year). This continues to provide a solid platform for the Group to deal with the disruption caused by the Covid-19 pandemic.

Having regard to the factors outlined above and noting the financial impact of the recently announced acquisitions, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of 12 months from the date of approval of these interim financial statements. As a result, the Directors consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Accounting records
The measures taken by the Directors to secure compliance with the Group's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons as outlined in Sections 281 to 285 of the Irish Companies Act 2014. The accounting records are kept at 4045 Kingswood Road, Citywest Business Park, Co. Dublin, D24 V06K.

Principal risks and uncertainties
The principal risks and uncertainties facing the Group and its subsidiaries are outlined on pages 24 to 31.

Financial risk management
The Group's operations expose it to various financial risks. The Group has a risk management programme in place which seeks to limit the impact of these risks on the financial performance of the Group and it is the policy to manage these risks in a non-speculative manner.

The Group's financial risk management is carried out by a central finance department under policies approved by the Board. Group finance identifies, evaluates, and manages financial risks in close co-operation with the Group's operating units. The Board approves written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and the investment of excess liquidity. The Group uses financial instruments throughout its business. Borrowings, cash, and liquid resources are used to finance the Group's operations. Trade receivables and payables arise directly from operations.

Forward foreign exchange contracts are used to manage currency risks arising from the Group's operations.

Finance interest and currency risk
The Group's procedure is to finance operating subsidiaries by a combination of retained profits and, to a lesser extent, non-recourse financing arrangements, invoice discounting and overdrafts, and to finance investments with a combination of Group funds and borrowings. The majority of the Group's activities are conducted in Euro. Foreign exchange exposure arises from transactional currency exposures arising from the sale and purchase of goods in currencies other than the Group's functional currency (i.e., Euro). The Group takes appropriate measures to manage its exposure to fluctuating foreign exchange rates associated with both transaction activity and the translation into Euro of its net investment in its non-Euro subsidiaries. Forward foreign exchange contracts and the holding of foreign currency cash balances are used to hedge these currency exposures, where material.

Non-Financial Reporting Statement
Pursuant to the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 ('Regulations'), the Group is required to report on certain non-financial information to provide an understanding of its development, performance, position and the impact of its activities, relating to, at least, environmental matters, social matters, employee matters, respect for human rights, and bribery and corruption.
The table below provides additional detail on the information required to be provided by the Regulations and highlights where the information has been provided in this Annual Report and Financial Statements, where applicable.

Reporting requirements	Our policies	Commentary
Environmental matters	» Sustainability Policy	For further information on the Group's approach to Environmental matters see the Environment & Sustainability section of our Sustainability and Governance report on pages 41 to 43.
Social and employee matters	» Sustainability Policy » Health and Safety Policy » Whistleblower Policy	For further information on the Group's approach to Social and Employee matters see the People & Workplace section and the Community Involvement section of our Sustainability and Governance report on pages 36 to 40.
Human rights	» Code of Business Conduct » Equality & Dignity at Work Policy » Modern Slavery Policy	The Group is committed to conducting all our activities in accordance with high standards of business conduct, respecting the fundamental freedoms and rights of our people. The Group is also committed to ensuring that our supply chain is free from human rights abuses, including forced labour, slavery and trafficking.
Anti-bribery and corruption	» Anti-Bribery and Corruption Policy » Code of Business Conduct » Whistleblower Policy » Conflicts of Interest Policy	The Group does not tolerate any form of bribery, prohibits facilitation payments, and does not make political contributions.
Description of the business model	Details are set out in the principal activities and review of the development of the business section of this report.	
Non-financial key performance indicators	The Group's planning and financial reporting procedures include financial and non-financial Key Performance Indicators (KPIs) which benchmark progress towards our strategic priorities. KPIs are reviewed and monitored on a regular basis by the Board, the Audit, Risk and Compliance Committee or the applicable business manager and are amended to better reflect the Group's key performance measures when required. Our KPIs in connection with the above matters relates to the level of reported breaches of applicable legislation or incidents reported, of which there were none in the current year. In addition to the KPIs which are reviewed and monitored at a business level, the Group have a number of KPIs which are used to monitor the Group's performance. These KPIs are outlined further in our key performance indicators section on pages 20 to 21.	
Principal risks	Details are set out in the Risk Management section of this report on pages 24 to 31 and discuss each of the above areas where relevant.	

Substantial Holdings
The table below shows all notified shareholdings in excess of 3% of the issued ordinary share capital of the Company as at 31 December 2021 and 23 February 2022, being the closest possible date to the date of signing of this report:

	23 February 2022		31 December 2021	
	Number of shares	% Holding	Number of shares	% Holding
Mackenzie Investment	17,374,939	6.4%	17,374,939	6.4%
Polar Capital	19,052,574	7.0%	19,116,145	7.0%
Sisk Family	16,152,373	5.9%	16,152,373	5.9%
Gerard Rabbette[1]	8,203,310	3.0%	8,203,310	3.0%
Allianz Global Investors	19,304,961	7.1%	19,304,961	7.1%

[1] Including Ordinary Shares issued under the 2018 LTIP.

Directors, secretary and their interests in shares
The names of the persons who, at any time in the twelve months to 31 December 2021, were Directors are set out below.

M. Pratt	G. Penny (resigned 12 May 2021)
G. Rabbette	P. Staunton (resigned 12 May 2021)
T. Dolphin	S. Webb
P. Dempsey (resigned 17 December 2021)	J. Berkowitz
P. Hogan	J. Gaul (appointed 26 January 2021)
M. McConn (resigned 26 January 2021)	L. Hoctor (appointed 26 January 2021)

The beneficial interests, including family interests, of the Directors and Company Secretary of Uniphar plc in office at 31 December 2021 in the share capital of Uniphar plc and subsidiary undertakings were:

	31 December 2021 ordinary shares	31 December 2020 ordinary shares
G. Rabbette	8,203,310	8,758,310
T. Dolphin	5,586,322	5,586,322

The Directors and secretary who hold less than 1% of the Company's issued share capital are not disclosed as the Company is exempt under Section 260, Companies Act 2014. For further details on Director's share awards under LTIP schemes, see the Remuneration Committee Report.

Political donations
The Electoral Act, 1997, (As amended by the Electoral Political Funding Act 2012) requires companies to disclose all political donations to any individual party over €200 in value made during the financial year. The Directors, on enquiry, have satisfied themselves that no such donations in excess of this amount have been made by the Group or any of its subsidiaries.

Events after the Balance Sheet Date
The Group acquired three pharmacies on 31 January 2022, two from Kiely's Chemist Limited and one from Edenmore Pharmacy Limited.

There have been no other material events subsequent to 31 December 2021 that would require adjustment to or disclosure in this report.

Dividends
Following another set of positive results for the Group, the Directors are proposing a final dividend of €2.9m. Together with the interim dividend of €1.5m paid in October 2021, this brings the total dividend for the year to €4.4m which is an increase of 5% on 2020. Subject to approval at the AGM, the proposed dividend will be paid to ordinary shareholders on the Company's register at 5pm on 22 April 2022.

The Board intends to adopt a progressive dividend policy to reflect the expectation of future cash flow generation and the long-term earnings potential of the Group.

Auditors
The independent auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office.

On behalf of the Board

M. Pratt

G. Rabbette

FINANCIAL STATEMENTS

Independent auditors' report	98
Group Income Statement	105
Group Statement of Comprehensive Income	106
Group Balance Sheet	107
Company Balance Sheet	108
Group Cash Flow Statement	109
Company Cash Flow Statement	110
Group Statement of Changes in Equity	111
Company Statement of Changes in Equity	112
Accounting Policies	113
Notes to the Financial Statements	125
Alternative Performance Measures	186
Glossary of Terms	191

Independent auditors' report to the members of Uniphar plc

Report on the audit of the financial statements

Opinion

In our opinion, Uniphar plc's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the Group's and the Company's assets, liabilities and financial position as at 31 December 2021 and of the Group's profit and the Group's and the Company's cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and, as regards the Company's financial statements, as applied in accordance with the provisions of the Companies Act 2014; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Annual Report, which comprise:

- the Group and Company Balance Sheets as at 31 December 2021;
- the Group Income Statement for the year then ended;
- the Group Statement of Comprehensive Income for the year then ended;
- the Group and Company Cash Flow Statements for the year then ended;
- the Group and Company Statements of Changes in Equity for the year then ended;
- the accounting policies; and
- the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law. Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

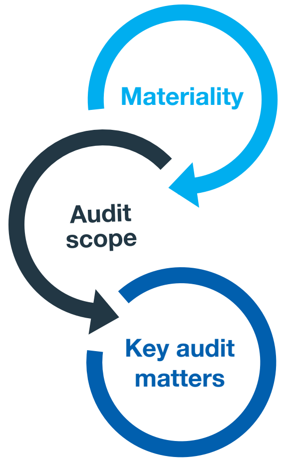
We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Independent auditors' report to the members of Uniphar plc

continued

Our audit approach

Overview



Materiality

- €2.5 million (2020: €1.9 million) - Group financial statements
- Based on c. 5% of profit before tax, before exceptional items.
- €2.8 million (2020: €2.6 million) - Company financial statements
- Based on c. 1% of net assets. For Group audit purposes a materiality level that is lower than the Group financial statements materiality was applied to balances that did not eliminate in the Group financial statements.

Audit scope

- Our audit work addressed each of the Group's three operating segments: Commercial & Clinical Services, Product Access Services and Supply Chain & Retail Services. Each of these consists of a number of reporting components.
- We performed full scope audits of the complete financial information of eight reporting components, which in our view required an audit of their complete financial information due to their size and financial significance or risk factors to the Group, and a further two reporting components.
- These components account for in excess of 80% of Revenues, in excess of 70% of Profit before tax, before exceptional items and in excess of 80% of Total assets of the Group.
- In addition, specified audit procedures on selected account balances, classes of transactions or disclosures were performed at ten other reporting components within the Group.

Key audit matters

- Goodwill impairment assessment.
- Accounting for material acquisitions.
- IT Systems outage - Sisk Healthcare.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Independent auditors' report to the members of Uniphar plc

continued

Key audit matter	How our audit addressed the key audit matter
Goodwill impairment assessment	
Refer to "Intangible assets" and "Impairment of assets" on pages 115 and 116 (Accounting policies), "Impairment assessment of goodwill and other non-current assets" in note 1 ("Significant estimates and judgements") and note 10 ("Intangible Assets"). The carrying value of goodwill at 31 December 2021 is c. €425m, representing approximately 45% of the Group's total assets. The carrying amount of goodwill attributed to each Cash Generating Unit ("CGU") is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. We determined this to be a key audit matter due to the level of judgement required by management in determining the recoverable amount of goodwill, and the assumptions used in the calculation of its value-in-use. Key assumptions used to develop the estimation of value-in-use at 31 December 2021 include the growth rates for revenue, cost inflation, terminal growth values and the discount rate.	We considered management's impairment model for each CGU and evaluated the methodology used and the key assumptions therein. We also tested the mathematical accuracy of the impairment models. We agreed the cash flow forecasts for 2022 to 2026 to Board approved plans. We assessed the reasonableness of estimates of future revenue from product sales and costs included in the cash flow forecasts by comparing relevant assumptions to historical performance and economic forecasts, as appropriate. We challenged management's long-term growth rates and long-term inflation rates with reference to OECD published economic forecasts data. We evaluated the discount rate used by management and the terminal growth value used, with the assistance of PwC valuation experts, through comparison to industry peers. We also performed a sensitivity analysis using alternative reasonably possible assumptions for estimating the value- in-use. Based on the results of our procedures we were satisfied that no impairment charge was required. We also assessed the appropriateness of the disclosures in note 10 regarding the impairment assessment of goodwill.

Independent auditors' report to the members of Uniphar plc

continued

Key audit matter	How our audit addressed the key audit matter
Accounting for material acquisitions	
Refer to "Business combinations" on page 118 (Accounting policies), "Business combinations" and "Provisions" under note 1 ("Significant estimates and judgements"), note 19 ("Provisions"), note 10 ("Intangible Assets") and note 35 ("Acquisitions of subsidiary undertakings and business assets"). During 2021, the Group completed six acquisitions. Management determined that all acquisitions met the definition of a business combination under IFRS 3 'Business Combinations'. For certain of the acquisitions the total consideration includes an estimate for consideration that is contingent on future trading performance. As set out in note 10, goodwill of €55.3m was recognised in the year. We determined the accounting for acquisitions to be a key audit matter due to their significance to the financial statements and the complexity and judgement involved in determining the fair value of the deferred contingent consideration payable, and the remeasurement of deferred contingent consideration from prior year acquisitions, which are based on achievement of specified future profitability targets. Management's assessment in relation to these targets is a significant assumption.	We read the legal agreements for each acquisition to obtain an understanding of the structure and key terms of each transaction. We challenged the reasonableness of the significant assumptions used in the measurement of the fair value of the deferred contingent consideration pertaining to the acquisitions. This included considering management's assessment of the likelihood of the specified future profitability targets being achieved, including considering the growth rates used against OECD published economic forecasts for the region in which each acquired entity operates and other relevant factors. We also assessed, with the assistance of a PwC valuations expert, the discount rate applied. We found that the assumptions used fell within a reasonable range. We also assessed the appropriateness of the disclosures in the financial statements.
IT Systems outage - Sisk Healthcare	
On 26 October 2021, an IT outage was experienced by the Sisk Healthcare Group, which lasted for approximately six weeks. This matter, including the Group's response and governance, has been set out in the Audit, Risk and Compliance Committee report on page 74. We determined this incident to be a key audit matter as it is a significant event in the period that impacted on our audit.	We obtained an understanding of management's project plan to review, assess and address the impact of the incident on financial reporting, including the controls put in place by management. We performed a risk assessment of the impact of the incident on the financial statements and amended our originally planned audit approach. Our revised approach included additional substantive audit testing on transactions recorded in the outage period and on selected year end balances.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group is structured along three operating segments being Commercial & Clinical, Product Access and Supply Chain & Retail. Each operating segment comprises a number of reporting components. The Group financial statements are a consolidation of 46 reporting components across the three operating segments. In establishing the overall approach to the Group audit, we identified eight reporting components, which in our view required an audit of their complete financial information due to their size and financial significance or risk factors to the Group, and a further two reporting components. These components account for in excess of 80% of Revenues, in excess of 70% of Profit before tax, before exceptional items and in excess of 80% of Total assets of the Group. In addition, specified audit procedures on selected account balances, classes of transactions or disclosures were performed at ten other reporting components within the Group.

This together with the work we performed at Group over central functions, IT systems and areas of judgement including the key audit matters noted above, taxation and business combinations gave us the comfort we required in respect of our audit of the financial statements.

Independent auditors' report to the members of Uniphar plc

continued

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	*Company financial statements*
Overall materiality	€2.5 million (2020: €1.9 million).	€2.8 million (2020: €2.6 million).
How we determined it	c. 5% of profit before tax, before exceptional items.	c. 1% of net assets. For Group audit purposes a materiality level that is lower than the Group financial statements materiality was applied to balances that did not eliminate in the Group financial statements.
Rationale for benchmark applied	The Group is profit-oriented and profit before tax before exceptional items is one of the key metrics used by shareholders in reviewing performance of the Group. We consider this to be the most appropriate relevant performance metric for the shareholders of the Group.	We consider net assets to be the appropriate benchmark given the Company is a holding Company with its main activity being the management of investments in subsidiaries.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above €0.1 million (Group audit) (2020: €0.1 million) and €0.1 million (Company audit) (2020: €0.1 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the Group and Company's ability to continue to adopt the going concern basis of accounting included:

- We checked the mathematical accuracy and estimated headroom in the going concern assessment for the period of 12 months from the date on which the financial statements are authorised for issue.
- We evaluated management's assumptions for the going concern assessment.
- We agreed the key growth and cost assumptions to the approved budgets for 2022 and 2023.
- We considered whether the assumptions within the assessment were consistent with the assumptions made in other areas of our audit work, for e.g. the goodwill impairment assessment.
- We agreed the banking facilities to the relevant loan documentation and assessed the calculations to support the expected covenant compliance.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's or the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditors' report to the members of Uniphar plc

continued

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 (excluding the information included in the "Non Financial Statement" as defined by that Act on which we are not required to report) have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report (excluding the information included in the "Non Financial Statement" on which we are not required to report) for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.
- Based on our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report (excluding the information included in the "Non Financial Statement" on which we are not required to report).

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 93, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f- a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

This description forms part of our auditors' report.

Independent auditors' report to the members of Uniphar plc

continued

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2014 opinions on other matters

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the Company financial statements to be readily and properly audited.
- The Company Balance Sheet is in agreement with the accounting records.

Other exception reporting

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Prior financial year Non Financial Statement

We are required to report if the company has not provided the information required by Regulation 5(2) to 5(7) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 in respect of the prior financial year. We have nothing to report arising from this responsibility.

Damian Byrne
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
28 February 2022

- The maintenance and integrity of the Uniphar plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Group Income Statement

Year Ended 31 December 2021

	Notes	2021 Pre-exceptional €'000	2021 Exceptional (note 4) €'000	2021 Total €'000	2020 Pre-exceptional €'000	2020 Exceptional (note 4) €'000	2020 Total €'000
Revenue	2	1,943,149	-	1,943,149	1,823,854	-	1,823,854
Cost of sales		(1,668,652)	-	(1,668,652)	(1,606,602)	-	(1,606,602)
Gross profit		274,497	-	274,497	217,252	-	217,252
Selling and distribution costs		(60,712)	-	(60,712)	(55,446)	-	(55,446)
Administrative expenses		(154,471)	(14,404)	(168,875)	(115,328)	(6,775)	(122,103)
Other operating income	3	237	-	237	241	-	241
Operating profit		59,551	(14,404)	45,147	46,719	(6,775)	39,944
Finance income/(cost)	6	(9,107)	19,761	10,654	(8,352)	1,939	(6,413)
Profit before tax		50,444	5,357	55,801	38,367	(4,836)	33,531
Income tax expense	7	(8,456)	777	(7,679)	(5,720)	-	(5,720)
Profit for the financial year		41,988	6,134	48,122	32,647	(4,836)	27,811
Attributable to:							
Owners of the parent				48,077			27,827
Non-controlling interests	27			45			(16)
Profit for the financial year				48,122			27,811
Attributable to:							
Continuing operations				48,122			27,811
Profit for the financial year				48,122			27,811
Earnings per ordinary share (in cent):							
Continuing operations				17.8			10.6
Basic and diluted earnings per share (in cent)	8			**17.8**			**10.6**

Group Statement of Comprehensive Income

Year Ended 31 December 2021

	Notes	2021 €'000	2020 €'000
Profit for the financial year		48,122	27,811
Other comprehensive income			
Items that may be reclassified to the Income Statement:			
Unrealised foreign currency translation adjustments		6,464	(4,564)
Items that will not be reclassified to the Income Statement:			
Actuarial (loss)/gain in respect of defined benefit pension schemes	20	(9)	303
Deferred tax charge on defined benefit pension schemes	13	-	(38)
Total comprehensive income for the financial year		54,577	23,512
Attributable to:			
Owners of the parent		54,532	23,528
Non-controlling interests	27	45	(16)
Total comprehensive income for the financial year		54,577	23,512
Attributable to:			
Continuing operations		54,577	23,512
Total comprehensive income for the financial year		54,577	23,512

Group Balance Sheet

As at 31 December 2021

	Notes	2021 €'000	2020 €'000
ASSETS			
Non-current assets			
Intangible assets – goodwill	10	425,160	360,745
Intangible assets – other assets	10	20,777	19,211
Property, plant and equipment, and right-of-use assets	11	152,483	153,745
Financial assets – Investments in equity instruments	12	25	25
Deferred tax asset	13	2,166	3,933
Other receivables	16	388	1,097
Employee benefit surplus	20	-	12
Total non-current assets		600,999	538,768
Current assets			
Assets held for sale	14	1,600	2,300
Inventory	15	112,312	115,566
Trade and other receivables	16	152,057	124,876
Cash and cash equivalents	17	78,025	60,410
Restricted cash	17	-	3,097
Total current assets		343,994	306,249
Total assets		944,993	845,017
EQUITY			
Capital and reserves			
Called up share capital presented as equity	23	21,841	21,841
Share premium	24	176,501	176,501
Share based payment reserve	28	183	-
Other reserves	25	5,364	(1,100)
Retained earnings	26	47,555	5,218
Attributable to owners		251,444	202,460
Attributable to non-controlling interests	27	120	75
Total equity		251,564	202,535
LIABILITIES			
Non-current liabilities			
Borrowings	18	124,601	95,615
Provisions	19	90,401	86,768
Lease obligations	21	104,720	107,203
Other non-current payables	22	-	4,603
Total non-current liabilities		319,722	294,189
Current liabilities			
Borrowings	18	1,721	2,311
Lease obligations	21	14,358	13,334
Trade and other payables	22	357,628	332,648
Total current liabilities		373,707	349,293
Total liabilities		693,429	642,482
Total equity and liabilities		944,993	845,017

On behalf of the Board

M. Pratt G. Rabbette

Company Balance Sheet

As at 31 December 2021

	Notes	2021 €'000	2020 €'000
ASSETS			
Non-current assets			
Intangible assets	10	1,519	-
Property, plant and equipment, and right-of-use assets	11	41,228	44,355
Financial assets – Investments in subsidiaries	12	291,500	291,407
Financial assets – Investments in equity instruments	12	25	25
Deferred tax asset	13	1,871	2,232
Other receivables	16	202	412
Total non-current assets		336,345	338,431
Current assets			
Trade and other receivables	16	1,223	4,923
Amounts due from subsidiaries	16	266,428	362,271
Cash and cash equivalents	17	2,105	3,234
Restricted cash	17	-	2,100
Total current assets		269,756	372,528
Total assets		606,101	710,959
EQUITY			
Capital and reserves			
Called up share capital presented as equity	23	21,841	21,841
Share premium	24	176,501	176,501
Share based payment reserve	28	183	-
Other reserves	25	60	60
Retained earnings	26	76,367	60,766
Total equity		274,952	259,168
LIABILITIES			
Non-current liabilities			
Borrowings	18	124,601	95,336
Provisions	19	2,428	32,440
Lease obligations	21	41,230	42,443
Total non-current liabilities		168,259	170,219
Current liabilities			
Lease obligations	21	3,804	3,377
Amounts owed to subsidiaries	22	143,015	270,023
Trade and other payables	22	16,071	8,172
Total current liabilities		162,890	281,572
Total liabilities		331,149	451,791
Total equity and liabilities		606,101	710,959

The profit recorded in the financial statements of the Company for the year ended 31 December 2021 was €21,332,000 (2020: €34,428,000). As permitted by Section 304 of the Companies Act 2014, the Income Statement of the Company has not been separately presented in the financial statements.

