Admission Document

uniphar group

Connecting

the Manufacturer

to the Patient

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the UK Financial Services and Markets Act 2000 (as amended) ("**FSMA**") who specialises in advising on the acquisition of shares and other securities in the UK, or if you are resident in Ireland, is duly authorised under the European Communities (Markets in Financial Instruments) Regulations 2017 or the Investment Intermediaries Act 1995 (as amended), or otherwise duly qualified in your jurisdiction.

This document comprises an admission document in relation to AIM, a market operated by the London Stock Exchange plc ("**AIM**"), and Euronext Growth, a market operated by Euronext Dublin ("**Euronext Growth**"). It has been drawn up in accordance with the AIM Rules for Companies (the "**AIM Rules**") and Part I (Harmonised Rules) and Chapter 5; Additional Rules for the Euronext Growth Market operated by Euronext Dublin, of Part II Non-Harmonised Rules of the Euronext Growth Markets Rule Book (the "**Euronext Growth Rules**") and has been issued in connection with the proposed issue and sale of certain new and existing ordinary shares of €0.08 each in the capital of the Company ("**Ordinary Shares**") and the proposed admission to trading of all of the issued and to be issued Ordinary Shares to AIM and Euronext Growth. It does not comprise a prospectus within the meaning of section 85 of FSMA and does not constitute an offer of transferable securities to the public within the meaning of section 102B of FSMA or for the purposes of the Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland.

Application has been made to the London Stock Exchange and Euronext Dublin for the Ordinary Shares, issued and to be issued, to be admitted to trading on AIM and Euronext Growth. **It is expected that Admission will become effective and that dealings will commence in the Ordinary Shares on 17 July 2019.**

AIM and Euronext Growth are both markets designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM and Euronext Growth securities are not admitted to the Official List of the Financial Conduct Authority or the Official List of Euronext Dublin (together, the "Official Lists"). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The AIM Rules and the Euronext Growth Rules are less demanding than the rules applicable to companies whose shares are listed on the Official Lists (or on premium/primary segment thereof), and it is emphasised that no application is being made for admission of the Ordinary Shares to the Official Lists. Each AIM company is required pursuant to the AIM Rules for Companies to have a Nominated Adviser. The Nominated Adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange plc has not itself examined or approved the contents of this document. Each Euronext Growth company is required pursuant to the Euronext Growth Rules to have a Euronext Growth Advisor. The Euronext Growth Advisor is required to make a declaration to Euronext Dublin on admission in the form set out in Schedule Two to the Rules for Euronext Growth Advisors. Euronext Dublin has not itself examined or approved the contents of this document.

The securities described in this document will not be dealt in on any other recognised investment exchanges and no applications have been made or are currently expected to be made for the securities described in this document to be traded on any such other exchanges.

Prospective investors should read the whole of this document and should be aware that an investment in the Company is subject to a number of risks. The attention of prospective investors is drawn in particular to Part 2 (Risk Factors) of this document, which sets out certain risk factors relating to any investment in Ordinary Shares. The whole of this document should be viewed in light of these risk factors.

The Directors of Uniphar plc (the "**Company**"), whose names appear on page 8 of this document, and the Company, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Uniphar plc

(incorporated and registered in Ireland under the Companies Act 2014 with registered no. 224324)

Placing of 118,496,038 Ordinary Shares at a price of €1.15 per Ordinary Share

and

Admission to trading on AIM and Euronext Growth

Financial Adviser, Nominated Adviser, Euronext Growth Advisor and Joint Bookrunner

Joint Bookrunner

This document does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase or subscribe for any securities other than the shares to which it relates, or any offer or invitation to sell, or any solicitation of any offer to purchase or subscribe for such shares by any person in any circumstances or jurisdiction in which such offer or solicitation is unlawful.

No steps have been taken to allow the offering of, or dealings in, the Ordinary Shares under the applicable securities laws of any Excluded Territory. Accordingly, subject to certain exceptions, the Ordinary Shares may not be offered or sold or subscribed for, directly or indirectly, within any Excluded Territory or to or by any national, resident or citizen of an Excluded Territory or any corporation, partnership or other entity created or organised under the laws of an Excluded Territory. This document should not be distributed to persons with addresses in any excluded territory or to any corporation, partnership or other entity created or organised under the laws of any Excluded Territory.

The securities described in this document have not been and will not be registered under the US Securities Act or under the applicable state securities laws of the United States, and, subject to certain limited exceptions, may not be offered or sold directly or indirectly in or into the United States.

No person is authorised to give any information or to make any representation not contained in this document in connection with the issue or sale of the Ordinary Shares and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Company. Neither the delivery of this document nor any offer, sale or delivery made in connection with the issue of the Ordinary Shares shall, under any circumstance, constitute a representation that there has been no change or development likely to involve a change in the condition (financial or otherwise) of the Company or the Group since the date hereof or create any implication that the information contained herein is correct as of any date subsequent to the date hereof or the date as of which that information is stated herein to be given.

Potential investors with registered addresses in overseas territories are required to inform themselves about and observe any restrictions on the offer, sale, subscription for or transfer of the Ordinary Shares and the distribution of this document, and should refer to the Important Information on page 3 for further information.

J&E Davy ("**Davy**"), which is authorised and regulated in Ireland by the Central Bank of Ireland, has been appointed as Nominated Adviser (pursuant to the AIM Rules), Euronext Growth Advisor (pursuant to the Euronext Growth Rules) and Joint Bookrunner to the Company. Davy is acting exclusively for the Company in connection with arrangements described in this document and is not acting for any other person and will not be responsible to any person, other than the Company, for providing the protections afforded to customers of Davy or for advising any other person in connection with the arrangements described in this document. In accordance with the AIM Rules, AIM Rules for Nominated Advisors, Euronext Growth Rules and Rules for Euronext Growth Advisors, Davy has confirmed to the London Stock Exchange and Euronext Dublin that it has satisfied itself that the Directors have received advice and guidance as to the nature of their responsibilities and obligations to ensure compliance by the Company with the AIM Rules and the Euronext Growth Rules. Davy accepts no liability whatsoever for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which it is not responsible. Davy has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Davy for the accuracy of any information or opinions contained in this document or for the omission of any information from this document.

RBC Capital Markets is the business name used by RBC Europe Limited ("**RBC**"), which is authorised in the United Kingdom by the Prudential Regulation Authority ("**PRA**") and regulated by the Financial Conduct Authority ("**FCA**") and the PRA and is a subsidiary of the Royal Bank of Canada. RBC has been appointed as Joint Bookrunner to the Company. RBC is acting exclusively for the Company in connection with arrangements described in this document and is not acting for any other person and will not be responsible to any person, other than the Company, for providing the protections afforded to customers of RBC or for advising any other person in connection with the arrangements described in this document. RBC accepts no liability whatsoever for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which it is not responsible. RBC has not authorised the contents of, and Davy does not accept any liability any part of, this document and no liability whatsoever is accepted by RBC for the accuracy of any information or opinions contained in this document or for the omission of any information from this document.

The responsibilities of Davy, as Nominated Adviser and Euronext Growth Adviser under the AIM Rules, the AIM Rules for Nominated Advisers, and the Euronext Growth Rules and the Rules for Euronext Growth Advisors, are owed solely to the London Stock Exchange and Euronext Dublin respectively, and are not owed to the Company or any Director or to any other person in respect of their decision to acquire or subscribe for Ordinary Shares in the Company in reliance on any part of this document. No representation or warranty, express or implied, is made by Davy as to the contents of this document, and Davy does not accept any liability for the omission of any material from this document.

Copies of this document will be available on the Company's website at www.uniphar.ie from the date of Admission.

THE CONTENTS OF THIS DOCUMENT ARE NOT TO BE CONSTRUED AS LEGAL, FINANCIAL OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS, HER OR ITS OWN SOLICITOR, INDEPENDENT FINANCIAL ADVISER OR TAX ADVISER FOR LEGAL, FINANCIAL OR TAX ADVICE.

Dated: 12 July 2019

IMPORTANT INFORMATION

STABILISATION

In connection with the Placing, Davy (as **"Stabilisation Manager"**), or any of its agents or delegates, may (but shall be under no obligation to), to the extent permitted by applicable law and regulation and for stabilisation purposes, over-allot Ordinary Shares up to a total of 13,043,478 Ordinary Shares (representing 11.0 percent of the total number of Ordinary Shares comprised in the Placing before any utilisation of the Over-allotment Option, as defined below) or effect other transactions with a view to supporting the market price of the Ordinary Shares at a higher level than that which might otherwise prevail in the open market. The Stabilisation Manager is not required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing from Admission and ending no later than 30 calendar days thereafter. However, there shall be no obligation on the Stabilisation Manager or any of its agents or delegates to effect stabilisation transactions and there is no assurance that stabilisation transactions will be undertaken. Such stabilisation, if commenced, may be discontinued at any time without prior notice. In no event shall measures be taken to stabilise the market price of the Ordinary Shares above the Placing Price. Except as required by law or regulation, neither the Stabilisation Manager nor any of its agents or delegates intend to disclose the extent of any overallotments made and/or stabilisation transactions conducted in relation to the Placing.

For the purposes of allowing the Stabilisation Manager to cover short positions resulting from any such over-allotment and/or from sales of Ordinary Shares effected by it during the stabilisation period, the Company is expected to grant to the Stabilisation Manager an over-allotment option (the **"Over-allotment Option"**) pursuant to which the Stabilisation Manager may subscribe or procure subscribers purchasers for additional Ordinary Shares up to a total of 13,043,478 Ordinary Shares (the **"Over-allotment Shares"**) at the Placing Price, representing 11.0 per cent. of the Ordinary Shares comprised in the Placing before any utilisation of the Over-allotment Option.

The Over-allotment Option may be exercised in whole or in part, once or more than once, upon notice by the Stabilisation Manager at any time on or before the 30th calendar day from Admission. Any Over-allotment Shares made available pursuant to the Over-allotment Option shall be issued on the same terms and conditions as Ordinary Shares being offered pursuant to the Placing and shall rank *pari passu* in all respects with, and form a single class with, the other Ordinary Shares (including for all dividends and other distributions declared, made or paid on the Ordinary Shares).

OTHER IMPORTANT INFORMATION

Prospective investors must inform themselves as to: (a) the legal requirements within their own countries for the subscription, purchase, holding, transfer, redemption or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the subscription, purchase, holding, transfer, redemption or other disposal of Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the subscription, purchase, holding, transfer, redemption or other disposal of Ordinary Shares.

By accepting this document, each recipient agrees and acknowledges that this document and its contents are confidential and for its exclusive use and should not be copied, reproduced, distributed or disclosed in whole or in any part by recipients to any other person. The distribution or publication of this document and other information in connection with the Placing and Admission may be restricted by law in certain jurisdictions and persons into whose possession this document, or any document or other information referred to herein, comes are required to inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. Any person in receipt of this document who is not a Relevant Person, or to whom distribution is not otherwise lawful, should return this document to Davy or RBC immediately and take no other action.

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy any securities in any jurisdiction in which such offer or solicitation is unlawful.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this document is truthful or complete. Any representation to the contrary is a criminal offense.

The securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended. The securities are subject to restrictions on transferability and resale and may not be transferred or resold, except as permitted under the Securities Act pursuant to registration or an exemption therefrom.

Enforceability of Judgments

The Company is a public limited company incorporated under the laws of Ireland. Most of the directors and executive officers of the Company are non-residents of the United States, and all or a substantial portion of the assets of the Company and such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Company or such persons to enforce against any of them in the U.S. courts or outside the United States judgments obtained in the U.S. courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any State or territory within the United States. There is also doubt as to the enforceability in Ireland, whether by original actions or by seeking to enforce judgements of U.S. courts, of claims based on the federal securities law of the United States. In addition, punitive damages in actions brought in the United States or elsewhere may be unenforceable in Ireland.

Available information

The Company has agreed that, for so long as any Ordinary Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, the Company will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act.

RESTRICTIONS ON SALES IN THE EEA AND SWITZERLAND

Within the EEA, this document is directed at, and is being distributed to, only (A) persons in member states of the EEA who are Qualified Investors who are also "professional clients" or "eligible counterparties" (as defined in EU Directive 2014/65/EU on markets in financial instruments (as amended) (**"MiFID II"**)); (B) in Ireland, persons who are Qualified Investors (and are "professional clients" or "eligible counterparties", as defined in MiFID II) or who have agreed to subscribe a minimum of €100,000; and (C) in the UK, to: (i) persons who have professional experience in matters relating to investments and who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the **"Financial Promotion Order"**); or (ii) who fall within Article 49 of the Financial Promotion Order.

If you are located in the EEA but outside Ireland and the UK, by accepting this document, you warrant, represent, acknowledge and agree that: (i) you are a Qualified Investor (and are a "professional client" or "eligible counterparty", as defined in MiFID II) and (ii) you have read, agree to and will comply with the contents of this notice.

The Ordinary Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Ordinary Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company or the Ordinary Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Ordinary Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA), and the offer of Ordinary Shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Ordinary Shares.

BROKERS' DEALINGS

In connection with the Placing, Davy, RBC or any of their respective affiliates acting as an investor for its own account may purchase Ordinary Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities, any other securities of the Company or other related investments in connection with the Placing or otherwise. Accordingly, references in this document to the Ordinary Shares being placed should be read as including any placing to Davy, RBC or any of their respective affiliates acting as an investor for its own account.

Davy and RBC do not intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so.

FORWARD-LOOKING STATEMENTS

This document contains certain "forward-looking statements", including statements about current beliefs and expectations of the Directors. In particular, the words "expect", "anticipate", "estimate", "should", "plans", "intends", "will", "would", "believe", "target", "continue", "may" and similar expressions (or in each case their negative and other variations or comparable terminology) can be used to identify forward-looking statements. These statements include matters that are not historical facts. They appear in a number of places throughout this document and include, without limitation, statements regarding the current beliefs and expectations of the Company or the Directors concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth strategies, business strategy, plans, and the markets in which the Group operates. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. The forward-looking statements in this document are subject to, among other things, the "Risk Factors" in Part 2 of this document and involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and speak only as of the date of this document. These statements are based on the Company's expectations of external conditions and events, current and future business strategy, plan and other objectives of the Directors and management regarding future operations, the environment in which the Group will operate in the future and estimates and projections of the Group's financial performance. Though the Board believes these expectations to be reasonable at the date of this document, they may prove to be erroneous. Forward-looking statements involve known and unknown risks and uncertainties and speak only as of the date they are made. Investors are hereby cautioned that certain important factors could cause actual results, outcomes, performance or achievements of the Group's or industry results to differ materially from those expressed or implied in forward-looking statements. Such factors include, but are not limited to, those described in the Risk Factors section of this document.

Save as required by law or the AIM Rules and Euronext Growth Rules, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Board's expectations or to reflect events or circumstances after the date of this document.

NO INCORPORATION OF WEBSITE INFORMATION

This document will be made available at www.uniphar.ie. Notwithstanding the foregoing, the contents of the Company's website, the contents of any website accessible from hyperlinks on the Company's website, or any other website referred to in this document are not incorporated in and do not form part of this document.

DEFINED TERMS

Certain terms used in this document are defined in the "Definitions" section of this document.

TABLE OF CONTENTS

DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	**Maurice Pratt**	Chairman (Non-Executive)
	Gerard ("Ger") Rabbette	Chief Executive Officer
	Timothy ("Tim") Dolphin	Chief Financial Officer
	Padraic Dempsey	Chief Commercial Officer
	Gerard ("Ger") Penny	Non-Executive Director
	Mark Moran	Non-Executive Director
	John Holly	Non-Executive Director
	Marie McConn	Non-Executive Director
	Padraic Staunton	Non-Executive Director
	Susan Ann ("Sue") Webb	Independent Non-Executive Director
	Paul Hogan	Independent Non-Executive Director
	Heather Ann McSharry	Independent Non-Executive Director
General Counsel and Company Secretary	**Aisling McCarthy** Uniphar plc 4045 Kingswood Road Citywest Business Park County Dublin D24 V06K Ireland	
Registered Office	**Uniphar plc** 4045 Kingswood Road Citywest Business Park County Dublin D24 V06K Ireland Telephone: +353 1 4287777	
Financial Adviser, Nominated Adviser, Euronext Growth Advisor and Joint Bookrunner	**Davy** Davy House 49 Dawson Street Dublin 2 Ireland	
Joint Bookrunner	**RBC Capital Markets** Riverbank House 2 Swan Lane London EC4R 3BF UK	
Reporting Accountant & Auditors to the Company	**PricewaterhouseCoopers** One Spencer Dock North Wall Quay Dublin 1 Ireland	

Legal advisers to the Company	**William Fry** 2 Grand Canal Square Dublin 2 D02 A342
Irish legal advisers to the Nominated Adviser, Euronext Growth Advisor and Joint Bookrunners	**A&L Goodbody** IFSC North Wall Quay Dublin 1 D01 H104
US legal advisers to the Nominated Adviser, Euronext Growth Advisor and Joint Bookrunners	**Proskauer** 110 Bishopsgate London EC2N 4AY
Registrar	**Computershare Investor Services (Ireland) Limited** 3100 Lake Drive Citywest Business Campus Dublin D24 AK82
Principal bankers	**Bank of Ireland** **Allied Irish Banks** **Ulster Bank DAC**
PR advisers	**Q4 Public Relations** 88 St. Stephen's Green Saint Kevin's Dublin 2
Company website	www.uniphar.ie

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Date of this document	12 July 2019
Admission effective and dealings commence on AIM and Euronext Growth	8.00 a.m. on 17 July 2019
CREST accounts credited (where applicable) by	17 July 2019
Expected latest date for despatch of definitive share certificates (where applicable)	31 July 2019

Each of the times and dates in the above timetable are subject to change without further notice at the discretion of the Company, Davy and RBC. All times are Dublin times unless otherwise stated.

ADMISSION STATISTICS

Placing Price	€1.15
Existing Ordinary Shares(1)	151,805,946
Placing Shares(2)	118,496,038
New Ordinary Shares to be issued by the Company(3)	117,391,304
Gross Proceeds of the Placing receivable by the Company(3)	€135.0 million
Estimated Net Proceeds of the Placing receivable by the Company(3)(4)	€123.7 million
Existing Ordinary Shares to be sold by the Selling Shareholders	1,104,734
Gross Proceeds of the Placing receivable by the Selling Shareholders	€1.3 million
Ordinary Shares in issue immediately following Admission(5)	269,197,250
Market capitalisation of the Company at the Placing Price at Admission(3)(6)	€309.6 million
Percentage of the Enlarged Ordinary Share Capital represented by the Placing Shares at Admission	44%
AIM / Euronext Growth symbol	UPR
ISIN of the Ordinary Shares	IE00BJ5FQX74
Irish / UK SEDOL	BJ5FQX7 / BJ5FR01
Legal Entity Identifier of the Company	21380028LJSQGRUAX965

Notes
1. Including 18,782,808 Ordinary Shares to be issued immediately prior to Admission pursuant to the exercise of the warrant held by ROI Healthco IOM 1 Limited and 13,162,240 Ordinary Shares issued under the 2018 LTIP (the "**2018 LTIP**").
2. Being the New Ordinary Shares and the Sale Shares.
3. Assuming there is no exercise of the Over-allotment Option.
4. The estimated net proceeds receivable by the Company is stated after the deduction of commissions and expenses payable by the Company relating to the Placing and Admission.
5. Being the Existing Ordinary Shares and the New Ordinary Shares.
6. Being the Enlarged Ordinary Share Capital at the Placing Price.

PART 1: INFORMATION ON THE GROUP

1. Introduction

Headquartered in Dublin, Ireland Uniphar plc is a diversified healthcare services business servicing the requirements of more than 200 multinational pharmaceutical and medical technology manufacturers across three divisions – *Commercial & Clinical, Product Access* and *Supply Chain & Retail*. With a workforce of more than 2,000, the Group is active in Ireland, the UK and the Benelux.

The Company's vision is to improve patient access to pharmaco-medical products and treatments by enhancing connectivity between manufacturers and healthcare stakeholders.

Uniphar represents a strong combination of scale, growth and profitability. In 2018, the Group generated revenue of €1.55 billion, gross profit of €159.6 million and EBITDA of €46.3 million on a *pro forma* basis.[1]

The Group operates through three divisions:

Commercial & Clinical

In *Commercial & Clinical* the Group provides sales, marketing & distribution solutions to pharmaceutical and medical device manufacturers on an outsourced basis. Active in Ireland, the UK and the Benelux, and targeting entry into the Nordics in 2019, the Group is seeking to grow with clients to establish a pan-European presence.

Product Access

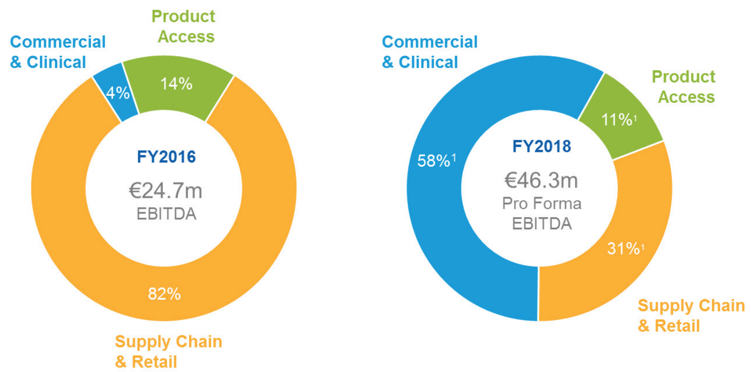
In *Product Access* the Group is growing two distinct service offerings: 1) sourcing and supplying unlicensed medicines to meet the needs of pharmacy customers *("On-Demand Access")*; and 2) managing the release of speciality medicines for pharmaceutical manufacturers to specifically approved patient populations *("Exclusive Access")*. The Group is currently active in Ireland and the UK. From Admission, following completion of the Durbin acquisition, the Group will have the capability to provide *product access* solutions to more than 160 markets globally.

Supply Chain & Retail

Uniphar is an established market leader in Ireland with c.50% of the wholesale market servicing retail pharmacy, supported by a network of 235 owned and franchised pharmacies. *Supply Chain & Retail* is an Irish only business for the Group, although the assets and infrastructure are utilised for the benefit of the growth divisions.

Over two thirds of the Group's earnings are generated from the Group's two growth divisions – *Commercial & Clinical* and *Product Access*.

Figure 1: Uniphar Divisional EBITDA Evolution 2016 – 2018



Note: Uniphar commenced reporting in its present three divisional structure in 2018. The EBITDA figures presented in figure 1 above for 2016 have been extracted without material adjustment from the Company's consolidation schedules for the 2016 financial statements

1 EBITDA is operating profit before exceptional items plus depreciation and amortisation. Unaudited *pro forma* financial information as if Sisk Healthcare Group (acquired in August 2018) and Durbin (contracted to complete following Admission) had been acquired on 1 January 2018

Substantial progress on Uniphar's growth strategy has been delivered in the 3 years from 2016 with the proportion of Group earnings in *Commercial & Clinical* and *Product Access* compared to *Supply Chain & Retail* rising substantially from 18% in 2016 to 69% in 2018. With continued forecast growth in *Commercial & Clinical* and *Product Access,* this trend is expected to continue.

Uniphar has designed its platform to provide *Commercial & Clinical* and *Product Access* solutions to meet the growing needs of pharmaceutical and medical device manufacturers across the lifecycle of their products underpinned by the following structural growth drivers:

– More complex manufacturer needs for commercialisation and distribution of speciality pharmaceutical and medical device products.

– Continued strong growth in outsourcing of non-core activities by manufacturers, including the commercialisation of speciality products and access to niche markets.

– Highly fragmented European market for the commercialisation and supply of pharmaceuticals and medical devices.

Uniphar provides pharma and medical device clients with a single solution utilising the Group's capabilities across *Commercial & Clinical*, *Product Access* and *Supply Chain & Retail*. Many of the Group's emerging speciality and orphan pharma clients have expressed interest in procuring a strategic partner with the ability to deliver managed access programmes and thereafter manage commercialisation. Uniphar's ability to offer both *Product Access* and *Commercial & Clinical* solutions to manage speciality products across their entire lifecycle is an attractive feature for clients.

Uniphar's strategy for growth in *Commercial & Clinical* and *Product Access* is supported by the assets, experience and capabilities of the Group developed over 50 years in *Supply Chain & Retail* where it is a leading player in the Irish market. The Directors believe that the following features provide the Group with a competitive edge in delivering solutions for clients in a cost-effective way:

– High tech distribution infrastructure and capabilities.

– Longstanding and trusted relationships with global pharmaceutical and medical device manufacturers.

– Scalable digital platforms to support multi-channel interactions with healthcare practitioners, patient management, E-commerce and data generation.

– Track record of M&A origination, execution and integration, complementing strong organic growth.

Uniphar's origins stem from two regional Irish wholesale distribution businesses founded by community pharmacists, United Pharmaceuticals Co-Op in 1967, and Allied Pharmaceutical Distributors in 1972, with the aim of forming a buying group. Today, a large number of Irish community pharmacists remain as shareholders in Uniphar.

In 2018 the Group made a key strategic advance with the formation of a medical device business unit within its *Commercial & Clinical* division and the acquisition of Sisk Healthcare pursuant to which the Sisk family is entitled to become a substantial shareholder in the Group. In 2019 the Group reached another strategic milestone which will substantially enhance the Group's *Product Access* competitive position with an agreement to acquire Durbin, a specialist supplier of pharmaceuticals with offices in the UK and the US supplying over 160 countries, which is expected to complete following Admission.

The Group's strategy is to double Group EBITDA over the 5-year period 2019 – 2023 by focussing on meeting the needs of speciality manufacturers. The focus in *Commercial & Clinical* is to build out a pan-European service offering from the present footprint in Ireland, the UK and the Benelux. In *Product Access* the Group has an ambition to become a global leader. The integration of Durbin, post Admission, will establish the Group's global footprint to pursue this objective.

The Board believes now is an optimum time in the evolution of the Group to seek a listing and to complete the Placing to finance the future growth and development of the business. This will enable the Group to pursue its strategy to become a Pan-European player in *Commercial & Clinical* and a global provider of *Product Access* solutions for manufacturers of speciality pharmaceuticals and medical technologies.

2. Vision and Strategy

2.1 Uniphar Vision

The Company's vision is to improve patient access to pharmaco-medical products and treatments by enhancing connectivity between manufacturers and healthcare stakeholders.

Uniphar provides solutions to multinational manufacturers of both pharmaceutical and medtech (pharmaco-medical) products with the objective of connecting the manufacturer to the patient. As a strategic partner for manufacturers Uniphar seeks to ensure that patients have access to medicines and treatments from the earliest stage in a products lifecycle.

Uniphar's model is designed to enhance connectivity between the manufacturers and healthcare stakeholders through multi-channel enabled commercial and clinical teams supported by a suite of scalable digital solutions including CRM, patient management tools and E-commerce platforms to enable insight driven interactions. Generating the right interactions with healthcare stakeholders including manufacturers, patients, healthcare professionals, governments and payors is a key enabler for HCPs in prescribing innovative medicines and medical technologies.

2.2 Uniphar Strategy

The Group's strategy is to double Group EBITDA over the 5-year period 2019 – 2023 by expanding its European commercial offering and developing its global Product Access capabilities to meet the increasing needs of speciality products and innovative medical technologies.

In *Commercial & Clinical* the Group is building a pan-European service offering from the present footprint in Ireland, the UK and the Benelux. The Group's focus in the short to medium term is to become a strategic partner for manufacturers seeking to address the European market in the most efficient way. With a growing geographic footprint and its network of strategic alliances and third-party logistics providers, the Group has positioned itself with the objective of acquiring further manufacturer clients with a regional mandate in Europe.

In *Product Access* the Group has an ambition to become a global leader and the Board is excited about the opportunity for the Group to become a leading player in the provision of *On-Demand* and *Exclusive Access* services on a global basis following the integration of Durbin, post Admission. Furthermore, Uniphar believe that its increased ability to offer *Product Access* services with a global reach will significantly strengthen the Group's European *Commercial & Clinical* solutions with both emerging and established pharmaco-medical clients. Many of these clients have expressed an interest in procuring a strategic partner with the ability to take a product from market access through to full commercialisation. The Board believe that its ability to manage speciality products across their lifecycle will differentiate the Group compared to competitors.

The Group's strategy for *Supply Chain & Retail* is to continue to leverage its high-tech distribution facilities, longstanding manufacturer relationships and scalable digital infrastructure to maintain market leadership in Ireland, reinvesting in the Group's growth platforms, while supporting increasing service levels and managing continued operational and financial efficiency within this division.

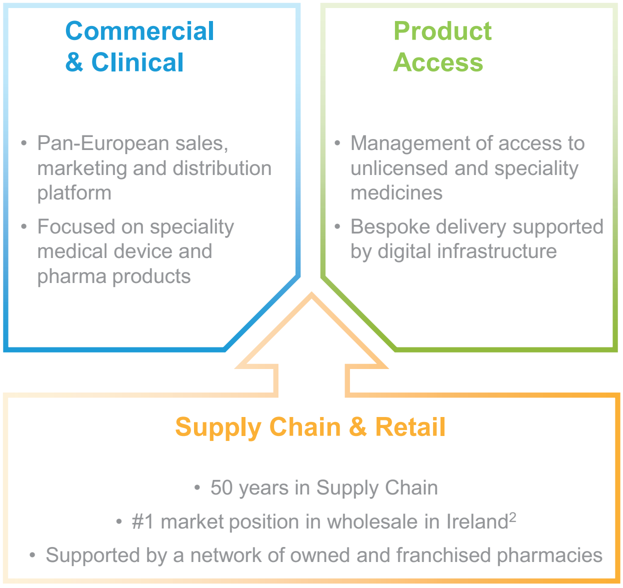
With strategic platforms in place in its *Commercial & Clinical* and *Product Access* divisions, the Board is confident in the growth prospects for the Group which are underpinned by continued operational and financial efficiency within the *Supply Chain & Retail* division.

3. Platform for Growth Underpinned by 50 years in Supply Chain

In *Commercial & Clinical* the Group is growing by providing sales, marketing and distribution solutions to pharmaceutical and medical device manufacturers on an outsourced basis. This business unit was launched in 2015 and is showing strong organic growth from new client wins, broadening of the service offering with existing Group clients to more integrated solutions and entering new jurisdictions with new and existing clients. Significant business wins in the past 12 months have resulted from a multi-channel service supported by the Group's scalable digital capabilities which Uniphar believes differentiates its offering.

In *Product Access* the Group is growing two distinct service offerings: 1) sourcing and supplying unlicensed medicines to meet the needs of pharmacy customers ("*On-Demand Access*"); and 2) managing the release of speciality medicines for pharmaceutical manufacturers to specifically approved patient populations ("*Exclusive Access*"). Having established a market leading position in *On Demand* in Ireland and developed an *Exclusive Access* capability in Ireland and the UK, the agreement to acquire Durbin expands the Group's service footprint to more than 160 countries. Two major global *Exclusive Access* programme wins in 2019 for Durbin supported by Uniphar evidences the market opportunity for this division.

Figure 2: Uniphar Platform for Growth



The Group's strategy is to double EBITDA over the 5-year period 2019 – 2023 by focussing on meeting the needs of speciality manufacturers. The focus in *Commercial & Clinical* is to build out a pan-European service offering from the present footprint in Ireland, the UK and the Benelux. In *Product Access* the Group has an ambition to become a global leader. The integration of Durbin, post Admission, will establish the Group's global footprint in *Product Access*.

Uniphar's growth strategy in *Commercial & Clinical* and *Product Access* is underpinned by the Group's activities in *Supply Chain & Retail* where it has been operating in Ireland for more than 50 years. The Group has established a market leadership position[2] with approximately 50% of the Irish wholesale market supplying retail pharmacists supported by a network of 235 owned and franchised pharmacies. The Group's strategy for *Supply Chain & Retail* is to continue to leverage its high-tech distribution facilities and scalable digital platform to maintain market leadership in Ireland, support increasing service levels and manage continued operational and financial efficiency within the division.

Over two thirds of the Group's earnings are generated from its two growth divisions – *Commercial & Clinical* and *Product Access.*

3.1 Commercial & Clinical

In *Commercial & Clinical,* the Group is growing by providing outsourced sales, marketing and distribution solutions to pharma and medical device manufacturers. In 2018 on a *pro-forma* basis the Group generated gross profit of €68.1 million and EBITDA of €27.1 million from this division.[3] *Commercial & Clinical* was launched as a unique trading division in 2015 and now trades across two business units 1) pharma; and 2) medtech, with more than 750 employees active in Ireland, the UK and the Benelux supporting more than 200 brands for 70 key pharmaco-medical manufacturer clients.

The objective is to build a Pan-European presence to offer the most efficient route to market for the Group's manufacturer clients in the fragmented European market.

[2] Management estimate based on IMS data for wholesale (Q1 2019 - 49.9%) together with management estimate of hospital market share of 60% by value

[3] EBITDA is operating profit before exceptional items plus depreciation and amortisation. Unaudited *pro forma* financial information as if Sisk Healthcare Group (acquired in August 2018) and Durbin (contracted to complete following Admission) had been acquired on 1 January 2018

The Group is specifically focussed on meeting the emerging needs of speciality pharma and medtech products for manufacturers which require more considered sales solutions given the complex nature of treatments for small, dispersed patient populations.

Although the pharmaceutical and medtech industries utilise different commercial models, Uniphar sees commonality of requirements which Uniphar fully integrated model is designed to meet. Having scaled the division in the last 24 months and entered the Benelux market as a first step in entering the continental European market, the Group is targeting a Nordic market entry in 2019 in both business units.

Uniphar believe that the dual pharma and medtech market strategy assists in scaling in new geographies more quickly by:

– Leveraging the recruitment offering to ensure access to the human talent necessary for speciality sales;

– Utilising the Group's digital infrastructure to improve commercial outcomes; and

– Bringing the integrated sales, marketing and distribution medtech model to pharma clients.

3.1.1 Pharma

The *Commercial & Clinical* (Pharma) business unit has more than 450 employees, 90% of whom are field based and 70% of whom are clinically trained. This unit has personnel active in Ireland, the UK and the Benelux, with an office under consideration in Copenhagen to establish a footprint in the Nordics in 2019. The senior management team are focussed on providing insight-driven, multi-channel solutions for speciality pharmaceutical products.

Figure 3: Commercial & Clinical (Pharma)

In Uniphar's experience, success rates for speciality products are driven by basic requirements which are a feature of its growing service offering: therapeutic expertise; specialist resourcing; stakeholder mapping and engagement; and data and insights. Uniphar, through its specialist resourcing and recruitment franchise Star, sources sales talent with appropriate experience to build commercial and clinical teams for clients. With its fully multi-channel enabled sales model, sales personnel with relevant clinical experience are deployed to optimise interactions with relevant healthcare stakeholders. This model ensures that the same sales representative is able to reach healthcare professionals through their preferred method of communication (in-person meeting, e-detailing, telephony). This enables better outcomes for our manufacturer clients. This compares to the "multiple single channel" approaches pursued by competitors where traditional in-person sales representatives, independent call centres and online teams work independently.

The Group's IT infrastructure and digital solutions underpin these engagements. In 2018 Uniphar personnel recorded more than 340,000 healthcare stakeholder interactions across Ireland, the UK, and the Benelux. The Group is growing its nursing and clinical services offering to provide educational support to patients and healthcare professionals with virtual support provided, as applicable, to patients and carers through the Group's online patient management system. The Group has also developed a health data and analytics capability which provides a controlled environment to capture patient and prescriber information and produce informed insights to support better commercial outcomes.

The *Commercial & Clinical* (Pharma) business unit has to date demonstrated strong organic growth across Ireland and the UK with a combination of leading and emerging pharmaceutical clients. Since Q1 2019 the Group is active with a number of manufacturer partners in the newly launched Benelux market.

Over the last 12 months the Group has built and deployed several fully multi-channel enabled teams across the UK, with the 2 most recent wins including:

1. Launch of a medicine indicated for the treatment of Type 2 Diabetes with a top 10 global pharmaceutical company with a team of 31 multi-channel account executives and 4 business managers; and
2. Launch of a medicine indicated for the treatment of opioid dependence with an emerging knowledge-based pharmaceutical company with a team of 10 clinical sales specialists, 5 regional outcome managers and a national commercial manager.

New wins and a strong speciality focussed business development pipeline are supporting the Board's view that Uniphar's fully multi-channel enabled solution supported by its suite of digital capabilities is a differentiated and compelling alternative for speciality manufacturers compared to managing sales in-house or procuring a more traditional CSO solution.

The European market for contract sales outsourcing is estimated to be €1.8 billion in 2019 with growth forecast to €2.2 billion by 2022[4]. Uniphar is growing its market share across the UK and Ireland 15%–20%[5]. and expects to benefit from the growth in the market as well as taking a disproportionately larger share of its target higher growth speciality manufacturers by offering its multi-channel digitally enabled solutions compared to traditional CSO models.

3.1.2 Medtech

The *Commercial & Clinical* (Medtech) business unit has more than 325 employees active in Ireland, the UK, and the Benelux. Like in Pharma, the Group intends to establish a presence in the Nordics in 2019. The business unit was established in 2018 through the acquisitions of Irish headquartered Sisk Healthcare, UK based Macromed and Amsterdam based Angiocare. Macromed and Angiocare have been integrated with the medtech activities of Uniphar Europe into Sisk Healthcare which will house the Medtech business unit's activities. A centralised head office at Northern Cross, close to Dublin airport, drives therapeutic focus, operational excellence and shared services for account management, service, training and business development. Having successfully integrated these businesses and refined the operating model and strategy, the Group is seeking to build a pan-European presence to support its medtech manufacturer clients on a Europe wide basis.

Figure 4: Commercial & Clinical (Medtech)

The Group offers an integrated solution for medical technologies managing sales, marketing, distribution and service on behalf of many leading global manufacturers. The Group competes

4 Visiongain report on Global Pharma Contract Sales Market 2018-2028, from original data source in USD, excluding currency conversions

5 Management estimate

across several therapeutic specialties with well established positions in the Irish, UK and Benelux markets.

With key manufacturer partnerships developed over many years and strong brands the Board is excited about the opportunity to internationalise in specific specialities. The Group has already expanded its franchise in interventional technologies from Ireland into the UK and the Benelux with opportunities for further growth being pursued.