On behalf of the Board

M. Pratt G. Rabbette

Group Cash Flow Statement

Year Ended 31 December 2021

	Notes	2021 €'000	2020 €'000
Operating activities			
Cash inflow from operating activities	29	68,376	66,371
Proceeds from non-recourse financing	32	-	12,000
Payment of deferred contingent consideration		(1,250)	-
Interest paid		(3,118)	(2,870)
Interest paid on lease liabilities	21	(3,772)	(2,988)
Corporation tax payments		(8,059)	(6,535)
Net cash inflow from operating activities		52,177	65,978
Investing activities			
Payments to acquire property, plant and equipment – Maintenance		(8,795)	(6,487)
Payments to acquire property, plant and equipment – Strategic projects		(1,730)	(7,832)
Receipts from disposal of property, plant and equipment		35	123
Payments to acquire intangible assets – Maintenance		(3,904)	(1,412)
Payments to acquire intangible assets – Strategic projects		-	(6)
Receipts from disposal of assets held for sale	14	350	5,685
Payments to acquire subsidiary undertakings		(32,285)	(54,447)
Cash acquired on acquisition of subsidiary undertakings	35	5,718	7,689
Restricted cash acquired on acquisition of subsidiary undertakings	35	-	1,027
Debt acquired on acquisition of subsidiary undertakings	35	(352)	(16,800)
Receipts/(payments) on prior year acquisitions		3,428	(2,916)
Payment of deferred and deferred contingent consideration		(12,323)	(35,305)
Receipt of deferred consideration receivable		200	355
Net cash outflow from investing activities		(49,658)	(110,326)
Financing activities			
Proceeds from borrowings		42,692	113,799
Repayments of borrowings		(13,946)	(103,928)
Decrease in invoice discounting facilities		-	(1,505)
Movement in restricted cash	30	3,097	(955)
Payment of dividends		(5,731)	(1,993)
Payment of facility termination fee	32	-	(5,000)
Principal element of lease payments		(12,853)	(9,133)
Net cash inflow/(outflow) from financing activities		13,259	(8,715)
Increase/(decrease) in cash and cash equivalents in the year	30	15,778	(53,063)
Foreign currency translation on cash and cash equivalents		1,837	(567)
Opening balance cash and cash equivalents	17	60,410	114,040
Closing balance cash and cash equivalents	17	78,025	60,410

Company Cash Flow Statement

Year Ended 31 December 2021

	Notes	2021 €'000	2020 €'000
Operating activities			
Cash outflow from operating activities	29	(16,283)	(34,328)
Interest paid		(1,881)	(1,260)
Interest paid on lease liabilities	21	(1,403)	(1,398)
Net cash outflow from operating activities		(19,567)	(36,986)
Investing activities			
Payments to acquire subsidiary undertakings		-	(990)
Receipts on prior year acquisitions		3,585	-
Payments of deferred and deferred contingent consideration		(8,147)	(29,460)
Receipt of deferred consideration receivable		200	-
Net cash outflow from investing activities		(4,362)	(30,450)
Financing activities			
Proceeds from borrowings		42,340	96,997
Repayments of borrowings		(13,075)	(84,284)
Movement in restricted cash	30	2,100	42
Payment of dividends		(5,731)	(1,993)
Payment of facility termination fee	32	-	(5,000)
Principal element of lease payments		(2,834)	(2,420)
Net cash inflow from financing activities		22,800	3,342
Decrease in cash and cash equivalents in the year	30	(1,129)	(64,094)
Opening balance cash and cash equivalents	17	3,234	67,328
Closing balance cash and cash equivalents	17	2,105	3,234

Group Statement of Changes in Equity

Year Ended 31 December 2021

	Notes	Share capital €'000	Share premium €'000	Share based payment reserve €'000	Foreign currency translation reserve €'000	Revaluation reserve €'000	Capital redemption reserve €'000	Retained earnings €'000	Attributable to non-controlling interests €'000	Total shareholders' equity €'000
At 1 January 2020		21,841	176,501	-	2,704	700	60	(20,601)	(285)	180,920
Profit for the financial year		-	-	-	-	-	-	27,827	(16)	27,811
Other comprehensive (expense)/income:										
Re-measurement loss on pensions (net of tax)		-	-	-	-	-	-	265	-	265
Movement in foreign currency translation reserve		-	-	-	(4,564)	-	-	-	-	(4,564)
Transactions recognised directly in equity:										
Non-controlling interest on acquisition of subsidiary	27	-	-	-	-	-	-	-	96	96
Acquisition of non-controlling interest	27	-	-	-	-	-	-	(280)	280	-
Dividends paid		-	-	-	-	-	-	(1,993)	-	(1,993)
At 31 December 2020		21,841	176,501	-	(1,860)	700	60	5,218	75	202,535
At 1 January 2021		21,841	176,501	-	(1,860)	700	60	5,218	75	202,535
Profit for the financial year		-	-	-	-	-	-	48,077	45	48,122
Movement in share based payment reserve	28	-	-	183	-	-	-	-	-	183
Other comprehensive income/(expense):										
Re-measurement gain on pensions (net of tax)	20	-	-	-	-	-	-	(9)	-	(9)
Movement in foreign currency translation reserve		-	-	-	6,464	-	-	-	-	6,464
Transactions recognised directly in equity:										
Dividends paid		-	-	-	-	-	-	(5,731)	-	(5,731)
At 31 December 2021		21,841	176,501	183	4,604	700	60	47,555	120	251,564

Company Statement of Changes in Equity

Year Ended 31 December 2021

	Share capital	Share premium	Share based payment reserve	Capital redemption reserve	Retained earnings	Total shareholders' equity
	€'000	€'000	€'000	€'000	€'000	€'000
At 1 January 2020	21,841	176,501	-	60	28,331	226,733
Profit for the financial year	-	-	-	-	34,428	34,428
Transactions recognised directly in equity:						
Dividends paid	-	-	-	-	(1,993)	(1,993)
At 31 December 2020	21,841	176,501	-	60	60,766	259,168
At 1 January 2021	21,841	176,501	-	60	60,766	259,168
Profit for the financial year	-	-	-	-	21,332	21,332
Movement in share based payment reserve	-	-	183	-	-	183
Transactions recognised directly in equity:						
Dividends paid	-	-	-	-	(5,731)	(5,731)
At 31 December 2021	21,841	176,501	183	60	76,367	274,952

Accounting Policies

Basis of preparation

The consolidated financial statements of Uniphar plc and its subsidiaries (the 'Group') have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS, as adopted by the EU. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB), as adopted by the EU and as applied in accordance with the Companies Acts 2014.

Uniphar plc is incorporated in the Republic of Ireland under registration number 224324 with a registered office at 4045 Kingswood Road, Citywest Business Park, Co. Dublin, D24 V06K.

The parent Company's financial statements are prepared using accounting policies which are consistent with the accounting policies applied to the consolidated financial statements by the Group. The accounting policies are set out below and they have also been applied consistently by all of the Group's subsidiaries and joint ventures to all years presented in these financial statements.

Going concern

The Directors have made appropriate enquiries and carried out a thorough review of the Group's forecasts, projections, and available banking facilities, taking account of possible changes in trading performance and considering business risk.

Uniphar plays a significant role in the healthcare sector, ensuring continuity in the supply and distribution of much needed medicines, medical devices, and related services.

The Group has a robust capital structure with strong liquidity, supported into the future by the banking facility with a remaining term of 3.5 years (with two options to extend by a further one year). This continues to provide a solid platform for the Group to deal with the disruption caused by the Covid-19 pandemic.

Having regard to the factors outlined above and noting the financial impact of the recently announced acquisitions, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of 12 months from the date of approval of these financial statements. As a result, the Directors consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Basis of consolidation

The Group's financial statements are prepared for the year ended 31 December 2021. The annual financial statements incorporate the Company and all of its subsidiary undertakings. A subsidiary undertaking is consolidated by reference to whether the Group has control over the subsidiary undertaking. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The results of all Group undertakings are prepared to the Group's financial year end. The principal subsidiaries of the Group are listed in note 37. The attributable results of acquisitions are included in the financial statements from the date of acquisition. The results of the subsidiary undertakings disposed of are included in the consolidated Income Statement and Cash Flow Statement up to the date control ceases. Intergroup transactions are eliminated on consolidation in the preparation of the Group's financial statements.

New Standards, Amendments and Interpretations

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2021:

- Interest Rate Benchmark Reform - Phase 2
- 'Leases' – Covid-19 related rent concessions – amendment to IFRS16

These amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Accounting Policies

continued

New standards and interpretations not yet adopted

The following accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group:

- Amendments to IFRS 3, 'Business combinations' reference to the conceptual framework
- Amendments to IAS 16, 'Property, plant and equipment' proceeds before intended use
- Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' cost of fulfilling a contract
- Annual improvements to IFRS standards 2018-2020
- Amendments to IAS 1, 'Presentation of financial statements', on classification of liabilities
- Amendments to IAS 1, Practice statement 2 and IAS 8
- Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction

These standards are not expected to have a material impact in the current or future reporting periods and on foreseeable future transactions.

Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Investments in equity, financial assets and liabilities, certain classes of property, plant and equipment – measured at fair value; and
- Defined benefit pension plans – plan assets measured at fair value.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant in relation to the consolidated financial statements are set out in note 1.

Foreign currency translation

(i) Functional currency and presentational currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the parent company is Euro. The consolidated financial statements and parent company financial statements are presented in Euro.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Income Statement.

Foreign exchange gains and losses are presented in the Income Statement on a net basis within administrative expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through the Income Statement are recognised in the Income Statement as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as investments in equity instruments are recognised in Other Comprehensive Income (OCI).

(iii) Foreign currency translation

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Accounting Policies

continued

iv) Net investment hedge

Net investment hedges are foreign currency borrowings used to finance or provide a hedge against Group equity investments in non-euro denominated operations to the extent that they are neither planned nor expected to be repaid in the foreseeable future or are expected to provide an effective hedge of the net investment. When the hedge is deemed to be effective, foreign exchange differences are taken directly to the foreign currency translation reserve. The ineffective portion of any gain or loss on the hedging instrument is recognised immediately in the Income Statement. Cumulative gains and losses remain in equity until disposal of the net investment in the foreign operation at which point the related differences are transferred to the Income Statement as part of the overall gain or loss on sale.

Intangible assets

(i) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

(ii) Computer software

Computer software, including computer software which is not an integrated part of an item of computer hardware and cloud computing arrangements, are stated at cost less any accumulated amortisation and any accumulated impairment losses. Cost comprises purchase price and any other directly attributable costs.

Computer software is recognised if it meets the following criteria:

- an asset can be separately identified;
- it is probable that the asset created will generate future economic benefits;
- the development cost of the asset can be measured reliably;
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Costs relating to the development of computer software for internal use are capitalised once the recognition criteria outlined above are met. Computer software is amortised over its expected useful life of five years, by charging equal instalments to the Income Statement from the date the assets are ready for use.

(iii) Trademarks

Trademarks are shown at historical cost. Trademarks have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives of five years.

(iv) Intangible Assets – Acquired

Intangible assets that are acquired by the Group in a business combination are stated at cost less accumulated amortisation and impairment losses, when separable or arising from contractual or other legal rights and when they can be measured reliably.

Intangible assets are amortised on a straight-line basis. The Brand Name is amortised over its expected useful life of 10 years, the Technology asset is amortised over its expected useful life of three years and the Customer Relationships are amortised over five years.

Amortisation periods, useful lives, expected patterns of consumption and residual values are reviewed at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits are embodied in the asset and are accounted for by changing the amortisation period or method as appropriate on a prospective basis.

Accounting Policies

continued

Impairment of assets

Goodwill has an indefinite useful life, is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Property, plant and equipment

Property, plant and equipment are stated at cost or deemed cost as appropriate less accumulated depreciation. Freehold property in Ireland was revalued to fair value and is measured on the basis of deemed cost being the revalued amount at the date of that revaluation less accumulated depreciation.

Depreciation is calculated in order to write off the cost of property, plant and equipment, other than land and assets under construction, over their estimated useful lives by equal annual instalments.

The estimated useful lives of property, plant and equipment by reference to which depreciation has been calculated are as follows:

Freehold buildings	50 years
Leasehold improvements	10 years
Plant and equipment	3 - 10 years
Fixtures and fittings	10 years
Computer equipment	3 - 5 years
Motor vehicles	5 years
Instruments	3 years

Land is not being depreciated.

Property, plant and equipment and intangible assets recognised as a right-of-use asset in accordance with IFRS 16 are depreciated over the right-of-use asset's useful life on a straight-line basis. The average useful life of each of the right-of-use asset classes are as follows:

Leasehold buildings	13 years
Plant and equipment	4 years
Motor vehicles	3 years
Computer software	5 years

Assets held for sale

Non-current assets that are expected to be recovered principally through sale rather than continuing use and meet the IFRS 5 criteria are classified as held for sale. These assets are shown in the Balance Sheet at the lower of their carrying amount and fair value less any costs to sell. Impairment losses on initial classification as non-current assets held for sale and subsequent gains or losses on re-measurement are recognised in the Income Statement.

Financial assets – Investments in subsidiaries

Investments in subsidiaries are stated at cost less any accumulated impairment and are reviewed for impairment if there are indications that the carrying amount may not be recoverable. They are assessed for impairment annually as part of the Group's overall impairment assessment.

Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

Accounting Policies

continued

Investments and other financial assets continued

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Recognition and derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through the profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through the profit or loss are expensed in the Income Statement.

Debt instruments
Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the Income Statement and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the Income Statement;
- Fair value through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the Group Income Statement. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Group Income Statement; and
- Fair value through profit or loss (FVPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the Group Income Statement in the period in which it arises.

Loans and receivables
Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Financial guarantee contracts
Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under IFRS 9 Financial Instruments; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

Facility termination fees
Facility termination fees are initially recognised at fair value on the date a contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period through the Income Statement.

Equity instruments
Investments in equity instruments are subsequently carried at fair value through OCI. Gains or losses arising from changes, due to both translation differences and other changes, in the fair value are recognised in OCI.

Details on how the fair value of financial instruments is determined are disclosed in note 32.

Accounting Policies

continued

Investments and other financial assets continued

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(v) Income recognition

Interest income
Interest income is recognised in the Income Statement as it accrues using the effective interest method.

Dividends
Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Under the acquisition method, the assets, liabilities and contingent liabilities of an acquired business are initially recognised at their fair value at the date of acquisition.

The Group measures goodwill at the acquisition date as:

» The fair value of the consideration transferred; plus
» The recognised amount of any non-controlling interests in the acquiree; plus
» If the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
» The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in the Income Statement.

The cost of a business combination is measured as the aggregate of the fair values of any assets transferred, liabilities incurred or assumed, and equity instruments issued in exchange for control. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the Income Statement.

The fair value attributable to any non-controlling interest arising on an acquisition is calculated based on the non-controlling interest share of the identifiable net assets at the date of acquisition.

Where a business combination agreement provides for an adjustment to the cost of the combination, which is contingent on future events, the deferred contingent consideration payable is measured at fair value at the acquisition date. If the deferred contingent consideration is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the deferred contingent consideration are recognised in the Income Statement.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

When the initial accounting for a business combination is determined provisionally, any adjustments to the provisional values allocated to the identifiable assets and liabilities are made within twelve months of the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities that the Group incurs in connection with completed business combinations are expensed as incurred.

Accounting Policies

continued

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Income Statement as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Cash and cash equivalents

For the purpose of presentation in the Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Share capital

Ordinary shares are classified as equity. Proceeds from the issue of ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are recognised directly in retained earnings within equity, net of any tax effects.

Leases

The Group leases various properties, plant and equipment, software and motor vehicles. Rental contracts are typically made for fixed periods of 1 to 30 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Income Statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the right-of-use assets useful life on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

» fixed payments (including in-substance fixed payments), less any lease incentives receivable;
» variable lease payments that are based on an index or a rate;
» amounts expected to be payable by the lessee under residual value guarantees;
» the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
» payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined; or the Group's incremental borrowing rate which is calculated using a portfolio approach, based on the nature of the lease. The discount rate per lease asset class is:

» Buildings 3%
» Plant and equipment 4%
» Motor vehicles 5%
» Computer equipment 4%

Accounting Policies

continued

Leases continued

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Payments associated with leases of low-value assets are recognised on a straight-line basis as an expense in the Income Statement.

Low-value assets comprise of computer equipment, small items of office furniture, and in-store equipment in our retail pharmacies.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Provision is made using the expected credit loss model which uses a lifetime expected loss allowance for all trade receivables.

Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is based on the moving average cost method (and first in first out principle where appropriate). Moving average is a costing method used under a perpetual inventory system whereby, after each purchase, average unit cost is recomputed by adding the cost of purchased units to the cost of units in inventory and dividing by the new total number of units. The first in, first out principle includes all expenditure which has been incurred in the normal course of business in bringing the products to their present location and condition. Net realisable value comprises selling price net of trade but before settlement discounts, less all costs to be incurred in marketing, selling and distribution.

Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company, and the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Accounting Policies

continued

Income tax continued

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company and its subsidiaries are able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Income Statement, except to the extent that it relates to items recognised in OCI or directly in equity. In this case, the tax is also recognised in OCI or directly in equity, respectively.

Trade and other payables

Trade and other payables are initially recorded at fair value, which is usually the original invoiced amount, and subsequently carried at amortised cost using the effective interest rate method. Liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires.

Earnings per share

Basic earnings per share are calculated based on the profit/loss for the year attributable to owners of the Company and the basic weighted average number of shares outstanding. Diluted earnings per share are calculated based on the profit/loss for the year attributable to owners of the Company and the diluted weighted average number of shares and potential shares outstanding. Shares are only treated as dilutive if their dilution results in a decreased earnings per share or increased loss per share. Dilutive effects arise from share-based payments that are settled in shares. Conditional share awards to employees have a dilutive effect when the average share price during the period exceeds the exercise price of the awards and the market or non-market conditions of the awards are met, as if the current period end were the end of the vesting period. When calculating the dilutive effect, the exercise price is adjusted by the value of future services that have yet to be received related to the awards.

Dividends

Dividends on ordinary shares are recognised as a liability in the financial statements only after they have been approved at the Annual General Meeting of the Company.

Employee benefits

Share-based payments

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

The fair value of the amount payable to employees in respect of cash LTIP awards, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the cash LTIP awards. Any changes in the liability are recognised in the Income Statement.

Certain Directors and employees may acquire shares in the Company under long-term incentive plans. The Company accounts for the proceeds of these share issues as and when payment of the nominal value of the share is called.

Accounting Policies

continued

Employee benefits continued

Post-employment obligations

The liability or asset recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in finance costs in the Income Statement.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Income Statement as past service costs.

The defined contribution pension charge to operating profit comprises the contribution payable to the scheme for the year.

Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Group and value-added tax.

The Group bases its estimate of returns, discounts, and rebates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The Group recognises revenue in the amount of the price expected to be received for goods and services supplied at a point in time or over time, as contractual performance obligations are fulfilled, and control of goods and services passes to the customer.

In certain of the Group's contracts where another party is involved in providing goods or services to its customer, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Group is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. In circumstances where the Group's role is only to arrange for another entity to provide the goods or services, then the Group is an agent and revenue is recognised at the net amount that it retains for its agency services. The Group has concluded that it is the principal in its revenue arrangements, except for certain agreements in Product Access where the Group's role is only to arrange for another entity to provide the goods or services.

An analysis of the revenue recognition principles applied in each of the Group's operating segments is provided below:

Commercial & Clinical

Revenue is derived from the provision of goods and services falling within the Group's ordinary activities after deduction of trade discounts and value-added tax.

Sales of goods are recognised on despatch to the customer, and there is no unfulfilled performance obligation that could affect the customer's acceptance of the product. Despatch occurs when the goods have been shipped to the location specified by the customer, the risks of obsolescence or loss have been transferred to the customer, the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the company has objective evidence that all criteria for acceptance have been satisfied. Where sales are on a consignment basis, revenue is not recognised until a sale has been made to a third party. In some circumstances, goods are sold with volume rebates. Sales are measured at the prices specified in the sale contract, net of estimated volume rebates. Volume rebates are assessed based on anticipated annual purchases and historical experience.