The *Commercial & Clinical (Medtech*) business unit demonstrates continued success in driving sales performance continuing to add new global suppliers to its existing specialties to strengthen the Group's position in existing markets and bringing its suppliers technologies into new geographies.

Over the last 12 months, the Group has added new high growth potential technologies to its portfolio including:

– Launching a capsule endoscope system into the Benelux. The capsule captures images of the GI tract, which are sent via Human Body Communication to sensor pads which are affixed to the patient body; and

– Launching a new peptide enhanced bone graft technology platform into the UK, aimed at enhancing the body's natural bone healing process in fractures that fail to heal properly.

The Group believes that its ability to attract medical device technologies in areas such as Interventional, Ophthalmology, Endovascular and Healthcare Informatics will continue to support the financial performance of this division. New business wins combined with the Group's ability to retain highly experienced sales and clinical teams gives the Board confidence in pursuing its Pan-European strategy to continue to deliver strong growth and returns.

Based on management estimates, Uniphar believes the European market for third party sales and distribution of medical technologies in its target market[6] was at least €1.2 billion in 2018. The Company expects the market to grow at least in line with spending on medical technologies of 6 per cent. per annum through 2022[7]. Uniphar has an approximate 7 per cent. share of its estimated 2018 target market and is expecting to grow by targeting specific higher growth device / therapeutic areas, such as interventional specialities where it has existing strong relationships with manufacturers, by building out its footprint in new geographies in Europe and increasing its value proposition to clients as a strategic partner.

3.1.3 Integrated Model

Uniphar is focussed on offering an end-to-end *Commercial & Clinical* solution designed to meet the needs of pharmaco-medical manufacturers for sales, marketing, clinical support and logistics solutions.

In medical devices, these services have traditionally been provided on a combined basis as distributors take responsibility for sales, marketing and distribution of products in a given territory, managing the product from the manufacturing facility door to the patient. In this model the distributor is remunerated normally on a percentage of sales basis and is aligned with the manufacturer.

In pharmaceuticals, these services have traditionally been provided by different specialist service providers (wholesalers for distribution, contract sales organisations for sales and marketing) normally on a fee for service basis.

Uniphar has developed its *Commercial & Clinical* offering to replicate the traditional medical device distribution model and offer an integrated solution to its pharmaceutical client base.

The integrated model is designed to support new product launches or to address challenges associated with resourcing and managing sales of existing speciality products or therapeutic portfolios. The Group has provided its fully integrated model as a service to clients since 2017 when a global pharmaceutical company identified a speciality pharmaceutical product for which a fully integrated route to market in the UK was an optimal solution. The service offering included sales, marketing and distribution and a percentage of sales revenue model aligning interests with full P&L transparency.

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6 Target market is UK, Italy, Spain, Netherlands, Switzerland, Ireland, Belgium, and Sweden and target therapeutic areas include Cardiology, Diagnostic Imaging, Ophthalmic and Health IT.

7 Evaluate MedTech World Preview 2018, Outlook to 2024 Markets and Markets Reports

Uniphar represents more than 100 key medtech manufacturers on a fully integrated sales, marketing and distribution basis for medical technologies. To date Uniphar has contracted with four key brands on behalf of its pharma manufacturer clients on the basis of this fully integrated approach.

Figure 5: Uniphar Integrated Model

Service	Revenue Model	Features	Contracts
Specialist Resourcing & recruitment	% Margin	• Recruited Salary	**Short Term**
Traditional Sales Teams	€ Fee per service	• Salary, benefits & margin • Daily rate (220 days)	**6 - 12 months**
Multi Channel Account Management (MCAM)	€ Fee per service	• IT set up fee • Daily rate • Ongoing licensing fees	**12 months**
Nursing	€ Fee per service	• IT set up fee • Nurse visit fee • Ongoing licensing fees	**24 months**
Fully Integrated Model	% Of Sales	• Transparent P&L to cover sales, marketing, clinical support & logistics	**3 years**

Management believe the integrated model is particularly relevant for Uniphar's emerging pharma and medtech manufacturer clients. It's this specific opportunity that is enabling the Group to plan for increased activities in new geographies as manufacturer partners seek to procure strategic partners on a regional basis. The integrated model enables the Group to develop value added, higher margin relationships with clients.

To date Uniphar's experience is that clients are willing to offer longer term contracts (up to 3 years) and improved margin share where a single service provider offers an integrated solution.

Through the acquisition of Durbin, Uniphar's increased ability to offer global *Product Access* services will significantly strengthen the Company's European *Commercial & Clinical* origination capabilities through deepening the relationship with both emerging and established pharmaco-medical clients in the early stage of a products life.

3.2 Product Access

In the Group's *Product Access* division two distinct services are offered to clients:

1) On-Demand Access

Sourcing and supplying unlicensed medicines for pharmacy customers.

2) Exclusive Access

Managing the release of medicines for pharmaceutical manufacturers to specifically approved patient populations.

In 2018 the *Product Access* division generated gross profit of €10.3 million and EBITDA of €6.3 million. The Group established a market leadership position in Ireland, in *On-Demand Access*. In 2015 the Group entered the UK with a specific focus on offering a service to manage *Exclusive Access* programmes for some of the Group's key manufacturer clients. Over the last 12 months the Group has worked on several *Exclusive Access* programmes, both managed access programmes and bespoke distribution programmes, for a number of the Group's global manufacturer partners in the UK across oncology, fertility and Phenylketonuria (PKU). The key focus here has been combining the Group's specialist supply chain services, with the Group's medically trained staff and the Group's digital platforms to create scalable delivery of larger programmes across the UK and Ireland.

In 2016 the Board identified Durbin as a strategic partner with the capability to advance the Group's *Product Access* strategy beyond the UK and Ireland. The Board determined that a global offering in *Exclusive Access* was necessary to compete effectively in this emerging market and to service the needs of Uniphar's existing and new speciality manufacturer clients. Uniphar started trading with Durbin in 2011 with Durbin sourcing unlicensed medicines for Uniphar to meet the needs of its Irish *On-Demand* customers. Due to the quality of Durbin's service offering, depth of their sourcing capability and integrity of supply it became the largest supplier of unlicensed medicines to the Uniphar Group. Over the last 12 months Uniphar have sourced over 13% of its *On-Demand* product supply from Durbin. In addition to the trading partnership outlined above, Uniphar also provided Durbin with access to its online 'patient management system, to form part of several multi-national *Exclusive Access* customer proposals.

Figure 6: Product Access

Specialities	In Business	Markets	Our Companies
- On-Demand (Pharmacy led)	8 YEARS		PharmaSource
- Exclusive Access (Manufacturer led)	6 YEARS		SpringMed
- On-Demand - Exclusive Access	56 YEARS		DURBIN

In May 2019, Uniphar agreed to acquire Durbin. The acquisition of Durbin, a UK headquartered specialist supplier of pharmaceuticals with offices in the UK and the US will expand the Group's service footprint to more than 160 countries. It will also add 130 employees to an existing headcount of 40 in the *Product Access* division greatly enhancing the Group's capabilities and reach, notably with its regulatory and compliance expertise across multiple international geographies. This acquisition is expected to complete following Admission.

3.2.1 On-Demand Access:

Uniphar sources and supplies unlicensed medicines for pharmacy customers. Unlicensed Medicines are medicines that are used outside the terms of their licence or which have no licence in a particular jurisdiction, which is not uncommon. Unlicensed Medicine also refers to those medicines that have been licensed but the licensed pack has become "out of stock" or is only available in limited or restricted amounts known as "shorts".

The Group has a market leading position in *On-Demand Access* in Ireland where it trades as PharmaSource. Over the past eight years, experienced Uniphar personnel have developed the *On-Demand Access* service offering as a result of an increasing need by pharmacists to source products that are unlicensed, out of stock or in short supply. Uniphar's team of pharmacy technicians consult with customers on their requirements, source and take delivery of medicines from over 60 countries and deliver to pharmacists as part of its daily delivery service. The Group has developed an E-commerce solution to service this demand in a highly efficient way, with 6,000 products presently listed, and twice daily deliveries available Monday to Friday to over 950 pharmacies nationwide. The team of pharmacy technicians provides a value-added service to pharmacists working with them to source medicines to solve particular challenges.

Durbin, as a key supplier, has been a partner for PharmaSource since 2011. Durbin has positioned itself as a major supplier of unlicensed medicines to specialist importers such as PharmaSource across Europe. Integrating Durbin within the Group will give Uniphar a Pan-European customer network for unlicensed medicines. Durbin supplies over 70% of the NHS trusts in the UK. The Board believes with the appropriate level of investment and commercial expertise the Group can grow its market share from low single digit in value terms in the UK market.

Based on management estimates, the Company's *On-Demand* market share in Ireland is approximately 52%. In 2018 the Company's Irish *On-Demand* turnover was in excess of €30 million and it is an established supplier of unlicensed medicines to over 80% of Irish pharmacies. Management estimate that the addressable unlicensed medicines market value across the EU5[8] is approximately €0.5 billion, with a broader European market opportunity of at least €1 billion. With a combined *On-Demand* turnover in Europe of greater than €50 million the Board believes the

[8]: EU5 comprises Germany, France, Italy, Spain and Italy

Enlarged Group's market share is 5-7% of the total European spend on unlicensed medicines and a strong basis from which to grow.

3.2.2 Exclusive Access:

In *Exclusive Access* Uniphar delivers managed access programmes ("MAPs") on behalf of pharmaceutical manufacturers. MAPs are a bespoke, controlled and supervised mechanism for the release of speciality medicines to specifically approved patient populations. These programmes allow pharmaceutical companies to provide medicines to patients when a medicine is pre-licensed or post-licensed / pre-reimbursement. Specialty medicines are classified as high-cost, high complexity or high touch and can be used to treat complex or rare conditions. Medicines may also be designated as speciality depending on how they are sourced, for example if there is a special handling requirement or if a product is only available via limited distribution.

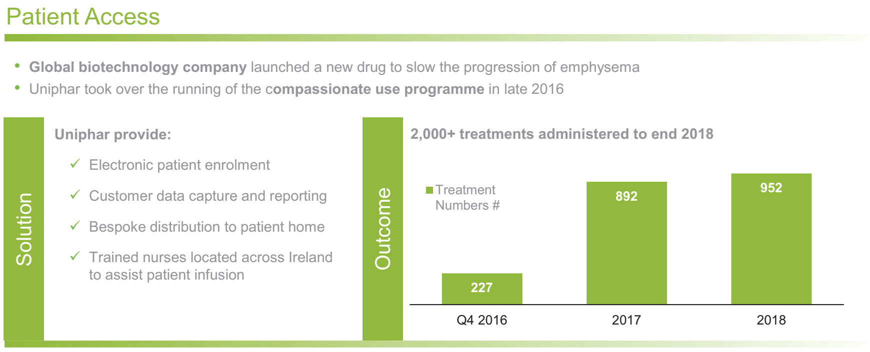
The Group's MAP capabilities derived from its work with several leading multinational pharmaceutical companies and combined skillsets around bespoke distribution, regulatory / reimbursement expertise, patient enrolment and restricted release. In Ireland and the UK the Group has demonstrated its capability to provide restricted product release to an identified patient population with data capture and real time reporting to meet the needs of clients and healthcare systems or payors.

The *Exclusive Access* division has demonstrated strong organic growth across Ireland and the UK over the last 12 months and have successfully implemented 6 *Exclusive Access* programmes on behalf of its clients during that time. Two recently implemented programmes include:

1) *Product Access MAP – Compassionate Use Programme*

   A programme for a new medicine to slow the progression of emphysema for a global biotechnology company involving electronic patient enrolment, data capture and reporting, bespoke distribution to the patient's home and patient infusion.

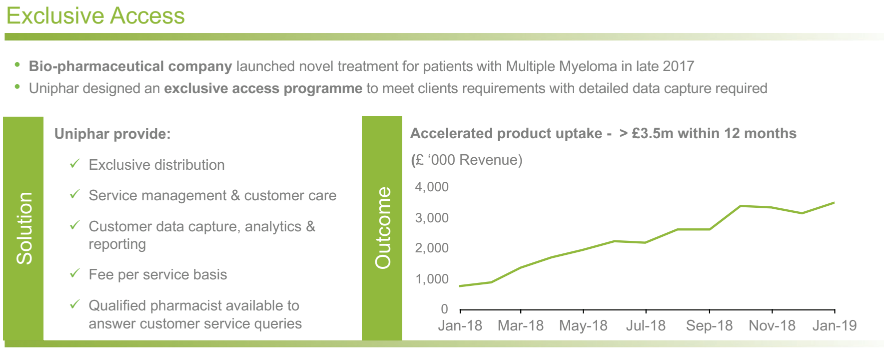
Figure 7: Product Access MAP – Compassionate Use Programme



2) *Product Access MAP – Exclusive Access Programme*

   A managed access programme for a new medicine to treat patients with multiple myeloma for a global biopharmaceutical company involving bespoke distribution, service management & customer care, data capture & reporting and customer training.

Figure 8: Product Access MAP – Exclusive Access Programme



The Board is excited about the opportunity for the Group to become a leading player in the provision of MAPs on a global basis to meet the needs of emerging speciality manufacturers.

3.2.3 Durbin

On 16 May 2019, Uniphar agreed to acquire Durbin for approximately £24 million in upfront consideration and a three year earn-out. The total consideration is capped at approximately £60 million. The transaction is being financed out of the proceeds of the Placing with the transaction anticipated to close following Admission.

Durbin is a highly strategic acquisition for the Group. Durbin is a specialist global importer and supplier of pharmaceutical products. With 130 employees across the UK and USA, Durbin delivered 5.6 million units to 163 countries in 2018. It has approximately 45 years' experience in shipping unlicensed and hard-to-find medicines and has built up significant capability through multiple sites (UK, US), multi time zone and multi-language (more than 20 languages spoken internally).

Durbin is fully licensed by the UK MHRA, USA Pharmacy Authorities and DEA. Durbin Inc is licensed for the procurement, storage, supply, import and export of controlled drugs and listed chemicals. Durbin Inc is also licensed in 44 US States to procure from and supply pharmaceuticals and controlled substances to those States. Durbin Inc can also supply pharmaceuticals for research and development purposes to all of the unlicensed States.

Durbin has been running managed access programmes for pharmaceutical companies on an exclusive basis for over 25 years. It has personnel with extensive knowledge of global regulatory requirements and operates in compliance with complex international regulatory regimes. Two major global MAP wins to date in 2019 for Durbin evidence the capability:

1) *Global Gene Therapy MAP*

   Contracted to provide a MAP for the first ever gene therapy for paediatric patients with spinal muscular atrophy on a global basis. The programme is being conducted on behalf of a gene therapy company developing treatments for rare and life-threatening neurological genetic diseases.

2) *Global Medicinal Cannabis MAP*

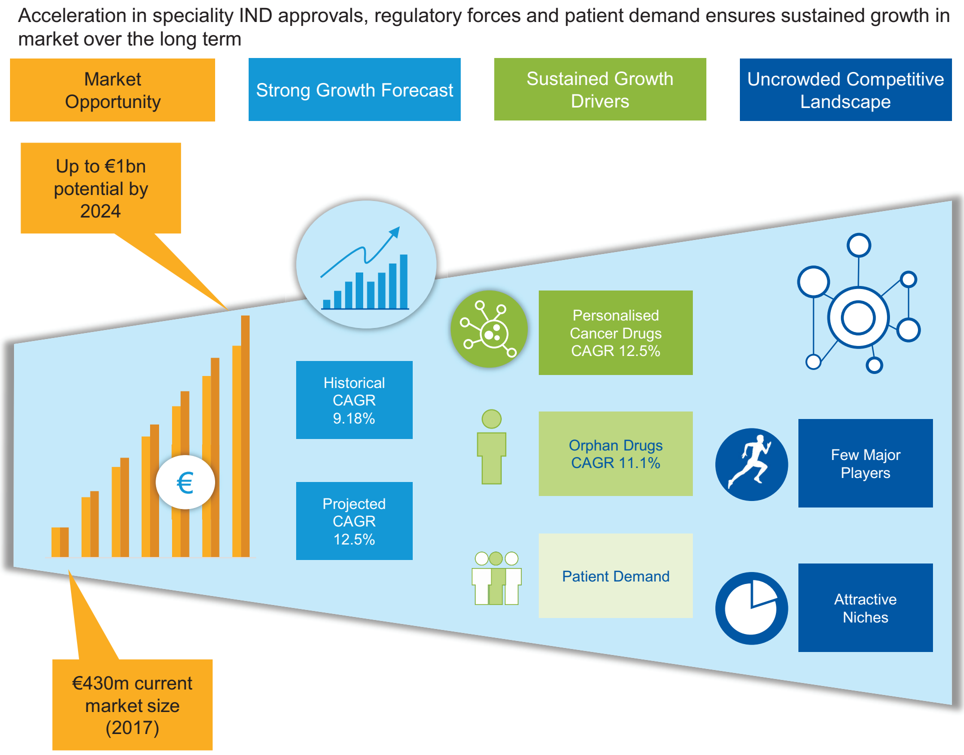
   Contracted to provide a pre-commercial MAP for a cannabidiol oral solution for the treatment of seizures associated with two rare and particularly difficult to treat forms of epilepsy, in patients of two years and older on a global basis. This programme is being conducted on behalf of a British pharmaceutical company whose focus is to bring novel, cannabinoid-based prescription medicines to patients in areas of serious unmet need. The ability for Durbin, through Uniphar, to provide a patient management system to restrict the release of this product, on an online platform, was identified as a major competitive advantage for the manufacturer in rolling out this important managed access programme.

Management believes that winning these two contracts for complex products (gene therapy and controlled drugs) highlights Durbin's capability in global distribution and regulatory excellence combined with Uniphar's digital capability in the area of specialist products.

Post the Durbin acquisition, the Group's *Product Access* business will comprise more than 170 employees, supplying more than 5 million units to more than 160 countries annually and managing MAPs for 36 global manufacturers, from offices in Ireland, the UK and the US.

A Company analysis undertaken with a leading market expert identifies a potential €1 billion addressable market for managed access programmes globally by 2024. It is estimated that the 2017 market value was €430 million, with a projected CAGR of 12.5%[9]. The Board believes the growth opportunity for the Enlarged Group's offering is significant.

Figure 9: Product Access Exclusive Access Programme – Market Opportunity[8]



Through the acquisition of Durbin, Uniphar believe that its increased ability to offer global *Product Access* services will significantly strengthen the Company's European *Commercial & Clinical* solutions with both emerging and established pharmaco-medical clients. Uniphar's ability to offer an integrated solution to manage speciality products across their entire lifecycle, in Uniphar's opinion, is a differentiating feature compared to the Group's key competitors.

3.3 Supply Chain & Retail

Uniphar's growth strategy in *Commercial & Clinical* and *Product Access* is underpinned by the Group's activities in *Supply Chain & Retail* where it has been operating in Ireland for more than 50 years.

The Group has established a market leadership position with approximately 50% of the Irish wholesale market with a degree of vertical integration supported by a network of 235 owned and franchised pharmacies. The Group does not have any present intention to operate in *Supply Chain & Retail* outside Ireland. Price deflation on patent expired products has been a feature of the wholesale market since the economic downturn in 2009 in line with Irish governmental health policy to manage healthcare spending. This is being offset by the growth of speciality during the same period as well as a move to an activity-based costing model.

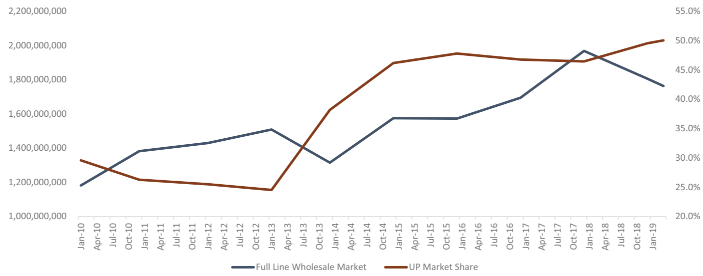
The Group operates in a highly concentrated Irish pre-wholesale and wholesale market.

Uniphar achieved a market share of approximately 50% in retail wholesale at the end of Q1 2019. Prior to the acquisition of Cahill May Roberts Limited in 2013, Uniphar's market share was less than

[9] Exclusive Access €1bn value based on 2024 forecast, Company-funded Orpha Strategy Consulting Report

25%. The Cahill May Roberts acquisition brought the required scale to Uniphar to consolidate its market position and more efficiently utilise its infrastructure.

Figure 10: Uniphar Share of Wholesale Market to Retail Pharmacy[10]



Celesio AG sold Cahill May Roberts Limited to Uniphar in 2013, however, following the 2014 acquisition of Celesio AG by McKesson Corporation, in 2015 they reacquired a position in the Irish wholesale market through the acquisition of United Drug Wholesale from UDG Healthcare (formerly United Drug plc).

The Group provides twice daily deliveries Monday to Friday to more than 950 pharmacies and holds 15,000 SKUs in stock. In addition to the Group's high-tech warehouse facilities at Citywest and Greenogue it also operates three regional depots to provide nationwide coverage. There is limited direct to pharmacy activity, which is confined to high tech products in the Irish market.

There are approximately 2,000 wholesale pharmacy customers across primary and secondary care in Ireland. The Group operates a vertically integrated business model with its network of 235 franchised pharmacies, Life and Allcare, of which 57[11] are owned, and competes with a service focussed on enabling community pharmacists to compete with the larger and multi-national owned chains. Services including its B2B E-commerce hub, development of a range of consumer and own brand products, retail category development through a strong focus on training and category management and a range of other back office support services including, regulatory audit support, claims and marketing are part of Uniphar's service offering. The retail pharmacy market is highly fragmented with approximately 65% classified as independently owned[12].

Cumulative cash generation from activities relating to *Supply Chain & Retail* was €40m from 2016 – 2018 (cumulative EBITDA c.€47m, plus net proceeds from pharmacy disposals c.€17m, less investment in working capital and capital expenditure c.€24m). The Group's key assets – high tech distribution facilities, longstanding manufacturer relationships and scalable digital infrastructure have been developed within this division or from insights based on the division's operations and experienced personnel.

The Group's strategy for *Supply Chain & Retail* is to continue to leverage these key assets to maintain market leadership in Ireland, reinvesting in the Group's growth platforms, while supporting increasing service levels and managing continued operational and financial efficiency within this division.

More than 200 clients now avail of Group services in either *Commercial & Clinical* or *Product Access* solutions.

4. Compelling Market Opportunity

The market for pharmaceuticals and medical technologies represents a large, global and growing addressable market. Continued growth is supported by substantial investment in R&D driving innovation and new products, an increase in the pace of approval for new and innovative treatments, ageing populations, a rising life expectancy and the resulting increasing prevalence of chronic conditions.

10 IQVIA Historical Wholesale Market Value Ireland
11 Includes 15 pharmacies contracted to be acquired from Inischem DAC
12 Ihttp://www.retailexcellence.ie/wp-content/uploads/2018/02/Tony-McEntee-My-View-of-the-Irish-Pharmacy-Sector.pdf

Spending on pharmaco-medical products continues to show robust growth on a global basis with the market forecast to continue to grow in excess of 5% annually and to exceed US$1.6 trillion by 2022.

Uniphar has designed its platform and growth strategy to provide solutions to meet the growing needs of pharma and medtech manufacturers specifically as a result of the following trends:

– Increasing requirements of speciality products and manufacturers

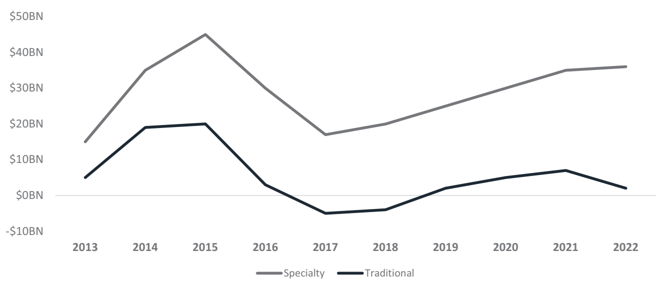
– Continued growth in outsourcing of specialist and non-core services by manufacturers

– Highly fragmented European market for supply of pharma and medtech products

4.1 Increasing Requirements of Manufacturers for Speciality Pharmaceuticals and Innovative Medtech Products

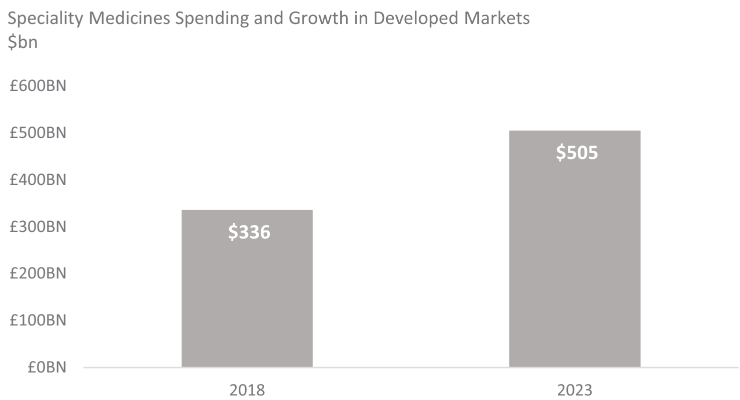
Product mix in pharma is shifting significantly from traditional large volume drugs towards specialty and orphan products that treat relatively small populations with chronic, complex, rare diseases or part of a subset patient population (precision medicine). In recent years there has been a dramatic increase in the number of new therapeutic options for these patients. The combination of scientific advances, along with a growing commitment by policy makers to advance precision medicine, is driving the increased number of speciality and orphan therapies which is forecast to continue.

Figure 11: Brand Spending Growth of Speciality and Traditional Drugs 2013-2022 in the Developed Markets[13]



As per figure 11 above a sustained shift in focus from traditional to specialty pharmaceuticals is evident with specialty drugs contributing to all of the 2018 growth in medicine spending. Speciality drugs share in total spend has risen from 19% in 2007 to 32% in 2017.

Figure 12: Speciality Medicines Spending and Growth in Developed Markets (US$BN)[14]



An average of 54 new active substance launches per year are expected over the next five years to 2023. Two-thirds of these product launches will be specialty pharma products raising the share of

[13] IQVIA Institute – 2018 and Beyond: Outlook and Turning Points (March 2018) – Developed markets include: US, Japan, Germany, France, Italy, UK, Spain, Canada, S. Korea and Australia

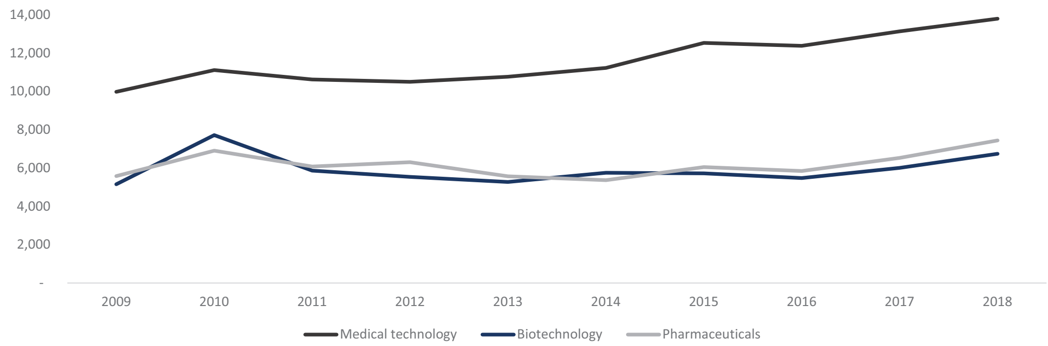
[14] iQVIA, The Global Use of Medicine in 2019 and Outlook to 2023

spending on speciality to approximately 50% by 2023 in most developed markets[15]. Speciality share of total medicine spending has risen from 11% in 1997 to 43% in 2017, while spending on orphan drugs has risen from 4% to 10% during the same period. Many orphan drugs are specialty products, and 87% of orphan spending falls within specialty.[16]

The European medical technology market was estimated at roughly €115 billion in 2017. Based upon manufacturer prices, the European medical technology market is estimated to make up 27% of the world market. It is the second largest medical technology market after the US. Although larger manufacturers tend to sell directly through their own sales teams in major markets they will also partner with specialist distributors for the smaller regions or smaller revenue opportunities, consistent with Uniphar's experience in Ireland and the Benelux.[17]

Medical technology is characterised by a constant flow of innovations, which are the results of a high level of research and development within the industry, and of close co-operation with the users. In 2017, more than 13,000 patent applications were filed with the European Patent Office (EPO) in the field of medical technology. 40% of these patent applications were filed from European countries and 60% from other countries, of which the majority of applications were filed from the US (37%). In comparison, around 6,300 applications were filed in the pharmaceutical field and also around 6,300 in the field of biotechnology. While over the last decade the number of EPO filings in the field of medical technology has doubled, pharma and biotech patent applications were relatively stagnant as outlined in Figure 13 below.[18]

Figure 13: Evolution of European Patent Applications by Technical Field, 2018[18]



The Group is focussed on building in-depth therapeutic expertise across several high market opportunities including Interventional Cardiology, Orthopaedics, Opthalmics, Endoscopy, General and Plastic Surgery and Diagnostic Imaging.

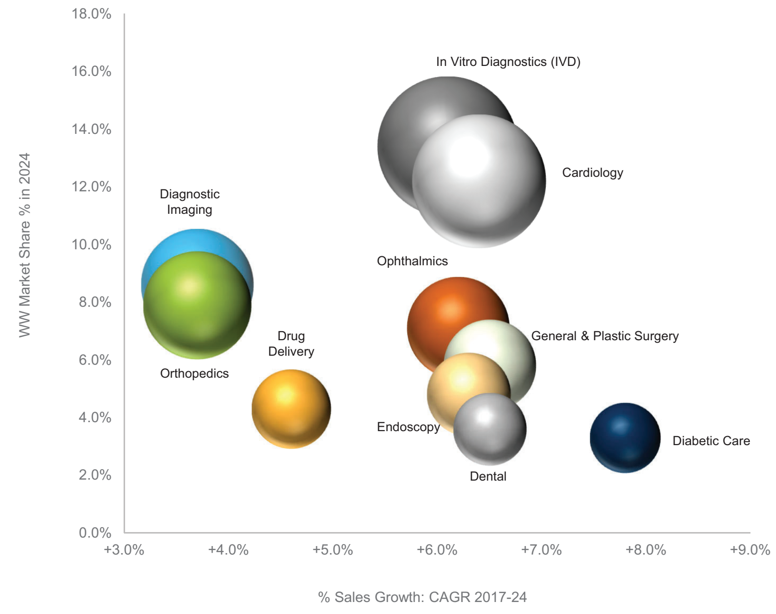
[15] IQVIA Institute, The Global Use of Medicine in 2019 and Outlook to 2023, Global Predictions

[16] IQVIA Institute, Orphan Drugs in the United States, Growth Trends in Rare Disease Treatments, October 2018

[17] The European Medical Technology Industry – in figures 2019 (BMI Research, MedTech Europe calculations. Manufacturer prices. Medical technology excluding in–vitro diagnostics.)

[18] European Patent Office, MedTech Europe calculations. Medical technology as defined by World Intellectual Property Organization (based on the WIPO IPC-Technology concordance as revised in August 2014). European countries refer to EU + Norway, Switzerland. Patents are attributed by the country of residence of the applicant.

Figure 14: World Medical Technology Market by Area and Sales Growth, 2017 – 2024[19]



Note: Size of Bubble = WW Sales in 2024

Source: Evaluate, September 2018

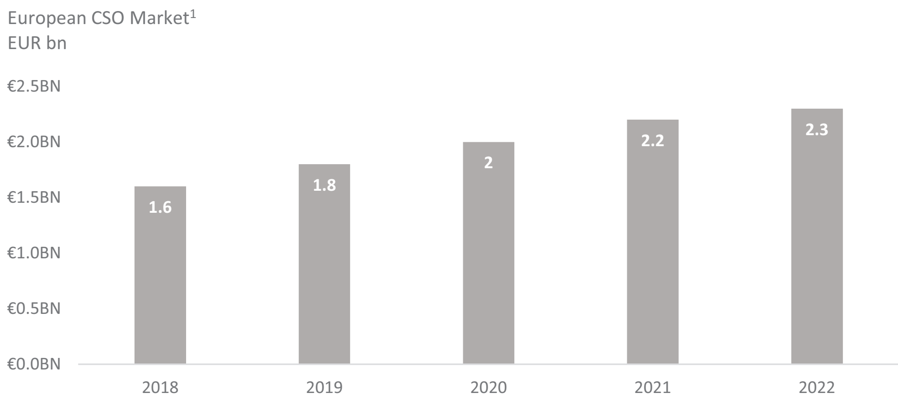
Uniphar believes that smaller manufacturers of speciality pharmaceuticals and innovative medtech which are increasing in numbers tend to play a disproportionately larger role in innovation and early stage product pipelines and have more limited commercial infrastructure. Of the 27,000 medical technology companies in Europe, according to MedTech Europe 95% of them are SMEs with the majority employing less than 50 people.

4.2 Continued Growth in Outsourcing of Specialist and Non-Core Services by Manufacturers

The trend among pharmaco-medical manufacturers to outsource specialist and non-core activities across manufacturing, research and commercial activities is continuing. Outsourced solutions enable manufacturers to rapidly scale resources up or down as needed and offer immediate access to specialist knowledge in addition to a beneficial cost profile.

Historically this trend has been driven by cost savings and operational flexibility.

Figure 15: European Contract Sales Outsourcing Market[20]



19 Evaluate September 2018

20 Visiongain report on Global Pharma Contract Sales Market 2018-2028, from original data source in USD, excluding currency conversions

Both small and large pharma companies are becoming increasingly reliant on upon contract service providers as they look to focus on perceived core competencies in-house.

Factors driving the expansion in CSO are: increasing number of smaller speciality pharma companies (typically cannot maintain nationwide and international sales force), market access complexities, cost and flexibility offered by outsourcing, new technologies and emerging markets.

The growth in outsourcing is forecast to continue with the total market volume being driven by more companies seeking to partner for commercial activities.

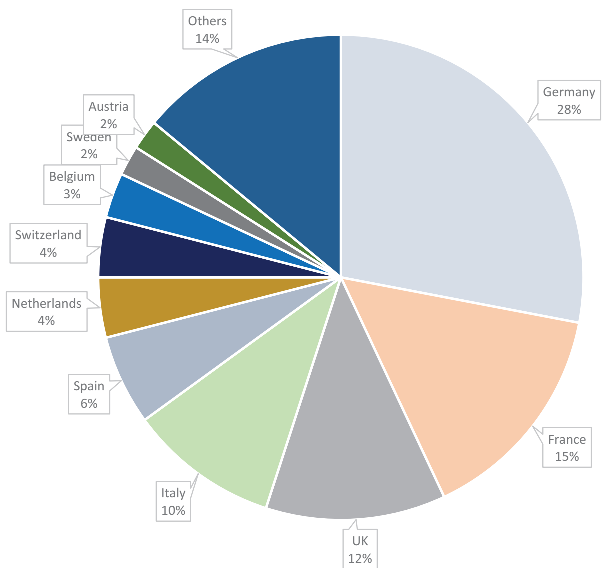
4.3 Highly Fragmented European Market for Supply of Pharma and Medtech Products

Fragmentation is a feature of the European pharmaco-medical market with 28 individual EU Member States, the 3 non-EU EEA countries Iceland, Liechtenstein and Norway, and Switzerland all part of the single market, a large addressable market of more than 500 million citizens. Uniphar believes that notwithstanding the single market architecture, individual country supervisory and regulatory regimes, cultures and language make Europe a very challenging geography for pharma and medtech manufacturers to serve. The size of the market and growth trajectory make Europe an attractive region for manufacturers.

The world pharmaceutical market was worth an estimated €754 billion (at ex-factory prices) in 2017 with Europe accounting for 22.2%[21]. 18.1% of sales of new medicines launched during the period 2012-2017 were in the EU5[22]. Around 15.9% of total healthcare expenditure is attributed to pharmaceuticals.

The European medtech market is estimated to be valued at approximately €115 billion or 27% of the world market, second only to the US in value and size. The biggest markets are Germany, France, the UK, Italy, Spain, the Netherlands, Switzerland, and Belgium with the region forecast to grow sales by between 3 – 7% through 2022 depending on speciality. In Europe around 7.2% of total healthcare expenditure is attributed to medical technologies[23].

Figure 16: European Medical Devices Market Share[24]



Recent and ongoing European regulatory changes will further impact pharmaceutical and medtech companies selling or sponsoring products in the single market. Uniphar believes that the effects of the UK leaving the EU will also impact with significant implications expected for supply chains, regulatory, clinical trials and tax compliance. The European Medicines Agency (“**EMA**”) will be

[21] https://www.efpia.eu/media/361960/efpia-pharmafigures2018_v07-hq.pdf EU5 comprises Germany, France, Italy, Spain and UK

[22] IQVIA MIDAS May 2018 IQVIA (MIDAS) (data relate to the 2017 audited global retail and hospital pharmaceutical market at ex-factory prices

[23] https://www.medtecheurope.org/wp-content/uploads/2018/06/MedTech-Europe_FactsFigures2018_FINAL_1.pdf

[24] MedTech Europe: The European Medical Technology Industry in Figures 2018

relocating its operations to Amsterdam which may potentially disrupt the EMA's work as well as drug approval processing and monitoring in the EU. Over the next few years, the European medical technology sector will transition from being regulated under the current medical devices directives to two new regulations.

5. Competitive Edge

Uniphar's strategy for growth in *Commercial & Clinical* and *Product Access* is supported by the assets, experience and capabilities of the Group developed over 50 years in *Supply Chain & Retail* where it is a leading player in the Irish market. The Directors believe that the following features provide the Group with a competitive edge in delivering solutions for clients in a cost-effective way:

– High tech distribution infrastructure and capabilities.

– Longstanding and trusted relationships with global pharmaceutical and medical device manufacturers.

– Scalable digital platforms to support multi-channel interactions with healthcare practitioners, patient management, E-commerce and data generation.

– Track record of M&A origination, execution and integration, complementing strong organic growth.

5.1 High Tech Distribution Infrastructure

Uniphar believes its distribution infrastructure is a key competitive advantage in enabling the provision of value-added services to global pharmaco-medical manufacturers. The Group's distribution infrastructure is heavily capital invested and has been designed, developed and acquired with many years of industry insight.

To meet the needs of its global manufacturer clients, the Group operates high tech distribution facilities across strategic locations in Ireland and the UK, and also has offices in the US and the Benelux.

Figure 17: Uniphar Pharma High Tech Distribution Facilities

Locations	Citywest Greenogue Heathrow Mississippi
Total combined size	>250,000 sq. ft.
Controlled drugs license	Yes
Combined annual audits per annum	60+
Temperature controlled	Yes
Warehouse management system incorporating complete batch control and traceability	Yes

Key Pharma Facilities:

Citywest

Citywest is a high-tech complex in Dublin, Ireland comprising distribution and offices extending to over 160,000 sq. ft. on a 11.7 acres site. It was purpose built in 2009 when the Group invested more than €65m in developing the Citywest campus, which is situated strategically on Dublin's orbital hub to enable swift distribution nationwide.

This is also the Group's Head Office and a shared services centre for Supply Chain, Quality, Compliance, IT and Finance. The facility is regulated by the Health Products Regulatory Authority. Compliance with these regulations is assessed via an audit program carried out by the Health

Products Regulatory Authority. Uniphar is also subject to the ongoing audits by its principals to ensure it is complying with regulatory requirements.

Greenogue

Greenogue is a bespoke distribution facility commissioned in 2017 and designed for speciality pharma, medtech and homecare, located in Dublin, Ireland comprising distribution and offices extending to over 100,000 sq. ft. It is capable of meeting the needs of the Group's European *On-Demand Access* business. The facility is regulated by the Health Products Regulatory Authority.

Heathrow

Hayes, Heathrow is a purpose-built, 40,000 sq. ft. global distribution centre commissioned in 2018 and developed by Durbin to distribute pharmaceuticals, medical equipment and relief goods on a global basis. This facility has the capacity to deliver to over 160 countries and houses the global regulatory and international customer service team (20+ languages spoken). The warehouse is regulated by the Medicines & Healthcare Products Regulatory Agency (MHRA), Department of Transport, Home Office and audited by various pharmaceutical manufacturers.

Mississippi

Mississippi, USA is a 5,000 sq ft. facility with warehouse and office space, operated by Durbin Inc. Durbin Inc is licensed for the import, export, procurement, storage and supply of pharmaceuticals, controlled drugs and listed chemicals by the US Drug Enforcement Agency ("**DEA**"). Durbin Inc has the necessary licences to import and export and a licence to trade into 44 states. The remaining states require a value-added wholesale distribution licence (VAWD), which management expect to have by the end of 2019. The facility houses Durbin's US *Product Access* team of over 30 employees across regulatory, commercial, finance and operations.

Key Medtech Facilities:

Northern Cross

Northern Cross is a high-tech complex in Dublin, Ireland comprising distribution and offices extending to over 50,000 sq. ft. It has been redesigned in 2018 to meet the changing needs of our multinational medtech clients with recent developments in the 'European Medical Device Regulations'.

This is also Head Office for the medtech shared services, including Commercial Excellence, Supply Chain, Quality, Compliance, IT & Finance.

In the context of Brexit, Uniphar now has the benefit of distribution facilities within Ireland, the UK and the US with the ability to serve both European and global markets depending on the needs of the Group's customers. The Group has the ability to manage volumes of high-tech products across facilities depending on manufacturer client's regulatory requirements.

The Group also operates facilities in Accrington and Utrecht.

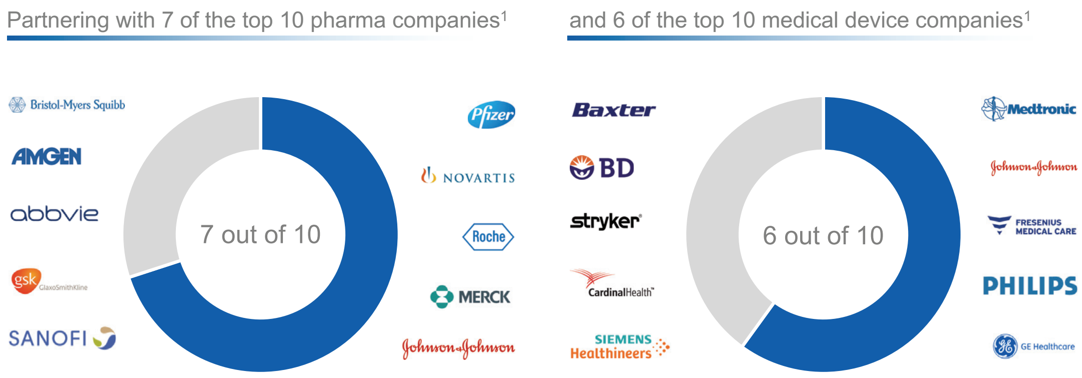
5.2 Longstanding and trusted relationships with global pharmaceutical and medical device manufacturers.

Ireland has evolved as a European hub for global pharma and medtech manufacturers. 9 of the world's top 10 pharmaceutical companies have substantial manufacturing facilities in Ireland[25] and 18 of the world's top 25 medtech companies have a base in Ireland[26]. In many cases Ireland is the EMEA headquarters for these companies.

Having operated in Ireland for more than 50 years, the Group has developed trusted relationships with global pharmaco-medical manufacturers having supported their supply chain solutions in Ireland over that time. Today the Group counts more than 200 pharmaco-medical manufacturers as clients across its three divisions. 70% of the Group's contracts with its top 30 clients have run in excess of 10 years.

[25] IDA
[26] Irish Medtech Association

Figure 18: Uniphar Longstanding Manufacturer Relationships



1) By 2018 revenue

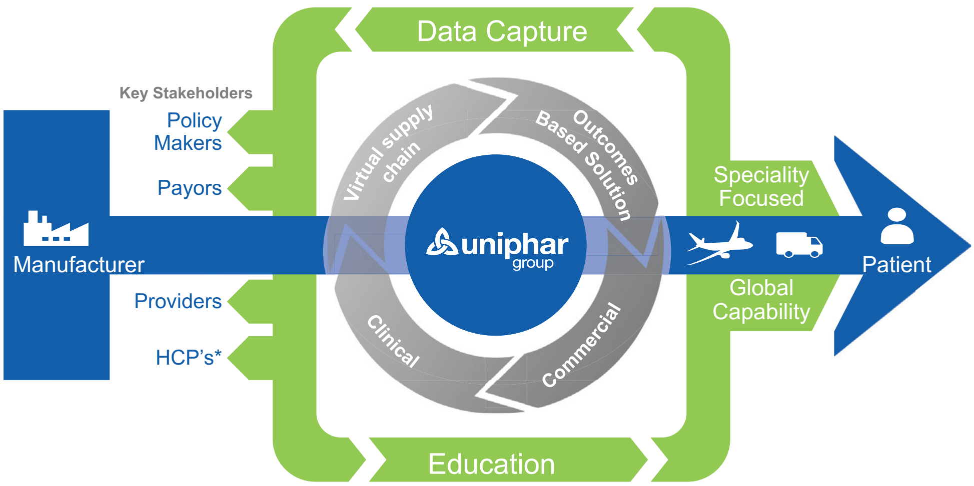
In line with its strategy for growth in *Commercial & Clinical* and *Product Access,* the Group has extended its offering to more than 30 manufacturer clients outside of Ireland, which it intends to accelerate over the coming years. Uniphar's strategy is manufacturer centric and is focussed on developing relationships and interactions with healthcare stakeholders on behalf of manufacturers.

The Board believes that the Group's long track record of reliably delivering a high level of service to pharmaco-medical manufacturers is a key asset to be leveraged in driving the future growth of Uniphar.

5.3 Scalable digital platforms to support multi-channel interactions with healthcare practitioners, patient management, E-commerce and data generation.

The Group's strategy is designed around a mission to connect the manufacturer to the patient. This is enabled by a digital / virtual architecture developed over a number of years through investment in an IT platform and development of scalable digital capabilities to build out the Group's service offering.

Figure 19: Uniphar Differentiating through Digital Connectivity



Uniphar believes that its capability to connect the manufacturer with healthcare practitioners, and to the patients, through its digital platform is a key selling point for the Group.

SAP is the main ERP system operating across the Group supporting the Group's digital solutions including:

– Online Patient Management System

– Multichannel Account Management Customer Relationship Management

– E-commerce Hub

Uniphar developed its Patient Management System to provide a solution for a leading global pharmaceutical manufacturer to enable online patient enrolment, HCP/patient interaction, data capture and product release. This online system forms an integral part of the Group's *Commercial & Clinical* and *Product Access* service offerings generating a platform designed to meet the needs of individual manufacturers and their patient groups. The platform has recently been implemented in Durbin by Uniphar to support a Global Access Programme for a controlled cannabinoid medicine.

The Group's bespoke CRM was developed, initially, in OUTiCO which was acquired by Uniphar in 2017. The technology enables full multi-channel account management, as part of an outsourced sales & marketing service offering. The technology was designed to enable sales representatives be more effective, by communicating with their target HCP's, through the customers preferred communication channel (face-to-face, e-detailing, screen share, telephony). Within the Uniphar Group, this technology has been refined for the benefit of the Group's clients to replace more traditional CSO services offered by the Group's competitors. The Company's multi-channel account management model has recently been chosen by a top 10 global pharma client to launch a new type 2 diabetes treatment throughout the UK.

Uniphar's E-commerce Hub was developed to meet the needs of the Group's pharmacy customers. The Company believes it has added value by focusing the platform on product listings, ease of use, summary of product characteristics, pack information and recently ordered items. The E-commerce Hub was developed to drive performance in the Group's *Product Access* business, enabling Irish pharmacists to efficiently source unlicensed or out of stock medicines for their patients. The platform is scalable and is designed to support the Group's plan to build its international *Product Access On Demand* offering.

Real world health data is becoming a feature in the research and development of pharmaceutical and medtech products. Uniphar maintains and continues to build a real-world database that now exceeds 5.2 billion rows of data.

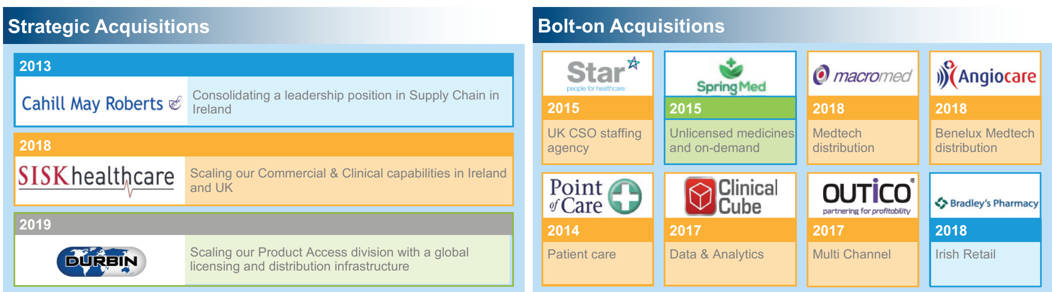
The Group's digital architecture is designed to create an end to end channel between manufacturers and patients.

This digital capability supports the Group's service offering which the Board believes is a major competitive advantage against more traditional competitors.

5.4 – Track record of M&A origination, execution and integration, complementing strong organic growth.

The Group has a strong track record in both the execution as well as the integration of M&A, having successfully completed 10 acquisitions over the last 6 years to build its platform and capabilities.

Figure 20: Uniphar M&A Track Record



The Group's acquisition benchmarks include:

– strategic alignment in identified growth segments;

– retention of management talent and expertise;

– cultural fit; and

– target ROCE >15% within 3 years

The Group has used a mix of strategic and bolt-on acquisitions to build its team, add to its capabilities and build its platform in line with its strategic goals.

Planning is in place with the key management of the *Product Access* division for the integration of Durbin once the transaction completes post admission. This plan focuses on 1) sales improvement by exploiting Durbin's existing national and international sales channels in the *On Demand* segment by utilising Uniphar's technology, relationships and balance sheet 2) margin improvement through a combination of enlarged volumes and appropriate pricing and 3) leveraging Uniphar's existing manufacturer relationships and balance sheet to improve the sale proposition in MAPs. Once the integration is complete, management believe that Durbin's UK and USA presence will serve as strong anchor for future bolt ons.

6. Competitive Landscape

Uniphar has been growing its service offering and market presence in each of its three divisions. In each division the Group competes against larger multinational corporations.

As outlined in paragraph 1 of this Part 1 above the Group has established a market leadership position with c.50% of the Irish retail wholesale market with a degree of vertical integration supported by a network of 235 owned and franchised pharmacies. The market is highly concentrated with only two substantial players operating in pre-wholesale and wholesale in Ireland. United Drug owned by McKesson Corporation (NYSE: MCK) is the other player. In the pharmacy sector approximately 65% of 1,945 retail pharmacies are owned by independent community pharmacists with a small number of chains in excess of 25 shops – Boots (85 shops), McKesson owned Lloyds (88 shops), Sam McCauley (37 shops), McCabes (27 shops) and Hickeys (38 shops). With 235 shops in its Life and Allcare symbol groups, Uniphar has a strong retail market share.

Overview of Commercial & Clinical Competitive Landscape

The competitive landscape in *Commercial & Clinical* is characterised by a small number of larger players with a global market focus and certain country specific operators with a national focus. As the European market is more complex to service the Board believes the opportunity remains for a focussed service provider to establish a market leading service offering in this jurisdiction.

Ashfield which is owned by UDG Healthcare plc (LSE:UDG LN) is a global provider but commercial and clinical services now accounts for a falling share of UDG's group operating profit at 25% as Ashfield is focussed on growing in healthcare advisory and communications[27]. From a workforce of more than 58,000 in more than 100 countries, IQVIA (NYSE:IQV) has a relatively small number of personnel, only 6,000 focussed on contract sales and related services with the emphasis on R&D, data and analytics[28], with only $235m of revenue generated in Europe in its Contract Sales and Medical Solutions division. Syneos Health™ (Nasdaq:SYNH) has brought a CRO and CSO under one ownership following the 2017 merger of INC Research and inVentiv Health[29] and is seeking to compete across the entire value chain. They generated c.$955m of revenue in Europe, Middle East and Africa in 2018 with 26% of their overall revenue relating to its commercial solutions division.

The Group views the key independent competitors as Mediq, Healthcare 21, kebomed, Vingmed and Duo Med.

Mediq has operations in twelve European countries, employs about 3.000 people and was acquired by Advent International for in excess of €780m in February 2013. Healthcare 21 has 450 staff in Ireland, UK, Germany and Austria and turnover in excess of €150m. The Vingmed Group focuses its business in the Nordics within the fields of cardiology, radiology, endoscopy, dialysis, intensive care, anesthesia, obstetrics, general-, vascular and thoracic surgery. Kebomed is a merger of a number of distributors and has a contract sales force of nearly 100 people with a presence in over eight Europen countries. Duomed was founded in 1993 and is a supplier of medical devices with a focus on 'minimal invasive surgery' active in the Benelux.

Based on the Group's experience in recent contract wins, Uniphar believes that a focussed and differentiated *commercial & clinical* service offering providing smaller, specialist teams with multi-

[27] UDG Healthcare plc, Interim results 2019
[28] https://s22.q4cdn.com/924259526/files/doc_financials/2018/q4/IQVIA-2018-10K-(w-exhibits)-Filed.pdf
[29] https://www.syneoshealth.com/news/press-releases/inc-research-and-inventiv-health-announce-successful-completion-merger

channel capabilities and digital support to meet the needs of speciality products is superior to the more traditional CSO model based on experience.

Overview of Product Access Competitive Landscape

With the emergence of speciality and orphan medicines as a majority of new drug approvals and the increase in global "out of stocks" and "medicinal shorts", the product access market is expected to grow rapidly in both "On-Demand Access" and "Exclusive Access". Clinigen (LSE: CLIN LN) is recognised as the global market leader in sourcing and supplying unlicensed medicines. Clinigen identifies the market opportunity in unlicensed medicines at $5 – 10 Billion[30]. Clinigen reported exclusive global supply agreements for 160 products (119 MAPs, 41 exclusive 'on-demand') and 98 countries for the period ended 31 December 2018[31].

Other players with more broad-based business models but with certain product access capabilities include Syneos and Parexel, both of which have substantial CRO businesses that compete in product access. Luxembourg-based Inceptua Group, which has sourced medicines for clinical trials since 1997, expanded its strategy in 2017 to focus on product access and commercial services[32]. MyTomorrows, a venture-backed knowledge base for medicines in development, Caligor Coghlan Pharma Services, a US based PE backed business, and UK based Bionical which was founded by a former Clinigen founder each offers elements of product access services.

Post the integration of Durbin within the Group, the Board believes that Uniphar will offer manufacturers an alternative offering from the market leader and variety of other smaller players to include its digital platform, specifically in patient management, and Durbin's global sourcing, distribution, regulatory and quality expertise.

7. Experienced and Aligned Industry Team

The Group is led by an experienced senior executive team of Ger Rabbette, an industry veteran who joined the Group following a career with Celesio, where he was responsible for manufacturer solutions, Tim Dolphin, an experienced finance professional, and Padraic Dempsey, who joined the Group from a competitor in 2015 with significant experience in manufacturer services.

The Directors are supported by an experienced senior management team with responsibility for managing the Group's key divisions and business units. John Osborne, Managing Director *Commercial & Clinical* (*Medtech*) has extensive experience in the medical device sector, having run Sisk Healthcare for 10 years after selling a business he founded to Sisk Healthcare. Graham McIntosh ("Mac"), Managing Director *Commercial & Clinical* (*Pharma*) has 33 years industry experience and was a co-founder of a major competitor. Dan Piggott, Managing Director *Product Access* has more than 20 years international commercial experience, including 10 years based in the US, in healthcare services with a large manufacturer and a leading provider of outsourced commercial solutions. Dermot Ryan, Managing Director *Supply Chain & Retail* is an experienced industry and finance professional. The Group has a workforce of over 2,000 personnel, with over 300 of whom are clinically trained.

[30] https://www.clinigengroup.com/media/1850/clinigen-group-half-year-presentation-final.pdf
[31] https://www.clinigengroup.com/media/1850/clinigen-group-half-year-presentation-final.pdf
[32] https://www.inceptua.com/about/#history

Figure 21: Group Workforce by Division

Division	Workforce
Head Office	88
Commercial & Clinical	879
Product Access	204
Supply Chain & Retail	993
Total	**2,164**

Further details relating to the Board of Directors and Key Management is set out at paragraph 12 in this Part 1.

Executive management are significant shareholders in Uniphar and the Group has established a long-term incentive plan (the "**2018 LTIP**") with awards made to 37 employees of c.9% of the Existing Ordinary Shares which vest on 31 December 2022 subject to the holders being in continuing employment within the Group and meeting the performance conditions. The performance criteria are in line with the Group's objective to double EBITDA and retain key staff over the coming years.

Further details relating to the 2018 LTIP is set out at paragraph 11 in Part 9 of this document.

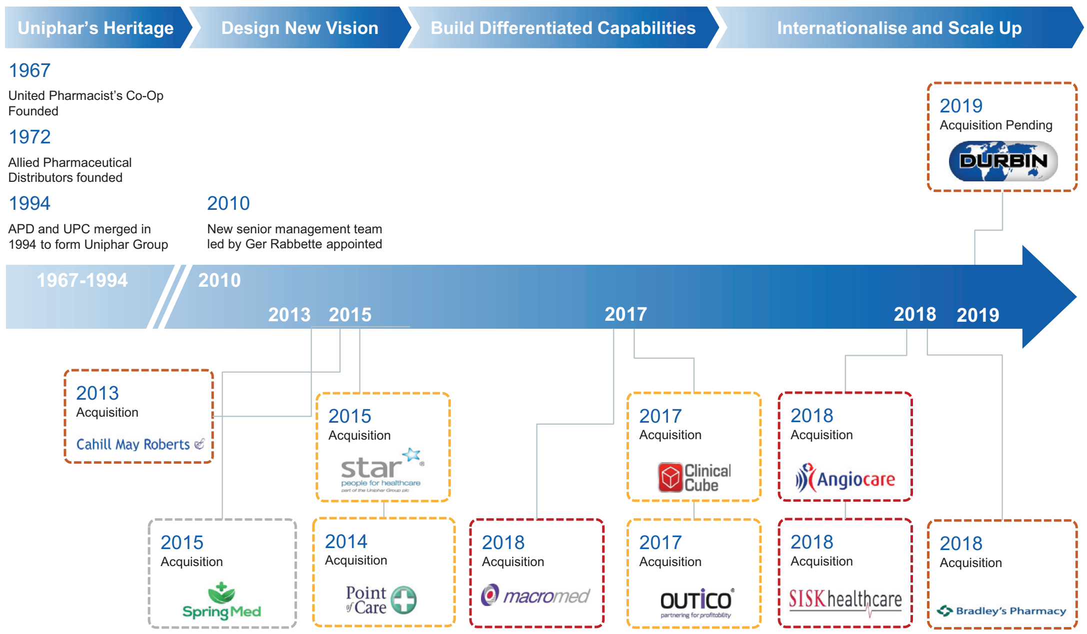
8. History and Background

Uniphar's origins stem from two regional Irish wholesale distribution businesses United Pharmacist's Co-Op ("**UPC**") founded in 1967 and Allied Pharmaceutical Distributors ("**APD**") founded in 1972. Both businesses were founded by community pharmacists with the aim of forming a buying group to help grow and develop their service offering to pharmacy customers across Ireland. UPC and APD merged in 1994 and commenced trading as Uniphar plc. Today, a large number of Irish community pharmacists remain shareholders in Uniphar.

Following a period of challenges on pricing, increased competition and exposure to bank guarantees relating to community pharmacy acquisitions, Maurice Pratt was appointed Chairman in 2009 and recruited Ger Rabbette as CEO in 2010 to rebuild the senior executive team to overcome these challenges and reposition the Company for profitable growth.

In 2013 Uniphar acquired the Cahill May Roberts wholesale and pre-wholesale businesses from Celesio AG combining the number two and number three players in the Irish market. The deal was completed in 2013 following competition approval. This transaction enabled management to achieve scale and efficiency within the wholesale and pre-wholesale business, to optimise utilisation and automation in Uniphar's Citywest distribution hub and return the business to a sustainable and cash generative financial footing.

Figure 22: Uniphar Group History



In 2014 the Board initiated a strategic shift of the Group with a focus on providing higher margin value-added services to its manufacturer clients in Ireland, with an initial focus on developing a manufacturer services offering in the UK market. Padraic Dempsey was recruited from a competitor to develop and lead the manufacturer services business strategy.

The UK market entry strategy commenced with the acquisition of an award-winning healthcare recruitment and vacancy management business Star Medical Limited. The acquisition of Dialachemist Limited trading as SpringMed followed giving Uniphar a foothold in the UK *Product Access* market, with a core focus on *Exclusive Access* programmes.

In addition to substantial investment in personnel and its technology platform on which to build the future growth platform Uniphar acquired technology and specialist capabilities by acquiring healthcare insights specialist Clinical Cube Limited and multichannel account management platform OUTiCO Limited in 2017 substantially advancing its *Commercial & Clinical* service offering to pharma manufacturers. Both businesses were early in their commercial progress but possessed technology and differentiated capabilities, identified as a key enabler for Uniphar's digital growth strategy and international scalability.

In 2018 the Group made a key strategic advance with the formation of a medtech business unit within its *Commercial & Clinical* division by completing the acquisitions of Macromed (UK) Limited, Sisk Healthcare and Angiocare with established operations in Ireland, the UK and the Benelux.

The Group's latest strategic platform acquisition gives its *Product Access* division global capabilities. The Group has developed a market leading position with strong organic growth in its *On-Demand Product Access* service offering to pharmacists in Ireland and has become a focussed provider of market access solutions for several international speciality manufacturers in the UK and Ireland. In May 2019 the Group agreed to acquire Durbin, established more than 50 years ago, a specialist supplier of pharmaceuticals with offices in the UK and the US supplying over 160 countries, which is expected to complete following Admission.

Since 2014 Uniphar has transformed into a higher margin, higher growth business with a breadth of services, a highly focussed internationalisation strategy and a talented management team. The mix of acquired capabilities and organic momentum with manufacturer clients will support the businesses objective of doubling earnings over the next five years principally driven by its two growth platform divisions – *Commercial & Clinical* and *Product Access*.

9. Summary of Historical Financial Information

The following financial information has been derived from the financial information contained in Parts 3, 4, 5 and 6 of this document and should be read in conjunction with the full text of this document.

The same sections also contain an explanation of the basis of the preparation of the historical financial information. Investors should not rely solely on the summarised information set out below.

References to *pro forma* financial information for the Enlarged Group for the financial year ended 31 December 2018 is as set out in Part 6 of this document. Pursuant to the Durban Share Purchase Agreement signed on 16 May 2019 (further details of which are set out in paragraph 9.6 of Part 9 of this document), the Company will become the parent of Durbin.

Summary financial information

€'millions	**Year ended 31 December 2016**	**Year ended 31 December 2017**	**Year ended 31 December 2018**	**Pro forma 2018**
Commercial & Clinical				
Gross profit	5.9	6.3	35.4	68.1
Gross margin	16.8%	15.7%	34.5%	37.8%
EBITDA	0.9	1.2	11.7	27.1
EBITDA margin	2.7%	3.1%	11.4%	15.1%
Product Access				
Gross profit	5.4	6.6	10.3	21.5
Gross margin	15.4%	17.8%	13.9%	16.5%
EBITDA	3.4	5.3	6.3	4.9
EBITDA margin	9.7%	14.1%	8.4%	3.8%
Supply Chain and Retail				
Gross profit	75.6	69.1	70.0	70.0
Gross margin	6.2%	5.8%	5.6%	5.6%
EBITDA	20.3	12.9	14.3	14.3
EBITDA margin	1.7%	1.1%	1.2%	1.2%
Group				
Gross profit	86.8	82.0	115.7	159.6
Gross margin	6.7%	6.5%	8.2%	10.3%
EBITDA	24.7	19.4	32.2	46.3
EBITDA margin	1.9%	1.5%	2.3%	3.0%

Audited financial information for the year ended 31 December 2016, 2017 and 2018 for Uniphar Group and unaudited pro forma financial information for the year ended 31 December 2018 for Sisk Healthcare and Durbin

EBITDA: operating profit excluding exceptionals, depreciation and amortisation

Note: Uniphar agreed to acquire Durbin on 16 May 2019. The transaction is contracted to complete following Admission

10. Current Trading and Prospects

The trading of the Group since 31 December 2018 continues to be in line with the Director's expectations, across the *Supply Chain & Retail*, *Commercial & Clinical* and *Product Access* divisions. Within *Product Access*, in May 2019 the Group agreed to acquire Durbin, further details of which can be found at paragraph 9.6 of Part 9 of this document. Recent 2019 managed access programme ("**MAP**") wins for Durbin, namely a global medicinal cannabis MAP and a global gene therapy MAP, support a forecasted return to profitability at Durbin in 2019. Within *Commercial & Clinical*, in Q1 2019 the Group won a contract in the UK with a major pharmaceutical client employing its disruptive, digitally enabled MCAM solution. Furthermore, the Group continued its launch into continental Europe through its Amsterdam office, with expansion into Copenhagen targeted for Q4 2019.

The Company continues to progress discussions regarding its strong pipeline of identified M&A opportunities including expanding *Commercial & Clinical* into the Nordics.

Given the Group's positive performance in the first six months of the year and the Directors' assessment of the strength of the Group's operating model, strategy, market opportunity and platform for growth, the Directors have confidence in the Group's prospects for the remainder of the current financial year.

The Board is focussed on the Group's strategy to double Group EBITDA over the next 5 years by focussing on meeting the needs of speciality manufacturers, building out a pan-European service offering in *Commercial & Clinical* and becoming a global leader in *Product Access*. The Directors believe that the net proceeds of the Placing available to the Company will enable it to execute on its strategy.

The Group's unaudited Net Debt as at 30 June 2019 was €160.4 million (excluding impact of IFRS 16).

11. Reasons for Admission and Use of Proceeds

The Company is raising €135.0 million through the Placing (approximately €123.7 million of net proceeds), assuming no exercise of the Over-allotment Option.

These funds will be used by the Company to:

1) pay the upfront consideration and related costs to complete the acquisition of Durbin (approximately €30 million);
2) execute on near term bolt-on acquisitions, with a strong pipeline of identified opportunities including expanding *Commercial & Clinical* into the Nordics (approximately €25 million);
3) fund additional capital expenditure and working capital for the Group (approximately €20 million);
4) repay certain outstanding loan facilities and reduce Group net leverage by approximately €49 million); and
5) fees, expenses and commissions relating to preparation and execution of the Placing and Admission (approximately €11 million).

The Directors also believe that Admission will assist the Group in its development by raising its public profile including with healthcare professionals and manufacturers, widening its shareholder base and will provide the Group with the appropriate capital structure to execute on its growth strategy.

Admission will also provide the Company with the ability to incentivise employees through share incentive schemes such as the 2018 LTIP, which will assist it in continuing to attract, retain and motivate high calibre employees.

12. Board of Directors and Key Management

Board of Directors

On Admission, the Board will comprise the following individuals:

Maurice Pratt, aged 64, Non-Executive Chairman

Former Managing Director of Tesco Ireland Limited and former Chief Executive Officer of C&C plc, Maurice is currently Chairman of Barretstown, European Movement Ireland, B&B Ireland, Nursing Homes Ireland, PlayOn (Trade Player Limited) and Serious Fun Children's Network. He is a former president of IBEC the leading Irish business lobby group, and his previous board roles included Eircom, Irish Heart Foundation, Tourism Ireland and Bank of Scotland Ireland. Maurice was appointed Chairman of the Uniphar Board in 2009, having joined the Board as a non-executive director in 2003.

Gerard Rabbette, aged 56, Chief Executive Officer

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 supply chain with Cahill May Roberts and the wider Celesio Group. He was appointed Chief Executive Officer in 2010.

Tim Dolphin, aged 54, Chief Financial Officer

Formerly a member of the senior management team at Topaz Energy Limited, Tim was appointed Chief Financial Officer of Uniphar Group in 2010. Previous to this, Tim had held various senior financial positions with Shell. He is an EY trained Chartered Accountant.

Padraic Dempsey, aged 41, Chief Commercial Officer

Padraic is the Chief Commercial Officer of Uniphar. He has significant senior management experience in the healthcare sector. A business and legal graduate, Padraic joined Uniphar from UDG Healthcare plc in 2014. Padraic was appointed to the Board of Uniphar in 2017.

Mark Moran, aged 57, Non-Executive Director

Mark was Chairman of Sisk Healthcare Group and is a director of the Fitzwilliam Hotel Group and Chairman of the Galway University Foundation. Former CEO of Mater Private Hospital, Mark has also served as Chairman of EBS Building Society and director of the Irish Blood Transfusion Service. He was appointed to the Board of Uniphar on 20 August 2018 as nominee of the Sisk family.

Gerard Penny, aged 53, Non-Executive Director

Ger is the Chief Financial Officer of the Sisk Group, where he leads the finance and IT functions. He also serves as Chairman of the Group's non-construction businesses. A qualified accountant and chartered director, Ger also spent 12 years with Diageo plc, where he held a number of senior finance, strategy and operational roles in Dublin, Belfast and London. He was appointed to the Board of Uniphar on 20 August 2018 as nominee of the Sisk family.

John Holly aged 73, Non-Executive Director

John was appointed to the Uniphar Board in 2009. He previously sat on the boards of Uniphar's main trading entities during the period 1994 to 2001. John is a retired community pharmacist based in Wicklow.

Marie McConn, aged 58, Non-Executive Director

Marie is a community pharmacist based in Limerick and a former President of the Irish Pharmacy Union. She was appointed to the Board of Uniphar in 2009.

Padraic Staunton, aged 62, Non-Executive Director

Padraic is a retired community pharmacist based in Meath. He has also held a number of senior positions on pharmacy industry committees. He was appointed to the Board of Uniphar in 2009.

Sue Webb, aged 55, Independent Non-Executive Director

Sue joined the Board on 27 June 2019. Sue has held a variety of sales and marketing roles for Novartis Pharmaceuticals, UK, Ltd (2006-2015), most recently as Country President, UK & Region Head of Country Management, Europe. Previously, Sue worked for Ortho McNeil in the US and Janssen-Cilag in the UK, with significant experience in pricing, strategy, country reorganisation and launches for pharmaceutical products.

Paul Hogan, aged 55, Independent Non-Executive Director

Paul joined the Board on 27 June 2019. Paul is the Chief Financial Officer at Nelipak Healthcare (2014 to present), a specialist healthcare packaging business in Rhode Island, US. Paul was previously the Director of Development and Chief Financial Officer of the Clondalkin Group and trained in audit and business advisory in PricewaterhouseCoopers.

Heather Ann McSharry, aged 57, Independent Non-Executive Director

Heather Ann joined the Board on 27 June 2019. Heather Ann has significant healthcare industry experience from her roles as Managing Director (Ireland) of Reckitt Benckiser and Managing Director (Ireland) of Boots Healthcare. She is currently on the Board of the following three publicly listed companies: CRH plc, Greencore Plc, and Jazz Pharmaceuticals Plc. Heather Ann was previously on the Board of Bank of Ireland.

Key Management

The Directors are supported by an experienced senior management team including the following individuals with responsibility for managing the Group's key divisions and business units.

John Osborne, aged 55, Managing Director, *Commercial & Clinical* (*Medtech*)

John has over 30 years' experience in the medical device sector, including co-founding Tekno Surgical in 1996, which was sold to Sisk Healthcare in 2006. John was appointed Managing Director of Uniphar's *Commercial & Clinical* (*Medtech*) Division in September 2018 and previously held the positions of Managing Director of SISK Healthcare for 10 years and joint Managing Director of Tekno Surgical.

Graham McIntosh (Mac), aged 59, Managing Director, *Commercial & Clinical* (*Pharma*)

Mac has 33 years' experience in the industry, with the last 19 years spent on the service side in international senior management roles with both Ashfield & Bionical. Mac was appointed Managing Director of Uniphar's *Commercial & Clinical* (*Pharma*) Division in November 2018 and commenced this role in June 2019.

Dan Piggott, aged 43, Managing Director, *Product Access*

Dan is the Managing Director of Uniphar's *Product Access* Division and has more than 20 years' international commercial experience in the healthcare industry. Dan joined Uniphar in December 2017 having previously worked in senior management roles for both AbbVie and UDG Healthcare.

Dermot Ryan, aged 47, Managing Director, *Supply Chain & Retail*

Dermot is a chartered accountant by training, with experience in senior financial & commercial roles in retail, healthcare & aviation sectors. He has over 20 years' experience working in industry and has previously held numerous roles in Uniphar, including Finance Director with Allcare Pharmacy Group and Commercial Director in Retail Services.

13. Corporate Governance – QCA Code

The Directors recognise the importance of sound corporate governance and, given the Group's size and constitution of the Board, intend to comply with the principles set out in the QCA Corporate Governance Code. The QCA Corporate Governance Code was devised by the QCA, in consultation with a number of significant institutional small company investors, as an alternative corporate governance code applicable to AIM companies and has become a widely recognised benchmark for corporate governance of small and mid-sized quoted companies, particularly AIM companies.

Further details relating to the Group's QCA Code compliance is set out in paragraph 13 of Part 9 of this document.

14. Board Committees

On Admission, the Board will comprise the Chairman, three executive Directors, and eight non-executive Directors. The following non-executive Directors are regarded as independent Sue Webb, Paul Hogan and Heather Ann McSharry and Heather Ann McSharry has been appointed as senior independent director. The Board intends to meet regularly (at least six times annually) to discharge its responsibility to shareholders including to consider strategy, performance and the framework of internal controls, as well as review its own performance and composition.

The Board has established an Audit, Risk and Compliance Committee, a Remuneration Committee, and a Nomination Committee, with formally delegated duties and responsibilities as described below.

On Admission the Audit, Risk and Compliance Committee will comprise Paul Hogan, John Holly and Gerard Penny and will be chaired by Paul Hogan. The Audit, Risk and Compliance Committee will, *inter alia*, determine and examine matters relating to the financial affairs of the Company including the terms of engagement of the Company's auditors and, in consultation with the auditors, the scope of the annual audit. It will receive and review reports from management and the Company's auditors relating to the half yearly and annual accounts and the accounting and internal control systems in use throughout the Group.

On Admission, the Remuneration Committee will comprise Maurice Pratt, Sue Webb and Padraic Staunton and will be chaired by Maurice Pratt. The Remuneration Committee will, *inter alia*, review and make recommendations in respect of the Directors' remuneration and benefits packages, including share options and the terms of their appointment.

On Admission, the Nomination Committee will comprise Maurice Pratt, Heather Ann McSharry, Marie McConn and Mark Moran and will be chaired by Heather Ann McSharry. The Nomination Committee will consider the selection and re-appointment of Directors. It will identify and nominate candidates to fill Board vacancies and review regularly the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board with regard to any changes, identifying and nominating for Board approval members of the Board, succession planning for Board members and overseeing the evaluation of the Board.

Further details of the Board, its committees and corporate governance framework are set out in Part 9 of this document.

15. Lock-in and Orderly Market Arrangements

The Directors, the Sisk family, certain other owners of Ordinary Shares and certain executives/key employees have undertaken to the Company, Davy and RBC not to dispose of any interests in Ordinary Shares owned by them for a period of 12 months from Admission and/or are subject to transfer restrictions until 2023 under the 2018 LTIP in respect of Ordinary Shares owned by them. Such undertakings or restrictions are in place in respect of 121,613,732 Ordinary Shares in total, representing 45 per cent. of the Enlarged Ordinary Share Capital. The Directors, the Sisk family and certain employees have also undertaken for a further 12 months thereafter, to effect all sales, transfers or other disposals of their Ordinary Shares in such orderly manner as Davy may reasonably require to maintain an orderly market.

Further details of these arrangements are set out in paragraphs 9.4 and 11 of Part 9 of this document.

16. Details of the Placing

The Company is proposing to raise €135.0 million (before expenses) through a placing by Davy and RBC of 117,391,304 New Ordinary Shares at a price of €1.15 per share (assuming no exercise of the Over-allotment Option). In addition, 1,104,734 Sale Shares are to be sold by the Company as agent for and on behalf of the Selling Shareholders. In addition, a further 13,043,478 Over-allotment Shares (representing up to a maximum of 11.0 per cent. of the Placing Shares) are subject to the Over-allotment Option.