Revenue arises from the provision of resourcing and outsourcing services and the provision of patient solution services. Revenue from service contracts is recognised in the financial year in which the services are rendered and when the outcome of the contract can be estimated reliably.

Accounting Policies

continued

Revenue continued

Product Access

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of value-added tax and trade discounts. Revenue arises from the sale of goods to retailers and hospitals.

The Group bases its estimate of returns, discounts, and rebates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. The Group recognises revenue in the amount of the price expected to be received for goods supplied at a point in time as contractual performance obligations are fulfilled, and control of goods passes to the customer. Service revenue arises on the provision of product development solutions and the delivery of Expanded Access Programs. Revenue from service contracts is recognised in the financial year in which the services are rendered and when the outcome of contract can be estimated reliably.

Supply Chain & Retail – pre-wholesale and wholesale

Revenue is derived from the provision of goods and services falling within the Group's ordinary activities after deduction of trade discounts and value-added tax. Revenue arises from the sale of goods to wholesalers, retailers, hospitals,the operation of retail pharmacies and the provision of services to retail pharmacies.

Sale of pharmaceutical and healthcare related products are recognised on delivery to the purchaser, hospital or retail pharmacy, when the purchaser has full discretion over the channel and price to sell the product and there is no unfulfilled obligation that could affect the purchaser's acceptance of the product. Delivery occurs when the products have been shipped to the location specified by the purchaser, the risks of obsolescence or loss have been transferred to the purchaser, the purchaser has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Products sold to customers are often sold with volume rebates and also with the provision for the customer to return faulty goods. Sales are measured at the prices specified in the sale contract, net of estimated volume rebates and returns. Volume rebates are assessed based on anticipated annual purchases and historical experience.

Sales are normally made with credit terms of between 30-90 days. This element of financing is deemed immaterial and is disregarded in the measurement of revenue.

Supply Chain & Retail – retail pharmacies

The Group operates retail shops for the sale of pharmacy and certain related products. Sales of products are recognised on sale to the customer, which is considered the point of delivery. Retail sales are usually by cash, credit or debit card and government reimbursement.

Cost of sales

Commercial & Clinical

The cost of sales attributable to the supply of goods includes all costs of purchase of inventory and other costs incurred net of value-added tax in bringing inventories for resale to their present location and condition. When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The cost of sales attributable to the supply of services includes all direct costs attributable to the provision of resourcing and outsourcing services net of value-added tax. The cost of service is recognised as an expense in the period in which the related revenue is recognised.

Product Access

The cost of sales includes all direct costs attributable to the provision of services and cost of purchase of inventory for resale net of value-added tax. When a service is provided or inventory is sold, the cost of service or carrying amount of inventory is recognised as an expense in the period in which the related revenue is recognised.

The cost of sales attributable to the supply of services includes all direct costs attributable to the provision of resourcing and outsourcing services net of value-added tax. The cost of service is recognised as an expense in the period in which the related revenue is recognised.

Accounting Policies

continued

Cost of sales continued

Supply Chain & Retail

The cost of sales includes all costs of purchase of inventory and other costs incurred net of value-added tax in bringing inventories for resale to their present location and condition. When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. In addition to all direct costs attributable to the provision of services, the cost of service is recognised as an expense in the period in which the related revenue is recognised.

Exceptional items

With respect to exceptional items, the Group has applied an Income Statement format which seeks to highlight significant items within Group results for the year. Such items may include restructuring costs, professional fees including directly attributable acquisition costs, cessation of supplier contracts, acquisition integration costs, impairment of non-current assets, profit and loss on disposal of tangible assets and investments and deferred contingent consideration. The Group exercises judgement in assessing the particular items which, by virtue of their scale and nature, should be disclosed in the Income Statement and related notes as exceptional items.

Notes to the Financial Statements

1 Significant estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Management estimates and judgements

Information about critical estimates and judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

Impairment assessment of goodwill and other non-current assets
The Group tests annually whether goodwill has suffered any impairment. Determining whether goodwill is impaired requires comparison of the value in use for the relevant CGUs to the net assets attributable to these CGUs. The value in use calculation is based on an estimate of future cash flows expected to arise from the CGUs and these are discounted to net present value using an appropriate discount rate. In calculating value in use, management judgement is required in forecasting cash flows of CGUs, in determining terminal growth values and in calculating an appropriate discount rate. The goodwill impairment test is sensitive to these estimates. The Group has performed sensitivity analysis over the value in use calculation with respect to the key estimates. Management have performed detailed sensitivity analysis on each of the CGUs by applying sensitivities to each of the key assumptions. This analysis resulted in an excess in the recoverable amount over their carrying amount for all CGUs. Management believe that any reasonable change in any of the key assumptions would not cause the carrying value of goodwill to exceed the recoverable amount. Further information is detailed in the intangible assets note 10.

Business combinations
In accounting for business combinations, the identifiable assets, liabilities, and contingent liabilities acquired have to be measured at their fair values. Judgement is required in; estimating the fair value of inventory with reference to current selling prices and an assessment of obsolescence and demand for inventory; the fair value of trade debtors with reference to the ageing and recoverability of these, onerous contracts, the fair value of leased assets and estimating the deferred contingent consideration. Additionally, management judgement is also required in the identification and valuation of any potential intangible assets arising on acquisitions. Details concerning acquisitions and business combinations are outlined in note 35 and provisions relating to deferred contingent consideration are included in note 19.

IFRS 16 "Leases"
IFRS 16 "Leases" required management judgement in the selection of the appropriate discount rates to be used in the discounting of the expected future payments to present value. The discount rate applied is the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate which is calculated using a portfolio approach, based on the nature of the lease. The discount rate per lease asset class is:

» Buildings 3%
» Plant and equipment 4%
» Motor vehicles 5%
» Computer software 4%

Impairment of inventory
The Group sells pharmaceutical, health and beauty products and medical devices. Pharmaceutical includes ethical medicines, OTC, hospital, and veterinary products. As a result, it is necessary to consider the recoverability of the carrying amount of inventory at the end of each financial year. When calculating any inventory impairment, management applies judgement in considering the nature and condition of the inventories, current estimated selling prices, as well as applying assumptions around anticipated saleability of goods held for resale. See note 15 for the carrying amount of the inventories and the provision recognised.

Revenue recognition
Management judgement is required in the assessment of whether the Group acts as an agent or a principal in transactions and accordingly whether revenue should be recorded on a gross or net basis. As part of this assessment, the Group has considered its responsibilities for fulfilling contracts, inventory risk, and establishing selling prices.

Income taxes
The Group is subject to income taxes in numerous jurisdictions and judgment is therefore required in determining the provision for income taxes. Provisions for taxes require judgement and estimation in interpreting tax legislation, current case law and the uncertain outcomes of tax audits and appeals. Where the final outcome of these matters differs from the amounts recognised, differences will impact the tax provisions once the outcome is known. In addition, the Group recognised deferred tax assets, mainly relating to unused tax losses, when it is probable that the assets will be recovered through future profitability and tax planning. The assessment of recoverability involves judgement. Further information is contained in note 7, income tax expense.

Notes to the Financial Statements

continued

1 Significant estimates and judgements continued

Provisions
The amount recognised for a provision is management's best estimate of the expenditure to be incurred. Provisions are measured at each Balance Sheet date based on the best estimate of the expected settlement amount. Changes to the best estimate of the settlement amount may result from changes in the amount of timing of the outflows or changes in discount rates.

Deferred contingent consideration is recognised in the Group Balance Sheet as provisions. The expected payment is determined in respect of each individual agreement taking into account the expected level of profitability of each acquisition. Deferred contingent consideration is recognised at fair value at the acquisition date and included in the cost of the business combination. Deferred contingent consideration arrangements are based on earn-out agreements providing for future payment if certain pre-defined profit targets are achieved. The fair value of deferred contingent consideration is estimated using an income-based approach, by estimating the expected payment based on the forecasted performance of the acquired business and discounting the expected future payment to present value using an appropriate discount rate. The movement in deferred contingent consideration in the period is outlined in note 19. Further details on measurement, sensitivities applied, and maturity profile are outlined in note 32.

Useful economic lives of property, plant and equipment (including lease assets) and intangible assets
Determining the useful life of property, plant and equipment and intangible assets requires judgement. Management regularly reviews the useful economic lives and residual values. They are amended when necessary to reflect current estimates, based on technological advancement, economic utilisation and the physical condition of the assets. See note 10 and note 11 for the carrying amount of intangible assets and property, plant and equipment, and the depreciation charge for each class of asset, and the accounting policies for the useful economic lives for each class of asset.

Exceptional items
The Group Income Statement separately identifies results before exceptional items. Exceptional items are those that in our judgment need to be disclosed by virtue of their size, nature or incidence. The Group believes that this presentation provides additional analysis as it highlights one-off items and non-trading items. The determination of "significant" as included in our definition uses qualitative and quantitative factors which remain consistent from period to period. Management uses judgment in assessing the particular items, which by virtue of their scale and nature, are disclosed in the Group Income Statement and related notes as exceptional items. Management considers the Group Income Statement presentation of exceptional items to be appropriate as it provides useful additional information and is consistent with the way that financial information is measured by management and presented to the Board. In that regard, management believes it to be consistent with paragraph 85 of IAS 1 "Presentation of financial statements" (IAS 1), which permits the inclusion of line items and subtotals that improve the understanding of performance.

Notes to the Financial Statements

continued

2 Revenue

	2021 €'000	2020 €'000
Revenue	1,943,149	1,823,854

	2021 €'000	2020 €'000
Commercial & Clinical	299,908	269,780
Product Access	157,152	187,505
Supply Chain & Retail	1,486,089	1,366,569
Total Revenue	1,943,149	1,823,854

The Commercial & Clinical revenue of €299,908,000 (2020: €269,780,000) consists of revenue derived from MedTech of €208,137,000 (2020: €199,044,000) and Pharma of €91,771,000 (2020: €70,736,000).

Segmental information

Segmental information is presented in respect of the Group's geographical regions and operating segments. The operating segments are based on the Group's management and internal reporting structures.

Geographical analysis

The Group operates in two principal geographical regions being the Republic of Ireland and the UK. The Group also operates in other European countries and the US which are not material for separate identification.

The following is a geographical analysis presented in accordance with IFRS 8 "Operating Segments" which requires disclosure of information about country of domicile (Ireland) and countries with material revenue.

	2021 €'000	2020 €'000
Ireland	1,672,158	1,540,380
UK	161,714	214,352
Rest of the World (ROW)	109,277	69,122
	1,943,149	1,823,854

Notes to the Financial Statements

continued

2 Revenue continued

	Ireland €'000	UK €'000	ROW €'000	Total €'000
At 31 December 2021				
Intangible assets (excluding goodwill)	17,951	429	2,397	20,777
Property, plant and equipment	141,576	7,670	3,237	152,483
Deferred tax asset/(liability)	2,227	988	(1,049)	2,166
Other receivables	313	-	75	388
Financial assets – Investment in equity instruments	25	-	-	25
Non-current assets (excluding goodwill)	162,092	9,087	4,660	175,839
Goodwill				425,160
Non-current assets				600,999

	Ireland €'000	UK €'000	ROW €'000	Total €'000
At 31 December 2020				
Intangible assets (excluding goodwill)	15,824	391	2,996	19,211
Property, plant and equipment	141,789	8,913	3,043	153,745
Deferred tax asset/(liability)	4,247	671	(985)	3,933
Other receivables	1,097	-	-	1,097
Employee benefit surplus	12	-	-	12
Financial assets – Investment in equity instruments	25	-	-	25
Non-current assets (excluding goodwill)	162,994	9,975	5,094	178,023
Goodwill				360,745
Non-current assets				538,768

Notes to the Financial Statements

continued

2 Revenue continued

Operating segments

IFRS 8 "Operating Segments" requires the reporting information for operating segments to reflect the Group's management structure and the way the financial information is regularly reviewed by the Group's Chief Operating Decision Maker (CODM), which the Group has defined as the Board of Directors.

The Group operates with three divisions, being, Commercial & Clinical, Product Access, and Supply Chain & Retail. These divisions align to the Group's operational and financial management structures:

- Commercial & Clinical provide outsourced services, specifically sales, marketing and multichannel account management to pharmaco-medical manufacturers, and distribution and support services to medical device manufacturers. Uniphar offer a fully integrated digitally enabled customer centric solution that is supported through market data, insights and digital programmes. We integrate these programmes with our supply chain and distribution capability to provide a full end to end service to manufacturers;
- Product Access consists of two service offerings, being: On Demand and Exclusive Access. On Demand provides access to pharmaco-medical products and treatments, by developing valuable relationships and interactions between manufacturers and other healthcare stakeholders. This business operates in both the retail and hospital markets in both the Irish, UK and MENA markets. Exclusive Access provides bespoke distribution partnerships to pharmaceutical partners around key brands, with new programs focused on speciality pharmaceutical products. Delivering a unique patient support program that allows healthcare professionals to connect with patients, on a global basis; and
- Supply Chain & Retail provides both pre-wholesale distribution and wholesale distribution of pharmaceutical, healthcare and animal health products to pharmacies, hospitals and veterinary surgeons in Ireland. Uniphar operate a network of pharmacies under the Life, Allcare and Hickey's brands. Additionally, through the extended Uniphar symbol group, the business provides services and supports that help independent community pharmacies to compete more effectively.

Operating segments results

The Group evaluates performance of the operational segments on the basis of gross profit from operations.

	2021 Commercial & Clinical €'000	2021 Product Access €'000	2021 Supply Chain & Retail €'000	2021 Total €'000
Revenue	299,908	157,152	1,486,089	1,943,149
Gross profit	104,398	41,318	128,781	274,497

	2020 Commercial & Clinical €'000	2020 Product Access €'000	2020 Supply Chain & Retail €'000	2020 Total €'000
Revenue	269,780	187,505	1,366,569	1,823,854
Gross profit	92,193	30,423	94,636	217,252

Assets and liabilities are reported to the Board at a Group level and are not reported on a segmental basis.

Notes to the Financial Statements

continued

3 Other operating income

	2021 €'000	2020 €'000
Other income and commission	217	241
Profit on disposal of property, plant & equipment	20	-
	237	241

4 Exceptional income/(charge)

	2021 €'000	2020 €'000
Professional fees including acquisition costs	(3,339)	(4,300)
Redundancy and restructuring costs	(4,610)	(2,596)
Acquisition integration costs	(2,295)	(559)
Settlement loss on closure of defined benefit pension scheme	(211)	(488)
Foreign exchange revaluation of deferred contingent consideration	(1,373)	1,168
Cessation of supplier contracts – inventory write off	(1,754)	-
Other exceptional costs	(822)	-
Exceptional charge recognised in operating profit	(14,404)	(6,775)
Decrease in deferred contingent consideration	19,761	2,077
Refinancing costs	-	(138)
Exceptional credit recognised in finance cost	19,761	1,939
Exceptional credit recognised in income tax	777	-
Total exceptional income/(charge)	6,134	(4,836)

Redundancy & Restructuring

Redundancy and restructuring costs include restructuring costs relating to recent acquisitions and other Group entities.

Acquisition integration costs

Acquisition integration costs relate to the integration of the Hickey's Pharmacy Group, Durbin Ireland and RRD International including payments made to staff agreed as part of the RRD International acquisition which are not classified as consideration.

Cessation of supplier contracts

Cessation of specific MedTech supplier contracts relating to the supply of PPE and decontamination equipment, giving rise to inventory write offs.

Deferred contingent consideration

Deferred contingent consideration relates to a release of €21,739,000 following a review of expected performance against earn out contractual targets in relation to the Durbin Group, and a release of €2,853,000 due to the completion of the earnout period and contractual terms in relation to the Sisk Healthcare Group. In addition, a provision of €4,831,000 has been recognised in respect of increased deferred contingent consideration payable in relation to the EPS Group.

In the prior year, deferred contingent consideration relates to a release of €4,348,000 following a review of expected performance against earn out and contractual targets. Additionally, a provision of €1,896,000 was recognised in respect of deferred contingent consideration payable in relation to the EPS Group and a payment of €375,000 in respect of Outcome Medical Solutions.

Notes to the Financial Statements

continued

5 Operating profit

	2021 €'000	2020 €'000
Operating profit is stated after charging/(crediting):		
Directors' remuneration:		
» Emoluments	2,980	2,980
» Defined contribution pension*	30	29
» Fees	688	715
Depreciation (note 11)	22,225	17,626
Amortisation – admin. costs (note 10)	4,705	2,368
Foreign exchange net loss/(gain)	748	(628)
Profit on disposal of property, plant and equipment	20	-

* Defined contribution pension costs included in Directors' remuneration which were charged to the Group Income Statement relate to pension contributions relating to one Director (2020: one).

Auditors' remuneration (including expenses) for the statutory audit of the Group's financial statements, subsidiary financial statements and other services carried out for the Group by the Company's auditors and subsidiary auditors. Included in fees payable for the audit of the Group accounts are total fees of €80,000 (2020: €80,000) which are due to the Group's auditor in respect of the Parent Company. The non-audit services performed by PwC during the year largely related to due diligence and tax advice on acquisitions completed during the year.

	2021 €'000	2020 €'000
Group Auditors – PwC		
» Audit of group accounts	961	685
» Tax compliance services	153	80
» Tax advisory services	535	842
» Other non-audit services	274	315
Subsidiary company auditors – Non PwC		
» Audit of subsidiary accounts	-	208
» Tax compliance services	-	49
Staff costs (including Directors):		
» Wages and salaries	147,466	120,496
» Social welfare costs	14,892	11,793
» Pension costs (note 20)	4,313	4,219
	166,671	136,508

€190,000 (2020: €209,000) of payroll costs were capitalised to freehold land and buildings as these costs are directly related to development and construction work completed in the year to 31 December 2021.

The increase in staff costs is largely due to the acquisitions completed in the current year, and the full year impact of the acquisitions which were completed in 2020.

Notes to the Financial Statements

continued

5 Operating profit continued

Employees

The average number of persons employed by the Group (including Directors) during the year was as follows:

	Company		Group	
	2021 Number	2020 Number	2021 Number	2020 Number
Administration	96	90	621	480
Selling, distribution and warehouse	-	-	2,299	1,776
	96	90	2,920	2,256

6 Finance (income)/cost

	2021 €'000	2020 €'000
Interest on lease obligations (note 21)	3,772	2,988
Interest payable on borrowings	3,154	2,878
Fair value adjustment to deferred and deferred contingent consideration	1,915	2,112
Amortisation of refinancing transaction fees	303	268
Net interest expense from pension scheme liabilities (note 20)	-	3
Interest receivable	(37)	(11)
Other fair value adjustments	-	114
Finance cost before exceptional credit	9,107	8,352
Decrease in fair value deferred contingent consideration (note 4)	(19,761)	(2,077)
Refinancing costs (note 4)	-	138
Exceptional credit recognised in finance cost	(19,761)	(1,939)
Total finance (income)/cost	(10,654)	6,413

Notes to the Financial Statements

continued

7 Income tax expense

	2021 €'000	2020 €'000
Recognised in the Income Statement:		
Current income tax:		
Republic of Ireland	3,129	4,002
Overseas	4,522	3,307
Total current income tax expense	7,651	7,309
Deferred income tax:		
Origination and reversal of temporary differences:		
Property, plant and equipment	148	206
Employee benefits	(38)	(96)
Tax losses	(47)	(326)
Other timing differences	(35)	(1,373)
Total deferred income tax expense/(credit)	28	(1,589)
Total income tax expense	7,679	5,720
Attributable to:		
Continuing operations	7,679	5,720
Total income tax expense	7,679	5,720

Other timing differences relate to the deferral of taxes on Swedish profits of €173,000, the amortisation of the Hickey's Pharmacy brand name (credit €70,000) and the amortisation of the acquired customer relationships associated with the 2020 US acquisitions of Diligent Health Solutions and RRD International (credit €138,000). Included in the other timing differences for 2020 was €1,452,000 associated with the reversal of the deferred tax liability recognised on the acquisition of M3 Medical Limited.

Factors affecting the tax expense in future years

In addition to the Republic of Ireland, the Group has operations in the overseas tax jurisdictions of the UK, the Netherlands, the Nordics and the US. The total tax charge for future periods will be affected by changes to applicable tax rates in force in jurisdictions in which the Group operates and other changes in tax legislation applicable to the Group's businesses.

» From 2023, Ireland is expected to adopt a global minimum corporate tax rate of 15%.
» The UK tax authority has announced that its statutory corporate tax rate of 19% will increase to 25% for profits over £250,000 from 1 April 2023.
» The Netherlands standard corporate income tax rate of 25% increased to 25.8% on 1 January 2022. The lower 15% Dutch tax rate for the first tier of profits increased from €245,000 to €395,000 on 1 January 2022.

There are no expected corporate income tax changes in the other jurisdictions from current 2021 rates which range from 20% to 26% inclusive of Federal and State charges.