Davy and RBC have entered into the Placing Agreement with the Company and the Directors. Under the Placing Agreement, Davy and RBC have conditionally agreed to use their respective reasonable endeavours, as agent for the Company to procure subscribers for the New Ordinary Shares and purchasers for the Sale Shares (together the "**Placing Shares**"), in each case at the Placing Price. The Company has also granted the Over-allotment Option to the Stabilisation Manager, pursuant to which the Company will, at the option of the Stabilisation Manager, allot up to a maximum of 13,043,478 additional Ordinary Shares (the "**Over-allotment Shares**") at the Placing Price. The majority of the Placing Shares are being placed with institutional investors.

The Placing, which is not underwritten, is conditional, *inter alia*, on:

- the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission; and
- Admission to trading on AIM and Euronext Growth occurring no later than 17 July 2019 (or such later date as Davy, RBC and the Company may agree, being no later than 31 July 2019).

CREST accounts of Placing participants will be credited with their Placing Shares on or around 17 July 2019. The New Ordinary Shares will be issued credited as fully paid and will, on

Admission, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions declared, made or paid after Admission. The Placing Shares will represent approximately 44 per cent. of the Enlarged Ordinary Share Capital. On Admission, at the Placing Price, the Company will have a market capitalisation of approximately €309.6 million (assuming there has been no exercise of the Over-allotment Option).

17. Selling Shareholder Arrangements

The Selling Shareholders have each entered into a Deed of Election pursuant to which he, she or it has:

- irrevocably appointed the Company as its agent to sell a specified percentage (subject to scaleback (including to zero) and/or rounding (should such percentage result in a fraction of a share otherwise arising)) of his, her or its Existing Ordinary Shares to Placees procured by the Joint Bookrunners;
- appointed the Company to enter the Placing Agreement as his, her or its agent in order to effect the sale of the Sale Shares on his, her or its behalf;
- given certain representations, warranties and undertakings to the Company and the Joint Bookrunners (the liabilities of such Selling Shareholders pursuant to these representations, warranties and undertakings being limited as to time and amount);
- agreed to pay certain commissions payable to the Joint Bookrunners; and
- agreed to pay any stamp duty and/or stamp duty reserve tax arising on the transfer and/or delivery and/or acquisition of his, her or its Existing Ordinary Shares.

In addition, each Selling Shareholder has, pursuant to a separate agreement entered into between the Selling Shareholder and the Company as further described in paragraph 9.4.3 of Part 9 of this document, agreed to certain restrictions on the disposal by the Selling Shareholder of his, her or its interests in Ordinary Shares following Admission.

Further details of the Placing are set out in Part 8 of this document.

18. Admission, Settlement and CREST

Application has been made to the London Stock Exchange and Euronext Dublin for the Ordinary Shares to be admitted to trading to AIM and Euronext Growth respectively. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on 17 July 2019.

The Articles permit the Company to issue Ordinary Shares in uncertificated form in accordance with the CREST Regulations. CREST is a computerised share transfer and settlement system. The system allows shares and other securities to be held in electronic rather than paper form, although a Shareholder can continue dealing based on share certificates and notarial deeds of transfer.

For more information concerning CREST, Shareholders should contact their own stockbroker or Euroclear.

The ISIN number of the Ordinary Shares is IE00BJ5FQX74. The TIDM is UPR.

19. Dividend Policy

The declaration and payment by the Company of any future dividends on the Ordinary Shares will depend on the results of the Group's operations, its financial condition, cash requirements, future prospects, profits available for distribution and other factors deemed to be relevant at the time.

The Board intends to adopt a progressive dividend policy from Admission to reflect the expectation of future cash flow generation and long-term earnings potential of the Group. It is the current intention of the Board to declare a dividend for the period from Admission to 31 December 2019 amounting to €2 million. Should a dividend be so declared it is likely to be declared at the time of publication of the Group's financial results for the year ended 31 December 2019 and be payable in May 2020.

The Board may revise the Company's dividend policy from time to time in line with the actual results of the Company.

20. Taxation

The attention of prospective investors is drawn to the information regarding taxation which is set out in Part 7 of this document. These details are, however, only intended as a guide to the current taxation law position in Ireland and the UK.

Prospective investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than Ireland and the UK are strongly advised to consult their own independent financial or tax adviser immediately.

21. Further Information and Risk Factors

You should read the whole of this document which provides information on the Group and the Placing and not rely on summaries or individual parts only. Your attention is drawn, in particular, to the Risk Factors set out in Part 2 of this document and the additional information set out in Part 9 of this document.

PART 2: RISK FACTORS

In addition to the other information set out in this document, the following specific factors should be considered carefully in evaluating whether to make an investment in the Company. The Directors believe the following risks and uncertainties associated with the Group and the industry in which it operates, and those associated with an investment in Ordinary Shares, to be material risks and uncertainties that are known to the Company and should be used as guidance only. The risks and uncertainties described below do not represent an exhaustive list. They are not presented in any order of priority. Additional risks and uncertainties relating to the Group and/or the Ordinary Shares that are not currently known to the Company, or which the Company currently deems immaterial, may arise or become (individually or collectively) material in the future, and may have a material adverse effect on the Group's financial condition, business, prospects or results of operations. If any of the following risks actually occur, the Group's financial condition, business, prospects or results of operations could be materially and adversely affected. In such circumstances, the trading price of the Ordinary Shares could decline, and investors may lose all or part of their investment.

An investment in the Company involves significant risks and is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may be equal to the entire amount invested) which may result from such an investment. If you are in any doubt about the contents of this document and what action you should take, you should immediately seek your own personal financial advice from your independent professional adviser (being in the case of persons resident in the United Kingdom, an organisation or firm authorised pursuant to FSMA or in the case of persons resident in Ireland, an organisation or firm authorised or exempted pursuant to the European Union (Markets in Financial Instruments) Regulations 2017 or the Investment Intermediaries Act 1995 (as amended)). Prospective investors should consult a legal adviser, an independent financial adviser or a tax adviser for legal, financial or tax advice if they do not understand any part of this Document.

Prospective investors should be aware that the value of the Ordinary Shares and the income from them may go down as well as up and that they may not be able to realise their initial investment.

There can be no guarantee that the Group's business objectives will be achieved.

In this Part 2 references to the Group should, where the context permits, be read as including Durbin.

RISKS RELATING TO THE GROUP'S BUSINESS AND INDUSTRY

1. Uncertainties and challenging conditions in the economies in which the Group conducts its business may adversely impact the Group

The Group's business is influenced by economic conditions in Ireland and the United Kingdom and by European and global economic conditions. Levels of healthcare spending and spending on pharmaceutical products and medical devices have been and could be adversely affected by decreases in people holding health insurance policies, disposable income decreases, tax increases, unemployment increases, or the spending patterns of customers changing to reflecting increased uncertainty or apprehension regarding economic conditions. Furthermore, general economic conditions in Ireland, the United Kingdom, Europe, the United States and other countries could adversely impact the terms available to the Group with its major suppliers and customers. Any of these factors could have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

2. The Group may be adversely affected by changes and trends in the markets in which it operates

The Group's business depends to a significant extent on the continued growth of the healthcare market in Ireland, the United Kingdom, Europe, the United States and other countries. The Group may be affected by general market trends which are unrelated to the performance of the Group itself. In addition, the Group's success depends on market acceptance of the Group's products and service offering which may not continue to be forthcoming or develop as anticipated. Market opportunities targeted by the Group may also change. Any of the foregoing could have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

In addition, healthcare and public policy trends indicate that the availability of generic drugs will increase over the coming years as a result of the expiration of certain drug patents and cost-containment measures introduced by governmental authorities to increase the market share of lower-priced generic drugs. The price difference between a patent protected drug and a generic drug is often considerable. Lower prices for generic drugs may result in lower sales for the Group which could have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

3. The Group may be adversely impacted by changes to government healthcare expenditure and other healthcare reforms

The Group's financial results may be adversely impacted by changes to government healthcare spending and other policies, including policies focussed on cost reduction and/or containment, and other healthcare reforms in Ireland, the United Kingdom, Europe, the United States and other countries. Furthermore, Irish government pressure to significantly reduce overall healthcare expenditure has led to continued downward pressure on pharmaceutical product pricing in Ireland. In 2016, IPHA and Irish the Department of Health, the Department of Public Expenditure and Reform and the HSE concluded a new four-year framework agreement for the supply of medicines to the public health services by members of IPHA (the "**2016 IPHA Agreement**"). The 2016 IPHA Agreement continues to have a significant material adverse effect on pharmaceutical wholesalers, including the Group, which could have a material adverse effect on the Group's financial condition, business, prospects and results of operations. In addition, the 2016 IPHA Agreement is due to be re-negotiated in the first half of 2020. If the 2016 IPHA Agreement is re-negotiated on terms which have the effect of reducing the price of pharmaceutical products or maintaining or introducing other terms which are unfavourable to pharmaceutical wholesalers, including the Group, or other measures are taken by governments of countries in which the Group conducts its business which have the effect of reducing healthcare expenditure or increasing competition in the markets in which the Group operates, each could have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

4. The Group operates in a competitive environment

The Group's businesses require continuous investment in terms of pricing, product range and quality and service delivery. As the Group continues to expand its product and service offering, competition with other organisations who offer the same or similar products or services may increase. The Group may not be able to respond to these and other competitive challenges effectively. Any inability to compete successfully with these or other competitive challenges could have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

5. Termination or other adverse factors affecting the Group's relationship with its suppliers could affect its ability to obtain sufficient quantities and variety of products

Some of the Group's agreements with suppliers and sourcing partners may be short-term and, therefore, are subject to the requirement to renew, can be terminated upon reasonably short notice or are subject to termination for cause. Termination of a key supply agreement or a number of smaller supply agreements could adversely affect to a material degree the availability of products to the Group's customers and, particularly if they relate to selective distribution arrangements, the Group's competitive position. Moreover, failure by the Group to comply with terms of the supply agreements could also result in penalties, termination of a contract for cause, or a supplier not renewing its contract at the end of the term. The Group may also not be able to replace some of the suppliers that elect to terminate or not renew their agreements with the Group. The Group may not be able to acquire suitable products from its suppliers in sufficient quantities and on economic terms substantially similar to the Group's existing terms or acceptable to the Group in the future. In addition, a number of the Group's commercial contracts contain provisions which allow the counterparty to unilaterally amend pricing lists, terms and conditions of sale or supplier code of conduct. The Group's inability to acquire products on economic terms acceptable to it in the future, or any significant change in the economic terms of its supplier agreements, could have a material adverse effect on the Group's financial condition, business, prospects and results of operation.

Some of the Group's supply agreements contain provisions that require it to order certain products and services exclusively from one supplier. If one or more suppliers were to fail to meet their supply obligations to the Group or to deliver products on time or to specification, the Group's ability to obtain a sufficient amount and variety of products may be limited, which could have a material adverse effect on the Group's financial condition, business, prospects and results of operation.

Many of the Group's commercial contracts contain liability provisions which are weighted in favour of the counterparty or otherwise expose the relevant Group Company to risk, including broad and/or uncapped indemnities in favour of the supplier, and/or without a general cap on the liability of the relevant Group Company. A claim for breach of, or an indemnity claim pursuant to, such a commercial contract by a counterparty could have a material adverse effect on the Group's financial condition, business, prospects and results of operation.

6. The Group's suppliers may change their existing sales or distribution strategies. In addition, there may be consolidation amongst or involving the Group's suppliers

The Group currently relies on certain suppliers for the continuous supply of certain products, including products on which the Group particularly relies, and currently benefits from the trend amongst those suppliers and other pharmaceutical and medical device manufacturers to pursue outsourcing strategies with respect to the sale and distribution of their products. Changes to such strategies, for example by reducing the number of preferred vendors or distributors or a move away from outsourcing strategies to other strategies which meet all of their service requirements, may result in lower sales for the Group which could have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

In addition, the Group's suppliers could undergo structural change, including through consolidation amongst or involving other suppliers or businesses which provide services similar to those of the Group. Such change could result in the termination of a key supply agreement which could adversely affect to a material degree the availability of products to the Group's customers and the Group's competitive position if the Group is unable to acquire suitable replacement products in sufficient quantities and on economic terms substantially similar to the Group's existing terms or acceptable to the Group in the future. The foregoing could result in lower sales for the Group which could have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

7. A number of the Group's customer and supplier agreements are not evidenced in writing

The Group has a large and diverse customer and supplier base. Because of the number of customers and suppliers which the Group has, agreements with them vary with regard to factors such as contract length, warranties and liability limitation and apportionment. Some of the Group's customer and supplier agreements are based on verbal agreements or purchase orders with the relevant counterparty and are not evidenced in writing. While the Company is satisfied that there was an intention to create a legal relationship between the parties in these cases and the principal commercial terms are clear, there could be legal uncertainty regarding the content of the agreement and/or the existence and commercial terms of the agreement may not be enforceable by the courts in the event of a dispute. In addition, such legal uncertainty or unenforceability could result in unforeseen exposure for the Group, especially in cases where no standard terms and conditions are applicable or in cases where no specific liability apportionment and/or limitations of liability have been incorporated into the agreements. Each of the foregoing could have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

8. The Group is dependent on certain licenses and regulatory approvals. The Group is also subject to extensive regulation and may in the future be adversely affected by regulatory measures applicable to it

The Group is dependent to a significant degree on certain licences and regulatory approvals to conduct its business, including with respect to the Group's licensed facilities. The Group is also subject to domestic, European and foreign laws and regulations including but not limited to with respect to healthcare, consumer protection, privacy and data protection, employment, accounting, customs, tax, antitrust and competition matters. In particular, the sale, distribution and marketing of certain products and services that the Group sells or provides, such as pharmaceutical products and medical devices, are highly regulated. A failure to obtain, maintain, or comply with the terms of such licences and approvals or failure to comply with applicable laws and regulations could have a material adverse impact on the Group's reputation and could lead to the restriction or revocation of such licences and approvals or to the Group becoming subject to claims, litigation, administrative sanctions, fines or penalties. In addition, any change to, or increase in the complexity of, legislative or regulatory requirements with which the Group must comply may require significant expenditure on the part of the Group or have the effect of preventing the Group operating in a particular country.

Furthermore, the Group may become subject to legal or regulatory actions if its suppliers provide it with, and the Group sells and distributes, products that do not comply with applicable laws or regulations. Furthermore, in the event of any failure by the Group's suppliers to meet required quality standards, the Group may not be successful in obtaining compensation from the relevant supplier, which could lead to additional costs, may damage the Group's reputation and may consequently lead to a loss of customers and customer confidence or claims, litigation, administrative sanctions, fines or penalties. In such an event, the Group may not be able to recover amounts paid to such suppliers or obtain damages to which it believes it is entitled.

Any of the foregoing could have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

9. The Group faces the risk of spoilage, accidental damage or theft to its stock

Certain of the stock which is carried by the Group comprises high value items. Consequently, any accidental damage to stock at the Group's premises, in transit or at customer locations could have a material adverse effect on the Group's results of operations. In addition, the Group receives, ships, stores and handles consignments of pharmaceutical products which must be stored for periods of time within precise temperature ranges. Although the Group has contingency plans in place (such as backup generators), the failure of cooling systems could lead to spoilage of stock and this could have a negative impact on the Group's ability to supply its customers. Furthermore, the Group may incur additional costs for the disposal of spoiled stock which typically needs to be disposed of in accordance with special waste regulations. Any such failures could therefore have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

Many of the Group's products are valuable, and their small size and packing (in certain cases) render them particularly susceptible to theft and diversion in the course of fulfilment and distribution. If the security measures the Group uses at its distribution centres and during the distribution process do not prevent significant inventory theft and diversion, the Group's results of operations may be adversely effected. Any of these developments, individually or in the aggregate, could have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

10. The Group may be subject to significant liability should the use or consumption of any of its products cause injury, illness or death

Products that the Group sells or distributes could become subject to contamination, product tampering, mislabelling or other damage and/or be subject to errors in the dispensing, labelling or packaging of pharmaceutical products. Any of the foregoing could require the Group to recall such products or could lead to serious injury or death. Product liability claims may be asserted against the Group with respect to any of the pharmaceutical products or medical devices the Group sells or distributes. A product liability judgment against the Group or a product recall could have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

11. Any significant interruption in the operations of the Group's distribution centres could disrupt the Group's ability to deliver its products and to process customer orders in a timely manner

The Group's distribution centres receive and store product deliveries from its suppliers, consolidate the products and dispatch them to pharmacies, healthcare professionals and hospitals. Any significant interruption in the operation of the Group's distribution centres, such as disruptions in operations due to fire or other catastrophic events, workforce disputes or shipping problems, could reduce the Group's ability to receive and process orders and provide products to its customers. This could result in lost sales, cancelled sales and a loss of customer loyalty. While the Group maintains business interruption and property insurance, in the event that the Group's distribution centres were to be shut down for any reason, or if there were a disruption at the Group's distribution centres resulting in a delay in shipment of products to the Group's customers, the Group's insurance may not be sufficient. Any of the foregoing factors could have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

12. The Group depends on third parties for the delivery of the pharmaceutical products and medical devices it sells and distributes

The Group has structured its supply chain in a way that targets on-time delivery to optimise inventory levels. In all parts of its supply chain, the Group depends on the services of third-party carriers for the delivery of pharmaceutical products and medical devices to its distribution centres (inbound logistics) and for those to be delivered to the Group's customers (outbound logistics). During transport, the Group has only limited control over the timing of deliveries and the security and proper handling of the pharmaceutical products, and pharmaceutical products purchased or sold by the Group may be lost in transit, damaged or otherwise mishandled. The Group may also experience shipping delays or delivery failures for a variety of reasons, including due to inclement weather, strikes or fault of any third-party carrier, which could result in the Group not being able to provide replacements and adequate customer support in a timely manner or at all. The Group's supply chain is also susceptible to other risks, including failure by its suppliers to deliver products in a timely manner or at all, which may be caused by a number of factors, including, but not limited to, financial problems, labour issues, product quality issues, production interruptions or lack of raw materials. In such an event, the Group may also not be able to recover amounts paid to such suppliers or obtain contractual damages to which it believes it is entitled. The materialisation of any of these risks could have a material adverse effect on the Group's, financial condition, business, prospects and results of operations.

13. The Group is reliant on its information technology networks and computer systems

The Group is reliant on the proper functioning of its information technology networks and computer systems. There is a risk that such technology or systems could fail or be subject to disruption. While the Group has in place disaster recovery policies and procedures aimed at the continuous functioning of such technology and systems, there can be no assurance that such technology or systems will not be subject to damage or interruption caused by human error, unauthorised access, computer viruses, natural hazards or disasters or other similarly disruptive events, including other security breaches. A failure of any of the Group's core information technology networks and/or computer systems could result in interruption to the efficient operation of the Group's services and could lead to lost sales, cancelled sales and a loss of customer loyalty.

Although the Group has made significant investment in its information technology networks and computer systems in recent years, it may at any time be required to expend significant capital or other resources to replace or upgrade its existing information technology systems and computer systems. Furthermore, if replacements, expansion, upgrades and other maintenance are not completed efficiently or there are operational failures, this could negatively impact the Group. Any of the above factors could have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

14. The Group may be subject to fraudulent activity

Whilst fraud by its nature is difficult to detect and eliminate, the Group has a number of security measures in place to monitor and respond to attempts to commit any fraud against the Group, or to infiltrate its IT systems. Any fraud against the Group and the associated reputational damage could have a material adverse effect on the Group's financial position, business prospects, reputation and the results of operations.

15. The Group's insurance coverage may not cover all of the potential losses, liabilities and damages related to its business and operations

The operation of the Group's business involves numerous risks that could result in damage to its distribution centres, premises and pharmacies resulting in potential liabilities for the Group, including product liability claims, personal injury claims and professional liability claims, any of which could lead to awards of damages and monetary losses. Although the Group has risk management policies and procedures in place and maintains standard insurance policies against these risks, the costs of certain incidents may not be covered fully or at all by insurance policies and may lead to higher insurance premiums in the future. There can be no assurance that the general and product liability insurance coverage that the Group maintains will adequately compensate for actual losses, liabilities and damages suffered, nor can there be any assurance that the Group's existing insurance policies will continue to be available on commercially reasonable terms, or at all. In addition, it is not possible to obtain insurance against all risks and the Group may decide not to insure against certain risks.

16. The Group may be unable to manage its costs effectively and may face costs pressure which it is unable to fully pass on to customers

While the Directors believe that the Group has designed an efficient operating model, the Group's profitability and future growth depend on its ability to effectively manage operating costs, including to achieve central overhead cost synergies and to improve supply chain and inventory management. At the same time, it is crucial to maintain competitive pricing and product quality, customer service and support. The Group's ability to maintain a competitive cost structure depends on continued management of delivery and administrative costs, as well as the implementation of cost-effective purchasing programs for products sold and supplied by it. If the Group fails to effectively manage its operating costs, its profitability and growth could be adversely affected, which could have a material adverse effect on its financial condition, business, prospects and results of operations.

In pharmaceutical wholesale and retail businesses, a significant portion of the cost base consists of fixed costs, which tend to increase year over year. As the retail sales prices and maximum margins on individual prescription and reimbursable OTC medications are in many cases determined by governmental regulation or frameworks, the Group may face difficulties in passing on increased costs to its customers. The Group's inability to pass on such increased costs, could have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

17. The Group is dependent on key executives

The Directors believe that the future success of the Group will depend in part upon the expertise and continued service of its key executives, including the Directors and senior managers. Furthermore, the Group's ability to successfully develop its product and service offering will also depend on its ability to attract, retain and motivate suitable management, commercial, clinical, marketing and sales personnel. Competition for highly competent and qualified employees is often intense due to their limited numbers.

The departure of any of the Group's key executives could have a negative impact on its operations. In the event that future departures of employees occur, the Group's ability to execute its business strategy successfully or to continue developing its product and service offering could be adversely affected which could have a material adverse effect on the Group's financial business, prospects and results of operations.

18. The Group is leveraged and is subject to restrictive debt covenants

The Group has, and will following Admission continue to have, outstanding debt repayment obligations. The Company's syndicated facility agreement (the "**Syndicated Facililty Agreement**") contains (and any future financing arrangements may contain) restrictive debt covenants that may, among other things, limit the ability of the Group to incur additional indebtedness, create additional security, finance discretionary business expansion and capital investment, make certain acquisitions or enter into certain joint ventures or sell or transfer its assets. In addition, the Group is subject to a financial leverage ratio tests and an interest cover ratio tests in the Syndicated Facility Agreement. These covenants could have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

The use of debt presents the risk that the Group may be unable to service interest payments and principal repayments under the Syndicated Facility Agreement and/or any future financing arrangements. In particular, interest rates are highly sensitive to many factors, including international and domestic economic and political conditions, and other factors beyond the Group's control. The Group's borrowings under the Syndicated Facility Agreement are subject to floating interest rates. The level of interest rates can fluctuate and, if interest rates rise, the Group would be required to use a greater proportion of its revenues to satisfy its repayment obligations under the Syndicated Facility Agreement and/or any future financing arrangements.

If certain extraordinary or unforeseen events occur, including breach of debt covenants or inability to service interest payments or principal repayments, the Syndicated Facility Agreement (and/or any future financing arrangements) may be repayable prior to the date on which they are scheduled for repayment or could otherwise become subject to early termination. If the Group is required to repay borrowings early, it may be forced to sell assets when it would not otherwise choose to do so in order to satisfy its repayment obligations under the Syndicated Facility Agreement and/or any future financing arrangements.

The Group may also find it difficult or costly to refinance indebtedness before or as it matures, and if interest rates are higher when indebtedness is refinanced, the Group's costs could increase.

Any of the foregoing events may have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

See paragraph 9.19.1 of Part 9 of this document for further information on the Syndicated Facility Agreement.

19. If the Group is unable to identify and complete acquisitions, the Group's ability to grow its business may be limited

The Group expects to continue to grow, in part, through selective acquisitions of businesses which enhance and expand the Group's product and service offering. Although the Group has a strong track record in identifying and completing acquisitions, future acquisitions may expose the Group to significant risks and uncertainties, including, but not limited to: an inability to find suitable businesses to acquire at affordable valuations or on other acceptable terms; competition for acquisition targets; continued dependence on external sources of capital to finance the purchase prices of acquisitions; that proposed acquisitions may be prohibited by certain antitrust or other regulatory laws or may require divestitures; diversion of the Group's management's attention from existing operations to the acquisition process; an inability to realise expected cost savings and synergies; and difficulties in retaining key customers and management personnel.

The Group may not be able to identify and complete acquisitions in the future, and the Group's failure to do so may limit its ability to grow its business. If the Group is unable to continue to acquire suitable acquisition targets, this could have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

In addition, as set out in paragraph 9.7 of Part 9 of this document, if and for so long as any deferred consideration is due and payable but unpaid in connection with the acquisition of the Sisk Healthcare Group, the consent of the sellers is required before the Group can make any acquisition.

20. The Group's due diligence may not identify all risks and liabilities in respect of an acquisition and the contractual protections the Group receives from certain types of vendors may be limited or ineffective to cover the Group's losses

The Group has acquired, and it is intended that the Group will continue to acquire other businesses. Before making any such investments, the Group assessed or assesses the value or potential value of such businesses to the Group and performed or performs due diligence on the proposed investment. In doing so, it typically relied or relies in part on third parties to conduct a significant portion of this due diligence (including by providing legal, financial, commercial and taxation reports). There can be no assurance, however, that due diligence examinations carried out, or that may be carried out, by the Group or third parties in connection with any business that the Group has acquired or may acquire, have revealed or will reveal all of the risks associated with that business, or the full extent of any such risks.

In certain circumstances, the Group or such third parties may have been, or the Group or such third parties may be, limited in the level of due diligence they were, or are, able to conduct. This could give rise to additional expenses and/or liabilities which the Group would be required to pay. In addition, businesses that the Group has acquired or that the Group may acquire may be subject to risks or liabilities that were not apparent at the time of acquisition and have not become apparent as at the date of this Document. To the extent that the Group or other third parties underestimate or fail to identify risks and/or liabilities associated with an investment, the Group may be subject to risks in respect of defects or liabilities requiring remediation and/or which are not covered by indemnities or insurance and/or of acquiring businesses that fail to perform in accordance with expectations.

In addition, the contractual protections the Group has received or that the Group may receive in connection with its acquisitions from certain types of vendors may be limited or ineffective to cover the Group's losses. In particular, as set out in paragraph 9.8 of Part 9 of this document the Group has contracted to acquire a number of pharmacies without any warranties and/or indemnities having been provided by the sellers. As a result, the Group's ability to identify, and eventually recover in respect of any losses incurred as a result of, any defects, risks or liabilities that may arise in connection with any such acquisition may be more limited than would otherwise be the case. The consequences of any due diligence failures, or an underestimation of, or failure to identify any defects, risks, or liabilities, or limitations on protections being received, may have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

21. It is possible that the completion of the Durbin acquisition may be delayed or may not occur

The Company intends to use part of the proceeds raised via the Placing to complete the Durbin Acquisition following Admission, as described in further detail at paragraph 9.6 of Part 9 of this document. The terms of the Durbin Share Purchase Agreement permit the Company to terminate the Durbin Share Purchase Agreement (without completing the Durbin Acquisition) if the seller has not complied with its obligations under the agreement in any material respect. It is therefore possible, if any such material non-compliance by the seller were to occur, that the Company could elect to terminate the Durbin Share Purchase Agreement without completing the Durbin Acquisition, or that completion of the Durbin Acquisition may be delayed pending a resolution to the Company's satisfaction of the non-compliance in question.

Delay in completing the Durbin Acquisition (or the non-completion of the Durbin Acquisition) in these circumstances could result in the accrual of additional costs by the Company without any of the additional benefits of the Durbin Acquisition having completed. In addition, the Group's management and employees would have spent time in connection with the Durbin Acquisition which could otherwise have been used to focus and develop other areas of the Group's business. This in turn could result in an adverse effect on the business, results of operations, financial condition or prospects of the Group.

22. The Group may be subject to liability following the disposal of investments.

The Group may be exposed to future liabilities and/or obligations with respect to the investments or companies which it has sold or may sell in the future. The Group may be required to pay damages (including but not limited to litigation costs) to a purchaser to the extent that any representations, warranties, covenants or obligations given to a purchaser are breached.

23. Integration of recently acquired and new businesses may be difficult or delayed and may inhibit the Group's operations and financial results

While the Group has a strong track record of integrating new businesses, the Group may be exposed to losses as a result of difficulties or delays in integrating its existing businesses with those businesses recently acquired by it or businesses acquired by it following Admission. The issues associated with the integration of existing businesses and new businesses include, among other things, coordinating sales, distribution, finance, human resources and other centralised services functions and integrating information systems. Delays or unforeseen expenses in combining operations, as well as the diversion of the attention of the Group's management from its existing operations to integration efforts, may prevent the Group from realising the profits which the new businesses were expected to generate and could have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

24. The Group may need to allocate additional managerial and operational resources to meet its needs as the Group's business grows and becomes more complex

As a result of technological advancements and the offering of new services and products, the operating complexity of the Group's business, as well as the responsibilities of the Group's senior managers, has increased over time, which may place significant strain on the Group's managerial and operational resources. Specifically, changes in accounting principles and financial reporting requirements could require the Group to increase its expenses for implementation and maintenance of new systems and processes to meet such changes. The Group will have to maintain close coordination among its logistical, technical, accounting, finance, marketing and sales personnel. Management of growth will also require, among other things, continued development of financial and management controls and information technology systems. The growth of the Group may strain the Group's managerial resources which may require it to hire additional personnel. The Group may incur additional cost to hire managers with the relevant expertise and the hiring process may require significant time and resources, all of which could have an adverse impact on the Group's financial condition, business, prospects and results of operations.

25. Expansion by the Group into new markets or other areas of business may be cost intensive and investments in future activities may not bring the intended results

The Group has begun in recent years to diversify its business model and penetrate new product and service offerings in addition to expanding into new countries. Following Admission, the Group intends to examine further market opportunities in countries in which the Group does not currently operate. New markets may have economic, competitive or political conditions that are more difficult to predict or satisfy than the markets in which the Group currently operates. Such markets may also present challenges of unfamiliar legal frameworks and language differences. The Group may need to make greater investments than originally planned in new markets to penetrate those markets. If any of the foregoing occurs, the Group may need to allocate additional managerial and operational resources to such markets than originally planned, which would then not be available to other elements of the Group's business. Accordingly, the choice of new target markets or areas of business may prove to be economically disadvantageous, and the Group might fail to achieve the benefits expected from the expansion or diversification of its business. Any failure to penetrate new markets or areas of business may materially harm the Group's ability to increase its revenue and profitability and could have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

26. The Group's risk management procedures may fail to identify or anticipate future risks

Although the Directors believe that the Group's risk management procedures are adequate, the methods used to manage risk may not identify or anticipate current or future risks or the extent of future exposures, which could be significantly greater than historical measures indicate. Risk management methods depend on the evaluation of information regarding markets or other matters that is publicly available or otherwise accessible to the Group. Failure (or the perception that the Group has failed) to develop, implement and monitor the Group's risk management policies and procedures and, when necessary, pre-emptively upgrade them could give rise to reputational and trading issues which could have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

27. Foreign exchange rate fluctuations may adversely affect the Group's results of operations and financial condition

The Group prepares its financial statements in euro, but a proportion of the Group's income and costs are and will continue to be in foreign currencies. To the extent that the Group's foreign currency assets and liabilities are not matched or hedged, fluctuations in exchange rates between euro and other currencies may result in realised or unrealised exchange gains and losses on translation of the underlying currency into euro. This may have a positive or negative effect on the Group's financial results and may therefore adversely affect the Group's financial condition. In addition, if the currencies in which the Group earns its revenues and/or holds its cash balances weaken against the currencies in which it incurs its expenses, this could adversely affect the Group's liquidity. The Group does not currently undertake hedging, and were it to do so, such hedging would be based on estimates of liabilities and future revenues and may not fully eliminate the impact of future foreign currency exchange fluctuations.

28. The Group is subject to the credit risk of its suppliers and customers

The Group engages in numerous sales transactions with its suppliers and customers many of which are not currently rated by an external rating agency. The Group is therefore subject to the risk that one or more of these counterparties becomes insolvent or otherwise become unable to discharge their obligations to the Group. If one of the Group's suppliers or one of the Group's customers were to experience financial difficulties or even insolvency, the Group may be unable to receive pharmaceutical products or medical devices already paid for or to collect outstanding amounts payable to it, resulting in write-offs of such claims or receivables. Significant or recurring delays in receipt of goods or payments, or incidents of bad debts, could have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

29. The Group faces risks from the UK's withdrawal from the European Union

On 23 June 2016, the United Kingdom held a referendum on its continued membership of the EU. This resulted in a vote for the United Kingdom to exit the EU. There are significant uncertainties at this time as to the terms of such an exit and the time frame for doing so in the case that a transition period is agreed with the other members of the EU. There are also significant uncertainties as to the current and future fiscal, monetary and regulatory landscape in the United Kingdom. There is also uncertainty in relation to how, when and to what extent the exit will have an impact more generally on the economy of the United Kingdom and Ireland and the growth of various industries, levels of investor activity and confidence in market performance. In the event that there are any such changes that materially (directly or indirectly) affect the Group or the sector in which it operates, such changes could result in higher operating costs and could have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

30. The Group is reliant on its intellectual property

Failure to protect the Group's intellectual property rights may result in another party copying or otherwise obtaining and using the Group's trademarks without permission. The Group's rights in its trademarks are currently protected by a number of registrations held by the Group, but no assurance can be given that these registrations will be effective. The Group does not have registered trademarks for five of its material brands and only has partial trademark protection for a further four material brands. Brands which do not have the benefit of trademark protection may potentially benefit from the protection of unregistered rights or unfair competition laws in the jurisdictions in which they are in use but in the absence of registered protection there is an increased risk of an ownership claim by a third-party. Policing unauthorised use of trade marks can be difficult, time consuming and expensive. Furthermore, the Group may need to take legal action to enforce its intellectual property rights and any such litigation may result in substantial costs and the diversion of resources and management attention. In addition, there can be no guarantee as to the outcome of any such litigation.

In addition, the Group cannot rule out the possibility that third-party contractors may have been involved in the development of certain of the Group's systems and platforms prior to their acquisition by the Group. Although the Group has not received any third-pary ownership claim or threat of such a claim, any such claim could have a material adverse effect on the Group's financial condition, business, prospects and results of operation.

31. The Group faces the risk that the funding position of its defined benefit pension schemes will deteriorate, requiring it to make additional contributions, adversely affecting its financial position

The Group maintains two defined benefit pension schemes for certain current and former employees, both of which have been subject to liability reduction measures over the past few years. The first of these schemes was closed to new entrants with effect from 1 March 2002 and closed to future accrual from 31 July 2011 (including a freeze on final pensionable salary) while the second of these schemes was closed to new entrants from 3 February 2003, a freeze on pensionable pay was introduced from 1 April 2010 and it was closed to future accrual from 5 January 2017. Both of these schemes are in a past service deficit position. In relation to these schemes, the Group faces the risk that the funding position of the schemes will deteriorate. Over the longer term, this may require the Group to make additional contributions above what is already planned to cover the Group's pension obligations towards current and former employees under these schemes. In relation to the first scheme, in particular, under the applicable governing trust deed and rules, the trustee has the power to unilaterally issue a contribution demand to deal with any funding deficit where actuarial advice indicates that this is necessary to provide the benefits under the scheme rules. However, the risk of such a demand is considered to be low where the Company is meeting its ongoing scheme funding obligations and the trustee has no reason to believe the Company might move to wind-up the scheme or that the Company's financial strength will significantly weaken. In addition, the Company has been advised that under the rules of the scheme it can at any time give notice in writing to terminate with immediate effect its liability under this scheme.

32. Litigation and other adversarial actions in the ordinary course of business could materially adversely affect the Group

Although the Group is not currently party to (either as a claimant or as a defendant) any material litigation, it may be subject to such litigation in the future. In addition, the Group may be subject to other disputes, claims and complaints, including adversarial actions, by customers, employees, suppliers, insurers and others in the ordinary course of business. Significant claims or a substantial number of small claims may be expensive to defend, may divert the time and focus of management away from the Group's operations and may result in the Group having to pay monetary damages, any of which could have a material adverse effect on the Group's financial condition, business, prospectus and results of operations. In addition, adverse publicity or substantial litigation against the Group could negatively impact its reputation, even if the Group is not found liable, which could have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

33. The Group is subject to complex tax regimes in the multiple jurisdictions in which it currently operates

The Group's business is subject to complex tax regimes in the jurisdictions in which it currently operates. Changes in taxation rates or laws, or misinterpretation of laws or any failure to manage tax risks adequately could result in increased charges, financial loss, including penalties, and reputational damage, which may have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

The Group's tax returns are subject to regular review and examination. The Group cannot guarantee that any tax audit or any tax dispute, to which it may be subject in the future, will result in a favourable outcome for the Group. There is a risk that any such tax dispute could result in additional taxes payable by the Group as well as negative publicity and reputational damage. In any such case, substantial additional tax liabilities and ancillary charges could be imposed on the Group, which could increase the Group's effective tax rate. In addition, as a result of the Group's complex tax regime, the Group has from time to time conducted, and intends to continue to conduct, its own tax reviews and examinations which have in the past, and may in the future, result in the Group identifying areas where additional tax may be payable, although the Directors do not currently believe that there any areas which will require a material additional amount of tax to be payable by the Group.

34. The Group faces reputation risk

The Group's reputation is central to its future success in terms of the products and services it provides, the way in which it conducts its business and the financial results which it achieves. Issues that may give rise to reputational risk, include, but are not limited to, failure to deal appropriately with legal and regulatory requirements, product recalls, medical malpractice, product liability issues, fraud prevention, privacy, record-keeping, sales and trading practices, anti-bribery and/or corruption and the credit, liquidity, and market risks inherent in the Group's business. If the Group fails, or appears to fail, to deal with any issues that may give rise to reputational risk or the loss of customer confidence or if it fails to retain customers for any other reason, this could have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

In addition, failure to meet the expectations of its customers, suppliers, employees, shareholders and other business partners may have a material adverse effect on the Group's reputation and future revenue.

35. The Group is subject to increased data processing requirements under General Data Protection Regulations and other legislation governing the processing of personal data

The General Data Protection Regulation (EU) 2016/679 ("**GDPR**") came into force across the EU in May 2018. The GDPR stipulates that if personal data is to be processed by one party for another, certain clauses (which are set out by the legislation) relating to that processing into the agreement with the processor of that data. A failure to insert these clauses is a breach of the GDPR. The Group processes certain sensitive personal and confidential customer and patient data (including customer and patient names and addresses). Therefore, the Group could be liable under GDPR and other legislation governing the processing of personal data in countries in which the Group conducts its business in the event of loss of control of such data or as a result of unauthorised third-party access. Unauthorised data disclosure or loss of control of data could occur through malicious security breaches or as a result of human error. The failure to process such data in accordance with GDPR could result in significant reputational damage and additional costs relating to customer or patient compensation. In Ireland and the United Kingdom, the Data Protection Commission and the Information Commission have powers to levy monetary penalties for the loss or unapproved disclosure of personal data and potential fines under the GDPR are up to the greater of 4 per cent. of annual worldwide turnover or €20 million although it is as yet unclear as to how the GDPR will be policed in Ireland or the United Kingdom or what the approach of the Data Protection Commission and the Information Commission will be to any breaches. The Group processes a significant volume of personal data in respect of primary care referring clinicians in England and potentially a significant volume of special categories of sensitive personal data in respect of patients in England. Whilst the Group has undertaken a GDPR risk assessment and updated its procedures and documentation in light of the GDPR, in the event of a breach of the GDPR or other legislation governing the processing of personal data in countries in which the Group conducts its business any fine levied could be substantial and adversely affect the Group's financial condition, business, prospects and results of operations.

36. The Group faces regulatory risks associated with the distribution of unlicensed/ unauthorised medicines

The Group's *Product Access Division* sources and distributes Exempt Medicinal Products (a.k.a. unlicensed/unauthorised medicines) in Ireland pursuant to the appropriate regulatory pathway. Exempt Medicinal Products are sourced from within and outside the EEA. Where Exempt Medicinal Products are imported from outside the EEA, the manufacturer/producer may or may not be identifiable by an injured person and, if identified as a party situated outside the EEA, may be more difficult to join to legal proceedings and/or to obtain judgment against. As a result, the Group may not be successful in seeking to attribute liability on a joint and several basis. "Exempt Medicinal Product" means a medicinal product to which paragraph 2 of Schedule 1 to the Medicinal Products (Control of Placing on the Market) Regulations 2007, or any equivalent legislation in any EEA State other than the Irish State, applies i.e. in summary, a medicinal product which is not the subject of a marketing authorisation and is supplied in response to a bona fide unsolicited order, formulated in accordance with the specifications of a practitioner for use by his individual patients on his direct personal responsibility, in order to fulfil the special needs of those patients.

RISKS RELATING TO THE ORDINARY SHARES

37. The trading market for the Ordinary Shares may be subject to limited liquidity

Prior to Admission, there has been no public market for the Ordinary Shares. Admission to European Growth and AIM should not be taken as implying that a liquid market for the Ordinary Shares will either develop or be sustained following Admission. The liquidity of a securities market is often a function of the volume of the underlying Ordinary Shares that are publicly held by unrelated parties.

If a liquid trading market for the Ordinary Shares does not develop or is not sustained, the price of the Ordinary Shares may become more volatile and it may be more difficult to complete a buy or sell order for such Ordinary Shares.

38. The trading market for the Ordinary Shares may be subject to price volatility

The Placing Price has been agreed between the Group, Davy and RBC and may not be indicative of the market price for the Ordinary Shares following Admission. The subsequent market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including those referred to in this Part 2, as well as stock market fluctuations and general economic conditions or changes in political sentiment that may substantially affect the market price of the Ordinary Shares irrespective of the Group's actual financial, trading or operational performance. These factors could include the performance of the Group, large purchases or sales of the Ordinary Shares (or the perception that such sales may occur, as, for example in the period leading up to the expiration of the Lock-In Agreements), legislative changes and market, economic, political or regulatory conditions.

39. The Ordinary Shares will not be admitted to the official list

Application has been made for the Ordinary Shares to be admitted to trading on Euronext Growth and AIM, markets designated primarily for emerging or smaller companies to which a higher investment risk than that associated with larger or more established companies tends to be attached. The Euronext Growth Rules and the AIM Rules are less onerous than the rules applicable to companies whose shares are listed in the premium/primary segments of the Official Lists and an investment in shares that are traded on Euronext Growth and AIM is likely to carry a higher risk than an investment in shares listed on the Official Lists.

Further, the contents of this document have not been examined or approved by Euronext Dublin, the London Stock Exchange, the Central Bank of Ireland or the FCA.

It may be more difficult for investors to realise their investment on Euronext Growth or AIM than to realise an investment in a company whose shares are quoted on the Official Lists.

There are certain tax reliefs or exemptions for shareholders invested in companies whose shares are admitted to trading on AIM and Euronext Growth compared to the Official Lists. As the Company grows, the AIM and Euronext Growth markets may no longer be the most suitable listing venue, and therefore such shareholders may no longer be able to benefit from such tax reliefs or exemptions.

40. Further issues of Ordinary Shares may result in immediate dilution of existing Shareholders and may impact the price of the Ordinary Shares

The Company may decide to issue additional Ordinary Shares in the future in subsequent public offerings or private placements to fund expansion and development. If additional funds are raised through the issuance of new equity of the Company, other than on a *pro rata* basis to existing Shareholders, the percentage ownership of Shareholders may be reduced. The issue of additional Ordinary Shares by the Company, or the possibility of such issue, may cause the market price of the Ordinary Shares to decline and may make it more difficult for Shareholders to sell Ordinary Shares at a desirable time or price. There is no guarantee that market conditions prevailing at the relevant time will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at a price which is equal to the then market price(s) for Ordinary Shares on Euronext Growth or AIM.

41. Pre-emption rights for US and other non-Irish and non-UK holders of Ordinary Shares may be unavailable

In the case of certain increases in the Company's issued share capital, existing holders of Ordinary Shares are generally entitled to pre-emption rights to subscribe for such shares, unless shareholders waive such rights by a resolution at a shareholders' meeting. However, securities laws of certain jurisdictions may restrict the Company's ability to allow participation by shareholders in future offerings. In particular, US holders of ordinary shares in Irish companies are customarily excluded from exercising any such pre-emption rights they may have, unless a registration statement under the US Securities Act is effective with respect to those rights, or an exemption from the registration requirements thereunder is available. The Company does not intend to file any such registration statement, and the Company cannot assure prospective US investors that any exemption from the registration requirements of the US Securities Act or applicable non-US securities law would be available to enable US or other non-Irish and non-UK holders to exercise such pre-emption rights or, if available, that the Company will utilise any such exemption.

42. Sales of Ordinary Shares by certain Shareholders may affect the price of the Ordinary Shares

As set out in paragraph 9.4 of Part 9 of this document, Shareholders holding approximately 45% of the Company's issued share capital immediately following Admission have entered into lock-in arrangements with the Company, Davy and RBC. When the lock-in arrangements to which those restricted Shareholders are subject, and the undertakings to which the Company is subject, expire, more Ordinary Shares may become available on the market. The potential increased supply of Ordinary Shares on the market may have an adverse effect on the market price of the Ordinary Shares.

Similarly, Directors or significant Shareholders selling additional Ordinary Shares, or the Company issuing additional Ordinary Shares, or the perception that sales or issues of this type could occur, may affect the confidence of the market in the Ordinary Shares and cause the market price of the Ordinary Shares to fall.

43. There can be no assurance as to future dividends

There can be no assurance that the Company will declare dividends or as to the level of any dividends. The approval of the declaration and amount of any dividends of the Company is subject to the discretion of the Directors (and, in the case of any final dividend, the discretion of the Shareholders) at the relevant time and will depend upon, among other things, the Group's earnings, financial position, cash requirements and availability of distributable profits, as well as the provisions of relevant laws and/or generally accepted accounting principles from time to time.

PART 3: HISTORICAL FINANCIAL INFORMATION ON UNIPHAR PLC

SECTION A: ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF UNIPHAR PLC FOR THE THREE YEARS ENDED 31 DECEMBER 2018

The Directors
Uniphar plc
4045 Kingswood Road
Citywest Business Park
County Dublin
Ireland

J&E Davy
Davy House
49 Dawson Street
Dublin 2
Ireland

12 July 2019

Dear Sirs

Uniphar plc

Introduction

We report on the financial information for the three year period ended 31 December 2018 set out in section B of Part 3 below (the "**Uniphar Financial Information Table**"). The Uniphar Financial Information Table has been prepared for inclusion in the admission document dated 12 July 2019 (the "**Admission Document**") of Uniphar plc (the "**Company**") on the basis of the accounting policies set out in the Uniphar Financial Information Table. This report is required by Schedule Two of the AIM rules for Companies published by the London Stock Exchange plc (the **"AIM Rules"**) and Schedule Two of the Euronext Growth rules for Companies published by Euronext Dublin (the **"Euronext Growth Rules"**) and is given for the purposes of complying with those Schedules and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the Uniphar Financial Information Table in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion as to whether the Uniphar Financial Information Table gives a true and fair view, for the purposes of the Admission Document and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules or under paragraph (a) of Schedule Two of the Euronext Growth Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules and with Schedule Two of the Euronext Growth Rules, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom and published by the Institute of Chartered Accountants in Ireland. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the Uniphar Financial Information Table gives, for the purposes of the Admission Document dated 12 July 2019, a true and fair view of the state of affairs of the Company as at the date stated and of its profits/(losses), cash flows, and other comprehensive income for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules and paragraph (a) of Schedule Two of the Euronext Growth Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omissions likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules and Schedule Two of the Euronext Growth Rules.

Yours faithfully

PricewaterhouseCoopers
Chartered Accountants

SECTION B: HISTORICAL FINANCIAL INFORMATION OF UNIPHAR PLC FOR THE THREE YEARS ENDED 31 DECEMBER 2018

GROUP INCOME STATEMENT
Financial Years Ended 31 December 2018, 2017 and 2016

	Notes	2018 Pre-exceptional €'000	2018 Exceptional (note 5) €'000	2018 Total €'000	2017 Pre-exceptional €'000	2017 Exceptional (note 5) €'000	2017 Total €'000	2016 Pre-exceptional €'000	2016 Exceptional (note 5) €'000	2016 Total €'000
Revenue	3	1,417,895	—	1,417,895	1,267,418	—	1,267,418	1,296,320	—	1,296,320
Cost of sales		(1,302,178)	—	(1,302,178)	(1,185,411)	—	(1,185,411)	(1,209,480)	—	(1,209,480)
Gross profit		115,717	—	115,717	82,007	—	82,007	86,840	—	86,840
Selling and distribution costs		(34,870)	—	(34,870)	(24,354)	—	(24,354)	(22,370)	—	(22,370)
Administrative expenses		(56,659)	(10,168)	(66,827)	(46,936)	(12,496)	(59,432)	(47,417)	(9,799)	(57,216)
Other operating income	4	813	993	1,806	1,426	—	1,426	1,699	—	1,699
Operating profit/(loss)	6	25,001	(9,175)	15,826	12,143	(12,496)	(353)	18,752	(9,799)	8,953
Finance cost	7	(4,522)	—	(4,522)	(2,861)	—	(2,861)	(2,822)	—	(2,822)
Profit/(loss) before tax		20,479	(9,175)	11,304	9,282	(12,496)	(3,214)	15,930	(9,799)	6,131
Income tax (expense)/credit	9	(2,599)	—	(2,599)	1,807	—	1,807	(1,320)	—	(1,320)
Profit/(loss) for the financial year		17,880	(9,175)	8,705	11,089	(12,496)	(1,407)	14,610	(9,799)	4,811
Attributable to owners				8,642			(1,461)			4,964
Attributable to non-controlling interests	39			63			54			(153)
				8,705			(1,407)			4,811
Profit/(loss) attributable to:										
— Continuing operations				8,705			(1,840)			4,037
— Discontinued operations				—			433			774
				8,705			(1,407)			4,811
Earnings per ordinary share (in cent):	36									
— Basic and diluted – continuing operations				7.3			(1.6)			3.5
— Basic and diluted – discontinued operations				—			0.4			0.7
Basic and basic earnings per share (in cent)				7.3			(1.2)			4.2

GROUP STATEMENT OF COMPREHENSIVE INCOME
Financial Years Ended 31 December 2018, 2017 and 2016

	Notes	2018 €'000	2017 €'000	2016 €'000
Profit/(loss) for the financial year		8,705	(1,407)	4,811
Other comprehensive (expense)/income				
Items that may be reclassified to the Income Statement:				
Unrealised foreign currency translation adjustments		(315)	(321)	(506)
Items that will not be reclassified to the Income Statement:				
Actuarial (loss)/gain in respect of pension scheme	27	(434)	1,820	(5,021)
Deferred tax on Group defined benefit pension schemes	17	(54)	(331)	365
Total comprehensive income/(expense) relating to the year		7,902	(239)	(351)
Total comprehensive income/(expense) relating to the year				
Attributable to owners		7,839	(293)	(198)
Attributable to non-controlling interests	39	63	54	(153)
		7,902	(239)	(351)
Total comprehensive income/(expense) attributable to:				
— Continuing operations		7,902	(672)	(1,125)
— Discontinued operations		—	433	774
		7,902	(239)	(351)

GROUP BALANCE SHEET
As at 31 December 2018, 2017 and 2016

	Notes	2018 €'000	2017 €'000	2016 €'000
ASSETS				
Non-current assets				
Intangible assets	12	206,978	75,090	61,892
Property, plant and equipment	13	23,141	20,346	22,886
Deferred tax asset	17	7,103	7,683	5,864
Other receivables	16	2,106	2,073	1,107
Employee benefit surplus	27	439	—	—
Financial assets – Investments in equity instruments	14	25	—	—
Financial assets – Available for sale investments	14	—	25	25
Financial assets – Long term receivables	14	5,500	—	3,581
		245,292	105,217	95,355
Current assets				
Properties held for sale	13	4,000	—	—
Inventory	15	76,070	53,339	45,273
Trade and other receivables	16	170,659	127,646	129,885
Cash and cash equivalents	18	10,539	1,188	14,961
Restricted cash	18	2,352	2,142	2,142
		263,620	184,315	192,261
Total assets		508,912	289,532	287,616
EQUITY				
Capital and reserves				
Called up share capital presented as equity	23	9,413	9,055	9,015
Share premium	24	22,489	20,675	20,675
Other reserves	25	(351)	663	984
Retained earnings	26	(31,990)	(40,844)	(40,872)
Attributable to owners		(439)	(10,451)	(10,198)
Attributable to non-controlling interests	39	(180)	(271)	—
Total equity		(619)	(10,722)	(10,198)
LIABILITIES				
Non-current liabilities				
Borrowings	20	84,018	11,508	19,598
Other non-current payables	19	—	469	1,369
Employee benefit obligations	27	—	1,821	4,468
Provisions	22	52,142	10,550	1,927
Derivative financial instruments	32	27,586	—	9,709
Facility termination fee	32	5,122	7,251	—
		168,868	31,599	37,071
Current liabilities				
Borrowings	20	81,753	42,324	43,594
Trade and other payables	19	256,410	223,831	217,149
Facility termination fee	32	2,500	2,500	—
		340,663	268,655	260,743
Total liabilities		509,531	300,254	297,814
Total equity and liabilities		508,912	289,532	287,616

GROUP CASH FLOW STATEMENT
Years Ended 31 December 2018, 2017 and 2016

	Notes	2018 €'000	2017 €'000	2016 €'000
Operating activities				
Cash (outflow)/inflow from operating activities	29	(4,897)	1,654	27,484
Interest paid		(2,651)	(2,799)	(3,122)
Corporation tax payments		(1,190)	(538)	(665)
Net cash (outflow)/inflow from operating activities		(8,738)	(1,683)	23,697
Investing activities				
Payments to acquire property, plant and equipment	13	(2,880)	(1,956)	(6,524)
Receipts from disposal of property, plant and equipment		4,207	200	946
Payments to acquire intangible assets	12	(2,015)	(2,954)	(3,344)
Receipts from disposal of intangible assets		—	2,629	17,288
Payment to liquidator		—	—	(8,973)
Loans advanced to retail holding and management companies	14	(5,500)	—	—
Receipts from disposals/repayments of financial assets	14	763	2,716	13,657
Cash transferred on disposal of financial assets		—	(148)	—
Proceeds from disposal of subsidiary undertakings		655	886	1,286
Cash transferred on disposal of subsidiary undertakings	8	(230)	(138)	(465)
Payments to acquire subsidiary undertakings	35	(100,746)	(6,089)	(1,696)
Cash acquired on acquisition of subsidiary undertakings	35	27,014	645	1,320
Payment of deferred and deferred contingent consideration		(3,490)	(228)	(5,139)
Financial asset acquisition on reclassification of subsidiary undertakings		—	—	(129)
Receipt of deferred consideration receivable		217	—	—
Net cash (outflow)/inflow from investing activities		(82,005)	(4,437)	8,227
Financing activities				
Issue of partly paid share capital	23	246	40	—
Proceeds from borrowings	30	89,500	—	—
Non-controlling interest equity contributions		—	—	130
Repayments of borrowings	30	(20,334)	(7,331)	(28,729)
Dividends paid to non-controlling interests		—	—	(3)
Net increase/(decrease) in invoice discounting facilities	30	33,468	(362)	—
Payment of deferred consideration		(286)	—	—
Payment of facility termination fee	32	(2,500)	—	—
Net cash inflow/(outflow) from financing activities		100,094	(7,653)	(28,602)
Increase/(decrease) in cash and cash equivalents in the year	30	9,351	(13,773)	3,322
Opening balance cash and cash equivalents	31	1,188	14,961	11,639
Closing balance cash and cash equivalents	18	10,539	1,188	14,961

GROUP STATEMENT OF CHANGES IN EQUITY
Years Ended 31 December 2018, 2017 and 2016

	Notes	Share capital €'000	Share premium €'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 2016		9,015	20,675	(215)	1,400	60	(40,671)	27	(9,709)
Profit/(loss) for the financial year		—	—	—	—	—	4,964	(153)	4,811
Other comprehensive income/(expense):									
Re-measurement gain on pensions (net of tax)		—	—	—	—	—	(4,656)	—	(4,656)
Dividends paid to non-controlling interests	11	—	—	—	—	—	(3)	—	(3)
Movement in foreign currency translation reserve		—	—	(261)	—	—	(506)	(4)	(771)
Equity contribution in subsidiary	39	—	—	—	—	—	—	130	130
At 31 December 2016		9,015	20,675	(476)	1,400	60	(40,872)	—	(10,198)
At 1 January 2017		9,015	20,675	(476)	1,400	60	(40,872)	—	(10,198)
(Loss)/profit for the financial year		—	—	—	—	—	(1,461)	54	(1,407)
Other comprehensive income/(expense):									
Re-measurement gain on pensions (net of tax)		—	—	—	—	—	1,489	—	1,489
Movement in foreign currency translation reserve	25	—	—	(321)	—	—	—	—	(321)
Transactions recognised directly in equity:									
Non-controlling interest of acquired net assets	39	—	—	—	—	—	—	(325)	(325)
Vesting of share incentive scheme	23	40	—	—	—	—	—	—	40
At 31 December 2017		9,055	20,675	(797)	1,400	60	(40,844)	(271)	(10,722)
At 1 January 2018		9,055	20,675	(797)	1,400	60	(40,844)	(271)	(10,722)
Profit for the financial year		—	—	—	—	—	8,642	63	8,705
Other comprehensive income/(expense):									
Re-measurement loss on pensions (net of tax)		—	—	—	—	—	(488)	—	(488)
Movement in foreign currency translation reserve	25	—	—	(314)	—	—	—	(1)	(315)
Transactions recognised directly in equity:									
Non-controlling interest of acquired net assets	39	—	—	—	—	—	—	29	29
Transfer of revaluation reserve	25	—	—	—	(700)	—	700	—	—
Issue of fully paid share capital	23/24	112	1,814	—	—	—	—	—	1,926
Issue of partly paid share capital	23	246	—	—	—	—	—	—	246
At 31 December 2018		9,413	22,489	(1,111)	700	60	(31,990)	(180)	(619)

ACCOUNTING POLICIES

Basis of preparation

The consolidated financial information 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 information 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.

New Standards, Amendments and Interpretations

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2018 and have been applied in preparing this financial information. None of these have had a significant effect on the financial information of the Group, except for the following;

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments, effective on 1 January 2018, addresses the classification, measurement and derecognition of financial assets and liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The new hedge accounting rules will align the accounting for hedging instruments more closely with the Group's risk management practices. As a general rule, more hedge relationships may be eligible for hedge accounting, as the Standard introduces a more principles-based approach.

The Group has performed a detailed assessment on the impact of IFRS 9, and the impact on our consolidated financial information was not material for the Group and there was no adjustment to retained earnings on application at 1 January 2018.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers has replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. The new standard was effective from 1 January 2018. IFRS 15 introduces a number of new concepts and requirements and also provides guidance and clarification on existing practice.

IFRS 15 establishes a five-step model for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 specifies how and when revenue should be recognised as well as requiring enhanced disclosures. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to clients in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the client.

The Group has undertaken a detailed impact assessment applying IFRS 15 to all the current ways in which the Group delivers products or services to customers to identify divergence with current practice and has concluded that the adoption of IFRS 15 does not have a material impact on the timing and recognition of revenue. The Group has adopted IFRS 15 from 1 January 2018, using the modified retrospective approach and has not restated comparatives for 2017.

New Standards and Interpretations not yet adopted

IFRS 16 Leases

IFRS 16, published in January 2016 and effective on 1 January 2019, replaces the existing guidance in IAS 17 'Leases'. IFRS 16 eliminates the classification of leases as either operating leases or finance leases. It introduces a single lessee accounting model, which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months and depreciation of lease assets separately from interest on lease liabilities in the income statement.

The Group has assessed the impact on its consolidated financial information resulting from the application of IFRS 16. The adoption of this new standard will have a material impact on the Group Income Statement and Balance Sheet as follows:

Income Statement

Operating expenses will decrease, as the Group currently recognises operating lease expenses in either cost of sales or selling and distribution expenses (depending on the nature of the lease).

Depreciation and finance costs as currently reported in the Group Income Statement will increase, as under the new Standard the right-of-use asset will be capitalised and depreciated over the term of the lease with an associated finance cost applied annually to the lease liability.

Balance Sheet

At the transition date the Group have assessed all lease commitments outstanding at that date and applied the appropriate discount rate to calculate the present value of the lease commitment. The Group will adopt IFRS 16 by applying the cumulative catch up approach as permitted by the Standard.

The Group has entered into operating leases for a range of assets, including property, plant and equipment and vehicles. The Group has elected to apply the recognition exemption for both short-term and low-value leases.

The Group's assessment of the impact of adopting IFRS 16 is in the process of being finalised. Based on the information currently available for those operating leases that will be recognised in the Group Balance Sheet at 1 January 2019 the estimated impact on the Group's key measures at 1 January 2019 is as follows:

• Property, plant and equipment	increase	€70m – €90m
• Net debt	increase	€70m – €90m
• EBITDA	increase	€6m – €8m
• Annualised EBITDA	increase	€8m – €10m
• Profit before tax	decrease	€1m – €2m
• Net debt to EBITDA	increase	5% – 10%

Note 40 discloses the Group commitments under operating leases. IFRS 16 requires the application of present value discounting to these lease commitments, whilst also requiring the consideration of the Group's intentions in relation to break clauses. The commitments under operating leases requires the disclosure of the Group's legal commitments under these leases, and as these leases can be terminated where a break clause exists this will result in material differences between the commitments under operating leases, and the amounts to be capitalised on transition to IFRS 16 at 1 January 2019.

Transition

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. The Group will apply IFRS 16 from its effective date using the cumulative catch up approach. Therefore, the right of use asset will equal the lease liability. There will be no adjustment to retained earnings and there will be no retrospective adjustment required.

In addition to the impacts noted above, there will also be significant increased disclosures in the 2019 annual report when the Group adopts IFRS 16. Additionally, there will be a change in the accounting policy for leases in our 2019 annual report to align our leases accounting policy with the requirements of IFRS 16.

Historical cost convention

The financial information has been prepared on a historical cost basis, except for the following:

- investments in equity instruments (2017 and 2016: available for sale financial assets), financial assets and liabilities (including derivative instruments), certain classes of property, plant and equipment – measured at fair value;
- defined benefit pension plans – plan assets measured at fair value.

The preparation of financial information 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 information 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 information are set out in note 1.

The financial information has been prepared on a going concern basis which assumes that the Group will continue in current operational existence for the foreseeable future. The directors have in conjunction with their bankers agreed a credit facility which will allow the Group to meet its obligations as they fall due.

Foreign currency translation

(i) *Functional currency and presentational currency*

Items included in the financial information 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 information is 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. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the Income Statement, within finance cost. All other foreign exchange gains and losses are presented in the Income Statement on a net basis within other income or other 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 (2017: available for sale financial assets) are recognised in Other Comprehensive Income.

(iii) Foreign currency translation

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in Other Comprehensive Income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to the Income Statement, as part of the gain or loss on sale.

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.

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, is 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 5 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 5 years.

Impairment of assets

Goodwill has an indefinite useful life, not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they 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. On transition to IFRS as adopted by the EU in 2015, 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 acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

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.

Investments and other financial assets (2018 accounting policy under IFRS 9)

Following the adoption of IFRS 9 with an effective date of 1 January 2018, the accounting policy for investments and other financial assets has been changed to reflect the requirements of IFRS 9.

(i) Classification

From 1 January 2018, 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.

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 Income Statement, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through the Income Statement 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 profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- 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.
- 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.

Derivatives and facility termination fees

Derivatives and 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 other comprehensive income. Gains or losses arising from changes in the fair value are recognised as follows:

- for investments in equity instruments that are monetary securities denominated in a foreign currency – translation differences related to changes in the fair value of the security are recognised in the Income Statement and other changes in the fair value are recognised in Other Comprehensive Income; and

- for other monetary and non-monetary securities classified as investments in equity instruments in Other Comprehensive Income.

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

(v) *Impairment*

From 1 January 2018, 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.

(vi) *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.

Investments and other financial assets (2017 and 2016 accounting policy under IAS 39)

(i) *Classification*

The Group classifies its financial assets in the following categories:

- Loans and receivables
- Available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period. See notes 14 and 32 for details about each type of financial asset.

(ii) *Reclassification*

The Group may choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

(iii) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. 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.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in Other Comprehensive Income are reclassified to the Income Statement as gains and losses from investment securities.

(iv) *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 Income Statement, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through the Income Statement are expensed in the Income Statement.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Derivatives and 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.

Available-for-sale financial assets are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised as follows:

- for available-for-sale financial assets that are monetary securities denominated in a foreign currency – translation differences related to changes in the amortised cost of the security are recognised in the Income Statement and other changes in the carrying amount are recognised in Other Comprehensive Income; and
- for other monetary and non-monetary securities classified as available for sale in Other Comprehensive Income.

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

(v) *Impairment*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the Income Statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the receivable's credit rating), the reversal of the previously recognised impairment loss is recognised in the Income Statement.

Impairment testing of trade receivables is described in note 32.

Assets classified as available-for-sale

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the Income Statement – is removed from equity and recognised in the Income Statement. Impairment losses on equity instruments that were recognised in the Income Statement are not reversed through the Income Statement in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in the Income Statement, the impairment loss is reversed through the Income Statement.

(vi) *Income recognition*

Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

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 profit or loss.

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 profit or loss.

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 profit or loss.

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.

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. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases (note 40). Payments made under operating leases (net of any incentives received from the lessor) are charged to the Income Statement on a straight-line basis over the period of the leases.

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 information. 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.

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 Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

Employee benefits

Share-based payments

Employees (including executive directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render service in exchange for shares or rights over shares in the ultimate parent undertaking, Uniphar plc. The fair value of share entitlements granted is recognised as an employee expense in the Income Statement with a corresponding increase in equity. The expense/credit in the Income Statement represents the product of the total number of shares anticipated to vest and the fair value of those shares.

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.

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 Other Comprehensive Income. 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 (2018 accounting policy under IFRS 15)

Following the adoption of IFRS 15 with an effective date of 1 January 2018, the accounting policy for revenue has been changed to reflect the requirements of IFRS 15. The standard replaces IAS 18 'Revenue' and related interpretations.

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 taxes.

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

Commercial & Clinical Services

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, turnover 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 contract can be estimated reliably.

Product Access Services

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 retailers and hospitals and the provision of data analytic services.

Supply Chain & Retail Services – wholesaling

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 and hospitals and the operation of retail pharmacy.

Sale of pharmaceutical and healthcare related products and goods 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 goods 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.

Goods 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 Services – retail pharmacies

The Group operates retail shops for the sale of pharmacy and certain related products. Sales of goods are recognised on sale to the customer, which is considered the point of delivery. Retail sales are usually by cash, credit or debit card.

Revenue (2017 and 2016) accounting policy under IAS 18)

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 taxes.

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 when (a) the significant risks and rewards of ownership of the goods have been transferred to the buyer; (b) the Group retains no continuing managerial involvement or effective control over the goods; (c) the amount of consideration and costs can be measured reliably; (d) it is probable that future economic benefits will flow to the entity; and (e) when the specific criteria relating to each of the Group's sales channels have been met, as described below:

Product Access Services

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 retailers and hospitals and the provision of data analytic services.

Commercial and Clinical

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

Supply Chain – wholesaling

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 and hospitals and the operation of retail pharmacy.

Sale of pharmaceutical and healthcare related products and goods 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 goods 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.

Goods 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 pharmacies

The Group operates retail shops for the sale of pharmacy and certain related products. Sales of goods are recognised on sale to the customer, which is considered the point of delivery. Retail sales are usually by cash, credit or debit card.

Cost of sales

Commercial & Clinical Services

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 taxes 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 taxes. The cost of service is recognised as an expense in the period in which the related revenue is recognised.

Product Access Services

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 taxes. 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.

Supply Chain & Retail Services

The cost of sales includes all costs of purchase of inventory and other costs incurred net of value added taxes 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.

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, impairment of assets, profit and loss on disposal of tangible assets and investments. 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. The Group believes that such a presentation provides a more helpful analysis as it highlights material items of a non-recurring nature.

NOTES TO THE FINANCIAL STATEMENTS

1 Significant estimates and judgements

The preparation of financial information 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.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial information is included in the following notes:

Estimated impairment of goodwill and other non-current assets

The Group tests annually whether goodwill has suffered any impairment. 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. Further information is detailed in the intangible assets note 12. Impairment tests in respect of property, plant and equipment are also performed on a CGU basis.

Useful economic lives of property, plant and equipment

The annual depreciation on property, plant and equipment, along with their useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on technological advancement, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property, plant and equipment and accounting policies for the useful economic lives for each class of asset.

Impairment of financial assets

The directors make an assessment at the end of each financial year of whether there is objective evidence that loans to the retail holding companies are impaired. When assessing impairment of such loans, the directors consider factors including the current credit rating of the retail holding companies, the age profile of outstanding debt, recent correspondence, trading activity and historical experience of cash collections from the retail holding companies. See note 14 for the net carrying amount of the loan to retail holding companies and the impairment loss recognised in the financial year.

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, the directors consider 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 net carrying amount of the inventories.

Impairment of receivables

The directors make an assessment at the end of each financial year of whether there is objective evidence that a trade receivable or other receivable is impaired. When assessing impairment of trade and other receivables, the directors consider factors including the current credit rating of the trade receivables, the age profile of outstanding invoices, recent correspondence, trading activity and historical experience of cash collections from the trade receivable. See note 32 for the net carrying amount of the receivables and the impairment loss recognised in the financial year.

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.

Revenue recognition

2018 in accordance with IFRS 15 – The Group has recognised revenue on a principal basis. The Group has considered its responsibilities for fulfilling contracts, inventory risk, and establishing selling prices and therefore it has determined that it acts as a principal.

2017 and 2016 in accordance with IAS 18 – The Group has recognised revenue on a principal basis. The Group has considered its responsibilities for fulfilling contracts, inventory risk, and establishing selling prices and therefore it has determined that it acts as a principal.

Measurement of defined benefit obligations

The cost of defined benefit pension plans and the present value of pension obligations are determined using actuarial valuations. These valuations involve making various assumptions that may differ significantly from actual developments in the future. The assumptions include determination of appropriate discount rates, future salary increases, inflation, mortality rates and future pension increases. Due to the complex nature of the valuations the Group employs an international network of professional actuaries to perform these valuations. The critical assumptions and estimates applied along with a sensitivity analysis are provided in the employee benefit obligations note 27.

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 9, income tax expense/(credit).

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. 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.

Fair value of facility termination fee, derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) are determined using the Group's judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at each Balance Sheet date. Fair value disclosures are set out in the financial instruments note 32.

The derivative financial instruments represent share warrants that were issued to the previous shareholders of Sisk Healthcare Group on the completion of the acquisition of Sisk Healthcare Group. This share warrant grants the right to subscribe for 18,782,808 ordinary shares in Uniphar plc with a nominal value of €0.08 each. The share warrant must be exercised within a five-year period from the date of completion of the acquisition, or alternatively the share warrant will be settled through a cash termination payment. In calculating the fair value attributable to the share warrant, management judgement is required in the calculation of the weighting attributable to the share warrant being exercised through the issuance of ordinary shares, or the payment of the cash termination payment. Fair value disclosures are set out in the financial instruments note 32.

2 Basis of consolidation

The Group's financial information is prepared for the year ended 31 December 2018. The annual financial information incorporate the Company and all of its subsidiary undertakings. A subsidiary undertaking is consolidated by reference to whether the Company controls the management of the affairs of the related entity, unless the subsidiary is held temporarily exclusively with a view to subsequent resale.

The results of all Group undertakings are prepared to the Group's financial year end. The subsidiaries are listed in note 38. The attributable results of acquisitions are included in the financial information 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 information.

3 Revenue

	2018 €'000	2017 €'000	2016 €'000
Revenue	1,417,895	1,267,418	1,296,320

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.

	2018 €'000	2017 €'000	2016 €'000
Reconciliation of operating profit to earnings before interest, tax, depreciation and amortisation (EBITDA):			
Operating profit pre-exceptional	25,001	12,143	18,752
Depreciation (note 13)	4,610	3,907	2,919
Amortisation of computer software (note 12)	2,597	3,242	3,022
Amortisation of trademark (note 12)	29	142	—
EBITDA	32,237	19,434	24,693

Geographical analysis

The Group operates in two principal geographical regions being the Republic of Ireland and the United Kingdom. The Group also operates in other European countries 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.

	2018 €'000	2017 €'000	2016 €'000
Ireland	1,325,130	1,229,363	1,262,116
UK	86,411	38,055	34,204
Other European countries	6,354	—	—
	1,417,895	1,267,418	1,296,320

	Ireland 2018 €'000	UK 2018 €'000	Other European countries 2018 €'000	Total 2018 €'000
At 31 December 2018				
Intangible assets (excluding goodwill)	6,699	62	—	6,761
Property, plant and equipment	22,054	800	287	23,141
Deferred tax asset	6,960	143	—	7,103
Other receivables	2,106	—	—	2,106
Employee benefit surplus	439	—	—	439
Financial assets – Investment in equity instruments	25	—	—	25
Financial assets – Long term receivables	5,500	—	—	5,500
Non-current assets (excluding goodwill)	43,783	1,005	287	45,075
Goodwill				200,217
Non-current assets				245,292

Geographical analysis – continued

	Ireland 2017 €'000	UK 2017 €'000	Other European countries 2017 €'000	Total 2017 €'000
At 31 December 2017				
Intangible assets (excluding goodwill)	7,326	38	—	7,364
Property, plant and equipment	19,896	450	—	20,346
Deferred tax asset	7,504	179	—	7,683
Other receivables	2,073	—	—	2,073
Financial assets – Investment in equity instruments	25	—	—	25
Non-current assets (excluding goodwill)	36,824	667	—	37,491
Goodwill				67,726
Non-current assets				105,217

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.

The Group has transitioned to three new divisions, *Commercial & Clinical* Services, *Product Access* Services, and *Supply Chain & Retail* Services. These new divisions put the operational and financial management structures in place that will allow the Group to continue to grow and develop successfully over the coming years. The 2017 and 2016 comparative figures have been restated to reflect the new operating segments.

The business is divided into three trading divisions: *Commercial & Clinical* Services, *Product Access* Services and *Supply Chain & Retail* Services.

- **Commercial & Clinical Services –** This division incorporates Angiocare B.V., Clinical Cube Limited, Macromed (UK) Limited, Outico Limited, Point of Care Health Services Limited, Sisk Healthcare Group, Star Medical Limited, Star Medical Contracts Limited and Unisource Pharma Services Ireland Limited. The focus of the division is the provision of outsourced commercial and clinical services to pharmaco-medical manufacturers and other healthcare operators, real world data analytics, brand fostering and the sale and distribution of medical devices. The segment consists of two operating units: Pharma Services and Medical Device Services.

  Pharma Services

  Provides a fully integrated multi-channel account management solution that is supported through market data, insights and digital programmes. Integrating these innovative programmes with our supply chain and distribution capability gives us a unique competitive advantage. Delivers high quality, flexible multichannel account managers/nurses, who work with all healthcare stakeholders using true multi-channel methodologies, including face to face meetings when required.

  Medical Device Services

  In 2018, we acquired the Sisk Healthcare Group which is a well established medical device company operating in the Irish and UK markets. Macromed (UK) Limited and Angiocare B.V. also acquired in 2018 operating in the UK and Benelux region, enables the Group to provide a medical device services infrastructure on a pan-European basis. Delivering a fully integrated sales, marketing and distribution capability, with best-in-class clinical staff, superior product knowledge and strong relationships with leading manufacturers.

- **Product Access Services –** This division incorporates Dialachemist Limited, OstomySource and PharmaSource with the aim to add value throughout the supply chain by offering services including the supply of unlicensed medicines. During 2018, brand fostering activities moved to the *Commercial & Clinical* Services division and Lifecycle Management was renamed as *Product Access* Services. The segment consists of two operating units: *On Demand Access* and *Exclusive Access*.