Notes to the Financial Statements

continued

7 Income tax expense continued

	2021 €'000	2020 €'000
Reconciliation of effective tax rate		
Profit on ordinary activities before tax	55,801	33,531
Profit on ordinary activities multiplied by standard rate of corporation tax in the Republic of Ireland of 12.5%	6,975	4,191
Effects of:		
Disallowable expenses	2,582	1,452
Research & Development tax credits	(68)	-
Exceptional gains not taxable	(2,470)	(242)
Higher overseas income tax rates	1,893	1,199
Utilisation of tax losses not previously recognised	(993)	(752)
Tax base asset adjustments in respect of prior years	205	214
Over provision of corporation tax in prior year	(445)	(342)
Total income tax expense for the year	7,679	5,720

8 Earnings per share

Basic and diluted earnings per share have been calculated by reference to the following:

	2021	2020
Profit for the financial year attributable to owners (€'000)	48,077	27,827
Weighted average number of shares ('000)	269,752	262,436
Earnings per ordinary share (in cent):		
» Basic	17.8	10.6
» Diluted	17.8	10.6

Notes to the Financial Statements

continued

8 Earnings per share continued

	2021 €'000	2020 €'000
Adjusted earnings per share has been calculated by reference to the following:		
Profit for the financial year attributable to owners	48,077	27,827
Exceptional charge recognised in operating profit (note 4)	14,404	6,775
Exceptional credit recognised in finance costs (note 4)	(19,761)	(1,939)
Exceptional credit recognised in income tax	(777)	-
Tax credit on acquisition related intangibles	(207)	-
Amortisation of acquisition related intangibles	2,063	279
Profit after tax excluding exceptional items	43,799	32,942
Weighted average number of shares in issue in the year (000's)	269,752	262,436
Adjusted basic and diluted earnings per ordinary share (in cent)	16.2	12.6

The weighted average number of ordinary shares includes the effect of 6,218,620 shares (3,663,023 on a weighted basis in the year) (2020: 6,218,620 shares (2,582,596 on a weighted basis)) granted under the LTIP that have met the share price performance conditions, but will not vest until 31 December 2024. It also includes the impact of 16,964 shares (2020: nil) granted under the new senior management share option scheme. The options in this scheme do not vest until 31 December 2024.

9 Dividends

The Directors have proposed a final dividend of €2.9m (€0.011 per ordinary share), subject to approval at the AGM. This results in a total shareholder dividend of €4.4m (€0.016 per ordinary share) in respect of the year ended 31 December 2021 as the Board declared and paid a 2021 interim dividend of €1.5m (€0.005 per ordinary share). If approved, the proposed dividend will be paid on 13 May 2022 to ordinary shareholders on the Company's register on 22 April 2022. This dividend has not been provided for in the Balance Sheet at 31 December 2021, as there was no present obligation to pay the dividend at year end.

A final dividend of €4.2m (€0.015 per ordinary share) relating to 2020 was paid in May 2021.

Notes to the Financial Statements

continued

10 Intangible assets

	Computer software €'000	Trademark €'000	Goodwill €'000	Technology asset €'000	Brand name €'000	Customer Relationships €'000	Total €'000
Cost							
At 1 January 2020	33,109	153	291,253	-	-	-	324,515
FX movement	(7)	-	(5,096)	-	-	-	(5,103)
Acquisitions (note 35)	-	-	93,297	723	11,238	2,996	108,254
Additions	1,418	-	-	-	-	-	1,418
Disposals/retirements	(4,352)	-	-	-	-	-	(4,352)
At 31 December 2020	30,168	153	379,454	723	11,238	2,996	424,732
At 1 January 2021	30,168	153	379,454	723	11,238	2,996	424,732
FX movement	31	-	9,119	-	-	130	9,280
Acquisitions (note 35)	25	-	55,296	-	-	-	55,321
Additions	5,803	-	-	-	-	-	5,803
Disposals/retirements	(160)	-	-	-	-	-	(160)
Reclassifications	313	-	-	-	-	-	313
At 31 December 2021	36,180	153	443,869	723	11,238	3,126	495,289
Amortisation							
At 1 January 2020	27,939	91	18,709	-	-	-	46,739
Amortisation	2,058	31	-	188	91	-	2,368
Disposals/retirements	(4,331)	-	-	-	-	-	(4,331)
At 31 December 2020	25,666	122	18,709	188	91	-	44,776
At 1 January 2021	25,666	122	18,709	188	91	-	44,776
FX movement	4	-	-	-	-	30	34
Amortisation	2,610	31	-	241	1,124	699	4,705
Disposals/retirements	(156)	-	-	-	-	-	(156)
Reclassifications	3	-	-	(10)	-	-	(7)
At 31 December 2021	28,127	153	18,709	419	1,215	729	49,352
Net book amounts							
At 31 December 2020	4,502	31	360,745	535	11,147	2,996	379,956
At 31 December 2021	8,053	-	425,160	304	10,023	2,397	445,937
Intangible assets	6,534	-	425,160	304	10,023	2,397	444,418
Right-of-use assets	1,519	-	-	-	-	-	1,519
At 31 December 2021	8,053	-	425,160	304	10,023	2,397	445,937

Notes to the Financial Statements

continued

10 Intangible assets continued

Acquisitions of €55,296,000 comprise of the following transactions (note 35):

- Goodwill of €19,486,000 arising on the acquisition of 100% of the ordinary share capital of CoRRect Medical GmbH.
- Goodwill of €21,207,000 arising on the acquisition of 100% of the membership interests of BESTMSLs Group.
- Goodwill of €9,480,000 arising on the acquisition of 100% of the ordinary share capital of Events 4 Healthcare Limited.
- Goodwill of €3,549,000 arising on the acquisition of 100% of the ordinary share capital of Devonshire Healthcare Services Limited.
- Goodwill of €995,000 arising on the acquisition of 100% of the ordinary share capital of Hudson Park Athlone Limited.
- Goodwill of €579,000 arising on the acquisition of 100% of the ordinary share capital of Hogan's Life Pharmacy Limited.

The Group continues to have a registered trademark known as Life Pharmacy. This trademark is used by customers of Uniphar who operate under the common symbol of Life Pharmacy and this trademark symbol is a central part of developing the Life brand. The trademark is now fully amortised.

The Group recognised a customer relationship asset on the acquisitions of Diligent Health Solutions, LLC and RRD International, LLC (see note 35). Amortisation of these assets commenced at the date of acquisition, and they are being amortised over the remaining useful life of five years.

The Group recognised a technology asset on the acquisition of Innerstrength Limited and a brand name on the acquisition of the Hickey's Pharmacy Group in 2020. Amortisation of these assets commenced at the date of acquisition, and they are being amortised over the remaining useful life ranging from three to ten years.

Cash-generating units

Goodwill acquired in business combinations is allocated, at acquisition, to the cash-generating units (CGUs) that are expected to benefit from that business combination, based on the Group's existing CGUs or where more appropriate the recognition of a new CGU. The CGUs represent the lowest level at which the associated goodwill is assessed for internal management purposes and are not larger than the operating segments determined in accordance with IFRS 8 Operating Segments.

As disclosed in note 35 the initial accounting for the business combinations completed during the year has been determined provisionally. For 31 December 2021, the goodwill arising on business combinations completed during 2021 has been tested for impairment by reference to the CGUs determined in accordance with the businesses acquired.

During 2021, the goodwill arising on the acquisition of CoRRect Medical GmbH and the goodwill arising on the acquisition of BESTMSLs Group were allocated to the Commercial and Clinical MedTech CGU, and the goodwill arising on the acquisitions of Hudson Park Athlone Limited and Hogan's Life Pharmacy Limited were allocated to the Retail Pharmacy CGU. Goodwill arising on the acquisition of Events 4 Healthcare Limited was allocated to the Commercial and Clinical Pharma CGU and the goodwill arising on the acquisition of Devonshire Healthcare Services Limited was allocated to the Product Access CGU, based on the CGUs that are expected to benefit from that business combination.

	2021 €'000	2020 €'000
Commercial & Clinical MedTech	171,625	151,639
Supply Chain Services	43,569	43,569
Commercial & Clinical Pharma	71,218	36,573
Retail Pharmacies	67,041	65,465
Product Access	71,707	63,499
Net book value of goodwill at 31 December	425,160	360,745

Notes to the Financial Statements

continued

10 Intangible assets continued

Impairment testing of goodwill

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. An impairment loss is recognised for the amount by which the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGUs).

The recoverable amount of each CGU is determined based on value-in-use calculations. The carrying value of each CGU is initially compared to its estimated value-in-use. There were no impairments during the year (2020: €nil).

As part of this assessment the Group continued to review the carrying value of goodwill associated with subsidiary companies previously acquired as at 31 December 2021.

Value-in-use calculations
The value-in-use is calculated on the basis of estimated future cash flows discounted to present value. Estimated future cash flows were determined by reference to the budget for the period 2022 to 2023 and management forecasts for each of the following years from 2024 to 2026 inclusive. The terminal value was calculated using a long-term growth rate in respect of the years after 2026. The estimates of future cash flows were based on consideration of past experience together with an assessment of the future prospects for each of the businesses within the CGUs. The assumptions used are also referenced against external industry data.

The key assumptions used in the value-in-use calculations are the discount rate, the long-term growth rate, and the cash flow forecasts. The pre-tax discount rates used were based on the Group's estimated weighted average cost of capital, adjusted to reflect risks associated with each CGU. The discount rate applied for each CGU was determined to be 10% (2020: 11%). The rate applied for the purpose of the Group impairment testing was 10% (2020: 11%). In determining the terminal value of the value-in-use, it was assumed that cash flows after the first five years will increase at a long-term growth rate ranging from 2.0% to 2.5% (2020: 2.1% to 2.5%). The rate assumed was based on an assessment of the likely long term growth prospects of the individual CGUs based on the weighted average growth rate by geographies in which the CGU operates.

The value-in-use calculations assume that the markets in which each CGU operates will grow in accordance with publicly available data, the Group will maintain its current market share, gross margin percentage will be maintained at current levels and overheads will increase in line with expected levels of inflation. The cash flow forecasts assume appropriate levels of capital expenditure and investment in working capital to support the growth in individual CGUs.

Fair value less cost of disposal calculations
The fair value less cost of disposal calculations are only prepared when the value-in-use calculations indicate a potential impairment. At the Balance Sheet date this comparison did not indicate any potential impairment.

The fair value less cost of disposal is calculated as the maintainable EBITDA of each CGU multiplied by the appropriate EBITDA valuation multiple attributable to that CGU. The fair value measurement is considered a Level 3 fair value based on certain unobservable pricing inputs.

Sensitivity Analysis

The Group has conducted a sensitivity analysis on each of the CGUs by applying the following sensitivities; decreasing free cash flows by 10%, increasing discount rates by 1%, and reducing long-term growth rates by 1%.

This analysis resulted in an excess in the recoverable amount over their carrying amount under each approach for all CGUs. Management believe that any reasonable change in any of the key assumptions would not cause the carrying value of goodwill to exceed the recoverable amount.

Notes to the Financial Statements

continued

10 Intangible assets continued

	Computer Software €'000	Total €'000
COMPANY		
Cost		
At 1 January 2021	-	-
Additions	1,899	1,899
At 31 December 2021	1,899	1,899
Accumulated depreciation		
At 1 January 2021	-	-
Charge for the year	380	380
At 31 December 2021	380	380
Net book amounts		
At 31 December 2021	1,519	1,519
Intangible asset	-	-
Right-of-use assets	1,519	1,519
Net book value at 31 December 2021	1,519	1,519

Notes to the Financial Statements

continued

11 Property, plant and equipment, and right-of-use assets

	Freehold land and buildings	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computer equipment	Motor vehicles	Instruments	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
GROUP								
Cost								
At 1 January 2020	100,119	8,428	22,076	8,131	5,200	5,744	3,490	153,188
Foreign exchange movement	(468)	(35)	(119)	(112)	(48)	(98)	-	(880)
Additions	4,013	374	9,963	1,986	750	3,747	1,457	22,290
Acquisitions (note 35)	26,901	1,063	-	2,422	534	31	-	30,951
Disposals/retirements	(339)	(96)	(2,639)	(930)	(816)	(1,944)	(1,100)	(7,864)
Reclassification	-	42	-	29	(71)	-	-	-
At 31 December 2020	130,226	9,776	29,281	11,526	5,549	7,480	3,847	197,685
At 1 January 2021	130,226	9,776	29,281	11,526	5,549	7,480	3,847	197,685
Foreign exchange movement	649	54	164	177	67	155	-	1,266
Additions	4,858	396	6,407	1,354	1,558	2,465	2,137	19,175
Acquisitions (note 18)	1,300	-	-	140	1	129	-	1,570
Disposals/retirements	(1,636)	(18)	(1,647)	(284)	(292)	(1,893)	(972)	(6,742)
Reclassification	308	3,941	(4,585)	124	216	-	-	4
At 31 December 2021	135,705	14,149	29,620	13,037	7,099	8,336	5,012	212,958

Included in property, plant and equipment are assets under construction with a net book value of €1,555,000 (2020: €8,600,000). Depreciation has not commenced on these assets.

Notes to the Financial Statements

continued

11 Property, plant and equipment, and right-of-use assets continued

	Freehold land and buildings	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computer equipment	Motor vehicles	Instruments	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
GROUP								
Accumulated depreciation								
At 1 January 2020	7,631	1,259	14,138	3,852	3,704	1,988	1,133	33,705
Foreign exchange movement	(24)	(21)	(36)	(38)	(19)	(39)	-	(177)
Charge for the year	7,696	798	2,802	1,357	630	2,725	1,618	17,626
Disposals/retirements	(230)	(96)	(2,600)	(930)	(808)	(1,535)	(1,015)	(7,214)
Reclassification	-	21	-	(3)	(18)	-	-	-
At 31 December 2020	15,073	1,961	14,304	4,238	3,489	3,139	1,736	43,940
At 1 January 2021	15,073	1,961	14,304	4,238	3,489	3,139	1,736	43,940
Foreign exchange movement	180	31	87	93	31	77	-	499
Charge for the year	10,862	1,144	3,096	1,773	1,024	2,709	1,617	22,225
Disposals/retirements	(1,480)	(10)	(1,644)	(262)	(284)	(1,873)	(960)	(6,513)
Reclassification	295	13	-	5	11	-	-	324
At 31 December 2021	24,930	3,139	15,843	5,847	4,271	4,052	2,393	60,475
Net book amounts								
At 31 December 2020	115,153	7,815	14,977	7,288	2,060	4,341	2,111	153,745
At 31 December 2021	110,775	11,010	13,777	7,190	2,828	4,284	2,619	152,483
Property, plant & equipment	5,009	11,010	13,091	7,190	2,828	88	2,619	41,835
Right-of-use assets	105,766	-	686	-	-	4,196	-	110,648
Net book value at 31 December 2021	110,775	11,010	13,777	7,190	2,828	4,284	2,619	152,483

Notes to the Financial Statements

continued

11 Property, plant and equipment, and right-of-use assets continued

	Freehold land and buildings €'000	Plant and equipment €'000	Total €'000
COMPANY			
Cost			
At 1 January 2020	50,442	153	50,595
Additions	-	296	296
Disposals	-	(153)	(153)
At 31 December 2020	50,442	296	50,738
At 1 January 2021	50,442	296	50,738
Additions	-	150	150
Disposals	-	(64)	(64)
At 31 December 2021	50,442	382	50,824
Accumulated depreciation			
At 1 January 2020	3,162	98	3,260
Charge for the year	3,162	114	3,276
Disposals	-	(153)	(153)
At 31 December 2020	6,324	59	6,383
At 1 January 2021	6,324	59	6,383
Charge for the year	3,162	114	3,276
Disposals	-	(63)	(63)
At 31 December 2021	9,486	110	9,596
Net book amounts			
At 31 December 2020	44,118	237	44,355
At 31 December 2021	40,956	272	41,228
Property, plant & equipment	-	-	-
Right-of-use assets	40,956	272	41,228
Net book value at 31 December 2021	40,956	272	41,228

Notes to the Financial Statements

continued

12 Financial assets

		Long-term receivables		
	Investments in equity instruments €'000	Loans to IPOS entities and other loans €'000	Loans to retail holding companies €'000	Total €'000
GROUP				
Cost				
At 1 January 2020	353	17	9,249	9,266
At 31 December 2020	353	17	9,249	9,266
At 1 January 2021	353	17	9,249	9,266
At 31 December 2021	353	17	9,249	9,266
Provision for impairment				
At 1 January 2020	328	17	9,249	9,266
At 31 December 2020	328	17	9,249	9,266
At 1 January 2021	328	17	9,249	9,266
At 31 December 2021	328	17	9,249	9,266
Net book amounts				
At 31 December 2020	25	-	-	-
At 31 December 2021	25	-	-	-

Notes to the Financial Statements

continued

12 Financial assets continued

	Shares in subsidiary companies	Investments in equity instruments	Long-term receivables: Loans to IPOS entities and other loans	Long-term receivables: Loans to retail holding companies	Total
	€'000	€'000	€'000	€'000	€'000
COMPANY					
Cost					
At 1 January 2020	290,622	224	17	9,249	9,266
Additions	2,675	-	-	-	-
At 31 December 2020	293,297	224	17	9,249	9,266
At 1 January 2021	293,297	224	17	9,249	9,266
Additions	93	-	-	-	-
At 31 December 2021	293,390	224	17	9,249	9,266
Provision for impairment					
At 1 January 2020	1,890	199	17	9,249	9,266
At 31 December 2020	1,890	199	17	9,249	9,266
At 1 January 2021	1,890	199	17	9,249	9,266
At 31 December 2021	1,890	199	17	9,249	9,266
Net book amounts					
At 31 December 2020	291,407	25	-	-	-
At 31 December 2021	291,500	25	-	-	-

Notes to the Financial Statements

continued

12 Financial assets continued

GROUP AND COMPANY

Investments in equity instruments
The fair value of €25,000 (2019: €25,000) is represented by the Group's investment in Independent Life Pharmacy plc (Life) comprising of 78 A ordinary shares of €0.01 each and 25,000 C shares of €1.00 each. The C shares are non-voting and do not confer any dividend entitlement. Independent Life Pharmacy plc represents the Life symbol group and is owned jointly by pharmacy owners through B shares and Uniphar plc through A shares. The pharmacy owners are entitled to nominate the majority of the directors to the Life Board in addition to Uniphar nominees.

Loans to retail holding and management companies
These loans represent amounts advanced to Riverchem and Inischem.

The Group has recognised an impairment provision for the full value of these loans, and at 31 December 2021 the carrying value of amounts due from the retail holding companies amounted to €nil (2020: €nil).

COMPANY

Shares in subsidiary companies
Financial assets of the parent company, Uniphar plc, include shares in subsidiary companies with a net book value of €291,500,000 (2020: €291,407,000). The main movements in 2021 and 2020 were:

Additions:
- Additions of €93,000 in 2021 relates to capital contributions to subsidiary companies in relation to share-based payment expenses incurred on the subsidiaries' behalf.
- In March 2020, the Company acquired an 82.3% controlling interest of the ordinary share capital of Innerstrength Limited, for consideration of €2,675,000.

Notes to the Financial Statements

continued

13 Deferred tax asset

The following is an analysis of the movement in the major categories of deferred tax assets recognised by the Group for the years ended 31 December 2021 and 2020:

	Employee benefits €'000	Property plant and equipment €'000	Tax losses €'000	Other €'000	Total €'000
GROUP					
At 1 January 2020	26	619	5,779	(1,748)	4,676
Acquisitions	-	-	-	(1,288)	(1,288)
Recognised in Income Statement	96	(206)	326	1,373	1,589
Recognised in Other Comprehensive Income	(38)	-	-	-	(38)
Utilisation of loss relief	-	-	(962)	-	(962)
Translation adjustment	(7)	9	(24)	(22)	(44)
At 31 December 2020	77	422	5,119	(1,685)	3,933
At 1 January 2021	77	422	5,119	(1,685)	3,933
Acquisitions	-	-	-	(255)	(255)
Recognised in Income Statement	38	(148)	47	35	(28)
Utilisation of loss relief	-	-	(1,566)	-	(1,566)
Reclassification	44	-	(44)	-	-
Translation adjustment	10	-	63	9	82
At 31 December 2021	169	274	3,619	(1,896)	2,166
Deferred tax asset	169	513	3,619	-	4,301
Deferred tax liability	-	(239)	-	(1,896)	(2,135)
	169	274	3,619	(1,896)	2,166

The deferred tax asset in relation to losses reflects the Group's expected utilisation of carried forward tax losses associated with parent company activities, Irish nursing services, Dutch outsourcing services and Product Access businesses in Ireland and the UK.

The other deferred tax liability of €1,896,000 relates to:

» An expected future tax liability of €561,000 associated with the EPS business in Sweden where the taxing authority allows the deferring of a percentage of your current profits for taxing in future years.
» The recognition of a tax liability of €627,000 associated with the tax amortisation benefit attributed to the Hickey's brand name.
» The recognition of a tax liability of €453,000 associated with acquired Customer Relationships, arising on the acquisitions of Diligent Health Solutions, LLC and RRD International, LLC.
» The recognition of €255,000 of deferred tax liabilities associated with the acquisitions of BESTMSLs Group and Events 4 Healthcare during the year.

In 2020 the other deferred tax liability of €1,685,000 related to the recognition of a tax liability of €697,000 associated with the tax amortisation benefit attributed to the Hickey's brand name following the November 2020 acquisition, an expected future tax liability of €397,000 associated with the EPS Group where the taxing authority allows the deferring of a percentage of current year profits for taxing in future years, and recognition of a deferred tax liability of €591,000 associated with acquired Customer Relationships.

The Group has potentially a deferred tax asset of €6,633,000 (2020: €6,678,000) arising from losses forward. The directors believe sufficient taxable profits to utilise these potential assets will arise in the future, but that there is currently insufficient evidence to support the recognition of a deferred tax asset. These balances may be carried forward indefinitely under current tax law and are available for offset against future profits and gains generated by the companies which hold the losses.