On Demand Access

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 and UK markets.

Exclusive Access

Provides bespoke distribution partnerships to pharmaceutical partners around key brands, with new programmes focussed on speciality pharmaceutical products. Delivering a unique patient support programme that allows nurses and other healthcare professionals to connect with patients.

- **Supply Chain & Retail Services –** The *Supply Chain & Retail* Services division provides both pre-wholesale distribution and wholesale distribution of pharmaceutical, healthcare and animal health products to pharmacies, hospitals and veterinary surgeons in Ireland. The business supports the diverse customer base through the provision of strong service levels coupled with innovative commercial initiatives. In addition, the business provides services and supports that help independent community pharmacies to compete more effectively in an increasingly difficult environment and runs a network of Uniphar owned pharmacies under the Life and Allcare brands.

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

	2018 Commercial & Clinical Services €'000	2018 Product Access Services €'000	2018 Supply Chain & Retail Services €'000	2018 Total €'000
Revenue	102,558	74,416	1,240,921	1,417,895
Gross profit	35,378	10,338	70,001	115,717

	2017 Commercial & Clinical Services €'000	2017 Product Access Services €'000	2017 Supply Chain & Retail Services €'000	2017 Total €'000
Revenue	40,288	37,332	1,189,798	1,267,418
Gross profit	6,308	6,633	69,066	82,007

	2016 Commercial & Clinical Services €'000	2016 Product Access Services €'000	2016 Supply Chain & Retail Services €'000	2016 Total €'000
Revenue	34,755	35,235	1,226,330	1,296,320
Gross profit	5,854	5,430	75,556	86,840

Assets and liabilities are reported to the Board at a Group level and are not reported on a segmental basis.

4 Other operating income

	2018 €'000	2017 €'000	2016 €'000
Other income and commission	349	203	64
Dividends receivable from investments	464	1,223	1,635
Profit on disposal of property, plant and equipment (note 5)	138	—	—
Profit on disposal of subsidiary undertakings (note 5)	855	—	—
	1,806	1,426	1,699

5 Exceptional charge

	2018 €'000	2017 €'000	2016 €'000
Exceptional charge from investment in IPOS network	(647)	(6,231)	(5,737)
Other exceptional charges	(9,060)	(7,800)	(4,516)
Trademark impairments (note 12)	(461)	—	—
Profit on disposal of property, plant and equipment	138	—	8
Profit on disposal of subsidiary undertakings (note 8)	855	1,535	446
Exceptional charge	(9,175)	(12,496)	(9,799)

Exceptional charge from investment in IPOS network

The exceptional charge arising from the Group's investment in the IPOS network is comprised of:

	2018 €'000	2017 €'000	2016 €'000
Provision for impairment of goodwill associated with pharmacy investment (note 12)	(271)	(138)	(3,440)
Collection of previously fully impaired debt assignments	—	49	108
(Increase) in provisions against trading balances with pharmacies which are part of the IPOS network	—	—	(749)
Release of bad debt provision in respect of loans advanced to IPOS investment funds in liquidation	—	—	6,820
Decrease / (increase) in impairment provision against other IPOS related loans and loans advanced to retail holding companies which were established to facilitate the restructuring of the IPOS network (note 14)	763	(947)	(5,102)
IPOS restructuring costs	(1,139)	(5,195)	(3,374)
	(647)	(6,231)	(5,737)

Other exceptional charges comprise:

Other exceptional costs of €9,060,000 (2017: €7,800,000; 2016: €4,516,000) are associated with the ongoing review of the Group's structure. This charge includes redundancy costs of €204,000 (2017: €2,088,000; 2016: €1,739,000), professional fees including acquisition costs of €6,094,000 (2017: €1,696,000; 2016: €521,000), costs associated with the reorganisation of the Group structure including, the expansion of the Group across the Benelux region through Uniphar Europe and Star Medical B.V., and the integration of completed acquisitions into the Group, of €1,534,000 (2017: €1,474,000; 2016: €1,673,000), costs associated with warehouse closure of €386,000 (2017: €1,108,000; 2016: €nil) and *Supply Chain & Retail* Services division restructuring costs of €nil (2017: €750,000; 2016: €nil). There are also other exceptional costs of €842,000 (2017: €684,000; 2016: €583,000).

6 Operating profit/(loss)

	2018 €'000	2017 €'000	2016 €'000
Operating profit/(loss) is stated after charging/(crediting):			
Directors' remuneration			
– Emoluments	2,160	1,380	1,137
– Defined contribution pension*	142	109	71
– Fees	325	324	324
Depreciation (note 13)	4,610	3,907	2,919
Amortisation of computer software (note 12)	2,597	3,242	3,022
Amortisation of trademarks (note 12)	29	142	—
Profit on disposal of property, plant and equipment (note 5)	(138)	—	(8)

* Defined contribution pension costs included in Directors' remuneration which were charged to the Group Income Statement relate to pension contributions relating to two Directors (2017 and 2016: two).

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. The 2018 year on year increase in other non-audit services performed by PwC relates to due-diligence work on acquisitions completed during the year.

	2018 €'000	2017 €'000	2016 €'000
Group Auditors – PwC			
– Audit of group accounts	535	261	250
– Tax advisory services	183	128	65
– Other non-audit services	1,089	211	184
Subsidiary company auditors – Non PwC			
– Audit of subsidiary accounts	152	117	131
– Tax advisory services	36	19	44
– Other non-audit services	—	134	235
Operating lease rentals:			
– Plant and equipment	490	379	240
– Other assets	1,506	518	410
– Buildings	4,761	5,114	2,541
Staff costs (including directors):			
– Wages and salaries	56,955	42,056	35,745
– Social welfare costs	5,945	4,635	4,280
– Pension costs (note 27)	1,558	1,154	953
	64,458	47,845	40,978

The increase in staff costs in 2018 is largely due to the acquisitions of Macromed (UK) Limited, Sisk Healthcare Group, Angiocare B.V. and Bradleys Pharmacy Group in the current year, and the full year impact of the acquisitions which were completed in 2017.

The increase in staff costs in 2017 was due to the acquisitions of Trennamally Limited, Outico Limited and Clinical Cube Limited in 2017. In addition there has been an investment in staff numbers in Star Medical Limited and Star Medical Contracts Limited to grow the business further.

Employees

The average number of persons employed by the Group (including directors) during the year was as follows:

	2018 Number	2017 Number	2016 Number
Administration	465	394	314
Selling, distribution and warehouse	857	794	776
	1,322	1,188	1,090

7 Finance cost

	2018 €'000	2017 €'000	2016 €'000
Interest payable on borrowings repayable within five years	2,794	2,740	2,971
Fair value adjustment to deferred and deferred contingent consideration on investments	1,238	100	190
Fair value adjustment on IPOS loan receivable	—	—	(359)
Fair value adjustment on facility termination fee	371	—	—
Amortisation of refinancing transaction fees	127	—	—
Net interest expense from pension scheme liabilities (note 27)	23	74	36
Interest receivable	(31)	(53)	(16)
	4,522	2,861	2,822

8 Profit on disposal of subsidiary undertakings

During 2018, the Group fully disposed of its shareholdings in the following companies:

- IPOS Holding 63 Limited (66.0% shareholding);
- IPOS Holding 162 Limited (72.4% shareholding).

The disposals by way of share redemption were in line with the relevant IPOS shareholding agreements. The profit on disposal resulting from these transactions was €855,000 on total proceeds of €937,000 (inclusive of deferred consideration amounting to €282,000). This amount included goodwill ascribed to these pharmacies of €1,586,000 (cost: €4,245,000 less impairment of €2,659,000) (note 12) and net liabilities on disposal were €1,504,000.

	2018 €'000	2017 €'000	2016 €'000
Profit on disposal of subsidiary undertakings			
Consideration receivable	937	1,100	1,286
Kravex Limited equity from co-shareholders since incorporation	—	—	(280)
Kravex Limited losses since incorporation	—	—	447
Net liabilities disposed of	1,504	1,490	1,749
Disposal of goodwill (note 12)	(1,586)	(1,055)	(2,756)
Profit on disposal of subsidiary undertakings	855	1,535	446

During 2017, the Group fully disposed of its shareholdings in the following companies:

- IPOS Holding 122 Limited (72.4% shareholding);
- IPOS Holding 158 Limited (72.4% shareholding).

The disposals by way of share redemption were in line with the relevant IPOS shareholding agreements. The profit on disposal resulting from these transactions was €1,535,000 on total proceeds of €1,100,000 (inclusive of deferred consideration amounting to €214,000). This amount included goodwill ascribed to these pharmacies of €1,055,000 (cost: €2,897,000 less impairment of €1,842,000) (note 12) and net liabilities on disposal were €1,490,000.

During 2016, the Group fully disposed of its residual shareholdings in the following companies:

- IPOS Holding 86 Limited (49.5% shareholding);
- IPOS Holding 91 Limited (30.4% shareholding); and
- IPOS Holding 126 Limited (29.1% shareholding).

The disposals by way of share redemption were in line with the relevant IPOS shareholding agreements. The profit on disposal resulting from these transactions was €279,000 on total proceeds of €1,286,000. This amount included goodwill ascribed to these pharmacies of €2,756,000 and net liabilities on disposal were €1,749,000. In addition, during 2016 the Group lost control of Kravex Limited its previous 60% subsidiary undertaking, as this company issued additional shares to third party shareholders. The gain on de-consolidation amounted to €167,000 represented by losses since incorporation of €447,000 financed by €280,000 of equity from co-shareholders.

	2017 **€'000**	**2016** **€'000**
Profit from discontinued operations:		
Revenue	2,544	2,812
Cost of sales	(1,410)	(1,557)
Gross profit	1,134	1,255
Administrative expenses	(610)	(686)
Operating profit	524	569
Finance cost	(30)	(52)
Profit before taxation	494	517
Income tax expense	(61)	(64)
Profit for the financial year	433	453
Attributable to owners	433	453
Attributable to non-controlling interests	—	—
	433	453

The comparative disclosure represents the full year results of subsidiary undertakings that were fully disposed of in 2016.

9 Income tax expense/(credit)

	2018 €'000	2017 €'000	2016 €'000
Recognised in the Income Statement:			
Current income tax			
Republic of Ireland	894	259	608
United Kingdom and The Netherlands	746	89	14
Total current income tax expense	1,640	348	622
Deferred income tax			
Origination and reversal of temporary differences:			
Property, plant and equipment	(72)	(139)	130
Employee benefits	227	1	(10)
Tax losses and other differences	804	(2,017)	578
Total deferred income tax charge/(credit)	959	(2,155)	698
Total income tax expense/(credit)	2,599	(1,807)	1,320
The total income tax expense/(credit) for the financial year is analysed as follows:			
Continuing operations	2,599	(1,868)	1,190
Discontinued operations	—	61	130
	2,599	(1,807)	1,320

Factors effecting the tax expense in future years

The UK statutory corporation tax rate of 19% will be progressively reduced to 17% by 1 April 2020.

The Netherlands standard corporate income tax rate of 25% will be progressively reduced to 20.5% by the end of 2021.

	2018 €'000	2017 €'000	2016 €'000
Reconciliation of effective tax rate			
Profit/(loss) on ordinary activities before tax	11,304	(3,214)	6,131
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the Republic of Ireland of 12.5%	1,413	(402)	766
Effects of			
Disallowable expenses	1,355	593	789
Impairment provision	70	136	1,076
Income liable to tax at 25%	—	17	21
Higher overseas income tax rates	245	30	4
Income not taxable	(317)	(367)	(1,090)
Losses utilised/carried forward in managing current income tax	(1,091)	256	(804)
Available losses to increase/(reduce) future income tax	805	(2,017)	578
Tax base asset adjustments in respect of prior years	115	(53)	(22)
Underprovision of corporation tax in prior year	4	—	2
Total income tax expense/(credit) for the year	2,599	(1,807)	1,320

10 Result for the financial year

The loss recorded in the financial statements of the Company for the year ended 31 December 2018 was €7,267,000 (2017: profit €1,714,000; 2016: profit €20,618,000). As permitted by Section 304 of the Companies Act 2014, the Income Statement of the Company has not been separately presented in the financial information.

11 Dividends

There were no dividends paid in the current year ended 31 December 2018, or the prior year ended 31 December 2017. The 2016 amount of €3,000 related to payments made by subsidiary undertaking, Aegis Distributors Limited, to non – controlling interests on the conclusion of its Members Voluntary Liquidation on 14 December 2016.

12 Intangible assets

	Computer software €'000	Trademark €'000	Goodwill €'000	Total €'000
Cost				
At 1 January 2016	24,044	740	55,753	80,537
Foreign exchange movements	(3)	—	(921)	(924)
Adjustment to provisional fair values	—	—	101	101
Acquisitions	—	—	24,922	24,922
Additions	2,712	5	—	2,717
Disposals	—	(13)	(4,840)	(4,853)
At 31 December 2016	26,753	732	75,015	102,500
At 1 January 2017	26,753	732	75,015	102,500
Foreign exchange movements	(4)	—	(374)	(378)
Adjustment to provisional fair values	—	—	(110)	(110)
Acquisitions	—	—	17,064	17,064
Additions	2,954	—	—	2,954
Disposals/retirements (note 8)	(2)	—	(2,897)	(2,899)
Reclassification of categories	121	—	82	203
At 31 December 2017	29,822	732	88,780	119,334
At 1 January 2018	29,822	732	88,780	119,334
Foreign exchange movements	(1)	(4)	(492)	(497)
Acquisitions (note 35)	474	—	134,883	135,357
Additions	2,015	—	—	2,015
Disposals/retirements (note 8)	—	(575)	(4,245)	(4,820)
At 31 December 2018	32,310	153	218,926	251,389
Amortisation				
At 1 January 2016	16,818	—	2,905	19,723
Amortisation	3,022	—	—	3,022
Provision for impairment	—	—	3,440	3,440
Impairment on disposal	—	—	16,507	16,507
Disposals	—	—	(2,084)	(2,084)
At 31 December 2016	19,840	—	20,768	40,608
At 1 January 2017	19,840	—	20,768	40,608
Foreign exchange movements	(1)	3	—	2
Amortisation	3,242	142	—	3,384
Provision for impairment	—	—	138	138
Impairment on disposal	—	—	1,990	1,990
Disposals/retirements (note 8)	(2)	—	(1,842)	(1,844)
Reclassification of categories	(34)	—	—	(34)
At 31 December 2017	23,045	145	21,054	44,244
At 1 January 2018	23,045	145	21,054	44,244
Amortisation	2,597	29	—	2,626
Provision for impairment	—	—	314	314
Disposals/retirements	—	(114)	(2,659)	(2,773)
At 31 December 2018	25,642	60	18,709	44,411
Net book amounts				
At 31 December 2016	6,913	732	54,247	61,892
At 31 December 2017	6,777	587	67,726	75,090
At 31 December 2018	6,668	93	200,217	206,978

Acquisitions of €134,883,000 comprise the following transactions:

- Goodwill of €6,514,000 arising on the acquisition of 94.95% controlling interest in Macromed (UK) Limited (note 35).
- Goodwill of €113,308,000 arising on the acquisition of Sisk Healthcare Group (note 35).
- Goodwill of €7,175,000 arising on the acquisition of Angiocare B.V. (note 35).
- Goodwill of €7,886,000 arising on the acquisition of Bradleys Pharmacy Group (note 35).

During 2018, the Group fully disposed of its shareholdings in the following companies:

- IPOS Holding 63 Limited (66.0% shareholding);
- IPOS Holding 162 Limited (72.4% shareholding).

The disposals by way of share redemption were in line with the relevant IPOS shareholding agreements and resulted in the disposal of goodwill ascribed to these pharmacies with a net book value of €1,586,000 (cost: €4,245,000 less impairment of €2,659,000) (note 12) and net liabilities on disposal were €1,504,000.

The adjustment to provisional fair values of €110,000 during 2017 relates to the finalisation of provisional fair values associated with the net assets acquired of the ostomy trade and related assets of Murray's Medical Equipment Limited.

Acquisitions of €17,064,000 in 2017 comprise the following transactions:

- Goodwill of €5,493,000 arising on the acquisition of 89.3% controlling interest in Outico Limited (note 35).
- Goodwill of €7,423,000 arising on the acquisition of 70% controlling interest in Clinical Pyramid Limited which holds a 100% interest in the trading company Clinical Cube Limited (note 35).
- Goodwill of €286,000 arising on the further increase in the Group's shareholding in Point of Care Health Services Limited (note 35).
- Goodwill of €3,862,000 arising on the purchase of pharmacies by Trennamally Limited (note 35).

The disposals reflect goodwill with a net book value of €1,055,000 (cost: €2,897,000 less impairment €1,842,000) associated with the disposal of the Group's interest in two pharmacies.

The Group continues to have a registered trademark known as Life Pharmacy. This trademark is used by customers of Uniphar to operate under the common symbol of Life Pharmacy and this trademark symbol is a central part of developing the Life brand. Amortisation of this trademark commenced in 2017.

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. As a result, the allocation of the goodwill recognised in 2018 to CGUs has not been finalised. For 31 December 2018 the goodwill arising on business combinations completed during 2018 has been tested for impairment by reference to the CGUs determined in accordance with the businesses acquired.

A new CGU has been created following the acquisition of Sisk Healthcare Group, and Macromed (UK) Limited has been allocated to the *Commercial & Clinical* Services CGU. In 2019 it is expected that the goodwill arising on the acquisition of Angiocare B.V. will be allocated to the *Commercial & Clinical* Services CGU, and it is expected that the goodwill arising on the acquisition of Bradleys Pharmacy Group will be allocated to the Retail Pharmacies CGU, based on the CGUs that are expected to benefit from that business combination.

	2018 €'000	2017 €'000
Sisk Healthcare Group	113,308	—
Supply Chain Services	37,372	37,372
Commercial & Clinical Services	24,322	18,278
Retail Pharmacies	8,351	8,394
Product Access Services	1,245	1,267
IPOS Pharmacies	558	2,415
Acquisitions not yet allocated to CGUs	15,061	—
	200,217	67,726

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 (cash-generating units). The carrying value of goodwill is initially compared to fair value less cost of disposal. The fair value less costs of disposal is calculated as the maintainable EBITDA of each CGU multiplied by the appropriate EBITDA valuation multiple attributable to that CGU. The maintainable EBITDA of the CGU is calculated based on the forecasted five-year average EBITDA, with the valuation multiple calculated based on recent market transactions, and where evidence of recent market transactions are not available, management calculate the valuation multiple based on their best estimate using historical experience. The fair value measurement was considered a Level 3 fair value based on certain unobservable pricing inputs.

The value in use calculations are only prepared when this comparison indicates a potential impairment. At the balance sheet date this comparison did not indicate any potential impairment. 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 2018.

During 2018, the Group recognised an impairment to goodwill of €43,000 in the Income Statement in respect of goodwill associated with pharmacies disposed of by Trennamally during the year. An impairment of €271,000 was recognised in respect of the Group's legacy investment in subsidiary IPOS pharmacy companies (2017: €138,000; 2016: €3,440,000). In 2017 a further impairment of €1,990,000 (2016: €16,507,000) represents goodwill associated with pharmacies disposed of by Lindchem DAC during the year.

Sensitivity analysis

Sensitivity analysis was performed by applying reductions to both EBITDA and the valuation multiple used to calculate the fair value less costs of disposal. 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.

13 Property, plant and equipment, and properties held for sale

(a) Property, plant and equipment

	Freehold land and buildings €'000	Leasehold improvements €'000	Plant and equipment €'000	Fixtures and fittings €'000	Computer equipment €'000	Motor vehicles €'000	Instruments €'000	Total €'000
Cost								
At 1 January 2016	10,060	602	13,438	3,760	5,121	325	—	33,306
Foreign exchange movement	—	(19)	—	(10)	(19)	—	—	(48)
Additions	—	3,413	1,560	585	434	—	—	5,992
Acquisitions	356	258	12	1,028	31	—	—	1,685
Disposals	(356)	(258)	(5)	(395)	(16)	(57)	—	(1,087)
Divestments	—	(267)	(14)	(206)	(37)	—	—	(524)
At 31 December 2016	10,060	3,729	14,991	4,762	5,514	268	—	39,324
At 1 January 2017	10,060	3,729	14,991	4,762	5,514	268	—	39,324
Foreign exchange movement	—	(9)	—	(7)	(19)	—	—	(35)
Additions	—	640	669	265	376	6	—	1,956
Acquisitions	86	71	—	237	59	—	—	453
Disposals/retirements	—	—	(178)	(387)	(2,457)	(116)	—	(3,138)
Divestments	—	—	—	(43)	(22)	—	—	(65)
Reclassification of categories	(146)	104	(528)	(131)	449	—	—	(252)
At 31 December 2017	10,000	4,535	14,954	4,696	3,900	158	—	38,243
At 1 January 2018	10,000	4,535	14,954	4,696	3,900	158	—	38,243
Foreign exchange movement	—	(7)	(8)	(4)	(11)	—	—	(30)
Additions	7	208	1,236	248	351	—	830	2,880
Acquisitions (note 35)	—	4,393	1,417	712	298	34	1,893	8,747
Disposals/retirements	(4,408)	(25)	(63)	(89)	—	(37)	(450)	(5,072)
Divestments	—	(111)	—	(123)	(42)	(2)	—	(278)
At 31 December 2018	5,599	8,993	17,536	5,440	4,496	153	2,273	44,490

	Freehold land and buildings €'000	Leasehold improvements €'000	Plant and equipment €'000	Fixtures and fittings €'000	Computer equipment €'000	Motor vehicles €'000	Instruments €'000	Total €'000
Accumulated depreciation								
At 1 January 2016	1,207	187	7,381	2,541	2,343	200	—	13,859
Foreign exchange movement	—	3	—	(1)	—	—	—	2
Charge for the year	173	249	1,238	563	669	27	—	2,919
Disposals	—	(2)	(4)	(86)	(9)	(20)	—	(121)
Divestments	—	(54)	(138)	—	(29)	—	—	(221)
At 31 December 2016	1,380	383	8,477	3,017	2,974	207	—	16,438
At 1 January 2017	1,380	383	8,477	3,017	2,974	207	—	16,438
Foreign exchange movement	—	(4)	—	(3)	(13)	—	—	(20)
Charge for the year	262	438	1,376	514	1,258	59	—	3,907
Disposals/retirements	—	—	(245)	(223)	(1,794)	(116)	—	(2,378)
Divestments	—	—	—	(20)	(15)	—	—	(35)
Reclassification of categories	(16)	29	141	(258)	89	—	—	(15)
At 31 December 2017	1,626	846	9,749	3,027	2,499	150	—	17,897
At 1 January 2018	1,626	846	9,749	3,027	2,499	150	—	17,897
Foreign exchange movement	—	(4)	(4)	(2)	(9)	—	—	(19)
Charge for the year	179	491	1,814	508	1,051	16	551	4,610
Disposals/retirements	(475)	—	(8)	(68)	—	(37)	(415)	(1,003)
Divestments	—	(17)	—	(83)	(34)	(2)	—	(136)
Reclassification of categories	—	—	89	(89)	—	—	—	—
At 31 December 2018	1,330	1,316	11,640	3,293	3,507	127	136	21,349
Net book amounts								
At 31 December 2016	8,680	3,346	6,514	1,745	2,540	61	—	22,886
At 31 December 2017	8,374	3,689	5,205	1,669	1,401	8	—	20,346
At 31 December 2018	4,269	7,677	5,896	2,147	989	26	2,137	23,141

(b) Properties held for sale

	€'000
At 31 December 2016 and 31 December 2017	—
At 1 January 2018	—
Acquisitions (note 35)	4,000
At 31 December 2018	4,000

During the year, a number of properties were 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 Bradleys 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.

Properties held for sale are available for immediate sale in their present condition subject to terms that are usual and customary for properties of this nature. The individual properties are being actively marketed and the Group is committed to its plan to sell these properties in an orderly manner.

14 Financial assets

	Available for sale investments			Long term receivables		
	Shares in unlisted companies €'000	Shares in retail holding and management companies €'000	Total €'000	Loans to IPOS entities and other loans €'000	Loans to retail holding companies €'000	Total €'000
Cost						
At 1 January 2016	584	15	599	6,034	22,253	28,287
Disposals	(360)	—	(360)	(6,382)	—	(6,382)
Reclassification on consolidation	129	(15)	114	—	(10,638)	(10,638)
Unwinding of discount	—	—	—	365	1,031	1,396
At 31 December 2016	353	—	353	17	12,646	12,663
At 1 January 2017	353	—	353	17	12,646	12,663
Disposals	—	—	—	—	(2,716)	(2,716)
Unwinding of discount	—	—	—	—	82	82
At 31 December 2017	353	—	353	17	10,012	10,029

	Investments in equity instruments			Long term receivables		
	Shares in unlisted companies €'000	Shares in retail holding and management companies €'000	Total €'000	Loans to IPOS entities and other loans €'000	Loans to retail holding companies €'000	Total €'000
At 1 January 2018	353	—	353	17	10,012	10,029
Additions	—	—	—	—	5,500	5,500
Cash payments received	—	—	—	—	(763)	(763)
At 31 December 2018	353	—	353	17	14,749	14,766

	Available for sale investments			Long term receivables		
	Shares in unlisted companies €'000	Shares in retail holding and management companies €'000	Total €'000	Loans to IPOS entities and other loans €'000	Loans to retail holding companies €'000	Total €'000
Provision for impairment						
At 1 January 2016	212	—	212	—	3,980	3,980
Disposals	(13)	—	(13)	—	—	—
Provision for diminution in value	129	—	129	17	5,085	5,102
At 31 December 2016	328	—	328	17	9,065	9,082
At 1 January 2017	328	—	328	17	9,065	9,082
Provision for diminution in value	—	—	—	—	947	947
At 31 December 2017	328	—	328	17	10,012	10,029

	Investments in equity instruments			Long term receivables		
	Shares in unlisted companies €'000	Shares in retail holding and management companies €'000	Total €'000	Loans to IPOS entities and other loans €'000	Loans to retail holding companies €'000	Total €'000
At 1 January 2018	328	—	328	17	10,012	10,029
Reversal of previous impairment	—	—	—	—	(763)	(763)
At 31 December 2018	328	—	328	17	9,249	9,266
Net book value						
At 31 December 2016	25	—	25	—	3,581	3,581
At 31 December 2017	25	—	25	—	—	—
At 31 December 2018	25	—	25	—	5,500	5,500

The main movements in financial assets in 2018 are set out below:

Shares in unlisted companies

Shares in unlisted companies are primarily investments arising from the IPOS scheme whereby the Group acquired a temporary non-controlling interest in a number of pharmacy companies. The Group's interest in the IPOS scheme has not been treated as an associate undertaking as the Group does not participate in the commercial or financial policy decisions of the investee entities. Accordingly, the investments are included in the Group balance sheet at fair value through other comprehensive income. Shares in unlisted companies also includes other investments. The majority of these investments have a fair value of €nil as the relevant companies are in liquidation with no prospect of any distribution to shareholders.

The fair value at year-end of shares in unlisted companies was €25,000 (2017 and 2016: €25,000).

The fair value of €25,000 is represented solely by the Group's investment in Independent Life Pharmacy plc (Life) comprising of 63 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. They were issued to Uniphar plc solely to meet public limited company minimum capitalisation requirements. Independent Life Pharmacy plc represents the Life symbol group owned jointly by pharmacy owners through B shares and Uniphar plc through A shares. The pharmacy owners nominate their own directors to the Life Board in addition to Uniphar nominees with the pharmacy owner directors having the casting vote on all Board decisions through the office of Chairman.

Shares in retail holding and management companies

As part of the IPOS restructuring programme three retail holding companies, Riverchem DAC (Riverchem), Inischem DAC (Inischem) and Lindchem DAC (Lindchem), were formed to amalgamate and restructure the portfolio of pharmacies and were aligned to their funding banks. Management and administrative support to these companies is provided by Allcare Management Services Limited (Allcare).

During February 2016 the Group incurred costs of €1,696,000 in exercising its option to acquire the entire share capital of Lindchem thereby increasing its investment to subsidiary status. As the Group's interest has ceased to be a financial asset, the financial trading results of Lindchem from date of control are consolidated into the Group's financial information. As a consequence, the 2016 opening cost of this investment of €15,000 had been reclassified on consolidation.

The closing fair value associated with retail holding companies is €Nil (2017 and 2016: €Nil).

Loans to IPOS entities and other loans

The closing net book value is €Nil (2017 and 2016: €Nil) and is comprised of assigned debt receivables.

Loans to retail holding and management companies

In January 2017, Trennamally Limited, a Uniphar plc wholly owned company, acquired the remaining tranche of pharmacies from Riverchem for a consideration of €2,716,000. This transaction enabled Riverchem to transfer the proceeds of sale to Uniphar as a partial repayment on its loan.

Subsequently, Riverchem has been dissolved through liquidation proceeding and Uniphar plc has accounted for the disposal of its fully impaired loan receivable.

During 2018, Uniphar plc, acquired the Bank of Ireland loan associated security debt in Inischem for a cash consideration of €5,500,000. Following the acquisition of the Bank of Ireland debt in Inischem, €763,000 was recovered relating to amounts due from Inischem which had previously been provided for. The recovery of this debt has been recorded as an exceptional gain in administrative expenses (note 5).

The historic value of the loans advanced to Riverchem and Inischem at year-end is €18,725,000 being €13,988,000 directly advanced, €5,500,000 expended on the acquisition of the Bank of Ireland debt in Inischem, less cash proceeds received in 2018 of €763,000.

In 2017, the unwinding of the present value discount of €82,000 resulted from a partial loan repayment by Riverchem in 2017 and full impairment of the remaining loan balances owed.

As at 31 December 2018, the Group has recognised a cumulative historic impairment provision of €13,225,000 (2017: €13,988,000).

The exercise in February 2016 of the Group's option to acquire the entire remaining share capital of Lindchem has required the reclassification on consolidation of the Group's loan amounting to €10,638,000 advanced to Lindchem. In the Uniphar plc company accounts, this transaction has been reclassified as 'Amounts due from subsidiaries' within Trade and Other Receivables.

At year-end, the carrying value of amounts due from the retail holding companies amounted to €5,500,000 (2017: €nil; 2016: €3,581,000).

15 Inventory

	2018 €'000	2017 €'000	2016 €'000
Goods for resale	76,070	53,339	45,273

The replacement cost of inventories did not differ materially from the Balance Sheet amounts at 31 December 2018, 31 December 2017 and 31 December 2016.

Inventory stated above is net of impairment provision of €748,000 (2017: €672,000; 2016: €1,333,000). Write-downs of inventories recognised as an expense during 2018 amounted to €76,000.

In 2018, goods for resale recognised as cost of sales amounted to €1,242,000,000 (2017: €1,169,000,000; 2016: €1,184,000,000).

16 Trade and other receivables

Current trade and other receivables

	2018 €'000	2017 €'000	2016 €'000
Trade receivables	157,369	116,717	117,995
Prepayments	4,934	3,088	4,010
Accrued income	2,593	3,333	3,019
Other receivables	5,549	4,009	4,601
Deferred consideration receivable	214	428	260
Corporation tax	—	71	—
	170,659	127,646	129,885

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.

Non-current trade and other receivables

	2018 €'000	2017 €'000	2016 €'000
Other receivables	681	729	1,107
Deferred consideration receivable	1,425	1,344	—
	2,106	2,073	1,107
Deferred consideration receivable			
Within one year	214	428	260
Between one and two years	1,425	1,344	—
	1,639	1,772	260

The deferred consideration receivable of €1,639,000 relates to contractual amounts due from the disposal of Uniphar International Holdings Limited, IPOS Holding 158 Limited, IPOS Holding 63 Limited, IPOS Holding 162 Limited and pharmacies disposed by Lindchem Designated Activity Company.

The 2017 deferred consideration receivable of €1,772,000 relates to the disposal of the UK subsidiary company, Uniphar International Holdings Limited in January 2012, IPOS Holding 122 Limited, IPOS Holding 158 Limited, and pharmacies disposed by Lindchem Designated Activity Company.

The 2016 deferred consideration receivable of €260,000 relates to the disposal of the UK subsidiary company, Uniphar International Holdings Limited in January 2012.

17 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 2016, 2017 and 2018:

	Employee benefits €'000	Property plant and equipment €'000	Tax losses and other differences €'000	Total €'000
At 1 January 2016	193	458	5,546	6,197
Recognised in Income Statement	10	(130)	(578)	(698)
Recognised in Other Comprehensive Income	365	—	—	365
At 31 December 2016	568	328	4,968	5,864
At 1 January 2017	568	328	4,968	5,864
Acquisitions	—	(5)	—	(5)
Recognised in Income Statement	(1)	139	2,017	2,155
Recognised in Other Comprehensive Income	(331)	—	—	(331)
At 31 December 2017	236	462	6,985	7,683
At 1 January 2018	236	462	6,985	7,683
Reclassification	6	4	(10)	—
Acquisitions	—	405	30	435
Recognised in Income Statement	(227)	72	(804)	(959)
Recognised in Other Comprehensive Income	(54)	—	—	(54)
Translation adjustment	—	2	(4)	(2)
At 31 December 2018	(39)	945	6,197	7,103

The deferred tax asset in relation to losses reflects the Group's expected utilisation of carried forward trading tax losses in respect of its pharmaceutical wholesale and agency businesses.

The Group has a potential deferred tax asset of €6,856,000 (2017: €5,914,000; 2016: €6,353,000) arising from losses forward. The directors believe sufficient taxable profits to utilise this potential asset may 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.

18 Cash and cash equivalents and restricted cash

	2018 €'000	2017 €'000	2016 €'000
Cash at bank and in hand	10,539	1,188	14,961
Restricted cash deposits at call	2,352	2,142	2,142
	12,891	3,330	17,103

The restricted cash balance relates to a rent deposit on the Citywest property of €2,100,000 (2017: €2,100,000; 2016: €2,100,000), funds held on behalf of principles of €42,000 (2017: €42,000; 2016: €42,000) and funds held on account of €210,000 (2017: €nil; 2016: €nil).

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:

	2018 €'000	2017 €'000	2016 €'000
Cash and cash equivalents	10,539	1,188	14,961

19 Trade and other payables

	2018 €'000	2017 €'000	2016 €'000
Trade payables	141,206	144,984	137,102
Accruals	97,259	65,466	68,513
Other payables	6,061	226	464
Lease obligations (note 21)	216	555	535
Corporation tax	292	—	120
PAYE/PRSI	2,484	1,512	1,302
Value added tax	3,326	4,341	3,302
Deferred acquisition consideration	5,566	6,747	5,811
	256,410	223,831	217,149

Trade and other payables are payable at various dates in the next three months in accordance with the suppliers' usual and customary credit terms.

Tax and social welfare costs are payable at various dates over the coming months in accordance with the applicable statutory provisions.

Other non-current payables

	2018 €'000	2017 €'000	2016 €'000
Deferred acquisition consideration	—	301	724
Lease obligations (note 21)	—	168	645
	—	469	1,369

Deferred acquisition consideration

Total deferred acquisition consideration is payable in the following periods after 31 December in the Group:

	2018 €'000	2017 €'000	2016 €'000
– Within one year	5,566	6,747	5,811
– Between one and two years	—	301	724
	5,566	7,048	6,535

Deferred acquisition consideration reflects the amounts payable relating to the acquisition of Cahill May Roberts Limited in 2013, and the ostomy business and related assets of Murray's Medical Limited in 2016. During 2018 payments were made in relation to deferred consideration on the acquisitions of Star Medical Limited, Murray's Medical Limited, and Point of Care Health Services Limited.

As at 31 December 2018, the remaining deferred consideration payable relating to the ostomy business and related assets of Murray's Medical Limited was reclassified to payable within one year.

20 Borrowings

The Group's bank loans are repayable in the following periods after 31 December:

	2018 €'000	2017 €'000	2016 €'000
– Amounts falling due within one year	81,753	42,324	43,594
– Amounts falling due between one and five years	84,018	11,508	19,598
	165,771	53,832	63,192

The Group's total bank loans at 31 December 2018 were €165,771,000 (2017: €53,832,000; 2016: €63,192,000). Borrowing under invoice discounting facilities as at the Balance Sheet date was €70,847,000 (2017: €37,379,000; 2016: €37,701,000). Bank loans falling due within one year include €4,000,000 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 13).

Group term loans and invoice discount funding are subject to an interest rate of Euribor +3% (2017 and 2016: Euribor +3%). The majority of Group term loans will be repaid over the period 2019 to 2023. A breakdown of the maturity profile of the Group's borrowings is provided in note 32.

Bank security

Bank overdrafts (including invoice discounting) and bank loans of €165,771,000 (2017: €53,832,000; 2016: €63,192,000) are secured by cross guarantees and fixed and floating charges from the Company and certain subsidiary undertakings.

Of the total facilities, invoice discounting with recourse to the Company, are secured by way of assignment of book debts to the bank. At the Balance Sheet date €70,847,000 (2017: €37,379,000; 2016: €37,701,000) of invoice discounting facilities were utilised by the Group.

21 Commitments under finance leases

As at 31 December 2018, the Group's liabilities under finance leases are analysed as follows:

	Minimum lease payments		
	2018 €'000	2017 €'000	2016 €'000
Amounts payable under finance leases:			
Within one year	219	578	650
Between one and five years	—	172	788
	219	750	1,438

	Present value of minimum lease payments		
	2018 €'000	2017 €'000	2016 €'000
Amounts payable under finance leases:			
Within one year	216	555	535
Between one and five years	—	168	645
	216	723	1,180

Assets held under finance leases consist of plant and equipment with a carrying value of €686,666 at year end (2017: €776,231; 2016: €1,677,000) and motor vehicles with a carrying value of €16,415 (2017 and 2016: €nil). In 2017 computer equipment with a carrying value of €361,950 (2018 and 2016: €nil) was held under finance leases.

The Group's obligations under finance leases are secured by the lessors' rights over the leased assets.

22 Provisions

	Deferred contingent consideration 2018 €'000	Lease dilapidation 2018 €'000	Warranty provision 2018 €'000	Total 2018 €'000	Total 2017 €'000	Total 2016 €'000
At 1 January	10,225	325	—	10,550	1,927	1,656
Unwinding of discount	1,111	—	—	1,111	192	251
Arising on acquisition	42,861	—	74	42,935	9,149	531
Utilised during the year	(2,110)	(56)	(11)	(2,177)	(614)	(328)
Foreign currency movement	(276)	—	(1)	(277)	(104)	(183)
At 31 December	51,811	269	62	52,142	10,550	1,927

Deferred contingent consideration

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 €2,110,000 were made in respect of prior year acquisitions. Further details on the measurement of deferred contingent consideration is provided in note 32. The balance at 31 December 2018 relates to the following acquisitions:

- Dialachemist Limited (2015)
- Murray's Medical Equipment Limited (2016)
- Outico Limited (2017)
- Clinical Pyramid Limited (2017)
- Macromed (UK) Limited (2018)
- Sisk Healthcare Group (2018)
- Angiocare BV (2018)

The deferred contingent consideration at 31 December 2017 related to the acquisition of the following:

- Dialachemist Limited (2015)
- Murray's Medical Equipment Limited (2016)
- Outico Limited (2017)
- Clinical Pyramid Limited (2017)

The deferred contingent consideration at 31 December 2016 related to the acquisition of the following:

- Star Medical Limited (2015)
- Dialachemist Limited (2015)
- Murray's Medical Equipment Limited (2016)

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 provision for warranty.

23 Called up share capital

	2018 €'000	2017 €'000	2016 €'000
Authorised:			
240 million ordinary shares of 8c each	19,200	19,200	19,200
16 million "A" ordinary shares of 8c each	1,280	1,280	1,280
	20,480	20,480	20,480
Movement in the year in issued share capital			
Allotted, called up and fully paid presented as equity			
At 1 January 2018 – 111,437,842 (2017 and 2016: 110,760,250) ordinary shares of 8c each	8,915	8,861	8,861
Issued during the year – 1,400,738 (2017 and 2016: nil) ordinary shares of 8c each	112	—	—
Fully called during the year – nil (2017: 677,592; 2016: nil) ordinary shares of 8c each	—	54	—
At 31 December 2018 – 112,838,580 (2017: 111,437,842; 2016: 110,760,250) ordinary shares of 8c each	9,027	8,915	8,861
Allotted, called up and partly paid presented as equity			
At 1 January 2018 – 7,022,318 (2017 and 2016: 7,699,910) ordinary shares of 8c each	140	154	154
Issued during the year – 12,293,633 (2017 and 2016: nil) ordinary shares of 8c each	246	—	—
Fully called during the year – nil (2017: 677,592; 2016: nil) ordinary shares of 8c each	—	(14)	—
At 31 December 2018 – 19,315,951 (2017: 7,022,318; 2016: 7,699,910) ordinary shares of 8c each	386	140	154
Total allotted share capital:			
At 31 December 2018 – 132,154,531 (2017 and 2016: 118,460,160) ordinary shares	9,413	9,055	9,015

There are no "A" ordinary shares in Uniphar plc issued at 31 December 2018, 31 December 2017 or 31 December 2016.

Allotted, called up and partly paid shares are represented by issues to the Senior Management Team under the Uniphar Executive Share Incentive Scheme (note 28).

During 2018, the following transactions took place:

- In April 2018, 11,568,633 ordinary shares were issued as partly paid at €0.02 per share under the Uniphar Executive Share Incentive Scheme.
- In August 2018, 1,400,738 deemed fully paid ordinary shares were issued for non-cash consideration on completion of the acquisition of Sisk Healthcare Group.
- In October 2018, a further 725,000 ordinary shares were issued as partly paid at €0.02 per share under the Uniphar Executive Share Incentive Scheme.

In 2017, the conditions for vesting associated with 677,592 shares were met and the Company called €0.06 being the amount unpaid on each share. These shares are now fully paid and the Company received €40,000 in share proceeds (fully paid shares amounting to €54,000 less amount partly paid of €14,000).

24 Share premium

	2018 €'000	2017 €'000	2016 €'000
Premium arising on shares issued	22,489	20,675	20,675

25 Other reserves

	2018 €'000	2017 €'000	2016 €'000
Property revaluation reserve	700	1,400	1,400
Foreign currency translation reserve	(1,111)	(797)	(476)
Capital redemption reserve	60	60	60
	(351)	663	984

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. During 2018 the Company disposed of property and the revaluation reserve that relates to that asset was realised and transferred directly to retained earnings.

Foreign currency translation reserve

The foreign currency translation reserve comprises 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.

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.

26 Retained earnings

	€'000
At 1 January 2016	(40,671)
Profit for the year	4,964
Dividends paid to non-controlling interests (note 11)	(3)
Unrealised foreign currency translation adjustments	(506)
Other comprehensive expense relating to the year	(4,656)
At 31 December 2016	(40,872)
At 1 January 2017	(40,872)
Loss for the financial year	(1,461)
Other comprehensive income relating to the financial year	1,489
At 31 December 2017	(40,844)
At 1 January 2018	(40,844)
Profit for the financial year	8,642
Other comprehensive expense relating to the financial year	(488)
Transfer of revaluation reserve	700
At 31 December 2018	(31,990)

27 Employee benefit obligations

The pension entitlements of employees, including executive directors, arise under two defined benefit schemes and two defined contribution schemes and are secured by contributions by the Group to separately administered pension funds in the Republic of Ireland. The Uniphar Superannuation Scheme wound up with an effective date of 1 October 2018. The Allied Pharmaceutical Distributors Limited Pension Plan and the United Pharmacists Co-Operative Society Limited Pension & Life Assurance Scheme both wound up with an effective date of 29 June 2017. The assets of the scheme were distributed in line with members chosen options and no assets or liabilities remain. Any former members of these schemes still employed by the Group were offered membership of the Uniphar Group Retirement Benefits Scheme for future service benefits.

The defined benefit schemes are:

The Cahill May Roberts Limited Contributory Pension Plan
The Whelehan Group Pension Scheme
The Uniphar Superannuation Scheme (wound up on 1 October 2018)
The Allied Pharmaceutical Distributors Limited Pension Plan (wound up on 29 June 2017)
The United Pharmacists Co-Operative Society Limited Pension and Life Assurance Scheme (wound up on 29 June 2017)

The pension charge for the year is €1,558,000 (2017: €1,154,000; 2016: €953,000) comprising current service cost of €185,000 (2017: €292,000; 2016: €256,000) and defined contribution scheme costs of €1,373,000 (2017: €862,000; 2016: €697,000). The net finance costs resulting from the scheme surplus/deficit is €23,000 (2017: €74,000; 2016: €36,000).

The funding requirements in relation to the Group's defined benefit schemes are assessed in accordance with the advice of independent qualified actuaries and valuations are prepared at triennial intervals. Annual contributions are 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 schemes at the registered office of the Company but are not available for public inspection.

An updated actuarial valuation for the purposes of International Accounting Standards 19 "Employee Benefits" (IAS 19) was carried out as at 31 December 2018 by a qualified independent actuary in respect of the Group pension schemes.

Financial instruments held by the defined benefit schemes

At 31 December 2018 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 schemes' assets at the Balance Sheet date are shown as follows:

		Fair value	
	2018	**2017**	**2016**
	€'000	**€'000**	**€'000**
Equities – Investments in quoted active markets	6,702	11,035	16,023
Bonds – Investments in quoted active markets	12,101	15,166	20,744
Property	—	563	220
Cash	125	4,459	4,618
Other	2,223	—	—
	21,151	31,223	41,605

Principal actuarial assumptions at the Balance Sheet date

	2018	**2017**	**2016**
	%	**%**	**%**
The main financial assumptions used were:			
Rate of increase in pensionable salaries	0.00% – 2.50%	0.00% – 2.50%	0.00% – 2.50%
Rate of increase in pensions in payment	0.00%	0.00%	0.00%
Discount rate	1.95%	1.90%	1.85%
Inflation rate	1.50%	1.50%	1.50%

Investigations have been carried out within the past three years into the mortality experience of the Group's major schemes. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are 21.5 (2017: 21.4; 2016: 21.1) years for males and 24.0 (2017: 23.9; 2016: 23.6) years for females.

The following amounts at the Balance Sheet dates were measured in accordance with the requirements of IAS 19:

	2018 €'000	2017 €'000	2016 €'000
Present value of scheme liabilities	(20,712)	(33,044)	(46,073)
Fair value of scheme assets	21,151	31,223	41,605
Pension asset/(liability) resulting from employee benefit obligations	439	(1,821)	(4,468)

The amounts recognised in the Income Statement for the year ended 31 December 2018 are as follows:

	2018 €'000	2017 €'000	2016 €'000
Charged to operating profit/(loss)			
Current service cost	(185)	(292)	(256)
Charged to other finance cost			
Interest on pension scheme assets	574	713	911
Interest on pension scheme liabilities	(597)	(787)	(947)
Net finance cost	(23)	(74)	(36)

The actual return on scheme assets is a loss of €142,000 (2017: gain of €789,000; 2016: gain of €3,026,000).

The amounts recognised in the Statement of Comprehensive Income for the year ended 31 December 2018 are as follows:

	2018 €'000	2017 €'000	2016 €'000
Analysis of amount recognised in Statement of Comprehensive Income			
Actual return less amounts included in interest and expense	(716)	76	2,115
Experience gains arising on the scheme liabilities	1	641	816
Changes in financial assumptions underlying the present value of the scheme assets/(liabilities)	281	1,103	(7,952)
Actuarial (loss)/gain in the year	(434)	1,820	(5,021)

Expected contributions for the year ended 31 December 2019 are €626,000.

	Pension assets €'000	Pension liabilities €'000	Pension deficit €'000
Movement in scheme assets and liabilities			
At 1 January 2016	44,826	(46,372)	(1,546)
Current service cost	—	(256)	(256)
Settlement loss	—	(338)	(338)
Contributions	1,443	(53)	1,390
Transfers in	5,240	(3,901)	1,339
Interest on scheme liabilities	—	(947)	(947)
Interest on scheme assets	911	—	911
Expenses	(102)	102	—
Actuarial gain/(loss) in current year	2,115	(7,136)	(5,021)
Benefits (paid)/settled	(12,828)	12,828	—
At 31 December 2016	41,605	(46,073)	(4,468)
At 1 January 2017	41,605	(46,073)	(4,468)
Current service cost	—	(292)	(292)
Settlement loss	—	(118)	(118)
Employer contributions paid	1,311	—	1,311
Contributions paid by plan participants	27	(27)	—
Interest on scheme liabilities	—	(787)	(787)
Interest on scheme assets	713	—	713
Actuarial gain in current year	76	1,744	1,820
Benefits (paid)/settled	(12,509)	12,509	—
At 31 December 2017	31,223	(33,044)	(1,821)
At 1 January 2018	31,223	(33,044)	(1,821)
Current service cost	—	(185)	(185)
Settlement gain	—	487	487
Employer contributions paid	2,415	—	2,415
Contributions paid by plan participants	23	(23)	—
Interest on scheme liabilities	—	(597)	(597)
Interest on scheme assets	574	—	574
Actuarial (loss)/gain in current year	(716)	282	(434)
Benefits (paid)/settled	(12,368)	12,368	—
At 31 December 2018	21,151	(20,712)	439

All of the scheme liabilities arise from schemes that are wholly or partly funded.

	2018 €'000	2017 €'000	2016 €'000
Amounts for the current and previous years:			
Present value of scheme liabilities	(20,712)	(33,044)	(46,073)
Fair value of scheme assets	21,151	31,223	41,605
Pension surplus/(deficit) from employee benefit obligations	439	(1,821)	(4,468)
Experience (losses)/gains on scheme liabilities:			
Amount (€'000)	(1)	641	816
Percentage of the present value of the scheme liabilities	0.00%	1.94%	1.77%
Difference between the actual and expected return on scheme assets:			
Amount (€'000)	(716)	76	2,115
Percentage of scheme assets	3.39%	0.24%	5.08%

Defined contribution scheme

Included in accruals and other payables is an amount of €224,000 (2017: €78,000; 2016: €89,000) due in relation to the defined contribution schemes.

Sensitivity of results to actuarial assumptions

Actuarial assumptions to be used to calculate liabilities are ultimately the responsibility of the directors of the Group. This section illustrates the sensitivity of the Group defined benefit pension surplus/deficit at 31 December 2018.

The funded status of the pension plans and the amount recognised as a Group asset/(liability) at 31 December 2018 is compared to the corresponding amount with the assumptions varying as shown in the following table:

	Current	Discount -0.25%	Discount +0.25%	Inflation -0.25%	Inflation +0.25%	Life expectancy +1 year
Discount rate	1.95%	1.7%	2.2%	1.95%	1.95%	1.95%
Inflation	1.5%	1.5%	1.5%	1.25%	1.75%	1.5%
Surplus/(deficit)	439	(732)	1,536	860	1	(455)

28 Employee share awards

Long term incentive plan

As set out in note 23, the Company operates a long term incentive plan for certain executive directors and managerial employees under which conditional shares have been granted, subject to the achievement of demanding Group performance measures and operational targets. The Company can redeem these shares if certain criteria are not met.

As at 31 December 2018, the Company has allotted 21,101,146 ordinary shares of €0.08 each (2017: 8,807,513 shares; 2016: 8,884,512 shares) to members of the Uniphar executive management team under the long term incentive plan. The increase is attributable to the issuance of 12,293,633 ordinary shares as partly paid at €0.02 per share under the Uniphar Executive Share Incentive Scheme.

The long term incentive plan shares were allotted for an issue price of €0.08 per ordinary share. As at 31 December 2018, 1,785,195 shares (2017: 1,785,195 shares; 2016: 1,184,602 shares) have been called up and fully paid.

As at 31 December 2018, the Company has in issue 19,315,951 (2017: 7,022,318 shares; 2016: 7,699,910 shares) partly paid ordinary shares of €0.08 each. Until the vesting conditions are met, these shares are partly paid at €0.02 per share pending further calls by the Company. No charge to the Income Statement arises in either 2018, 2017 or 2016 in respect of this arrangement because the fair value is deemed to be the same as the nominal value.

29 Reconciliation of operating profit to cash flow from operating activities

	2018 €'000	2017 €'000	2016 €'000
Operating profit before operating exceptional items	25,001	12,143	18,752
Cash related exceptional items	(8,290)	(8,053)	(7,599)
	16,711	4,090	11,153
Depreciation	4,610	3,907	2,919
Amortisation of intangible assets	2,626	3,384	3,022
(Increase)/decrease in inventory	(1,109)	(7,793)	1,280
(Increase)/decrease in receivables	(19,730)	3,787	1,886
Increase/(decrease) in payables	(7,944)	(5,611)	7,960
Foreign currency translation adjustments	(61)	(110)	(736)
Cash (outflow)/inflow from operating activities	(4,897)	1,654	27,484

30 Reconciliation of net cash flow to movement in net debt

	2018 €'000	2017 €'000	2016 €'000
Increase/(decrease) in cash and overdrafts in the year (note 31)	9,351	(13,773)	3,317
Movement in restricted cash	210	—	5
Cash flow from movement in borrowings (note 31)	(102,634)	7,693	28,729
(Increase)/decrease in net debt resulting from cash flows	(93,073)	(6,080)	32,051
Debt acquired during the year (note 31)	(11,500)	—	(14,635)
Debt disposed of during the year (note 31)	2,195	1,667	2,421
Movement in net debt in the year	(102,378)	(4,413)	19,837
Net debt at beginning of year	(50,502)	(46,089)	(65,926)
Net debt at end of year	(152,880)	(50,502)	(46,089)

31 Analysis of changes in net debt

	1 January 2018 €'000	Cash flow €'000	Acquisitions €'000	Disposals €'000	31 December 2018 €'000
Cash and cash equivalents	1,188	(17,433)	27,014	(230)	10,539
Restricted cash	2,142	210	—	—	2,352
	3,330	(17,223)	27,014	(230)	12,891
Bank loans repayable within one year	(42,324)	(28,256)	(11,500)	327	(81,753)
Bank loans payable after one year	(11,508)	(74,378)	—	1,868	(84,018)
Bank loans	(53,832)	(102,634)	(11,500)	2,195	(165,771)
Net debt	(50,502)	(119,857)	15,514	1,965	(152,880)

	1 January 2017 €'000	Cash flow €'000	Acquisitions €'000	Disposals €'000	31 December 2017 €'000
Cash and cash equivalents	14,961	(14,280)	645	(138)	1,188
Restricted cash	2,142	—	—	—	2,142
	17,103	(14,280)	645	(138)	3,330
Bank loans repayable within one year	(43,594)	607	—	663	(42,324)
Bank loans payable after one year	(19,598)	7,086	—	1,004	(11,508)
Bank loans	(63,192)	7,693	—	1,667	(53,832)
Net debt	(46,089)	(6,587)	645	1,529	(50,502)

	1 January 2016 €'000	Cash flow €'000	Acquisitions €'000	Disposals €'000	31 December 2016 €'000
Cash and cash equivalents	11,644	3,317	—	—	14,961
Restricted cash	2,137	5	—	—	2,142
	13,781	3,322	—	—	17,103
Bank loans repayable within one year	(56,469)	12,920	(841)	796	(43,594)
Bank loans payable after one year	(23,238)	15,809	(13,794)	1,625	(19,598)
Bank loans	(79,707)	28,729	(14,635)	2,421	(63,192)
Net debt	(65,926)	32,051	(14,635)	2,421	(46,089)

32 Financial instruments

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

Financial assets	Notes	Financial assets at FVOCI* €'000	Financial assets at amortised cost €'000	Total €'000
2018				
Investments in equity instruments	14	25	—	25
Long term receivables	14	—	5,500	5,500
Trade and other receivables**	16	—	163,599	163,599
Deferred consideration receivable	16	—	1,639	1,639
Cash and cash equivalents	18	—	10,539	10,539
Restricted cash	18	—	2,352	2,352
		25	183,629	183,654
2017				
Available for sale investments	14	25	—	25
Trade and other receivables**	16	—	121,455	121,455
Deferred consideration receivable	16	—	1,772	1,772
Cash and cash equivalents	18	—	1,188	1,188
Restricted cash	18	—	2,142	2,142
		25	126,557	126,582
2016				
Available for sale investments	14	25	—	25
Long term receivables	14	—	3,581	3,581
Trade and other receivables**	16	—	123,703	123,703
Deferred consideration receivable	16	—	260	260
Cash and cash equivalents	18	—	14,961	14,961
Restricted cash	18	—	2,142	2,142
		25	144,647	144,672

* Fair value through Other Comprehensive Income.

** Excluding prepayments and accrued income.

	Notes	Financial liabilities at FVTPL* €'000	Financial liabilities at amortised cost €'000	Total €'000
Financial liabilities				
2018				
Borrowings	20	—	165,771	165,771
Deferred acquisition consideration	19	—	5,566	5,566
Trade and other payables**	19	—	147,483	147,483
Facility termination fee (before tax asset)		7,622	—	7,622
Deferred contingent consideration	22	51,811	—	51,811
Derivative financial instruments		27,586	—	27,586
		87,019	318,820	405,839
2017				
Borrowings	20	—	53,832	53,832
Deferred acquisition consideration	19	—	7,048	7,048
Trade and other payables**	19	—	145,933	145,933
Deferred contingent consideration	22	10,225	—	10,225
Facility termination fee (before tax asset)		9,751	—	9,751
		19,976	206,813	226,789
2016				
Borrowings	20	—	63,192	63,192
Deferred acquisition consideration	19		6,535	6,535
Trade and other payables**	19	—	138,746	138,746
Deferred contingent consideration	22	1,703	—	1,703
Derivative financial instruments		—	9,709	9,709
		1,703	218,182	219,885

* 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.

		2018		2017		2016	
	Notes	Carrying value €'000	Fair value €'000	Carrying value €'000	Fair value €'000	Carrying value €'000	Fair value €'000
Financial assets							
Investments in equity instruments*	14	25	25	25	25	25	25
Long term receivables	14	5,500	5,500	—	—	3,663	3,581
Trade and other receivables	16	163,673	163,599	121,538	121,455	123,791	123,703
Deferred consideration receivable	16	1,969	1,639	2,181	1,772	267	260
Cash and cash equivalents	18	10,539	10,539	1,188	1,188	14,961	14,961
Restricted cash	18	2,352	2,352	2,142	2,142	2,142	2,142
		184,058	183,654	127,074	126,582	144,849	144,672
Financial liabilities							
Borrowings	20	175,479	165,771	53,832	53,832	63,192	63,192
Deferred acquisition consideration	19	5,566	5,566	7,254	7,048	6,764	6,535
Trade and other payables	19	147,486	147,483	145,960	145,933	139,004	138,746
Facility termination fee		7,622	7,622	9,751	9,751	—	—
Deferred contingent consideration	22	51,811	51,811	10,225	10,225	1,703	1,703
Derivative financial instruments		27,586	27,586	—	—	10,000	9,709
		415,550	405,839	227,022	226,789	220,663	219,885

**In 2017 and 2016, investments in equity instruments were classified as available for sale investments.*

Measurement of fair values

Set out below are the major methods and assumptions used in estimating the fair values of the financial assets and liabilities disclosed in the preceding table.

Investments in equity instruments

Investments in equity instruments are measured at fair value through other comprehensive income (FVOCI). In 2017 and 2016, investments in equity instruments were classified as available for sale investments and were measured at cost less impairment provision.

Long term receivables

The fair value of long term receivables is determined by discounting future cash flows at market rates of interest at the period end.

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 2018. A maturity analysis of the deferred contingent consideration on an undiscounted basis is presented on page 115.

The significant unobservable inputs are:

- Pre-defined profit thresholds which have not been disclosed due to their commercial sensitivities
- Risk adjusted discount rate of 3% (2017 and 2016: 3%)

For the fair value of deferred contingent consideration, a 1% increase in the risk adjusted discount rate at 31 December 2018, holding the other inputs constant would reduce the fair value of the deferred contingent consideration by €1.0m. A 1% decrease in the risk adjusted discount rate would result in an increase of €1.0m in the fair value of the deferred contingent consideration.

Derivative financial instruments

The derivative financial instruments in 2018 represent share warrants that were issued to the previous shareholders of Sisk Healthcare Group on the completion of the acquisition of Sisk Healthcare Group. This share warrant grants the right to subscribe for 18,782,808 ordinary shares in Uniphar plc with a nominal value of €0.08 each. The share warrant must be exercised within a five-year period from the date of completion of the acquisition, or alternatively the share warrant will be settled through a cash termination payment. The fair value attributable to the share warrant is calculated based on management's best estimate of the weighted probability of each of the possible outcomes.

Facility termination fee

The facility termination fee has a carrying value and respective fair value of €7,622,000 (2017: €9,751,000; 2016: €nil).

As part of the funding of the acquisition of Cahill May Roberts in 2013, a share warrant was issued to participating banks, granting the right to subscribe for 10% of the entire fully diluted issued share capital of the Company at the time of subscription, at any time up until 30 June 2017.

During 2017, the share warrant holders surrendered all of their equity rights in return for an agreed facility termination fee payable by the company of €10,000,000. As the share warrant was cancelled at the date of issuance of the facility termination fee, the share warrants have a carrying value of €nil (2017: €nil; 2016: €10,000,000) and a respective fair value of €nil (2017: €nil; 2016: €9,709,000).

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 2018				
Investments in equity instruments				
— Shares in unlisted companies	—	—	25	25
Facility termination fee (before tax asset)	—	—	(7,622)	(7,622)
Deferred contingent consideration	—	—	(51,811)	(51,811)
Derivative financial instrument	—	—	(27,586)	(27,586)
	—	—	(86,994)	(86,994)
At 31 December 2017				
Available-for-sale financial instruments				
— Shares in unlisted companies	—	—	25	25
Deferred contingent consideration	—	—	(10,225)	(10,225)
Facility termination fee (before tax asset)	—	—	(9,751)	(9,751)
	—	—	(19,951)	(19,951)
At 31 December 2016				
Available-for-sale financial instruments				
— Shares in unlisted companies	—	—	25	25
Deferred contingent consideration	—	—	(1,703)	(1,703)
Derivative financial instruments	—	—	(9,709)	(9,709)
	—	—	(11,387)	(11,387)

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.

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 2018, 31 December 2017 and 31 December 2016:

	Shares in unlisted companies €'000	Shares in retail holding and management companies €'000	Derivative financial instruments €'000	Facility termination fee €'000	Deferred contingent consideration €'000	Derivative financial instrument €'000	Total €'000
At 1 January 2016	372	15	(9,426)	—	(1,328)	—	(10,367)
Arising on acquisition	—	—	—	—	(531)	—	(531)
Unwinding of discount	—	—	(283)	—	(27)	—	(310)
Reclassification on consolidation	—	(15)	—	—	—	—	(15)
Foreign currency	—	—	—	—	183	—	183
Disposals	(347)	—	—	—	—	—	(347)
At 31 December 2016	25	—	(9,709)	—	(1,703)	—	(11,387)
Payments	—	—	—	—	584	—	584
Transfer	—	—	10,000	(10,000)	—	—	—
Unwinding of discount	—	—	(291)	—	—	—	(291)
Arising on acquisition	—	—	—	—	(9,149)	—	(9,149)
Unwinding of discount	—	—	—	249	(61)	—	188
Foreign currency	—	—	—	—	104	—	104
At 31 December 2017	25	—	—	(9,751)	(10,225)	—	(19,951)
Payments	—	—	—	2,500	2,110	—	4,610
Unwinding of discount	—	—	—	(371)	(1,111)	—	(1,482)
Arising on acquisition	—	—	—	—	(42,861)	(27,586)	(70,447)
Foreign currency	—	—	—	—	276	—	276
At 31 December 2018	25	—	—	(7,622)	(51,811)	(27,586)	(86,994)

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 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.

Credit risk

Credit risk arises from credit to customers, loans to customers, loans to IPOS entities, loans to retail holding companies, deferred consideration receivable, 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 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 2.2% of gross trade receivables (2017: 2.8%; 2016: 5.3%). 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:

	2018 €'000	**2017 €'000**	**2016 €'000**
At 1 January	3,318	6,657	4,648
Provision for impairment recognised during the year	119	46	831
Arising on acquisition	449	—	2,101
Receivables written off during the year as uncollectible	(191)	(616)	(470)
Recovery of balances previously provided for	(140)	(1)	(453)
Reclassification	(7)	(2,768)	—
At 31 December	3,548	3,318	6,657

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 91.4% of the total trade receivables balance at the balance sheet date (2017: 96.1%; 2016: 93.5%). Invoice discounting arrangements are employed in certain of the Group's operations where deemed to be of benefit by management.

The ageing of trade receivables at 31 December 2018, 2017 and 2016 was:

	2018 €'000	**2017 €'000**	**2016 €'000**
Not past due	143,835	112,180	110,271
Past due			
0 – 30 days	9,079	3,240	6,555
30 – 60 days	2,428	847	840
60 days	2,027	450	329
Total past due	13,534	4,537	7,724
Total trade receivables	157,369	116,717	117,995

Provision for impairment in long term receivables is outlined in note 14.

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.

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 14.

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:

	2018 €'000	2017 €'000	2016 €'000
Long term receivables	5,500	—	3,663
Trade and other receivables*	163,673	121,538	123,791
Deferred consideration receivable	1,969	2,181	267
Cash and cash equivalents	10,539	1,188	14,961
Restricted cash	2,352	2,142	2,142
Total	184,033	127,049	144,824

* Excluding prepayments and accrued income

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.

Contractual maturity of financial liabilities

	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
At 31 December 2018						
Borrowings	71,579	10,947	17,966	74,279	708	175,479
Deferred acquisition consideration	166	5,400	—	—	—	5,566
Deferred contingent consideration	683	2,558	28,734	23,234	—	55,209
Facility termination fee	2,500	—	2,500	2,750	—	7,750
Derivative financial instrument	—	27,586	—	—	—	27,586
Trade and other payables	147,486	—	—	—	—	147,486
	222,414	46,491	49,200	100,263	708	419,076
At 31 December 2017						
Borrowings	41,734	590	4,909	5,329	1,270	53,832
Deferred acquisition consideration	486	6,261	301	—	—	7,048
Deferred contingent consideration	683	1,385	1,263	7,964	—	11,295
Facility termination fee	2,500	—	2,500	5,250	—	10,250
Trade and other payables	145,933	—	—	—	—	145,933
	191,336	8,236	8,973	18,543	1,270	228,358
At 31 December 2016						
Borrowings	42,522	1,072	5,963	12,255	1,380	63,192
Deferred acquisition consideration	526	5,285	724	—	—	6,535
Deferred contingent consideration	—	—	540	1,163	—	1,703
Trade and other payables	138,746	—	—	—	—	138,746
	181,794	6,357	7,227	13,418	1,380	210,176

Borrowings maturing within less than 6 months include an invoice discounting facility of €70,847,000 at the end of the year (2017: €37,379,000; 2016: €37,701,000).

Lender covenants

Group banking facilities are subject to three covenants: leverage ratio, interest cover and maximum capital expenditure covenant. Banking covenants are subject to quarterly review, and during 2018 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. An element of the Group's operations are carried out in the UK and, as a result, the Group is exposed to structural currency fluctuations in respect of Sterling. 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 businesses and Sterling is the principal currency of the Group's UK businesses. The Group actively monitors the level of foreign exchange exposure and ensures that its net exposure is kept at an acceptable level. At the year end, the Group had no contracts or options in place to buy or sell foreign currency.

Interest rate risk

The Group has no fixed rate borrowings and its receivables are carried at amortised cost. Group term loans and invoice discount funding are subject to an interest rate of Euribor +3% (2017 and 2016: Euribor +3%).

The exposure of the Group's borrowings to interest rate changes is as follows:

	2018 **€'000**	**2017** **€'000**	**2016** **€'000**
Variable rate borrowings (note 20)	165,771	53,832	63,192

A decrease of fifty basis points in the Euribor interest rate would have reduced interest payable on borrowings in finance costs by €829,000 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 consequently reduced our profit before tax and equity by an equal and opposite amount.

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 investments are measured at fair value through other comprehensive income. The Group is exposed to the risk of an illiquid market for unlisted companies as these investments are not traded on an active market.

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 monitors capital on the basis of net debt and EBITDA. The Board monitor the return on capital employed and dividend policy in order to ensure the capital base is repaired. Net debt at year-end was €152,880,000 (2017: €50,502,000; 2016: €46,089,000). EBITDA amounted to €32,237,000 (2017: €19,434,000; 2016: €24,693,000). The ratio of net debt to annualised EBITDA was 3.2 times in 2018. The ratio of net debt to EBITDA was 2.6 times in 2017 (2016: 1.9 times). Annualised EBITDA includes the impact of all acquisitions completed during 2018 as if they were completed at 1 January 2018. Interest payable on borrowings amounted to €2,794,000 for the year (2017: €2,740,000; 2016: €2,822,000) which resulted in EBITDA interest cover 11.5 times (2017: 7.1 times; 2016: 8.8 times).

Total equity deficit of the Group at 31 December 2018 was €619,000 (2017: €10,722,000; 2016: €10,198,000).

33 Future capital expenditure not provided for

	2018 **€'000**	**2017** **€'000**	**2016** **€'000**
At 31 December 2018 the Group had capital commitments of €99,000 (2017: €nil; 2016: €721,000)			
Contracted for			
Computer software	55	—	—
Plant and equipment	44	—	721

34 Contingent liabilities

Guarantees

The Company and certain subsidiaries have issued guarantees totalling €647,000 (2017: €1,876,000; 2016: €4,249,000) in respect of bank borrowings undertaken by IPOS scheme entities and past customers of Cahill May Roberts Limited. This gives rise to a contingent liability at year end of €647,000 (2017: €621,000; 2016: €868,000) for the Group.

The change in the level of contingent liabilities is due to movement in underlying loan balances and guarantee releases due to investment disposals.

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 2018, the directors are satisfied that there are no such matters which require either a provision or contingent liability disclosure in the financial information.

35 Acquisitions of subsidiary undertakings and business assets

A key strategy of the Group is to expand into higher growth, higher margin businesses and to reduce exposure to the pharmaceutical wholesaling market. In line with this strategy, the Group completed the acquisitions of Macromed (UK) Limited, Angiocare B.V., Sisk Healthcare Group and Bradley's Pharmacy Group during the financial year.

- **Macromed (UK) Limited**

  The Group acquired a 94.95% controlling interest of the issued share capital of Macromed (UK) Limited in January 2018 for consideration of €7,058,000, of which €4,059,000 is deferred and contingent on agreed targets being met. Macromed (UK) Limited is a provider of medical devices based in the United Kingdom.

- **Angiocare B.V.**

  The Group acquired a 100% controlling interest of the issued share capital of Angiocare B.V. in July 2018 for consideration of €9,557,000, of which €4,356,000 is deferred and contingent on agreed targets being met. Angiocare B.V. is a provider of medical devices based in The Netherlands.

- **Sisk Healthcare Group**

  The Group acquired 100% of the issued share capital of Sisk Healthcare Group in August 2018 for consideration of €146,004,000, of which €34,446,000 is deferred and contingent on agreed targets being met, the issuance of a share warrant with a fair value of €27,586,000, and the issuance of ordinary shares on completion of €1,926,000. Sisk Healthcare Group is an Irish managed company, operating in the medical devices sector in Ireland and the United Kingdom.

- **Bradley's Pharmacy Group**

  The Group acquired 100% of the issued share capital of Pagni Pharmacies Limited and Pyramach Limited, trading as "Bradley's Pharmacy Group", in November 2018 for consideration of €10,500,000. Bradley's Pharmacy Group currently operate 19 retail pharmacies throughout the Republic of Ireland. On acquisition, a bank loan of €7,500,000 was acquired and repaid in December 2018, and the remaining €4,000,000 loan is classified as repayable within one year at 31 December 2018.

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 workforce and management 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 €46.1 million at 31 December 2018.

The initial assignment of fair values to net assets acquired has been performed on a provisional basis in respect of the acquisitions completed during 2018. 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 2019 Annual Report as stipulated by IFRS 3, Business Combinations. The fair values of the assets and liabilities of the acquisitions completed in 2017 have now been finalised with no further adjustments required to the provisional fair values of the assets and liabilities which were disclosed in the 2017 Annual Report.

The acquisition of Sisk Healthcare has been determined to be a substantial transaction 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.

The provisional fair value of the assets and liabilities acquired as part of the acquisitions completed during the financial year are set out below: The provisional fair value of the assets and liabilities acquired as part of the acquisitions completing during the financial year are set out below:

	Sisk Healthcare €'000	Others €'000	Total €'000
ASSETS			
Non-current assets			
Intangible assets	474	—	474
Property, plant and equipment	7,684	1,063	8,747
Deferred tax asset	435	—	435
	8,593	1,063	9,656
Current assets			
Properties held for sale	—	4,000	4,000
Inventory	18,449	3,441	21,890
Trade and other receivables	20,967	2,795	23,762
Cash and cash equivalents	16,142	10,872	27,014
	55,558	21,108	76,666
Total assets	64,151	22,171	86,322
LIABILITIES			
Non-current liabilities			
Provisions	74	—	74
	74	—	74
Current liabilities			
Borrowings	—	11,500	11,500
Trade and other payables	31,381	5,102	36,483
	31,381	16,602	47,983
Total liabilities	31,455	16,602	48,057
Identifiable net assets acquired	32,696	5,569	38,265
Non-controlling interest arising on acquisition	—	29	29
Group share of net assets acquired	32,696	5,540	38,236
Goodwill arising on acquisition	113,308	21,575	134,883
Consideration	146,004	27,115	173,119

The gross contractual value of the trade and other receivables as at the respective dates of acquisition amounted to €24.2 million. The fair value of these receivables is estimated at €23.8 million (all of which is expected to be recoverable).

The acquisitions completed in 2018 have contributed €60.8 million to revenue and €26.0 million of gross margin for the period since the date of acquisition. The proforma revenue and operating profit for the Group for the period ended 31 December 2018 would have been €1,517.8 million and €30.6 million respectively had the acquisitions been completed at the start of the current reporting period.

In 2018, the Group incurred acquisition costs of €4.9 million (2017: €1.1 million). These have been included in administrative expenses in the Group Statement of Comprehensive Income.

36 Earnings per share

	2018 €'000	2017 €'000	2016 €'000
Earnings per share and fully diluted earnings per share have been calculated by reference to the following:			
Profit/(loss) for the financial year attributable to owners	8,642	(1,461)	4,964

	2018 Number of shares	2017 Number of shares	2016 Number of shares
Weighted average number of shares ('000)	119,044	118,460	118,460

2018	Continuing	Acquisitions	Discontinued	Total
Earnings (€'000)	1,046	7,596	—	8,642
Earnings per ordinary share (in cent): — Basic	0.9	6.4	—	7.3
— Diluted	0.9	6.4	—	7.3

2017	Continuing	Acquisitions	Discontinued	Total
Earnings (€'000)	(1,837)	(57)	433	(1,461)
Earnings per ordinary share (in cent): — Basic	(1.6)	(0.0)	0.4	(1.2)
— Diluted	(1.6)	(0.0)	0.4	(1.2)

2016	Continuing	Acquisitions	Discontinued	Total
Earnings (€'000)	2,504	1,686	774	4,964
Earnings per ordinary share (in cent): — Basic	2.1	1.4	0.7	4.2
— Diluted	2.1	1.4	0.7	4.2

	2018 €'000	2017 €'000	2016 €'000
Adjusted earnings per share has been calculated by reference to the following:			
Profit/(loss) for the financial year attributable to owners	8,642	(1,461)	4,964
Exceptional charge from investment in IPOS network (note 5)	647	6,231	5,737
Other exceptional charges (note 5)	9,060	7,800	4,516
Profit on disposal of subsidiary undertakings (note 5)	(855)	(1,535)	(446)
Profit on disposal of property, plant and equipment (note 5)	(138)	—	(8)
Trademark impairment (note 5)	461	—	—
Profit after tax excluding exceptional and other one-off items	17,817	11,035	14,763
Weighted average number of shares in issue in the year (000's)	119,044	118,460	118,460
Adjusted earnings per ordinary share (in cent)	15.0	9.3	12.5

37 Related party transactions

In the ordinary course of business as pharmacists, certain non-executive directors of Uniphar plc and executive directors of subsidiary companies have traded on standard commercial terms with the Group. The individual value of these transactions is not material in the context of the Group's financial results and have therefore been disclosed in aggregate.