Notes to the Financial Statements

continued

13 Deferred tax asset continued

	Deferred tax asset €'000
COMPANY	
At 1 January 2020	2,724
Recognised in Income Statement	188
Tax losses surrendered to other Irish Group companies	(680)
At 31 December 2020	2,232
At 1 January 2021	2,232
Recognised in Income Statement	413
Tax losses surrendered to other Irish Group companies	(774)
At 31 December 2021	1,871

The Company's deferred tax asset relates primarily to the recognition of tax losses on its management services trade and expenses of management associated with its investment activities. The Directors believe that sufficient taxable profits will arise in the future to utilise these deferred tax assets.

14 Assets held for sale

	Properties €'000	Other assets €'000	Total €'000
GROUP			
At 1 January 2020	3,585	4,400	7,985
Disposals	(1,285)	(4,400)	(5,685)
At 31 December 2020	2,300	-	2,300
At 1 January 2021	2,300	-	2,300
Disposals	(350)	-	(350)
Impairment	(350)	-	(350)
At 31 December 2021	1,600	-	1,600

Properties held for sale relate to properties acquired on completion of the acquisition of Bradley's Pharmacy Group. These properties are presented in the Balance Sheet at the lower of their carrying amount and fair value less any costs to sell. Uniphar plc acquired Bradley's Pharmacy Group from examinership in November 2018, and in accordance with the application of the examinership scheme arrangement acquired non-recourse borrowings of €4,000,000 which are secured by these properties.

During 2021, the Group disposed of €350,000 (2020: €1,285,000) of property which were previously held for sale. There was an impairment on the value of the remaining property of €350,000 during 2021 (2020: €nil), for which there was a corresponding write down of the associated bank borrowings for €350,000 (2020: €nil). This has been recorded in accordance with the conditions of the examinership scheme. The remaining property held for sale is available for immediate sale in its present condition subject to terms that are usual and customary for property of this nature. The property is being actively marketed and the Group is committed to its plan to sell this property in an orderly manner.

The other assets related to certain business assets acquired as part of the acquisition of M3 Medical Limited. These assets were disposed of in February 2020 for an amount equal to their carrying value, and the deferred contingent consideration attributable to the sale of these assets was paid.

Notes to the Financial Statements
continued

15 Inventory

	2021 €'000	2020 €'000
GROUP		
Goods for resale	112,312	115,566

The replacement cost of inventories did not differ materially from the Balance Sheet amounts at 31 December 2021 and 31 December 2020.

Inventory stated above is net of impairment provision of €8,520,000 (2020: €4,978,000). Write-downs of inventories recognised as an expense during 2021 amounted to €3,543,000 (2020: €3,838,000).

In 2021, goods for resale recognised as cost of sales amounted to €1,567,470,000 (2020: €1,513,376,000).

16 Trade and other receivables

	2021 €'000	2020 €'000
Current trade and other receivables		
GROUP		
Trade receivables	129,494	108,309
Prepayments	5,250	3,368
Accrued income	9,004	4,449
Other receivables	7,246	8,575
Deferred consideration receivable	448	175
Corporation tax	615	-
	152,057	124,876
COMPANY		
Amounts due from subsidiaries	266,428	362,271
Prepayments	592	499
Other receivables	167	3,438
Value added tax	230	698
Corporation tax	113	113
Deferred consideration receivable	121	175
	1,223	4,923
	267,651	367,194

Amounts due from subsidiaries are unsecured, interest free and are repayable on demand.

Tax is repayable at various dates over the coming months in accordance with the applicable statutory provisions.

Details of the provision for impairment of trade and other receivables is outlined in note 32.

Notes to the Financial Statements
continued

16 Trade and other receivables continued

	2021 €'000	2020 €'000
Non-current trade and other receivables		
GROUP		
Other receivables	388	639
Deferred consideration receivable	-	458
	388	1,097
COMPANY		
Other receivables	202	270
Deferred consideration receivable	-	142
	202	412

	2021 €'000	2020 €'000
Deferred consideration receivable		
GROUP		
Within one year	448	175
Between one and two years	-	458
	448	633
COMPANY		
Within one year	121	175
Between one and two years	-	142
	121	317

The deferred consideration receivable of €448,000 (2020: €633,000) relates to contractual amounts due from the disposal of IPOS Holding 162 Limited and pharmacies disposed by Lindchem DAC.

Notes to the Financial Statements

continued

17 Cash and cash equivalents and restricted cash

	2021 €'000	2020 €'000
Cash and cash equivalents consist of the following:		
GROUP		
Cash at bank and in hand	78,025	60,410
Restricted cash deposits at call	-	3,097
	78,025	63,507
COMPANY		
Cash at bank and in hand	2,105	3,234
Restricted cash deposits at call	-	2,100
	2,105	5,334

The restricted cash deposits in 2020 relate to a rent deposit and an amount held in escrow by RRD International, LLC. All restrictions have been removed in 2021.

Reconciliation to Cash Flow Statement

The cash and cash equivalents shown in the Cash Flow Statement at the end of the financial year is reconciled as follows:

	2021 €'000	2020 €'000
GROUP		
Cash and cash equivalents	78,025	60,410
COMPANY		
Cash and cash equivalents	2,105	3,234

18 Borrowings

Bank loans are repayable in the following periods after 31 December:

	2021 €'000	2020 €'000
GROUP		
» Amounts falling due within one year	1,721	2,311
» Amounts falling due between one and five years	124,601	95,615
	126,322	97,926
COMPANY		
» Amounts falling due within one year	-	-
» Amounts falling due between one and five years	124,601	95,336
	124,601	95,336

Notes to the Financial Statements

continued

18 Borrowings continued

The Group's total bank loans at 31 December 2021 were €126,322,000 (2020: €97,926,000). Bank loans falling due within one year include €1,600,000 (2020: €2,300,000) of loans arising on the acquisition of Bradley's Pharmacy Group which are secured by properties acquired on the acquisition which are classified as held for sale. Following the disposal of these properties these loans are required to be repaid (note 14).

The Group entered into a new facility on 2 July 2020. The total loan value of the revolving credit facility available for use within this agreement is €180,000,000, with an additional uncommitted accordion facility of €60,000,000. This facility runs for 5 years to 2025 with an option to extend by a further two years, with repayment of all loans on termination of the facility currently at 2 July 2025.

At 31 December, the Group's revolving credit facility loans in use were subject to an interest rate of Euribor +1.5% (2020: Euribor +1.5%).

The Company's total bank loans at 31 December 2021 were €124,601,000 (2020: €95,336,000). At 31 December, they were subject to an interest rate of Euribor +1.5% (2020: Euribor +1.5%).

Bank security

Bank overdrafts and bank loans of €126,322,000 (2020: €97,926,000) are secured by cross guarantees and fixed and floating charges from the Company and certain subsidiary undertakings.

19 Provisions

	Deferred contingent consideration 2021 €'000	Lease dilapidation 2021 €'000	Warranty provision 2021 €'000	Other 2021 €'000	Total 2021 €'000	Total 2020 €'000
GROUP						
At 1 January	86,195	523	50	-	86,768	81,069
Recognised during the year	4,831	-	23	828	5,682	1,904
Unwinding of discount	1,845	-	-	18	1,863	2,026
Arising on acquisition	29,195	-	-	-	29,195	37,168
Utilised during the year	(13,283)	-	-	-	(13,283)	(28,541)
Released during the year	(24,592)	-	-	-	(24,592)	(4,348)
Foreign currency movement	4,727	-	4	37	4,768	(2,510)
At 31 December	88,918	523	77	883	90,401	86,768

Notes to the Financial Statements

continued

19 Provisions continued

Deferred contingent consideration represents the present value of deferred contingent acquisition consideration which would become payable based on pre-defined profit thresholds being met. During the year payments of €13,283,000 were made in respect of prior year acquisitions. Deferred contingent consideration of €24,592,000 in respect of prior year acquisitions was released in the year following a review of expected performance against earn-out targets. As part of this review, separately an increase of €4,831,000 was also made in respect of prior period acquisitions. Further details on the measurement of deferred contingent consideration is provided in note 32. The balance at 31 December 2021 relates to the following acquisitions:

- Dialachemist Limited (2015)
- Macromed (UK) Limited (2018)
- EPS Vascular AB, EP Endovascular AB and EPS Vascular OY (EPS Group) (2019)
- M3 Medical Limited (2019)
- Innerstrength Limited (2020)
- Diligent Health Solutions, LLC (2020)
- RRD International, LLC (2020)
- CoRRect Medical GmbH (2021)
- MDea, Inc, The Doctor's Channel, LLC, and BESTMSLs, Inc (BESTMSLs Group) (2021)
- Events 4 Healthcare Limited (2021)
- Devonshire Healthcare Services Limited (2021)

The deferred contingent consideration at 31 December 2020 related to the acquisition of the following:

- Dialachemist Limited (2015)
- Macromed (UK) Limited (2018)
- Sisk Healthcare Group (2018)
- Angiocare B.V. (2018)
- Durbin plc and Durbin Inc. (Durbin) (2019)
- EPS Vascular AB, EP Endovascular AB and EPS Vascular OY (EPS Group) (2019)
- M3 Medical Limited (2019)
- Innerstrength Limited (2020)
- Diligent Health Solutions, LLC (2020)
- RRD International, LLC (2020)

The maturity profile of the deferred contingent consideration at 31 December 2021 is outlined in note 32.

Lease dilapidation

The lease dilapidation provision covers the cost of reinstating certain Group properties at the end of the lease term. This is based on the terms of the individual leases which set out the conditions relating to the return of property. The timing of the outflows will match the ending of the relevant leases with various dates up to 2042.

Warranty provision

The warranty provision relates to a product warranty provided to customers on certain medical devices. The estimated cost of the warranty is provided for upon recognition of the sale of the product. The costs are estimated based on actual historical experience of expenses incurred and on estimated future expenses related to current sales and are updated periodically. Actual warranty costs are charged against the warranty provision.

Other

Other provisions relate to a management retention bonus payable in relation to the acquisition of RRD International, LLC in 2020.

Notes to the Financial Statements

continued

19 Provisions continued

	2021 €'000	2020 €'000
COMPANY		
Deferred contingent consideration:		
At 1 January	32,440	56,385
Arising on acquisition	701	1,685
Unwinding of discount	653	1,379
Utilised during the year	(8,147)	(24,253)
Released during the year	(24,592)	(1,597)
Foreign currency movement	1,373	(1,159)
At 31 December	2,428	32,440

Deferred contingent consideration represents the present value of deferred contingent acquisition consideration which would become payable based on pre-defined profit thresholds being met. During the year payments of €8,147,000 were made in respect of prior year acquisitions. Deferred contingent consideration of €24,592,000 in respect of prior year acquisitions was released in the year following a review of expected performance against earn-out targets. The balance at 31 December 2021 relates to the following acquisitions:

- Innerstrength Limited (2020)

The deferred contingent consideration at 31 December 2020 related to the acquisition of the following:

- Sisk Healthcare Group (2018)
- Durbin plc and Durbin Inc. (Durbin) (2019)
- Innerstrength Limited (2020)

20 Employee benefit surplus

The remaining defined benefit plan was wound up in March 2021, the pension entitlements of employees, including Executive Directors, now arise under a number of defined contribution schemes and are secured by contributions by the Group to separate trustee administered pension funds. A settlement loss of €211,000 was recognised on the closure of the Cahill May Roberts Group Pension Scheme. The assets of the scheme were distributed in line with members chosen options and no assets or liabilities remain.

The defined benefit schemes were:

- The Cahill May Roberts Limited Contributory Pension Plan (wound up in March 2021)
- The Whelehan Group Pension Scheme (wound up in January 2020)

The pension charge for the year is €4,313,000 (2020: €4,219,000) which relates to the defined contribution schemes. The net finance cost resulting from the scheme surplus is €nil (2020: €3,000).

The funding requirements in relation to the Group's defined benefit scheme in the prior year was assessed in accordance with the advice of independent qualified actuaries and valuations are prepared at triennial intervals. Annual contributions were based on the advice of professionally qualified actuaries using the projected unit method. The actuarial valuation reports are available for inspection by members of the scheme at the registered office of the Company but are not available for public inspection.

Notes to the Financial Statements

continued

20 Employee benefit surplus continued

Financial instruments held by the defined benefit scheme

At 31 December 2020 the scheme assets were invested in a diversified portfolio that consisted primarily of equity and debt securities. Scheme assets do not include any of Uniphar plc's own financial instruments, nor any property occupied by Uniphar plc. The fair value of the scheme assets at the Balance Sheet date are shown as follows:

	2021 €'000	2020 €'000
Equities – Investments in quoted active markets	-	2,573
Bonds – Investments in quoted active markets	-	6,855
Cash	-	70
Other	-	2,199
Fair value of the scheme assets	-	11,697

Principal actuarial assumptions at the Balance Sheet date

The main financial assumptions used were:

	2021	2020
Rate of increase in pensionable salaries	-	0.0% - 2.5%
Rate of increase in pensions in payment	-	0.0%
Discount rate	-	0.7%
Inflation rate	-	1.2%

The following amounts at the Balance Sheet dates were measured in accordance with the requirements of IAS 19:

	2021 €'000	2020 €'000
Present value of scheme liabilities	-	(11,685)
Fair value of scheme assets	-	11,697
Pension asset resulting from employee benefit obligation	-	12

The amounts recognised in the Income Statement for the year ended 31 December are as follows:

	2021 €'000	2020 €'000
Charged to operating profit		
Current service cost	-	-
(Charged)/credited to finance cost		
Interest on pension scheme assets	7	101
Interest on pension scheme liabilities	(7)	(104)
Net finance cost	-	(3)

The actual return on scheme assets is a loss of €145,000 (2020: gain of €739,000).

Notes to the Financial Statements

continued

20 Employee benefit surplus continued

The amounts recognised in the Statement of Comprehensive Income for the year ended 31 December are as follows:

	2021 €'000	2020 €'000
Analysis of amount recognised in Statement of Comprehensive Income		
Actual return less amounts included in interest and expense	(152)	638
Experience gains/(losses) arising on the scheme liabilities	45	(94)
Changes in financial assumptions underlying the present value of the scheme assets and liabilities	98	(241)
Actuarial (loss)/gain in the year	(9)	303

	Pension assets €'000	Pension liabilities €'000	Pension surplus/ (deficit) €'000
Movement in scheme assets and liabilities			
At 1 January 2020	22,510	(22,555)	(45)
Settlement loss	-	(488)	(488)
Employer contributions paid	245	-	245
Interest on scheme liabilities	-	(104)	(104)
Interest on scheme assets	101	-	101
Actuarial gain/(loss) in current year	638	(335)	303
Benefits (paid)/settled	(11,797)	11,797	-
At 31 December 2020	11,697	(11,685)	12
At 1 January 2021	11,697	(11,685)	12
Settlement loss	-	(211)	(211)
Employer contributions paid	208	-	208
Interest on scheme liabilities	-	(7)	(7)
Interest on scheme assets	7	-	7
Actuarial (loss)/gain in current year	(152)	143	(9)
Benefits (paid)/settled	(11,760)	11,760	-
At 31 December 2021	-	-	-

Notes to the Financial Statements

continued

20 Employee benefit surplus continued

All of the scheme liabilities arose from schemes that were wholly or partly funded.

	2021 €'000	2020 €'000
Amounts for the current and previous years:		
Present value of scheme liabilities	-	(11,685)
Fair value of scheme assets	-	11,697
Pension asset from employee benefit obligations	-	12
Experience losses on scheme liabilities:		
Amount (€'000)	45	(94)
Percentage of the present value of the scheme liabilities	0.00%	0.80%
Difference between the actual and expected return on scheme assets:		
Amount (€'000)	(152)	638
Percentage of scheme assets	0.00%	5.45%

Defined contribution scheme

Included in accruals and other payables is an amount of €424,000 (2020: €346,000) due in relation to the defined contribution schemes.

21 Leases

(i) Amounts recognised in the Balance Sheet:

As at 31 December, the Balance Sheet shows the following amounts relating to leases:

	2021 €'000	2020 €'000
GROUP		
Right-of-use assets:		
Buildings	105,766	109,967
Plant and equipment	686	927
Motor vehicles	4,196	4,207
Computer software	1,519	-
Net book value of right-of-use assets	112,167	115,101
Lease liabilities:		
Current	14,358	13,334
Non-current	104,720	107,203
Total lease liabilities	119,078	120,537

Right-of-use assets are included in the lines 'Intangible Assets' and 'Property, plant and equipment' on the Balance Sheet, and are presented in notes 10 and 11.

Additions to the right-of-use assets during the year ended 31 December 2021 were €9,519,000 (2020: €7,948,000).

Lease liabilities are presented separately on the face of the Balance Sheet. The contractual maturity of the lease liabilities is presented in note 32.

Notes to the Financial Statements

continued

21 Leases continued

	2021 €'000	2020 €'000
COMPANY		
Right-of-use assets:		
Buildings	40,956	44,118
Plant and equipment	272	237
Computer software	1,519	-
Net book value of right-of-use assets	42,747	44,355
Lease liabilities:		
Current	3,804	3,377
Non-current	41,230	42,443
Total lease liabilities	45,034	45,820

Right-of-use assets are included in the lines 'Intangible Assets' and 'Property, plant and equipment' on the Balance Sheet, and are presented in notes 10 and 11. Additions to the right-of-use assets during the year ended 31 December 2021 were €2,049,000 (2020: €296,000).

(ii) Amounts recognised in the Income Statement:

The Income Statement shows the following amounts relating to leases:

	2021 €'000	2020 €'000
GROUP		
Buildings	10,657	7,521
Plant and equipment	548	556
Motor vehicles	2,660	2,663
Right-of-use assets depreciation charge	13,865	10,740
Computer software	380	-
Right-of-use assets amortisation charge	380	-
Interest on lease obligations (note 6)	3,772	2,988
Principal repayments	12,853	9,133
Total cash outflow in respect of leases	16,625	12,121

	2021 €'000	2020 €'000
COMPANY		
Buildings	3,162	3,162
Plant and equipment	115	114
Right-of-use assets depreciation charge	3,277	3,276
Computer software	380	-
Right-of-use assets amortisation charge	380	-
Interest on lease obligations	1,403	1,398
Principal repayments	2,834	2,420
Total cash outflow in respect of leases	4,237	3,818

Notes to the Financial Statements

continued

22 Trade and other payables

	2021 €'000	2020 €'000
GROUP		
Trade payables	186,826	202,659
Accruals	146,892	110,022
Other payables	8,563	5,909
Corporation tax	-	1,158
Employment related taxes	4,450	4,522
Value added tax	6,602	8,004
Deferred acquisition consideration	4,295	374
	357,628	332,648

Trade and other payables are payable at various dates in the next three months in accordance with the suppliers' usual and customary credit terms.

Taxes are payable at various dates over the coming months in accordance with the applicable statutory provisions.

	2021 €'000	2020 €'000
COMPANY		
Amounts owed to subsidiaries	143,015	270,023
Trade payables	698	700
Accruals	14,591	6,543
Other payables	389	603
Employment related taxes	393	326
	16,071	8,172
	159,086	278,195

Amounts owed to subsidiaries are unsecured, interest free and are repayable on demand.

Trade and other payables are payable at various dates in the next three months in accordance with the suppliers' usual and customary credit terms.

Taxes are payable at various dates over the coming months in accordance with the applicable statutory provisions.

Other non-current payables

	2021 €'000	2020 €'000
GROUP		
Other non-current payables	-	516
Deferred acquisition consideration	-	4,087
	-	4,603

Notes to the Financial Statements

continued

22 Trade and other payables continued

Deferred acquisition consideration

Total deferred acquisition consideration is payable in the following periods after 31 December in the Group:

	2021 €'000	2020 €'000
GROUP		
» Within one year	4,295	374
» Between one and two years	-	4,087
	4,295	4,461

Deferred acquisition consideration reflects the amounts payable relating to the acquisition of Outico Limited, the Hickey's Pharmacy Group and two ICPs. During 2021, payments were made in relation to deferred consideration on the acquisition of Outico Limited and the remaining deferred consideration on each acquisition is now payable within one year.

23 Called up share capital

	2021 Number	2020 Number	2021 €'000	2020 €'000
GROUP AND COMPANY				
Authorised share capital at 31 December:				
Ordinary shares of 8c each	453,205,300	453,205,300	36,256	36,256
"A" ordinary shares of 8c each	16,000,000	16,000,000	1,280	1,280
Authorised share capital			37,536	37,536

Movement in the year in issued share capital presented as equity

	2021 Number	2020 Number	2021 €'000	2020 €'000
Allotted, called up and fully paid ordinary shares of 8c each				
At 1 January	273,015,254	273,015,254	21,841	21,841
At 31 December	273,015,254	273,015,254	21,841	21,841
Total allotted share capital:				
At 31 December	273,015,254	273,015,254	21,841	21,841

Notes to the Financial Statements

continued

23 Called up share capital continued

There have been no changes to the authorised or issued share capital during 2021. During 2020, the following transactions took place:

- In May 2020, following the passing of a resolution at the AGM, the authorised share capital of the Company was increased from €25,280,000 divided into 300,000,000 ordinary shares of 8 cent each and 16,000,000 "A" ordinary shares of 8 cent each, to €37,536,000 divided into 453,205,300 ordinary shares of 8 cent each and 16,000,000 "A" ordinary shares of 8 cent each.

24 Share premium

	2021 €'000	2020 €'000
GROUP AND COMPANY		
Premium arising on shares issued	176,501	176,501

25 Other reserves

	2021 €'000	2020 €'000
GROUP		
Property revaluation reserve	700	700
Foreign currency translation reserve	4,604	(1,860)
Capital redemption reserve	60	60
	5,364	(1,100)
COMPANY		
Capital redemption reserve	60	60
	60	60

Property revaluation reserve

The property revaluation reserve arose on the revaluation of freehold land and buildings. When revalued land and buildings are sold, the portion of the property revaluation reserve that relates to that asset will be transferred directly to retained earnings.

Foreign currency translation reserve

The foreign currency translation reserve comprises of all foreign exchange differences arising from the translation of the net assets of the Group's non-Euro denominated operations, including the translation of the profits of such operations from the average exchange rate for the year to the exchange rate at the Balance Sheet date. The reserve also includes all foreign exchange differences arising from the translation of borrowings that hedge the Group's net investment in foreign operations.

Capital redemption reserve

The capital redemption reserve is a legal reserve which has arisen from the Company buying back and cancelling its ordinary shares in 2013.

Notes to the Financial Statements

continued

26 Retained earnings

	€'000
GROUP	
At 1 January 2020	(20,601)
Profit for the financial year	27,827
Other comprehensive income relating to the financial year	265
Dividend paid	(1,993)
Acquisition of non-controlling interest	(280)
At 31 December 2020	5,218
At 1 January 2021	5,218
Profit for the financial year	48,077
Other comprehensive expense relating to the financial year	(9)
Dividend paid	(5,731)
At 31 December 2021	47,555
COMPANY	
At 1 January 2020	28,331
Profit for the financial year	34,428
Dividend paid	(1,993)
At 31 December 2020	60,766
At 1 January 2021	60,766
Profit for the financial year	21,332
Dividend paid	(5,731)
At 31 December 2021	76,367

27 Non-controlling interests

	2021 €'000	2020 €'000
At 1 January	75	(285)
Acquisition of non-controlling interest	-	280
Share of post-acquisition profits/(losses)	45	(16)
Acquisitions (note 35)	-	96
At 31 December	120	75

Non-controlling interests own the following stakes in the issued ordinary share capital of the entities set out below:

- 25.0% Citywest Healthcare Limited
- 20.0% Dialachemist Limited
- 26.6% IPOS Holding 97 Limited
- 17.7% Innerstrength Limited
- 5.05% Macromed Limited

During 2020, the share of non-controlling interests arising on acquisition relates to Innerstrength Limited. The Group also acquired the 30% non-controlling interest of Clinical Pyramid Limited and the 10.7% non-controlling interest of Outico Limited. The Group now holds 100% of the ordinary share capital of both entities. On acquisition of the non-controlling interest, the non-controlling interest share of the net assets of €280,000 were reclassified to retained earnings.

Notes to the Financial Statements

continued

28 Employee share awards

Share based payments

Share options (equity-settled)
On 26 January 2021, the Board approved the establishment of a new share option scheme with a reserve of 2.5% of the issued share capital of the Company. Existing participants in the current Group LTIP are not eligible for the grant of options under this scheme which is intended to incentivise key management and senior employees who were not eligible for participation in the existing Group LTIP. Currently, these programmes are limited to key management personnel and other senior employees.

The key terms and conditions related to the grants under the 2021 share option programme are as follows:

Grant date/employees entitled	Number of instruments in thousands	Vesting conditions	Contractual life of option
Options granted to key management personnel			
March 2021	500	Service from the grant date to 31 December 2024, meeting share thresholds of €3.30 per share, €4.00 per share, €4.75 per share and €5.50 per share. (25% at each hurdle vest's subject to the service condition)	7 years
July 2021	250	Service from the grant date to 31 December 2024, meeting share thresholds of €4.00 per share, €4.75 per share and €5.50 per share. (33% at each hurdle vest's subject to the service condition)	7 years
October 2021	250	Same as July 2021 vesting conditions	7 years
Options granted to senior employees			
July 2021	635	Same as July 2021 vesting conditions	7 years
August 2021	35	Same as July 2021 vesting conditions	7 years
Total share options	**1,670**		

Cash LTIP (cash-settled)

On 10 June and 22 July 2021, the Group granted 200,000 and 120,000 cash LTIP awards to employees that entitle them to a cash payment at 31 December 2024 based on the service provided up until this date. The amount of the cash payment is determined by the increase in the share price of the Company based on the share price hurdles of €3.30, €4.00, €4.75 and €5.50 (25% at each hurdle vest's subject to service conditions) for the cash LTIP awards issued in June and share price hurdles of €4.00, €4.75 and €5.50 for the cash LTIP awards issued in July (33% at each hurdle vest's subject to service conditions). The carrying amount of liabilities for the cash LTIP awards at 31 December 2021 was €28,000 (2020: €nil).

Measurement of fair values (equity-settled)

The fair value of the employee share option scheme has been measured using a Monte Carlo simulation. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plan were as follows:

	Key management personnel (2021)			Senior employees (2021)	
Grant date	March 21	July 21	October 21	July 21	August 21
Fair value at grant date	0.41	0.95	1.37	1.01	0.98
Share price at grant date	2.38	3.70	4.19	3.77	3.70
Exercise price	2.38	3.33	3.33	3.33	3.33
Expected volatility	31%	31%	31%	31%	31%
Expected life	5.4 years	5.2 years	5.1 years	5.2 years	5.2 years
Expected dividends	0.4%	0.4%	0.4%	0.4%	0.4%
Risk-free interest rate	(0.63%)	(0.75%)	(0.56%)	(0.79%)	(0.80%)

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period. The expected term of the instruments has been based on general option holder behaviour.

Notes to the Financial Statements

continued

28 Employee share awards continued

Measurement of fair values (cash-settled)

The fair value of the cash LTIP awards have been measured using a Monte Carlo simulation. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The inputs used in the measurement of the fair values at grant date of the cash LTIP awards are as follows:

	Senior employees (2021)	
Grant date	June 21	July 21
Fair value at grant date	1.54	0.66
Share price at grant date	4.59	3.35
Exercise price	3.33	3.33
Expected volatility	31%	31%
Expected life	3.2 years	3.5 years
Expected dividends	0.4%	0.4%
Risk-free interest rate	(0.57%)	(0.68%)

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period. The expected term of the instruments has been based on general option holder behaviour.

Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the 2021 share option programme were as follows:

	Weighted Average Exercise Price	2021 Number 000's	Weighted Average Exercise Price	2020 Number 000's
As at 1 Jan	-	-	-	-
Granted during the year	3.05	1,670	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
As at 31 December	**3.05**	**1,670**	**-**	**-**

The options outstanding at 31 December 2021 had an exercise price in the range of €2.38 to €3.33 and a weighted-average contractual life of 7 years.

Expense recognised in profit and loss

An equity-settled share-based payment charge of €183,000 (2020: €nil) has been recognised in the year.

A cash-settled share-based payment charge of €28,000 (2020: €nil) has been recognised in the year in respect of the cash LTIP awards.

Long term incentive plan

The Company operates a long-term incentive plan for certain Executive Directors and managerial employees under which shares have been granted subject to vesting conditions linked to the achievement of demanding Group performance measures and operational targets as well as continued employment with the Group. The Company can require compulsory transfer of these shares if certain criteria are not met.

As at 31 December 2021, the Company had allotted 13,162,240 ordinary shares of €0.08 each (2020: 13,162,240 shares) to members of the Uniphar Executive Directors and managerial employees under the long term incentive plan. All shares issued under the long-term incentive plan at 31 December 2021 and 31 December 2020 were called up and fully paid. These shares remain subject to 'non-market' vesting conditions. No charge to the Income Statement arises in either 2021 or 2020 in respect of this arrangement.

Notes to the Financial Statements

continued

29 Reconciliation of operating profit to cash flow from operating activities

	2021 €'000	2020 €'000
GROUP		
Operating profit before operating exceptional items	59,551	46,719
Cash related exceptional items	(9,072)	(10,761)
	50,479	35,958
Depreciation	22,225	17,626
Amortisation	4,705	2,368
Decrease/(increase) in inventory	3,726	(11,868)
(Increase)/decrease in receivables	(26,169)	8,789
Increase in payables	13,388	13,554
Foreign currency translation adjustments	22	(56)
Cash inflow from operating activities	68,376	66,371
COMPANY		
Operating profit before operating exceptional items	8,842	41,371
Cash related exceptional items	(1,741)	(4,178)
	7,101	37,193
Depreciation	3,276	3,276
Amortisation	380	-
Decrease in receivables	95,970	68,073
Decrease in payables	(124,382)	(141,801)
Foreign currency translation adjustments	1,372	(1,069)
Cash outflow from operating activities	(16,283)	(34,328)

Notes to the Financial Statements

continued

30 Reconciliation of net cash flow to movement in net bank debt

	2021 €'000	2020 €'000
GROUP		
Increase/(decrease) in cash and overdrafts in the year	15,778	(53,063)
Movement in restricted cash (note 31)	(3,097)	(72)
Cash flow from movement in borrowings (note 31)	(28,394)	8,434
Decrease in net debt resulting from cash flows	(15,713)	(44,701)
Debt acquired during the year (note 31)	(352)	(16,800)
Restricted cash acquired during the year (note 31)	-	1,027
Non-cash movement in borrowings during the year (note 31)	350	-
Foreign currency translation on cash and cash equivalents	1,837	(567)
Movement in net bank debt in the year	(13,878)	(61,041)
Net bank (debt)/cash at beginning of year	(34,419)	26,622
Net bank debt at end of year	(48,297)	(34,419)
COMPANY		
Decrease in cash and overdrafts in the year (note 31)	(1,129)	(64,094)
Movement in restricted cash (note 31)	(2,100)	(42)
Cash flow from movement in borrowings (note 31)	(29,265)	(12,713)
Decrease in net bank debt resulting from cash flows	(32,494)	(76,849)
Movement in net bank debt in the year	(32,494)	(76,849)
Net bank debt at beginning of year	(90,002)	(13,153)
Net bank debt at end of year	(122,496)	(90,002)

31 Analysis of changes in net debt

	1 January 2021 €'000	Cash flow €'000	Acquisitions (note 35) €'000	Non-cash movement €'000	31 December 2021 €'000
GROUP					
Cash and cash equivalents	60,410	10,060	5,718	1,837	78,025
Restricted cash	3,097	(3,097)	-	-	-
Total Cash	63,507	6,963	5,718	1,837	78,025
Bank loans repayable within one year	(2,311)	240	-	350	(1,721)
Bank loans repayable after one year	(95,615)	(28,634)	(352)	-	(124,601)
Bank loans	(97,926)	(28,394)	(352)	350	(126,322)
Net bank debt	(34,419)	(21,431)	5,366	2,187	(48,297)
Lease obligations	(120,537)	(16,625)	(1,429)	19,513	(119,078)
Net debt	(154,956)	(38,056)	3,937	21,700	(167,375)

Notes to the Financial Statements

continued

31 Analysis of changes in net debt continued

	1 January 2020 €'000	Cash flow €'000	Acquisitions €'000	Non-cash movement €'000	31 December 2020 €'000
GROUP					
Cash and cash equivalents	114,040	(60,752)	7,689	(567)	60,410
Restricted cash	2,142	(72)	1,027	-	3,097
Total Cash	116,182	(60,824)	8,716	(567)	63,507
Bank loans repayable within one year	(22,583)	37,072	(16,800)	-	(2,311)
Bank loans repayable after one year	(66,977)	(28,638)	-	-	(95,615)
Bank loans	(89,560)	8,434	(16,800)	-	(97,926)
Net bank cash/(debt)	26,622	(52,390)	(8,084)	(567)	(34,419)
Lease obligations	(92,984)	(12,121)	(30,055)	14,623	(120,537)
Net debt	(66,362)	(64,511)	(38,139)	14,056	(154,956)

	1 January 2021 €'000	Cash flow €'000	Non-cash movement €'000	31 December 2021 €'000
COMPANY				
Cash and cash equivalents	3,234	(1,129)	-	2,105
Restricted cash	2,100	(2,100)	-	-
Total Cash	5,334	(3,229)	-	2,105
Bank loans repayable within one year	-	-	-	-
Bank loans repayable after one year	(95,336)	(29,265)	-	(124,601)
Bank loans	(95,336)	(29,265)	-	(124,601)
Net bank debt	(90,002)	(32,494)	-	(122,496)
Lease obligations	(45,820)	(4,237)	5,023	(45,034)
Net debt	(135,822)	(36,731)	5,023	(167,530)

Notes to the Financial Statements

continued

31 Analysis of changes in net debt continued

	1 January 2020 €'000	Cash flow €'000	Non-cash movement €'000	31 December 2020 €'000
COMPANY				
Cash and cash equivalents	67,328	(64,094)	-	3,234
Restricted cash	2,142	(42)	-	2,100
Total Cash	69,470	(64,136)	-	5,334
Bank loans repayable within one year	(16,827)	16,827	-	-
Bank loans repayable after one year	(65,796)	(29,540)	-	(95,336)
Bank loans	(82,623)	(12,713)	-	(95,336)
Net bank debt	(13,153)	(76,849)	-	(90,002)
Lease obligations	(47,944)	(3,818)	5,942	(45,820)
Net debt	(61,097)	(80,667)	5,942	(135,822)

32 Financial instruments

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	Notes	Financial assets at FVOCI* €'000	Financial assets at amortised cost €'000	Total €'000
Financial assets				
2021				
Investments in equity instruments	12	25	-	25
Trade and other receivables**	16	-	137,128	137,128
Deferred consideration receivable	16	-	448	448
Cash and cash equivalents	17	-	78,025	78,025
		25	215,601	215,626
2020				
Investments in equity instruments	12	25	-	25
Trade and other receivables**	16	-	117,523	117,523
Deferred consideration receivable	16	-	633	633
Cash and cash equivalents	17	-	60,410	60,410
Restricted cash	17	-	3,097	3,097
		25	181,663	181,688

* Fair value through other comprehensive income.
**Excluding prepayments and accrued income.

Notes to the Financial Statements

continued

32 Financial instruments continued

	Notes	Financial liabilities at FVTPL* €'000	Financial liabilities at amortised cost €'000	Total €'000
Financial liabilities				
2021				
Borrowings	18	-	126,322	126,322
Deferred acquisition consideration	22	-	4,295	4,295
Trade and other payables**	22	-	195,389	195,389
Deferred contingent consideration	19	88,918	-	88,918
Lease liabilities	21	-	119,078	119,078
		88,918	445,084	534,002
2020				
Borrowings	18	-	97,926	97,926
Deferred acquisition consideration	22	-	4,461	4,461
Trade and other payables**	22	-	208,568	208,568
Deferred contingent consideration	19	86,195	-	86,195
Lease liabilities	21	-	120,537	120,537
		86,195	431,492	517,687

* Fair value through profit and loss.
**Excluding non-financial liabilities.

Fair value

The following table sets out the fair value of the Group's principal financial assets and liabilities.

	Notes	2021 Carrying value €'000	2021 Fair value €'000	2020 Carrying value €'000	2020 Fair value €'000
Financial assets					
Investments in equity instruments	12	25	25	25	25
Trade and other receivables	16	137,128	137,143	117,523	117,523
Deferred consideration receivable	16	448	448	633	654
Cash and cash equivalents	17	78,025	78,025	60,410	60,410
Restricted cash	17	-	-	3,097	3,097
		215,626	215,641	181,688	181,759
Financial liabilities					
Borrowings	18	126,322	133,974	97,926	105,708
Deferred acquisition consideration	22	4,295	4,369	4,461	4,625
Trade and other payables	22	195,389	195,389	208,568	208,568
Deferred contingent consideration	19	88,918	88,918	86,195	86,195
Lease liabilities	21	119,078	119,078	120,537	120,537
		534,002	541,728	517,687	525,633

Notes to the Financial Statements

continued

32 Financial instruments continued

Measurement of fair values

In the preparation of the financial statements, the Group finance department, which reports directly to the Chief Financial Officer (CFO), reviews and determines the major methods and assumptions used in estimating the fair values of the financial assets and liabilities which are set out below:

Investments in equity instruments
Investments in equity instruments are measured at fair value through other comprehensive income (FVOCI).

Trade and other receivables/trade and other payables
For receivables and payables with a remaining life of less than 12 months or demand balances, the carrying value less impairment provision where appropriate, is deemed to reflect fair value.

Cash and cash equivalents, including short-term bank deposits
For short-term bank deposits and cash and cash equivalents, all of which have a remaining maturity of less than three months, the carrying amount is deemed to reflect fair value.

Interest-bearing loans and borrowings
For floating rate interest-bearing loans and borrowings with a contractual repricing date of less than 6 months, the nominal amount is deemed to reflect fair value. For loans with repricing dates of greater than 6 months, the fair value is calculated based on the present value of the expected future principal and interest cash flows discounted at appropriate market interest rates (level 2) effective at the Balance Sheet date and adjusted for movements in credit spreads.

Deferred acquisition consideration
Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the Group arising from the deferred acquisition consideration.

Deferred contingent consideration
The fair value of the deferred contingent consideration is calculated by discounting the expected future payment to the present value. The expected future payment represents the deferred contingent acquisition consideration which would become payable based on pre-defined profit thresholds being met and is calculated based on management's best estimates of the expected future cash outflows using current budget forecasts. The provision for deferred contingent consideration is principally in respect of acquisitions completed from 2015 to 2021. A maturity analysis of the deferred contingent consideration on an undiscounted basis is presented on page 174.

The significant unobservable inputs are:

» Expected future profit forecasts which have not been disclosed due to their commercial sensitivities; and
» Risk adjusted discount rate of between 2% and 3% (2020: between 2% and 3%).

The estimated fair value would increase/(decrease) if the:

» Expected future profit forecasts were higher/(lower); and
» Risk adjusted discount rate was lower/(higher).

For the fair value of deferred contingent consideration, a 1% increase in the risk adjusted discount rate at 31 December 2021, holding the other inputs constant would reduce the fair value of the deferred contingent consideration by €1.7m. A 1% decrease in the risk adjusted discount rate would result in an increase of €1.7m in the fair value of the deferred contingent consideration.

Notes to the Financial Statements

continued

32 Financial instruments continued

Fair value hierarchy

The following table sets out the fair value hierarchy for financial instruments which are measured at fair value.

	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Recurring fair value measurements				
At 31 December 2021				
Investments in equity instruments	-	-	25	25
Deferred contingent consideration	-	-	(88,918)	(88,918)
	-	-	(88,893)	(88,893)
At 31 December 2020				
Investments in equity instruments	-	-	25	25
Deferred contingent consideration	-	-	(86,195)	(86,195)
	-	-	(86,170)	(86,170)

There were no transfers between the fair value levels for recurring fair value measurements during the year. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Notes to the Financial Statements

continued

32 Financial instruments continued

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended 31 December 2021 and 31 December 2020:

	Shares in unlisted companies €'000	Facility termination fee €'000	Deferred contingent consideration €'000	Derivative financial instruments €'000	Total €'000
At 1 January 2020	25	(5,000)	(80,811)	-	(85,786)
Payments	-	5,000	28,491	-	33,491
Recognised during the year*	-	-	(1,896)	-	(1,896)
Unwinding of discount*	-	-	(2,026)	-	(2,026)
Arising on acquisition	-	-	(36,808)	-	(36,808)
Release*	-	-	4,348	-	4,348
Foreign currency	-	-	2,507	-	2,507
At 31 December 2020	25	-	(86,195)	-	(86,170)
Payments	-	-	13,283	-	13,283
Recognised during the year*	-	-	(4,831)	-	(4,831)
Unwinding of discount*	-	-	(1,845)	-	(1,845)
Arising on acquisition	-	-	(29,195)	-	(29,195)
Release*	-	-	24,592	-	24,592
Foreign currency	-	-	(4,727)	-	(4,727)
At 31 December 2021	25	-	(88,918)	-	(88,893)

* These amounts have been credited/(charged) to the Income Statement in finance income/costs.

Financial risk management

The Group's operations expose it to various financial risks. The Group has a risk management framework in place which seeks to limit the impact of these risks on the financial performance of the Group and it is the Group's policy to manage these risks in a non-speculative manner.

The Group has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk, currency risk, interest rate risk and price risk. This note presents information about the Group's exposure to each of the above risks and the Group's objectives, policies, and processes for measuring and managing the risk. Further quantitative disclosures are included throughout this note.

The Group's risk management is carried out by a central finance department under policies approved by the Board of Directors. Group finance identifies, evaluates, and manages financial risks in close co-operation with the Group's operating units. The Board approves written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and the investment of excess liquidity.

Notes to the Financial Statements

continued

32 Financial instruments continued

Credit risk

Credit risk arises from credit to customers, loans to customers, loans to IPOS entities, loans to retail holding companies, deferred consideration receivable, restricted cash, as well as cash and cash equivalents including deposits with banks and financial institutions.

The Group manages credit risk through the use of credit limits for customers, regular review of the ageing of trade and other receivables, and the review and monitoring of customer and bank credit ratings.

Trade receivables
Credit risk arising in the context of the Group's operations is not significant with the provision for impairment at the Balance Sheet date amounting to 4.7% of gross trade receivables (2020: 4.4%). The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the company considers historical loss rates for each category of customers and adjusts for forward looking macroeconomic data.

Customer credit risk is managed at appropriate Group locations according to established policies, procedures and controls. Customer credit quality is assessed in line with strict credit rating criteria and credit limits are established where appropriate. Outstanding customer balances are regularly monitored and a review for indicators of impairment (evidence of financial difficulty of the customer, payment default, breach of contract etc.) is carried out at each reporting date. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet identified. For these receivables the estimated impairment losses are recognised in a separate provision for impairment.

The Group considers that there is evidence of impairment if any of the following indicators are present:

» significant financial difficulties of the receivable;
» probability that the receivable will enter bankruptcy or financial reorganisation; and
» default or delinquency in payments (more than 30 days overdue).

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash.

Impairment losses are recognised in the Income Statement within selling and distribution costs. Subsequent recoveries of amounts previously written off are credited against selling and distribution costs where the initial impairment was recorded.

Movements in the provision for impairment of trade receivables that are assessed for impairment collectively are as follows:

	2021 €'000	2020 €'000
At 1 January	4,806	3,930
Provision for impairment recognised during the year	1,521	1,800
Receivables written off during the year as uncollectible	(8)	(895)
Recovery of balances previously provided for	(28)	-
Reclassification	(274)	(3)
Foreign currency translation	33	(26)
At 31 December	6,050	4,806

The trade receivables balances disclosed in note 16 comprise a large number of customers spread across the Group's activities and geographies with balances classified as "not past due" representing 89.4% of the total trade receivables balance at the Balance Sheet date (2020: 86.5%). Invoice discounting arrangements are employed in certain of the Group's operations where deemed to be of benefit by management.

Notes to the Financial Statements

continued

32 Financial instruments continued

Under the terms of this non-recourse agreement, the Group has transferred substantially all credit risk and control of certain trade receivables. In July 2020, the non-recourse financing arrangement increased by an additional €14,118,000 with the total amount of the facility being €94,118,000. The execution of this agreement resulted in an operating cash inflow of €12,000,000 for the Group during the year ended 31 December 2020. The balance of the facility as at 31 December 2021 is €94,118,000. The Group has recognised an asset within trade and other receivables of €14,118,000 (2020: €14,118,000), being the fair value of the amount receivable from the financial institutions, representing 15% of the trade receivables transferred to the financial institutions in accordance with the terms of the receivables purchase arrangement.. Total interest expense associated with this receivables purchase agreement during the year ended 31 December 2021 was €1,296,000 (2020: €1,203,000).

The ageing of trade receivables at 31 December 2021 and 2020 was:

	2021 €'000	2020 €'000
Not past due	115,750	93,626
Past due		
0 - 30 days	7,701	10,973
30 - 60 days	2,226	2,669
60 days	3,817	1,041
Total past due	13,744	14,683
Total trade receivables	129,494	108,309

Cash and cash equivalents
Cash and cash equivalents give rise to credit risk on amounts due from counterparty financial institutions (stemming from their insolvency or a downgrade in their credit ratings). Credit risk is managed by the regular review of the credit ratings of these financial institutions and limiting the aggregate amount and duration of exposure to any one counterparty primarily depending on its credit rating. All the Group's cash and cash equivalents are currently held with financial institutions which have investment grade credit ratings ranging from A-1 to A-3 (2020: A-1 to A-2).

Other financial assets
The Group has investments in companies with a strategic interest to the Group which are of a non-speculative nature. The investments and any impairment provisions are outlined in note 12.

The carrying amount of financial assets, net of impairment provisions represents the Group's maximum credit exposure. The maximum exposure to credit risk at year end was as follows:

	2021 €'000	2020 €'000
Trade and other receivables*	137,128	117,523
Deferred consideration receivable	448	633
Cash and cash equivalents	78,025	60,410
Restricted cash	-	3,097
Total	215,601	181,663

* Excluding prepayments and accrued income.

Notes to the Financial Statements

continued

32 Financial instruments continued

Liquidity risk

The Group manages liquidity risk through, maintaining sufficient cash and cash equivalents to meet obligations when due, credit facilities and overdraft facilities, monitoring and managing the maturity of borrowings, regular review of the ageing of trade and other receivables, and review and monitoring of customer and bank credit ratings.

Management monitors forecasts of the maturity of the Group's borrowings and other obligations. Management forecasts cash flows expected to settle the Group's obligations and actively monitors the level of cash and facilities available to settle the Group's obligations as they fall due. Forecasts of cash flows to settle trade and other payables are generally carried out at a subsidiary level in the operating companies of the Group in accordance with practice and limits set up by the Group.

The following table outlines the undiscounted contractual maturities of the Group's financial liabilities at the Balance Sheet date. The undiscounted cash flows differ from the amount included in the Balance Sheet because the Balance Sheet amount is based on the discounted cash flows.

	Less than 6 months €'000	6 to 12 months €'000	Between 1 and 2 years €'000	Between 2 and 5 years €'000	Over 5 years €'000	Total contractual cash flows €'000
Contractual maturity of financial liabilities						
At 31 December 2021						
Borrowings	1,676	52	-	132,246	-	133,974
Deferred acquisition consideration	470	3,899	-	-	-	4,369
Deferred contingent consideration	5,594	25,224	21,019	41,074	-	92,911
Lease liabilities	7,981	7,606	13,911	35,118	77,915	142,531
Trade and other payables	195,389	-	-	-	-	195,389
	211,110	36,781	34,930	208,438	77,915	569,174
At 31 December 2020						
Borrowings	2,375	-	204	103,129	-	105,708
Deferred acquisition consideration	373	71	4,017	-	-	4,461
Deferred contingent consideration	6,412	21,165	28,968	33,651	-	90,196
Lease liabilities	7,956	7,534	13,983	35,165	81,533	146,171
Trade and other payables	208,569	-	-	-	-	208,569
	225,685	28,770	47,172	171,945	81,533	555,105

Lender covenants

The Group entered into a new banking facility on 2 July 2020. Under this facility the Group are subject to two covenants: leverage ratio and interest cover. Banking covenants are subject to bi-annual review, and during 2021 all covenants have been fully complied with.

Currency risk

The Group primarily operates in the Republic of Ireland and the majority of the Group's activities are conducted in Euro. Elements of the Group's operations are carried out in the UK, Europe and the US and, as a result, the Group is exposed to structural currency fluctuations in respect of Sterling, Swedish Krona and the US Dollar. To the extent that the non-Euro denominated assets and liabilities of the Group do not offset, the Group is exposed to structural currency risk. Such movements are reported through the Group Statement of Comprehensive Income.

The Euro is the principal currency of the Group's Irish and Benelux businesses, Sterling is the principal currency of the Group's UK businesses, the Swedish Krona is the principal currency of our Nordic businesses, and the US Dollar is the principal currency of our US businesses. The Group seeks to manage the foreign currency translation risk arising from an investment in a foreign operation through the drawdown of borrowings denominated in the relevant currency and designating as a net investment hedge against the investment in the foreign operation.

Notes to the Financial Statements

continued

32 Financial instruments continued

The Group actively monitors the level of foreign exchange exposure and ensures that its net exposure is kept at an acceptable level. Currency risks are regularly monitored and managed by utilising spot and forward foreign currency contracts as appropriate for settling liabilities arising from the purchase of goods for resale in non-functional currencies. The majority of transactions entered into by Group entities are denominated in functional currencies and no significant level of hedging is required.

A portion of the Group's USD denominated borrowings with a nominal amount of USD 15.0 million (2020: USD nil) is designated as a hedge of a portion of the net investment in the Group's USD net assets amounting to USD 15.0 million (2020: USD nil) and a portion of the Group's GBP denominated borrowings with a nominal amount of GBP 9.1 million (2020: GBP nil) is designated as a hedge of a portion of the net investment in the Group's GBP net assets amounting to GBP 9.1 million. The hedge ratio was 1:1 and there was no ineffectiveness recognised in the Group Income Statement during the year (2020: nil).'

	2021 €'000	2020 €'000
Carrying value of net investment hedge	24,031	-
Loss recognised in other comprehensive income	692	-

Currency Risk Sensitivity Analysis

The following table demonstrates the sensitivity of profit after tax and total equity to movements in the STG/US/SEK exchange rate with all other variables held constant:

	2021 €'000	2020 €'000
+/- 5% change in STG/US/SEK Exchange rates		
Impact on profit after tax*	541	669
Impact on total equity**	1,562	1,747

* The impact on profit after tax is based on changing the STG/US/SEK exchange rate used in calculating profit after tax for the year.

** The impact on total equity is calculated by changing the STG/US/SEK exchange rate used in measuring the closing balance sheet plus the impact to profit after tax for the period.

Interest rate risk

The Group has no fixed rate borrowings and its receivables are carried at amortised cost. At 31 December 2021, the Group revolving credit facility (RCF) is subject to an interest rate charge based on Euribor (zero floor in operation) +1.5%. Interest charged on the RCF is subject to change based on the Group's leverage ratio.

Invoice discounting and non-recourse facility are subject to interest rate charges based on Prime/Euribor +1.75%.

	2021 €'000	2020 €'000
Variable rate borrowings (note 18)	126,322	97,926

A decrease of fifty basis points in the Euribor interest rate would have reduced interest payable on borrowings in finance costs by €636,000 (2020: €495,000) and consequently increased our profit before tax and equity. An increase of fifty basis points would have increased interest payable on borrowings in finance costs and consequently reduced our profit before tax and equity by an equal and opposite amount. A similar movement with regard the non-recourse facility would result in a reduction/increase of €400,000 in interest payable.

Price risk

The Group's exposure to equity price risk arises from investments held by the Group and classified in the Balance Sheet as investments in equity instruments. The investments in equity instruments are measured at fair value through OCI. The Group is exposed to the risk of an illiquid market for unlisted companies as these investments are not traded on an active market.

Notes to the Financial Statements

continued

32 Financial instruments continued

Capital management

The Group's objectives when managing capital are to:

» safeguard their ability to continue as a going concern and to continue to provide a return for shareholders; and
» maintain an optimal capital structure and reduce the overall cost of capital.

In managing its capital structure, the Group's capital consists of total equity and net bank debt. The Board monitor the return on capital employed and dividend policy in order to optimise shareholder value while allowing the Group to take advantage of opportunities that might arise to grow the business and to sustain the ongoing development of the Group. At the year end, the Group was in a net bank debt position of €48,297,000 (2020: net bank debt of €34,419,000). Total equity of the Group at 31 December 2021 was €251,564,000 (2020: €202,535,000). The Directors periodically review the capital structure of the Group, considering the cost of capital and the associated risks.

33 Future capital expenditure not provided for

At 31 December 2021 the Group had capital commitments of €2,860,000 (2020: €3,268,000).

	2021 €'000	2020 €'000
Contracted for		
Computer software	1,453	835
Plant and equipment	1,331	2,029
Fixtures and fittings	76	404
	2,860	3,268

34 Contingent liabilities

Subsidiaries

Pursuant to the provisions of Section 357, Companies Act 2014, the Company have put in force in respect of the whole of the financial year ended 31 December 2021 an irrevocable guarantee of all commitments entered into by a subsidiary including amounts shown as liabilities in the statutory financial statements of the relevant subsidiary. The list of relevant subsidiaries is as follows: Uniphar Wholesale Limited, Allphar Services Limited, Unisource Pharma Services Ireland Limited, Allcare Management Services Limited, Point of Care Health Services Limited, Lindchem Designated Activity Company, Trennamally Limited, Cahill May Roberts Limited, Life Pharmacy Limited, Uniphar Europe Limited, M3 Medical Limited, Pagni Pharmacies Limited, Pyramach Limited and Innerstrength Limited.

Guarantees

The Company and certain subsidiaries have issued guarantees totalling €317,000 (2020: €342,000) in respect of bank borrowings undertaken by past customers of Cahill May Roberts Limited. The outstanding bank borrowing at the Balance Sheet date, for which these guarantees have been provided, gives rise to a contingent liability of €160,000 (2020: €342,000) for the Group.

From a Company perspective, the contingent liability at year end is €nil (2020: €nil).

The change in the level of contingent liabilities is due to movement in underlying loan balances.

Legal

From time to time, in the normal course of business, the Group can be subject to claims from various parties. Having considered the status of such matters as at 31 December 2021, the Directors are satisfied that there are no such matters which require either a provision or contingent liability disclosure in the financial statements.

Notes to the Financial Statements

continued

35 Acquisitions of subsidiary undertakings and business assets

A key strategy of the Group is to expand into higher growth and higher margin sectors and businesses. In line with this strategy, the Group completed the following acquisitions during the financial year:

Hudson Park Athlone Limited

The Group acquired 100% of the ordinary share capital of Hudson Park Athlone Limited in February 2021 for consideration of €520,000. Hudson Park Athlone Limited currently operates an independent retail pharmacy in Ireland.

Hogan's Life Pharmacy Limited

The Group acquired 100% of the ordinary share capital of Hogan's Life Pharmacy Limited in July 2021 for consideration of €869,000. Hogan's Life Pharmacy Limited currently operates an independent retail pharmacy in Ireland.

CoRRect Medical GmbH

The Group acquired 100% of the ordinary share capital of CoRRect Medical GmbH in July 2021 for a consideration of €19,771,000, of which €11,864,000 is deferred and contingent on agreed targets being met. CoRRect Medical GmbH, a German-headquartered company, specialises in the commercialisation and distribution of medical device products in the interventional cardiology sector across Germany and Switzerland.

MDea, Inc, The Doctor's Channel, LLC, & BESTMSLs, Inc (together BESTMSLs Group)

The Group acquired 100% of the membership interests of MDea, Inc, The Doctor's Channel, LLC, & BESTMSLS, Inc, together BESTMSLs Group, in July 2021 for a consideration of €22,966,000, of which €9,829,000 is deferred and contingent on agreed targets being met. BESTMSLs Group, a New York-headquartered group, provides outsourced medical affairs services including the provision of contract MSL teams, and innovative digital solutions.

Events 4 Healthcare Limited

The Group acquired 100% of the ordinary share capital of Events 4 Healthcare Limited in December 2021 for consideration of €10,122,000 of which €5,747,000 is deferred and contingent on agreed targets being met. Events 4 Healthcare Limited is a UK-based brand commercialisation and pharmaceutical marketing agency.

Devonshire Healthcare Services Limited

The Group acquired 100% of the ordinary share capital of Devonshire Healthcare Services Limited, in December 2021 for a consideration of €8,324,000 of which €1,755,000 is deferred and contingent on agreed targets being met. Devonshire Healthcare Services, a UK based company, supplies pharmaceutical products and hospital supplies across the Middle East, European and North Africa region, supplying direct to governments, government agencies, hospitals, health authorities and wholesalers.

Goodwill is attributable to the future economic benefits arising from assets which are not capable of being individually identified and separately recognised. The significant factors giving rise to the goodwill include the value of the teams within the businesses acquired, the enhancement of the competitive position of the Group in the marketplace and the strategic premium paid by Uniphar Group to create the combined Group.

The fair value of the deferred and contingent consideration recognised at the date of acquisition is calculated by discounting the expected future payment to present value at the acquisition date. In general, for deferred contingent consideration to become payable, pre-defined profit thresholds must be exceeded. On an undiscounted basis, the future payments for which the Group may be liable in respect of acquisitions completed in the current year range from €nil to €49.3m.

The initial assignment of fair values to net assets acquired has been performed on a provisional basis in respect of the acquisitions completed during 2021, due to their recent acquisition dates. The Group has 12 months from the date of acquisition to finalise the fair value of the assets/liabilities acquired, and any amendments to these fair values within the twelve-month period from the date of acquisition will be disclosable in the 2022 Annual Report as stipulated by IFRS 3, Business Combinations.

Notes to the Financial Statements

continued

35 Acquisitions of subsidiary undertakings and business assets continued

The acquisitions completed in 2021 have contributed €8.0m to revenue and €3.6m of gross profit for the year since the date of acquisition. The proforma revenue and operating profit for the Group for the year ended 31 December 2021 would have been €1,957m and €47m respectively had the acquisitions been completed at the start of the current reporting year.

The provisional fair value of the assets and liabilities acquired as part of the acquisitions completed during the financial year are set out below:

	CoRRect €'000	BESTMSLs €'000	Others €'000	Total €'000
ASSETS				
Non-current assets				
Intangible assets	-	-	25	25
Property, plant and equipment	133	222	1,215	1,570
	133	222	1,240	1,595
Current assets				
Inventory	315	-	157	472
Trade and other receivables	510	2,018	2,415	4,943
Cash and cash equivalents	60	1,347	4,311	5,718
	885	3,365	6,883	11,133
Total assets	1,018	3,587	8,123	12,728
LIABILITIES				
Non-current liabilities				
Lease liabilities	69	149	963	1,181
Bank borrowings	-	-	352	352
Other non-current liabilities	-	-	162	162
	69	149	1,477	1,695
Current liabilities				
Lease liabilities	60	73	115	248
Trade and other payables	604	1,606	1,299	3,509
	664	1,679	1,414	3,757
Total liabilities	733	1,828	2,891	5,452
Identifiable net assets acquired	285	1,759	5,232	7,276
Non-controlling interest arising on acquisition	-	-	-	-
Group share of net assets acquired	285	1,759	5,232	7,276
Goodwill arising on acquisition	19,486	21,207	14,603	55,296
Consideration	19,771	22,966	19,835	62,572

The acquisitions in 2021 financial year of CoRRect Medical GmbH and BESTMSLs Group have been determined to be substantial transactions and separate disclosure of the fair values of the identifiable assets and liabilities has therefore been made. None of the remaining business combinations completed during the period were considered sufficiently material to warrant separate disclosure of the fair values attributable to those combinations.

Notes to the Financial Statements

continued

35 Acquisitions of subsidiary undertakings and business assets continued

The gross contractual value of the trade and other receivables as at the respective dates of acquisition amounted to €4.9m. The fair value of these receivables is estimated at €4.9m (all of which is expected to be recoverable).

In 2021, the Group incurred acquisition costs of €3.3m (2020: €4.3m). These have been included in administrative expenses in the Group Income Statement.

2020 Acquisitions

The initial assessment of the fair values of the major classes of assets acquired and liabilities assumed in respect of the acquisitions which were completed in 2020 was performed on a provisional basis. The fair values attributable to the assets and liabilities of these acquisitions have now been finalised. The amendments to these fair values were made to the comparative figures during the subsequent reporting window within the measurement period imposed by IFRS 3. The provisional fair value of these assets and liabilities recorded at 31 December 2020, together with the adjustments made to those carrying values to arrive at the final fair values were as follows:

	Hickey's €'000	Others €'000	Provisional fair value of 2020 acquisitions €'000	Measurement period adjustment €'000	Total €'000
ASSETS					
Non-current assets					
Intangible assets	11,238	723	11,961	2,996	14,957
Property, plant and equipment	28,539	2,397	30,936	15	30,951
	39,777	3,120	42,897	3,011	45,908
Current assets					
Inventory	5,832	181	6,013	-	6,013
Trade and other receivables	5,509	4,765	10,274	(321)	9,953
Restricted cash	-	1,027	1,027	-	1,027
Cash and cash equivalents	5,928	1,761	7,689	-	7,689
	17,269	7,734	25,003	(321)	24,682
Total assets	57,046	10,854	67,900	2,690	70,590

Notes to the Financial Statements

continued

35 Acquisitions of subsidiary undertakings and business assets continued

	Hickey's €'000	Others €'000	Provisional fair value of 2020 acquisitions €'000	Measurement period adjustment €'000	Total €'000
LIABILITIES					
Non-current liabilities					
Lease liabilities	24,223	1,337	25,560	-	25,560
Other non-current liabilities	-	536	536	-	536
Provisions	360	-	360	-	360
Deferred tax liabilities	697	-	697	591	1,288
	25,280	1,873	27,153	591	27,744
Current liabilities					
Lease liabilities	3,847	648	4,495	-	4,495
Bank borrowings	16,800	-	16,800	-	16,800
Trade and other payables	12,379	6,690	19,069	(469)	18,600
	33,026	7,338	40,364	(469)	39,895
Total liabilities	58,306	9,211	67,517	122	67,639
Identifiable net assets acquired	(1,260)	1,643	383	2,568	2,951
Non-controlling interest arising on acquisition	-	(96)	(96)	-	(96)
Group share of net assets acquired	(1,260)	1,547	287	2,568	2,855
Goodwill arising on acquisition	44,816	46,019	90,835	2,462	93,297
Consideration	43,556	47,566	91,122	5,030	96,152

Notes to the Financial Statements

continued

36 Related party transactions

In the ordinary course of business as pharmacists, certain Non-Executive Directors of Uniphar plc have traded on standard commercial terms with the Group. The individual and combined value of these transactions are not material in the context of the Group's financial results.

IAS 24 Related Party Disclosures requires the disclosure of compensation paid to the Group's key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Group. The Group classifies members of its executive team as key management personnel. The executive team is the body of senior executives that formulates business strategy with the Directors, follows through on implementation of that strategy and directs and controls the activities of the Group on a day to day basis.

The executive team consists of two Executive Directors (2020: three), six Non-Executive Directors (2020: seven), and an additional nine (2020: six) individual members at 31 December 2021.

	2021 €'000	2020 €'000
Remuneration of key management personnel		
Short-term employee benefits (including share-based payment charges and termination payments)	9,411	6,476
Post-employment benefits	198	133
	9,609	6,609

Notes to the Financial Statements

continued

37 Group companies

Holding company	Principal activity
Uniphar plc	Investment holding company

The following are the significant subsidiary undertakings of Uniphar plc at 31 December 2021:

Incorporated and trading in	Subsidiary name	Ownership %**	Principle Activity
Ireland	Allcare Management Services Limited*	100	Pharmacy support services
Ireland	Allphar Services Limited*	100	Pharmaceutical supply chain and services
Ireland	Cahill May Roberts Limited*	100	Non-trading property holding company
Ireland	Lindchem Designated Activity Company*	100	Pharmacy holding company
Ireland	M3 Medical Limited*	100	Medical device distribution
Ireland	Pagni Pharmacies Limited*	100	Pharmacy holding company
Ireland	Point of Care Health Services Limited*	100	Specialist nursing and infusion services
Ireland	Pyramach Limited*	100	Pharmacy holding company
Ireland	Sisk Healthcare Unlimited Company	100	Medical device distribution
Ireland	Trennamally Limited*	100	Pharmacy holding company
Ireland	Uniphar Durbin Ireland Limited	100	Specialist provider of pharmaceuticals
Ireland	Uniphar Europe Limited*	100	Investment holding company
Ireland	Uniphar Wholesale Limited*	100	Pharmaceutical wholesale distributor
Ireland	Unisource Pharma Services Ireland Limited*	100	Outsourcing and resourcing
Ireland	Innerstrength Limited	82.3	Healthcare technology
Ireland	Relay for Hope CLG	100	Charity
UK	Clinical Cube Limited	100	Data solutions for pharma industry
UK	Clinical Pyramid Limited	100	Investment holding company
UK	Dialachemist Limited	80	Online pharmacy and product fostering
UK	Durbin plc	100	Specialist provider of pharmaceuticals
UK	Macromed (UK) Limited	94.95	Medical device distribution
UK	Outcome Medical Solutions Limited	100	Investment holding company
UK	Outico Limited	100	Data intelligence and consultancy
UK	Sisk Healthcare (UK) Limited	100	Medical device distribution
UK	Star Outico Limited	100	Outsourcing and resourcing
UK	Star Medical Limited	100	Outsourcing and resourcing
UK	Unisource Limited	100	Investment holding company
UK	Events 4 Healthcare Limited	100	Pharmaceutical marketing
UK	Devonshire Healthcare Services Limited	100	Specialist provider of pharmaceuticals
Finland	EPS Vascular OY	100	Medical device distribution
Sweden	EP Endovascular AB	100	Medical device distribution
Sweden	EPS Vascular AB	100	Medical device distribution
Sweden	Star Outico Nordics A.B.	100	Outsourcing and resourcing
The Netherlands	Angiocare B.V.	100	Medical device distribution
The Netherlands	Star Medical B.V.	100	Outsourcing and resourcing
Germany	CoRRect Medical GmbH	100	Medical device distribution
US	Uniphar USA, Inc.	100	Investment holding company
US	Uniphar PA USA, LLC	100	Investment holding company
US	Uniphar C&C USA, LLC	100	Investment holding company
US	Durbin Inc.	100	Investment holding company
US	Pharmaceutical Trade Services Inc.	100	Specialist provider of pharmaceuticals
US	Diligent Health Solutions, LLC	100	Telecommunications support
US	RRD International, LLC	100	Pharmaceutical Advisory
US	MDEA, Inc.	100	Medical affairs services
US	The Doctor's Channel, LLC	100	Medical affairs services
US	BESTMSLS, Inc	100	Medical affairs services

* As disclosed in note 34, each of the above Irish registered wholly-owned subsidiaries of the Company may avail of the exemption from filing its statutory financial statements for the year ended 31 December 2021 as permitted by Section 357 of the Companies Act 2014 and there is in force an irrevocable guarantee from the Company in respect of all commitments entered into by such wholly-owned subsidiary, including amounts shown as liabilities (within the meaning of Section 357 (1) (b) of the Companies Act 2014) in such wholly-owned subsidiary's statutory financial statements for the year ended 31 December 2021.

**With the exception of the USA subsidiaries, where the holding is in the form of membership interests, all holdings are in the form of ordinary shares.

Notes to the Financial Statements

continued

37 Group companies continued

The above table includes four pharmacy holding companies, Lindchem Designated Activity Company, Pagni Pharmacies Limited, Pyramach Limited and Trennamally Limited. Trading pharmacy entities are individually not deemed significant for the purposes of this disclosure.

Pursuant to Sections 314-316 of the Companies Act, 2014, a full list of subsidiaries, joint ventures and associated undertakings will be annexed to the Company's Annual Return to be filed in the Companies Registration Office in Ireland.

Incorporated in ROI	Registered office
All Irish incorporated companies	4045 Kingswood Road Citywest Business Park Co. Dublin D24 V06K Ireland

Incorporated in UK	Registered offices
Star Medical Limited Star Outico Limited Outico Limited	11 Davy Court Castle Mound Way Central Park Rugby CV23 0UZ United Kingdom
Sisk Healthcare (UK) Limited	6 Wildflower Way Boucher Road Belfast BT12 6TA Northern Ireland
Events 4 Healthcare Limited	3 Waterloo Farm Courtyard Stotfold Road Arlesey Bedfordshire S515 6XP United Kingdom
Devonshire Healthcare Services Limited	1 Maple Grove Business Centre Lawrence Road Hounslow TW4 6DR United Kingdom
All other UK incorporated companies	6th Floor One London Wall London EC2Y 5EB United Kingdom

Notes to the Financial Statements

continued

37 Group companies continued

Incorporated in The Netherlands	Registered offices
Angiocare B.V.	Eemweg 00031 21 3755LC Eemnes The Netherlands
Star Medical B.V.	De Tweeling 00020 5215MC S-Hertogenbosch The Netherlands

Incorporated in the US	Registered offices
Durbin Inc.	William. C. Penick IV 190 East Capitol, Suite 100 Jackson Mississippi 39201 United States
Pharmaceutical Trade Services Inc.	5820 Gulf Tech Drive Ocean Springs Mississippi 39564 United States
RRD International, LLC	7361 Calhoun Place Suite 510 Rockville MD 20855 United States
Diligent Health Solutions, LLC	4800 East Street Road Suite 100 Feasterville-Trevose PA 19053 United States
MDea, Inc The Doctor's Channel, LLC BESTMSLS, Inc	8985 S. Eastern Ave, Suite 200 Las Vegas, NV 89123 United States
Uniphar USA, Inc Uniphar C&C, USA Inc Uniphar PA, USA Inc	1209 Orange Street Wilmington New Castle County Delaware 19801 United States

Notes to the Financial Statements

continued

37 Group companies continued

Incorporated in Sweden	Registered offices
Star Outico Nordics AB	Regeringsgatan 29 111 53 Stockholm Sweden
All other Swedish incorporated companies	Hamnplanen 24 263 61 Viken Skåne län Sweden

Incorporated in Finland	Registered office
EPS Vascular OY	Hauralantie 43 37800 LEMPÄÄLÄ Finland

Incorporated in Germany	Registered office
CoRRect Medical GmbH	Bahnhofstrasse 32 82041 Oberhaching Germany

The following were changes to the Group's structure during 2021:

- As set out in note 35, in February 2021, the Group acquired 100% of the ordinary share capital of Hudson Park Athlone Limited, a company incorporated in Ireland;
- As set out in note 35, in July 2021, the Group acquired 100% of the ordinary share capital of Hogan's Life Pharmacy Limited, a company incorporated in Ireland;
- As set out in note 35, in July 2021, the Group acquired 100% of the ordinary share capital of CoRRect Medical GmbH, a company incorporated in Germany;
- As set out in note 35, in July 2021, the Group acquired 100% of the membership interests of of MDea, Inc, The Doctor's Channel, LLC and BESTMSLS, Inc (together BESTMSLs Group), companies incorporated in the US;
- As set out in note 35, in December 2021, the Group acquired 100% of the ordinary share capital of Events 4 Healthcare Limited, a company incorporated in the UK;
- As set out in note 35, in December 2021, the Group acquired 100% of the ordinary share capital of Devonshire Healthcare Services Limited, a company incorporated in the UK.

During 2021, the Group incorporated the following companies:

- Relay for Hope CLG, and;
- Star Outico Nordics AB.

38 Post balance sheet events

The Group acquired three pharmacies on 31 January 2022, two from Kiely's Chemist Limited and one from Edenmore Pharmacy Limited.

There have been no other material events subsequent to 31 December 2021 that would require adjustment to or disclosure in this report.

39 Comparative amounts

The comparative amounts have been updated for amendments to the fair value of assets and liabilities acquired during 2020 which are set out in note 35, these amendments were within the measurement period imposed by IFRS 3.

40 Approval of financial statements

The Directors approved the financial statements on 28 February 2022.

Alternative Performance Measures

The Group reports certain financial measurements that are not required under IFRS. These key alternative performance measures (APMs) represent additional measures in assessing performance and for reporting both internally, and to shareholders and other external users. The Group believes that the presentation of these APMs provides useful supplemental information which, when viewed in conjunction with IFRS financial information, provides stakeholders with a more meaningful understanding of the underlying financial and operating performance of the Group and its divisions. These measurements are also used internally to evaluate the historical and planned future performance of the Group's operations.

None of these APMs should be considered as an alternative to financial measurements derived in accordance with IFRS. The APMs can have limitations as analytical tools and should not be considered in isolation or as a substitute for an analysis of results as reported under IFRS.

The principal APMs used by the Group, together with reconciliations where the APMs are not readily identifiable from the financial statements, are as follows:

	Definition	Why we measure it
EBITDA	Earnings before exceptional items, net finance expense, income tax expense, depreciation and intangible assets amortisation.	EBITDA provides management with an assessment of the underlying trading performance of the Group and excludes transactions that are not reflective of the ongoing operations of the business, allowing comparison of the trading performance of the business across periods and/or with other businesses.
&		
Adjusted EBITDA	Earnings before exceptional items, net finance expense, income tax expense, depreciation and intangible assets amortisation, adjusted for the impact of IFRS 16 and the pro-forma EBITDA of acquisitions.	Adjusted EBITDA is used for leverage calculations.
Net bank debt	Net bank debt represents the net total of current and non-current borrowings, cash and cash equivalents, and restricted cash as presented in the Group Balance Sheet.	Net bank debt is used by management as it gives a summary of the Group's current leverage which management will consider when evaluating investment opportunities, potential acquisitions, and internal resource allocation.
Net debt	Net debt represents the total of net bank debt, plus current and non-current lease obligations as presented in the Group Balance Sheet.	Net debt is used by management as it gives a complete picture of the Group's debt including the impact of lease liabilities recognised under IFRS 16.
Leverage	Net bank debt divided by adjusted EBITDA for the period.	Leverage is used by management to evaluate the group's ability to cover its debts. This allows management to assess the ability for the company to use debt as a mechanism to facilitate growth.

Alternative Performance Measures

continued

	Definition	Why we measure it
Adjusted earnings per share	This comprises of profit for the financial period attributable to owners of the parent as reported in the Group Income Statement before exceptional items (if any) and amortisation of acquisition related intangibles (and related tax thereon), divided by the weighted average number of shares in issue in the period.	Adjusted EPS is used to assess the after-tax underlying performance of the business in combination with the impact of capital structure actions on the share base. This is a key measure used by management to evaluate the businesses operating performance, generate future operating plans, and make strategic decisions.
&		
Like for Like adjusted earnings per share	Like for like adjusted earnings per share is calculated for both the current and prior period by dividing the profit of the relevant period attributable to owners of the parent as reported in the Group Income Statement before exceptional items (if any) and amortisation of acquisition related intangibles, by the weighted average number of shares in issue in the current period.	Like for like adjusted EPS is used to assess the after-tax underlying performance of the business assuming a constant share base.
Free cash flow conversion	Free cash flow conversion calculated as EBITDA, less investment in working capital, less maintenance capital expenditure and foreign currency translation adjustments, divided by EBITDA.	Free cash flow represents the funds generated from the Group's ongoing operations. These funds are available for reinvestment, and for future acquisitions as part of the Group's growth strategy. A high level of free cash flow conversion is key to maintaining a strong, liquid balance sheet.
Return on capital employed	ROCE is calculated as the 12 months rolling operating profit before the impact of exceptional costs and amortisation of acquisition related intangibles, expressed as a percentage of the adjusted average capital employed for the same period. The average capital employed is adjusted to ensure the capital employed of acquisitions completed during the period are appropriately time apportioned.	This measure allows management to monitor business performance, review potential investment opportunities and the allocation of internal resources.

Alternative Performance Measures

continued

EBITDA

		2021 €'000	2020 €'000
Operating profit	*Income Statement*	45,147	39,944
Exceptional charge recognised in operating profit	*Note 4*	14,404	6,775
Depreciation	*Note 11*	22,225	17,626
Amortisation	*Note 10*	4,705	2,368
EBITDA		86,481	66,713
Adjust for the impact of IFRS 16		(16,625)	(12,121)
Pro-forma EBITDA of acquisitions		1,847	6,923
Adjusted EBITDA		71,703	61,515

Net bank debt

		2021 €'000	2020 €'000
Cash and cash equivalents	*Balance Sheet*	78,025	60,410
Restricted cash	*Balance Sheet*	-	3,097
Bank loans repayable within one year	*Balance Sheet*	(1,721)	(2,311)
Bank loans payable after one year	*Balance Sheet*	(124,601)	(95,615)
Net bank debt		(48,297)	(34,419)

Net debt

		2021 €'000	2020 €'000
Net bank debt	*Alternative Performance Measures*	(48,297)	(34,419)
Current lease obligations	*Balance Sheet*	(14,358)	(13,334)
Non-current lease obligations	*Balance Sheet*	(104,720)	(107,203)
Net debt		(167,375)	(154,956)

Leverage

		2021 €'000	2020 €'000
Net bank debt	*Alternative Performance Measures*	(48,297)	(34,419)
Adjusted EBITDA	*Alternative Performance Measures*	71,703	61,515
Leverage (times)		0.7	0.6

Alternative Performance Measures

continued

Adjusted earnings per share

	2021 €'000	2020 €'000
Adjusted earnings per share has been calculated by reference to the following:		
Profit for the financial year attributable to owners	48,077	27,827
Exceptional charge recognised in operating profit (note 4)	14,404	6,775
Exceptional credit recognised in finance costs (note 4)	(19,761)	(1,939)
Exceptional credit recognised in income tax (note 4)	(777)	-
Amortisation of acquisition related intangibles (note 19)	2,063	279
Tax credit on acquisition related intangibles (note 22)	(207)	-
Profit after tax excluding exceptional items	43,799	32,942
Weighted average number of shares in issue in the year (000's)	269,752	262,436
Adjusted basic and diluted earnings per ordinary share (in cent)	16.2	12.6
Like for like weighted average number of shares (000's)	269,752	269,752
Like for like adjusted earnings per ordinary share (in cent)	16.2	12.2

Free cash flow conversion

		2021 €'000	2020 €'000
EBITDA		86,481	66,713
Decrease/(increase) in inventory	*Note 29*	3,726	(11,868)
(Increase)/decrease in receivables	*Note 29*	(26,169)	8,789
Increase in payables	*Note 29*	13,388	13,554
Foreign currency translation adjustments	*Note 29*	22	(56)
Payments to acquire property, plant and equipment – Maintenance	*Cash Flow Statement*	(8,795)	(6,487)
Payments to acquire intangible assets – Maintenance	*Cash Flow Statement*	(3,904)	(1,412)
Free cash flow		64,749	69,233
Adjustment for settlement of acquired financial liabilities*		1,513	4,788
		66,262	74,021
EBITDA		86,481	66,713
Free cash flow conversion		76.6%	111.0%

* The adjustment to free cash flow ensures that payments made after an acquisition to settle loans with former shareholders of acquired companies, or other similar financial liabilities, are excluded from the movement in payables in the free cash flow calculation conversion.

Alternative Performance Measures

continued

Return on capital employed

	2021 €'000	2020 €'000	2019 €'000
Rolling 12 months operating profit	45,147	39,944	
Adjustment for exceptional costs	14,404	6,775	
Amortisation of acquisition related intangibles	2,063	279	
Adjusted 12 months rolling operating profit	61,614	46,998	
Total equity	251,564	202,535	180,920
Net bank debt	48,297	34,419	(26,622)
Facility termination fee	-	-	5,000
Deferred contingent consideration (note 19)	88,918	86,195	80,811
Deferred consideration payable (note 22)	4,295	4,461	7,394
Total capital employed	393,074	327,610	247,503
Average capital employed	360,342	287,557	
Adjustment for acquisitions (note A/B below)	(9,384)	(36,302)	
Adjusted average capital employed	350,958	251,255	
Return on capital employed	17.6%	18.7%	

	Capital employed €'000	Completion Date	Adjustment €'000
Note A: Adjustment for acquisitions (2021)			
BESTMSLs Group	22,966	July 2021	(1,914)
Other acquisitions completed during 2021	18,967	Various	(7,470)
Adjustment for acquisitions during 2021			(9,384)

	Capital employed €'000	Completion Date	Adjustment €'000
Note B: Adjustment for acquisitions (2020)			
Hickey's Pharmacy Group	54,428	Dec 2020	(22,678)
Other acquisitions completed during 2020	47,255	Various	(13,624)
Adjustment for acquisitions during 2020			(36,302)

The adjustment ensures that the capital employed of acquisitions completed during the period are appropriately time apportioned. The adjustment includes cash consideration, deferred and deferred contingent consideration, debt acquired, cash acquired, and any cash impact of shareholder loans or other similar financial liabilities repaid post acquisition.

Glossary of Terms

AGM	Annual General Meeting
APM	Alternative Performance Measures
Articles	Articles of Association of Uniphar plc
BESTMSLs Group	MDea, Inc, The Doctor's Channel, LLC, and BESTMSLs, Inc
Board	The Board of Directors of Uniphar plc
CCPC	Irish Competition and Consumer Protection Commission
CDP	Carbon Disclosure Project
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGU	Cash-Generating Unit
Company	Uniphar plc
Covid-19	Coronavirus disease
CSO	Contract Sales Outsourcing
CSRD	Corporate Sustainability Reporting Directive
Diligent	Diligent Health Solutions, LLC
Durbin	Durbin plc and Durbin Inc
EAPs	Expanded Access Programs
EBITDA	Earnings Before Exceptionals, Interest, Tax, Depreciation and Amortisation
ED&I	Equity, Diversity and Inclusion Policy
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
EPS Group	EPS Vascular AB, EP Endovascular AB and EPS Vascular OY
ERP	Enterprise Resource Planning
ESG	Environmental, Social and Governance
EU	European Union
FDA	Food and Drug Administration
FMD	Falsified Medicine Directive
FVOCI	Fair Value through Other Comprehensive Income
FVPL	Fair Value through Profit or Loss
FY	Financial Year
GAAP	Generally Accepted Accounting Principles
GDP	Good Distribution Practice Regulations
GDPR	General Data Protection Regulation
GMP	Good Manufacturing Practice Regulations
GP	General Practitioner
GxP	"good practice" Quality Guidelines and Regulations
GRI	Global Reporting Initiative
Group	Uniphar plc and Subsidiary undertakings of Uniphar plc
HCP	Healthcare Professional
HPRA	The Irish Health Products Regulatory Authority
HSBC	HSBC Continental Europe Bank
HR	Human Resources
HSE	Health Service Executive in Ireland
H&S	Health and Safety
IAS	International Accounting Standard

ICP	Independent Community Pharmacy
ICT	Information and Communication Technologies
IFRS	International Financial Reporting Standards
Inc.	Incorporated
IPHA	Irish Pharmaceutical Healthcare Association
IPO	Initial Public Offering
IPOS	Independent Pharmacy Ownership Scheme
IT	Information Technology
KPI	Key Performance Indicator
LTIP	Long Term Incentive Plan
MAPs	Managed Access Programs
MENA	Middle East and North Africa
MCAM	Multi-Channel Account Managers
MSL	Medical Science Liaison
M&A	Mergers and Acquisitions
N/A	Not Applicable
NGO	Non-Governmental Organisations
NHS	National Healthcare Service in the United Kingdom
OCI	Other Comprehensive Income
OTC	Over the Counter
PAYE	Pay As You Earn
PLC	Public Limited Company
PPE	Personal Protective Equipment
PwC	PricewaterhouseCoopers
Q1	Quarter 1 (1 January to 31 March)
Q2	Quarter 2 (1 April to 30 June)
Q3	Quarter 3 (1 July to 30 September)
Q4	Quarter 4 (1 October to 31 December)
QCA Code	Quoted Companies Alliance Corporate Governance Code
QMS	Quality management system
RBC	Royal Bank of Canada
RNS	Regulatory News Service
ROCE	Return on Capital Employed
ROI	Republic of Ireland
ROW	Rest of the World
RRD	RRD International, LLC
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Target Initiatives
SDG	Sustainable Development Goals
TCFD	Task Force on Climate-related Financial Disclosures
Tc02e	Tonnes of carbon dioxide equivalent
UK	United Kingdom
UK Code	UK Corporate Governance Code
Uniphar	Uniphar plc and Subsidiary undertakings of Uniphar plc
UN	The United Nations
US	United States of America
VAT	Value Added Tax
VPN	Virtual Private Network
2018 pro-forma EBITDA	2018 pro-forma EBITDA of €46.3m as disclosed in our Admission document

Uniphar Head Office
4045 Kingswood Road
Citywest Business Park
Co. Dublin
T (01) 428 7777
F (01) 428 7776

www.uniphar.ie