The Group sold goods and other assets to companies controlled by these directors totalling €4,317,000 during the year (2017: €5,510,000; 2016: €6,046,000). As a result of payments in advance, amounts of €258,000 were owing to the pharmacies in respect of these transactions at 31 December 2018 (2017: €236,000; 2016: €385,000).

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 three executive directors (2017: three; 2016: two), nine non-executive directors (2017: seven), and an additional two (2017: three; 2016: four) individual members at 31 December 2018.

	2018 €'000	2017 €'000	2016 €'000
Remuneration of key management personnel			
Short term employee benefits (including redundancy)	3,354	2,988	2,236
Post-employment benefits	226	211	201
	3,580	3,199	2,437

38 Group companies

Holding company	Principal activity
Uniphar plc	Investment holding company
The following are the significant subsidiary undertakings of Uniphar plc at 31 December 2018:	
Incorporated and trading in the Republic of Ireland (ROI)	
Uniphar Wholesale Limited*	Pharmaceutical wholesale distributor
Allphar Services Limited*	Pharmaceutical supply chain and services
Unisource Pharma Services Ireland Limited*	Outsourcing and resourcing
Allcare Management Services Limited*	Pharmacy support services
Point of Care Health Services Limited*	Specialist nursing and infusion services
Lindchem Designated Activity Company*	Pharmacy
Trennamally Limited*	Pharmacy
IPOS Holding 97 Limited (73.4% shareholding)	Pharmacy
Uniphar Europe Limited*	Medical device distribution
Sisk Healthcare Unlimited Company	Medical device distribution
Pagni Pharmacies Limited	Pharmacy
Pyramach Limited	Pharmacy
Incorporated and trading in the United Kingdom (UK)	
Outcome Medical Solutions Limited	Investment holding company
Unisource Limited	Investment holding company
Star Medical Limited	Outsourcing and resourcing
Star Medical Contracts Limited	Outsourcing and resourcing
Dialachemist Limited (80.0% shareholding)	Online pharmacy and product fostering
Outico Limited (89.3% shareholding)	Data intelligence and consultancy
Clinical Pyramid Limited (70.0% shareholding)	Investment holding company
Clinical Cube Limited (70.0% shareholding)	Data solutions for pharma industry
Macromed (UK) Limited (94.95% shareholding)	Medical device distribution
Sisk Healthcare (UK) Limited	Medical device distribution
Incorporated and trading in The Netherlands	
Angiocare B.V.	Medical device distribution
Star Medical B.V.	Outsourcing and resourcing
Non-trading ROI companies	
Citywest Healthcare Limited (75% shareholding)	Non-trading
Cahill May Roberts Limited*	Non-trading
Life Pharmacy Limited*	Non-trading
Non-trading UK companies	
Uniphar Patient Support Solutions Limited	Non-trading
Bloom Fertility Limited	Non-trading
Springmed Solutions Limited	Non-trading
Infusion Health UK Limited	Non-trading

All companies listed above are 100% owned unless otherwise stated.

* 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 2018 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 2018.

Details of registered offices are listed below:

Incorporated in ROI	**Registered office**
All Irish incorporated companies	4045 Kingswood Road Citywest Business Park Co. Dublin Ireland D24 V06K
Incorporated in UK	**Registered offices**
Star Medical Limited Star Medical Contracts Limited Outico Limited	4 – 5 Kelso Place Upper Bristol Road Bath Somerset BA1 3AU United Kingdom
Sisk Healthcare (UK) Limited	6 Wildflower Way Boucher Road Belfast BT12 6TA Northern Ireland
All other UK incorporated companies	6th Floor One London Wall London EC2Y 5EB United Kingdom
Incorporated in The Netherlands	
Angiocare B.V.	Eemweg 00031 21 3755LC Eemnes The Netherlands
Star Medical B.V.	De Tweeling 00020 5215MC S-Hertogenbosch The Netherlands

The following were changes to the Group's structure during 2018:

- As set out in note 35, in January 2018 the Group acquired a 94.95% controlling interest in the UK company, Macromed (UK) Limited;
- As set out in note 35, in July 2018, the Group acquired 100% of the ordinary share capital of Angiocare B.V. a company incorporated in The Netherlands.
- As set out in note 35, in August 2018 the Group acquired 100% of the ordinary share capital of ROI Healthcare IOM 2 Limited, the controlling entity of Sisk Healthcare Group.
- As set out in note 35, in December 2018 the Group acquired 100% of the ordinary share capital of Pagni Pharmacies Limited and Pyramach Limited, trading as Bradley's Pharmacy Group.

During 2018, the Group incorporated the following company in The Netherlands:

- Star Medical B.V.

As set out in notes 8 and 14, during 2018 the Group fully disposed of its shareholdings in the following pharmacy companies:

- IPOS Holding 63 Limited (66% equity interest).
- IPOS Holding 162 Limited (72.4% equity interest).

Joint Venture

Independent Life Pharmacy plc (50% shareholding)

The Company's interest is by way of a €25,000 investment in non – voting C €1.00 ordinary shares and 63 A €0.01 ordinary voting shares. As the Company does not control the voting rights or the board of Independent Life Pharmacy plc, this investment is accounted for as a joint venture. The Group has not included the joint venture results in the Group financial information as they are not material.

39 Non-controlling interests

	2018 €'000	2017 €'000	2016 €'000
At 1 January	(271)	—	27
Receipt of equity in subsidiary	—	—	130
Share of post-acquisition profits/losses	63	54	(153)
Acquisitions	29	(287)	—
Foreign exchange movement	(1)	(38)	(4)
At 31 December	(180)	(271)	—

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
10.7% Outico Limited
30.0% Clinical Pyramid Limited
5.05% Macromed (UK) Limited

The share of current year post acquisition profits relates to Outico Limited, Clinical Pyramid Limited and Macromed (UK) Limited. The current year acquisition relates to Macromed (UK) Limited.

In the prior year post acquisition profits and acquisitions related to Outico Limited and Clinical Pyramid Limited, both of which were acquired during 2017.

40 Commitments under operating leases

At 31 December 2018 the Group had commitments payable of €64,773,000 (2017: €45,158,000; 2016: €47,055,000) under non-cancellable operating leases. The future minimum lease payments under non-cancellable operating leases are as follows:

	Buildings €'000	Plant and machinery €'000	Other assets €'000	2018 €'000	2017 €'000	2016 €'000
Within one year	6,484	489	1,909	8,882	5,332	5,064
Between one and five years	23,863	852	1,301	26,016	19,670	18,783
Greater than five years	29,875	—	—	29,875	20,156	23,208
	60,222	1,341	3,210	64,773	45,158	47,055

41 Post balance sheet events

Non adjusting events

In December 2018, Uniphar reached an agreement to purchase Inischem DAC which operates 15 retail pharmacies under the "Allcare" brand throughout the Republic of Ireland. The acquisition was subject to an approval process by the Irish Competition and Consumer Protection Commission. The approval of the acquisition by the Irish Competition and Consumer Protection Commission was received on 1 February 2019, and the acquisition is expected to be completed in the coming weeks.

This acquisition will be accounted for as an acquisition in the 2019 statutory financial statements.

PART 4: HISTORICAL FINANCIAL INFORMATION ON SHG GROUP LIMITED

SECTION A: ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF SHG GROUP LIMITED FOR THE THREE YEARS ENDED 31 DECEMBER 2018

The Directors
Uniphar plc
4045 Kingswood Road
Citywest Business Park
County Dublin
Ireland

J&E Davy
Davy House
49 Dawson Street
Dublin 2
Ireland

12 July 2019

Dear Sirs

SHG Group Limited ("SHG")

Introduction

We report on the financial information for the three years ended 31 December 2018 set out on in section B of Part 4 below (the "**SHG Financial Information Table**"). The SHG Financial Information Table has been prepared for inclusion in the admission document dated 12 July 2019 (the "**Admission Document**") of Uniphar plc on the basis of the accounting policies set out in the SHG Financial Information Table. This report is required by Schedule Two of the AIM rules for Companies published by the London Stock Exchange plc (the **"AIM Rules"**) and Schedule Two of the Euronext Growth rules for Companies published by Euronext Dublin (the **"Euronext Growth Rules"**) and is given for the purposes of complying with those items and for no other purpose.

Responsibilities

The Directors of Uniphar plc are responsible for preparing the SHG Financial Information Table in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion as to whether the SHG Financial Information Table gives a true and fair view, for the purposes of the Admission Document and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules and paragraph (a) of Schedule Two of the Euronext Growth Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules and Schedule Two of the Euronext Growth Rules, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom and published by the Institute of Chartered Accountants in Ireland. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the SHG's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the SHG Financial Information Table gives, for the purposes of the Admission Document dated 12 July 2019, a true and fair view of the state of affairs of SHG as at the dates stated and of its profits, cash flows and other comprehensive income for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules and paragraph (a) of Schedule Two of the Euronext Growth Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omissions likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules and Schedule Two of the Euronext Growth Rules.

Yours faithfully

PricewaterhouseCoopers
Chartered Accountants

SECTION B: HISTORICAL FINANCIAL INFORMATION OF SHG GROUP LIMITED FOR THE THREE YEARS ENDED 31 DECEMBER 2018

GROUP STATEMENT OF COMPREHENSIVE INCOME
Financial Years Ended 31 December 2018, 2017 and 2016

	Notes	2018 €'000	2017 €'000	2016 €'000
Revenue	3	130,117	128,071	120,532
Cost of sales		(75,345)	(75,817)	(72,720)
Gross profit		54,772	52,254	47,812
Selling and distribution costs		(20,669)	(20,120)	(18,836)
Administrative expenses (excluding exceptional items)		(13,496)	(12,830)	(12,844)
Operating profit pre exceptional items	4	20,607	19,304	16,132
Exceptional items	5	(1,758)	—	—
Operating profit		18,849	19,304	16,132
Finance cost	6	(539)	(457)	(1,027)
Profit before tax		18,310	18,847	15,105
Income tax (expense)	7	(2,471)	(2,653)	(2,461)
Profit for the financial year		15,839	16,194	12,644
Attributable to owners		15,839	16,194	12,644
Attributable to non-controlling interests		—	—	—
Profit attributable to:				
– Continuing operations		15,839	16,194	12,644
		15,839	16,194	12,644
Profit for the financial year		15,839	16,194	12,644
Other comprehensive expense				
Items that may be reclassified to the Income Statement:				
Unrealised foreign currency translation adjustments	21	(484)	(548)	(1,839)
Total comprehensive income relating to the year		15,355	15,646	10,805
Total comprehensive income relating to the year				
Attributable to owners		15,355	15,646	10,805
Attributable to non-controlling interests		—	—	—
		15,355	15,646	10,805
Total comprehensive income attributable to:				
– Continuing operations		15,355	15,646	10,805
		15,355	15,646	10,805

GROUP BALANCE SHEET
Years Ended 31 December 2018, 2017, 2016 and 1 January 2016

	Notes	2018 €'000	2017 €'000	2016 €'000	1 January 2016 €'000
ASSETS					
Non-current assets					
Intangible assets	9	28,438	28,247	28,147	28,139
Property, plant and equipment	10	8,082	3,811	3,044	2,381
Deferred tax asset	11	593	477	494	505
		37,113	32,535	31,685	31,025
Current assets					
Inventory	12	18,970	19,924	19,042	19,180
Trade and other receivables	13	46,406	17,850	15,709	19,459
Cash and cash equivalents	14	1,684	33,447	27,129	14,184
		67,060	71,221	61,880	52,823
Total assets		104,173	103,756	93,565	83,848
EQUITY					
Capital and reserves					
Called up share capital presented as equity	20	2	2	2	2
Other reserves	21	(2,260)	(1,776)	(1,228)	611
Retained earnings	22	71,649	55,810	41,936	31,592
Total equity		69,391	54,036	40,710	32,205
LIABILITIES					
Non-current liabilities					
Borrowings	16	—	23,808	26,041	25,672
Other non-current payables	17	2	13	19	—
Provisions	18	63	58	64	125
		65	23,879	26,124	25,797
Current liabilities					
Borrowings	16	4,474	2,195	2,158	5,061
Trade and other payables	15	30,243	23,646	24,573	20,785
		34,717	25,841	26,731	25,846
Total liabilities		34,782	49,720	52,855	51,643
Total equity and liabilities		104,173	103,756	93,565	83,848

On behalf of the Board

J. Osbourne T. Dolphin

GROUP CASH FLOW STATEMENT
Years Ended 31 December 2018, 2017 and 2016

	Notes	2018 €'000	2017 €'000	2016 €'000
Operating activities				
Cash inflow from operating activities	23	27,998	16,893	22,629
Interest paid		(292)	(402)	(674)
Corporation tax payments		(2,605)	(2,471)	(1,592)
Net cash inflow from operating activities		25,101	14,020	20,363
Investing activities				
Payments to acquire property, plant and equipment	10	(6,818)	(3,219)	(2,487)
Receipts from disposal of property, plant and equipment		201	251	37
Advances to parent undertaking		(28,373)	—	—
Payments to acquire intangible assets	9	(345)	(218)	(134)
Net cash outflow from investing activities		(35,335)	(3,186)	(2,584)
Financing activities				
Proceeds from borrowings	25	—	—	2,745
Repayments of borrowings	25	(26,003)	(2,196)	(5,279)
Movements in invoice discounting	25	4,474	—	—
Dividends paid	22	—	(2,320)	(2,300)
Net cash outflow from financing activities		(21,529)	(4,516)	(4,834)
(Decrease)/increase in cash and cash equivalents in the year	25	(31,763)	6,318	12,945
Opening balance cash and cash equivalents	14	33,447	27,129	14,184
Closing balance cash and cash equivalents	14	1,684	33,447	27,129

GROUP STATEMENT OF CHANGES IN EQUITY
Years Ended 31 December 2018, 2017 and 2016

	Notes	Share capital €'000	Foreign currency translation reserve €'000	Retained earnings €'000	Total shareholders' equity €'000
At 1 January 2016		2	611	31,592	32,205
Profit for the financial year		—	—	12,644	12,644
Other comprehensive income/ (expense):					
Movement in foreign currency translation reserve	21	—	(1,839)	—	(1,839)
Transactions recognised directly in equity:					
Dividends paid	22	—	—	(2,300)	(2,300)
At 31 December 2016		2	(1,228)	41,936	40,710
At 1 January 2017		2	(1,228)	41,936	40,710
Profit for the financial year		—	—	16,194	16,194
Other comprehensive income/ (expense):					
Movement in foreign currency translation reserve	21	—	(548)	—	(548)
Transactions recognised directly in equity:					
Dividends paid	22	—	—	(2,320)	(2,320)
At 31 December 2017		2	(1,776)	55,810	54,036
At 1 January 2018		2	(1,776)	55,810	54,036
Profit for the financial year		—	—	15,839	15,839
Other comprehensive income/ (expense):					
Movement in foreign currency translation reserve	21	—	(484)	—	(484)
At 31 December 2018		2	(2,260)	71,649	69,391

ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements of SHG Group Limited 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.

SHG Group Limited is incorporated in the Isle of Man under registration number 007776V with a registered office at First Names House, Victoria Road, Isle of Man, IM2 4DF.

Going Concern

After making the appropriate enquiries and carrying 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, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Annual Report and financial statements.

First time adoption of International Financial Reporting Standards

IFRS 1 – 'First time adoption of International Financial Reporting Standards' sets out the requirements for the first-time adoption of IFRS.

The directors have adopted the IFRS standards from 1 January 2016 (date of transition) onwards as the appropriate reporting and true reflection of the financial operations of the business and company having previously reported under Irish GAAP. The principal differences are highlighted in note 33 'Transition to IFRS'. The directors consider this accounting basis to provide a clearer insight into the financial statements of the Company. In accordance with IFRS 1, we have applied all IFRS's in force at 31 December 2018 with effect from date of transition.

New Standards and Interpretations not yet adopted

IFRS 16 Leases

IFRS 16, published in January 2016 and effective on 1 January 2019, replaces the existing guidance in IAS 17 'Leases'. IFRS 16 eliminates the classification of leases as either operating leases or finance leases. It introduces a single lessee accounting model, which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months and depreciation of lease assets separately from interest on lease liabilities in the income statement.

The Group has assessed the impact on its consolidated financial information resulting from the application of IFRS 16. The adoption of this new standard will have a material impact on the Group Income Statement and Balance Sheet as follows:

Income Statement

Operating expenses will decrease, as the Group currently recognises operating lease expenses in either cost of sales or selling and distribution expenses (depending on the nature of the lease).

Depreciation and finance costs as currently reported in the Group Income Statement will increase, as under the new Standard the right-of-use asset will be capitalised and depreciated over the term of the lease with an associated finance cost applied annually to the lease liability.

Balance Sheet

At the effective date of 1 January 2019 the Group have assessed all lease commitments outstanding at that date and applied the appropriate discount rate to calculate the present value of the lease commitment. The Group will adopt IFRS 16 by applying the cumulative catch up approach as permitted by the Standard.

The Group has entered into operating leases for a range of assets, including property, plant and equipment and vehicles. The Group has elected to apply the recognition exemption for both short-term and low-value leases.

The Group's assessment of the impact of adopting IFRS 16 is in the process of being finalised. Based on the information currently available for those operating leases that will be recognised in the Group Balance Sheet at 1 January 2019 the estimated impact on the Group's key measures at 1 January 2019 is as follows:

●	Property, plant and equipment	increase €3m – €5m
●	Net debt	increase €3m – €5m
●	EBITDA	increase €1m – €2m
●	Profit before tax	decrease €0m – €1m

Note 31 discloses the Group commitments under operating leases. IFRS 16 requires the application of present value discounting to these lease commitments, whilst also requiring the consideration of the Group's intentions in relation to break clauses. The commitments under operating leases requires the disclosure of the Group's legal commitments under these leases, and as these leases can be terminated where a break clause exists this will result in material differences between the commitments under operating leases, and the amounts to be capitalised on transition to IFRS 16 at 1 January 2019.

Transition

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. The Group will apply IFRS 16 from its effective date using the cumulative catch up approach. Therefore, the right of use asset will equal the lease liability. There will be no adjustment to retained earnings and there will be no retrospective adjustment required.

In addition to the impacts noted above, there will also be significant increased disclosures in the 2019 annual report when the Group adopts IFRS 16. Additionally, there will be a change in the accounting policy for leases in our 2019 annual report to align our leases accounting policy with the requirements of IFRS 16.

Historical cost convention

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

- investments in equity instruments, financial assets and liabilities (including derivative instruments), certain classes of property, plant and equipment – measured at fair value;

The preparation of financial information 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 information 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 information are set out in note 1.

The financial information has been prepared on a going concern basis which assumes that the Group will continue in current operational existence for the foreseeable future. The directors have in conjunction with their bankers agreed a credit facility which will allow the Group to meet its obligations as they fall due.

Foreign currency translation

(i) Functional currency and presentational currency

Items included in the financial information 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 information is 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. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the Income Statement, within finance cost. All other foreign exchange gains and losses are presented in the Income Statement on a net basis within other income or other 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.

(iii) *Foreign currency translation*

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in Other Comprehensive Income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to the Income Statement, as part of the gain or loss on sale.

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.

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, is 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 between three and five years, by charging equal instalments to the Income Statement from the date the assets are ready for use.

Impairment of assets

Goodwill has an indefinite useful life, not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they 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.

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:

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

Property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

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.

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 Income Statement, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through the Income Statement 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 profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- 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.
- 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.

(iv) Loans and receivables

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

(v) 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.

(vi) Income recognition

Interest income

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

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 profit or loss.

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 profit or loss.

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 profit or loss.

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.

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. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases (note 32). Payments made under operating leases (net of any incentives received from the lessor) are charged to the Income Statement on a straight-line basis over the period of the leases.

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 first in first out principle. 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 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 information. 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.

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 Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and post-employment benefits (in the form of defined contributory pensions plans).

(i) *Short term employee benefits*

Short term employee benefits, including paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the finance year in which employees render the related service. The Group operates an annual bonus for employees. An expense is recognised in the Income Statement when the Group has a present legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

(ii) *Post-employment obligations*

The Group operates a number of defined contribution plans for certain employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further contributions or to make direct benefit payments to employees if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The assets of the plan are held separately from the Group in independently administered funds. The defined contribution pension charge to operating profit comprises the contribution payable to the scheme for the year. Amounts not paid are shown in accruals in the Balance Sheet.

(iii) *Long term incentive plan*

A liability is recognised for the cash-settled long-term incentive plan based on the terms and conditions of the plan at the present value of the amounts expected to be paid to employees on vesting. The expense for the plan is recognised as the employees render service.

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 taxes.

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 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. An analysis of the revenue recognition principles applied in respect of each of the Group's revenue streams is provided below:

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 from service contracts is recognised rateably over the life of the contract.

Cost of sales

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 taxes 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 taxes. The cost of service is recognised as an expense in the period in which the related revenue is recognised.

Exceptional items

The Group has applied an income statement format which seeks to highlight significant items within Group results for the year. 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. The Group believes that such a presentation provides a more helpful analysis as it highlights material items of a non-recurring nature.

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 or timing of the outflows or changes in discount rates.

NOTES TO THE FINANCIAL STATEMENTS

1 Significant estimates and judgements

The preparation of financial information 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.

Information about significant estimates in applying accounting policies that have the most significant effect on the amounts recognised in the financial information is included in the following notes:

Estimated impairment of goodwill and other non-current assets

The Group tests annually whether goodwill has suffered any impairment. 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. Further information is detailed in the intangible assets note 9. Impairment tests in respect of property, plant and equipment are also performed on a CGU basis.

Impairment of inventory

The Group supplies and distributes medical devices to the healthcare sector. As a result it is necessary to consider the recoverability of the cost of inventory and associated provisioning required. When calculating any inventory impairment, the directors consider 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 12 for the net carrying amount of the inventories.

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 recognises 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.

2 Basis of consolidation

The Group's financial statements are prepared for the year ended 31 December 2018. The financial statements incorporate the Company and all of its subsidiary undertakings. 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 subsidiaries are listed in note 30. 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.

3 Revenue

	2018 €'000	**2017 €'000**	**2016 €'000**
Medical Devices	122,299	118,531	111,447
Provision of Services	7,818	9,540	9,085
Revenue	130,117	128,071	120,532

Geographical analysis

The Group operates in two principal geographical regions being the Republic of Ireland and the United Kingdom. The Group also operates in other European countries which are not material for separate identification.

	2018 €'000	2017 €'000	2016 €'000
Ireland	91,043	89,769	82,999
UK	38,596	37,724	37,082
Other European countries	478	578	451
	130,117	128,071	120,532

4 Operating profit

	2018 €'000	2017 €'000	2016 €'000
Operating profit is stated after charging/(crediting):			
Directors' remuneration			
— Emoluments	771	730	792
— Defined contribution pension*	44	42	42
Depreciation (note 10)	2,448	2,293	1,764
Amortisation (note 9)	146	98	126
Profit on disposal of property, plant and equipment	(111)	(98)	—

* Defined contribution pension costs included in Directors' remuneration which were charged to the Group Income Statement relate to pension contributions relating to one Director (2017 and 2016: one).

Auditors' remuneration (including expenses) for the audit of the Group's financial statements, subsidiary financial statements and other services carried out for the Group.

	2018 €'000	2017 €'000	2016 €'000
— Audit of group accounts	157	154	161
— Tax advisory services	57	42	84
— Other non-audit services	58	84	—
Operating lease rentals:			
— Other assets	1,220	1,189	1,181
— Buildings	557	562	554
Staff costs (including directors):			
— Wages and salaries	21,322	20,278	18,470
— Redundancy	600	—	—
— Social welfare costs	2,258	2,171	2,108
— Pension costs	1,102	821	784
	25,282	23,270	21,362

	2018 Number	2017 Number	2016 Number
The average number of persons employed by the Group (including directors) during the year was as follows:			
Administration	116	123	114
Selling, distribution and warehouse	168	159	144
	284	282	258

5 Exceptional items

	2018 €'000	2017 €'000	2016 €'000
Exceptional items	1,758	—	—
	1,758	—	—

Exceptional items comprise redundancy costs of €600,000, long term incentive plan costs of €423,000 which arose due to changes to the plan rules during the year, VAT expenses of €283,000, onerous lease costs of €296,000 and other costs of €156,000.

6 Finance cost

	2018 €'000	2017 €'000	2016 €'000
Bank interest received	22	24	8
Interest payable on overdrafts and bank loans	(313)	(424)	(680)
Finance lease interest	(1)	(2)	(2)
Amortisation of deferred arrangement fees	(247)	(55)	(353)
	(539)	(457)	(1,027)

7 Income tax expense

	2018 €'000	2017 €'000	2016 €'000
Recognised in the Income Statement:			
Current income tax			
Republic of Ireland	1,735	1,886	1,621
United Kingdom	852	749	829
Total current income tax expense	2,587	2,636	2,450
Deferred income tax			
Origination and reversal of temporary differences:			
Property, plant and equipment	(116)	17	6
Tax losses and other differences	—	—	5
Total deferred income tax (credit)/charge	(116)	17	11
Total income tax expense	2,471	2,653	2,461

	2018 €'000	2017 €'000	2016 €'000
Reconciliation of effective tax rate			
Profit on ordinary activities before tax	18,310	18,847	15,105
Profit on ordinary activities multiplied by the standard rate of Irish corporation tax for the period at 12.5% (2017: 12.5%, 2016: 12.5%)	2,289	2,356	1,888
Effects of			
Disallowable expenses	37	44	88
Higher overseas income tax rates	358	252	473
Income not taxable	3	—	—
Other	—	(2)	(2)
(Over)/Under provision of corporation tax in prior year	(216)	3	14
Total income tax expense for the year	2,471	2,653	2,461

8 Dividends

There were no dividends paid in the year ended 31 December 2018. During the year ended 31 December 2017, dividends totalling €2,320,000 were paid to the shareholders of SHG Group Limited, and during the year ended 31 December 2016 dividends totalling €2,300,000 were paid to the shareholders of SHG Group Limited.

9 Intangible assets

	Computer software €'000	Agency rights €'000	Goodwill €'000	Total €'000
Cost/Deemed Cost				
At 1 January 2016	534	342	27,843	28,719
Additions	134	—	—	134
Disposals	(6)	(342)	—	(348)
At 31 December 2016	662	—	27,843	28,505
At 1 January 2017	662	—	27,843	28,505
Foreign exchange movements	—	—	(17)	(17)
Additions	218	—	—	218
At 31 December 2017	880	—	27,826	28,706
At 1 January 2018	880	—	27,826	28,706
Foreign exchange movements	—	—	(8)	(8)
Additions	345	—	—	345
At 31 December 2018	1,225	—	27,818	29,043
Amortisation				
At 1 January 2016	285	295	—	580
Amortisation	79	47	—	126
Disposals	(6)	(342)	—	(348)
At 31 December 2016	358	—	—	358
At 1 January 2017	358	—	—	358
Amortisation	98	—	—	98
Foreign exchange movements	3	—	—	3
At 31 December 2017	459	—	—	459
At 1 January 2018	459	—	—	459
Amortisation	146	—	—	146
Foreign exchange movements	—	—	—	—
At 31 December 2018	605	—	—	605
Net book amounts				
At 31 December 2016	304	—	27,843	28,147
At 31 December 2017	421	—	27,826	28,247
At 31 December 2018	620	—	27,818	28,438

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 (cash-generating units "CGU").

The Group comprises one CGU. The carrying value of goodwill is initially compared to fair value less cost of disposal. The fair value less costs of disposal is calculated as the maintainable EBITDA for each CGU multiplied by the appropriate EBITDA valuation multiple attributable to that CGU. The maintainable EBITDA for the CGU is calculated based on the forecasted five-year average EBITDA, with the valuation multiple calculated based on recent market transactions, and where evidence of recent market transactions are not available, management calculate the valuation multiple based on their best estimate using historical experience. The fair value measurement was considered a Level 3 fair value based on certain unobservable pricing inputs.

The value in use calculations are only prepared when this comparison indicates a potential impairment. At the balance sheet date this comparison did not indicate any potential impairment. 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 2018.

Sensitivity analysis

Sensitivity analysis was performed by applying reductions to both EBITDA and the valuation multiple used to calculate the fair value less costs of disposal. This analysis resulted in an excess in the recoverable amount over their carrying amount under each approach for the 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.

10 Property, plant and equipment

	Leasehold improvements €'000	Plant and equipment €'000	Motor vehicles €'000	Instruments €'000	Total €'000
Cost					
At 1 January 2016	1,805	3,235	432	11,794	17,266
Foreign exchange movement	(55)	—	(6)	(58)	(119)
Additions	405	928	48	1,106	2,487
Disposals	(351)	(60)	(90)	(340)	(841)
At 31 December 2016	1,804	4,103	384	12,502	18,793
At 1 January 2017	1,804	4,103	384	12,502	18,793
Foreign exchange movement	(13)	(78)	(4)	60	(35)
Additions	13	1,298	17	1,891	3,219
Disposals	—	(1,226)	(82)	(1,361)	(2,669)
At 31 December 2017	1,804	4,097	315	13,092	19,308
At 1 January 2018	1,804	4,097	315	13,092	19,308
Foreign exchange movement	(5)	(15)	(1)	—	(21)
Additions	3,534	1,489	—	1,795	6,818
Disposals	(117)	(71)	—	(872)	(1,060)
At 31 December 2018	5,216	5,500	314	14,015	25,045

	Leasehold improvements €'000	Plant and equipment €'000	Motor vehicles €'000	Instruments €'000	Total €'000
Accumulated depreciation					
At 1 January 2016	1,709	2,234	396	10,546	14,885
Foreign exchange movement	(47)	—	(6)	(43)	(96)
Charge for the year	58	581	24	1,101	1,764
Disposals	(351)	(51)	(91)	(311)	(804)
At 31 December 2016	1,369	2,764	323	11,293	15,749
At 1 January 2017	1,369	2,764	323	11,293	15,749
Foreign exchange movement	(12)	(58)	(2)	43	(29)
Charge for the year	76	852	27	1,338	2,293
Disposals	—	(1,099)	(82)	(1,335)	(2,516)
At 31 December 2017	1,433	2,459	266	11,339	15,497
At 1 January 2018	1,433	2,459	266	11,339	15,497
Foreign exchange movement	(3)	(9)	(1)	—	(13)
Charge for the year	78	978	25	1,367	2,448
Disposals	(118)	(24)	—	(828)	(970)
At 31 December 2018	1,390	3,404	290	11,878	16,962
Net book amounts					
At 31 December 2016	435	1,339	61	1,209	3,044
At 31 December 2017	371	1,638	49	1,753	3,811
At 31 December 2018	3,826	2,096	24	2,137	8,082

11 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 2018, 2017 and 2016:

	Property plant and equipment €'000	Total €'000
At 1 January 2016	505	505
Recognised in Income Statement	(11)	(11)
At 31 December 2016	494	494
At 1 January 2017	494	494
Recognised in Income Statement	(17)	(17)
At 31 December 2017	477	477
At 1 January 2018	477	477
Recognised in Income Statement	116	116
At 31 December 2018	593	593

The directors are satisfied that sufficient taxable profits will arise in the future to utilise this deferred tax asset.

12 Inventory

	2018 €'000	2017 €'000	2016 €'000	1 January 2016 €'000
Goods for resale	18,970	19,924	19,042	19,180

The replacement cost of inventories did not differ materially from the Balance Sheet amounts at 31 December 2018, 2017 and 2016.

Inventory stated above is net of impairment provision of €5,929,000 (2017: €5,931,000; 2016: €6,470,000). Write-downs of inventories recognised as an expense during 2018 amounted to €894,000.

In 2018, goods for resale recognised as cost of sales amounted to €70,003,205 (2017: €69,792,078; 2016: €65,400,730).

13 Trade and other receivables

	2018 €'000	2017 €'000	2016 €'000	1 January 2016 €'000
Current trade and other receivables				
Trade receivables	16,357	14,929	14,450	17,910
Prepayments	1,160	1,401	1,001	1,279
Accrued income	370	465	129	129
Amounts due from parent undertaking	28,519	146	129	141
Amounts due from related parties	—	909	—	—
	46,406	17,850	15,709	19,459

Amounts due from parent undertaking are unsecured, interest free and are repayable on demand.

Details of the provision for impairment of trade and other receivables is outlined in note 26.

14 Cash and cash equivalents

	2018 €'000	2017 €'000	2016 €'000	1 January 2016 €'000
Cash and cash equivalents	1,684	33,447	27,129	14,184

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:

	2018 €'000	2017 €'000	2016 €'000
Cash and cash equivalents	1,684	33,447	27,129

15 Trade and other payables

	2018 €'000	2017 €'000	2016 €'000	1 January 2016 €'000
Trade payables	12,035	9,941	10,799	9,667
Accruals	10,921	7,421	8,594	6,905
Other payables	2,145	2,154	1,627	1,749
Lease obligations (note 17)	11	19	20	15
Corporation tax	365	383	218	—
PAYE/PRSI	610	611	563	1,877
Value added tax	1,341	1,728	1,463	543
Amounts owed to parent undertaking	1,306	1,323	1,289	—
Amounts owed to related parties	1,509	66	—	29
	30,243	23,646	24,573	20,785

Trade and other payables are payable at various dates in the next three months in accordance with the suppliers' usual and customary credit terms.

Tax and social welfare costs are payable at various dates over the coming months in accordance with the applicable statutory provisions.

Amounts due to parent undertakings and related parties are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

16 Borrowings

	2018 €'000	2017 €'000	2016 €'000
The Group's bank borrowings are repayable in the following periods after 31 December:			
— Amounts falling due within one year	4,474	2,195	2,158
— Amounts falling due between one and five years	—	23,808	26,041
	4,474	26,003	28,199

The Group's bank loans at 31 December 2018 were €Nil (2017: €26,003,000; 2016: €28,199,000). Borrowings under invoice discounting facilities as at the Balance Sheet date was €4,474,000 (2017: €nil; 2016: €nil).

Group borrowings are subject to an interest rate of Euribor +3%.

Bank security

Bank overdrafts (including invoice discounting) and bank loans of €4,474,000 (2017: €26,003,000; 2016: €28,199,000) are secured by cross guarantees and fixed and floating charges from the Company and certain subsidiary undertakings.

Of the total facilities, invoice discounting with recourse to the Group, are secured by way of assignment of book debts to the bank. At the Balance Sheet date €4,474,000 (2017: €nil; 2016: €nil) of invoice discounting facilities were utilised by the Group.

17 Commitments under finance leases

As at 31 December 2018, the Group's liabilities under finance leases are analysed as follows:

	Minimum lease payments		
	2018 €'000	**2017 €'000**	**2016 €'000**
Amounts payable under finance leases:			
Within one year	11	19	20
Between one and five years	2	13	19
	13	32	39

	Present value of minimum lease payments		
	2018 €'000	**2017 €'000**	**2016 €'000**
Amounts payable under finance leases:			
Within one year	11	19	20
Between one and five years	2	13	19
	13	32	39

The finance leases primarily relate to motor vehicles which are leased from a specialist leasing company. At 31 December 2018 assets held under finance leases consisted of motor vehicles with a carrying value of €16,415. The remaining lease terms vary for periods of up to 2 years. At the end of the lease terms the company has the option to purchase the assets. The Group's obligations under finance leases are secured by the lessors' rights over the leased assets.

18 Provisions

	2018 €'000	**2017 €'000**	**2016 €'000**
At 1 January	58	64	124
Charged to profit and loss account	57	50	20
Utilised during the year	(51)	(55)	(65)
Foreign currency movement	(1)	(1)	(15)
At 31 December	63	58	64

Warranty provision

The provision relates to a warranty provision which is 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 provision for warranty.

19 Employee defined contribution scheme

The group operates a defined contribution scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

	2018 €'000	2017 €'000	2016 €'000
Charge to profit in respect of the defined contribution scheme	1,102	821	775

20 Called up share capital

	2018 €'000	2017 €'000	2016 €'000	1 January 2016 €'000
Allotted, called up and fully paid presented as equity				
100 ordinary shares of €1 each	—	—	—	—
2,000 Class A ordinary shares of €1 each	2	2	2	2
	2	2	2	2

There are 2 classes of equity shares – ordinary shares and Class A ordinary shares, which have the following rights:

1. Ordinary shares which gives the Shareholder the right to:
   i. One vote at each Shareholder meeting or on any Shareholder resolutions
   ii. An equal share in any dividend paid by the Company
   iii. A share in the distribution of the surplus assets of the Company on its winding up.
2. Class A ordinary shares which give the Shareholder the following:
   i. No voting rights in Shareholder meetings
   ii. No rights to a share of any dividend paid by the Company

21 Other reserves

	2018 €'000	2017 €'000	2016 €'000
Foreign currency translation reserve – movement	(484)	(548)	(1,839)
At start of period	(1,776)	(1,228)	611
At end of period	(2,260)	(1,776)	(1,228)

Foreign currency translation reserve

The foreign currency translation reserve comprises 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.

22 Retained earnings

	€'000
At 1 January 2016	31,592
Profit for the financial year	12,644
Dividends paid	(2,300)
At 31 December 2016	41,936
At 1 January 2017	41,936
Profit for the financial year	16,194
Dividends paid	(2,320)
At 31 December 2017	55,810
At 1 January 2018	55,810
Profit for the financial year	15,839
At 31 December 2018	71,649

23 Reconciliation of operating profit to cash flow from operating activities

	2018 €'000	2017 €'000	2016 €'000
Operating profit	18,849	19,304	16,132
Depreciation	2,448	2,293	1,764
Amortisation of intangible assets	146	98	126
Profit on disposal of tangible assets	(111)	(98)	—
Amortisation of deferred arrangement fees	(247)	(55)	(353)
Decrease/(increase) in inventory	954	(882)	138
(Increase)/decrease in receivables	(183)	(2,141)	2,012
Increase/(decrease) in payables	6,604	(1,098)	2,949
Increase/(decrease) in provisions	5	(6)	(61)
Foreign currency translation adjustments	(467)	(522)	(78)
Cash inflow from operating activities	27,998	16,893	22,629

24 Reconciliation of net cash flow to movement in net cash/debt

	2018 €'000	2017 €'000	2016 €'000
(Decrease)/increase in cash and overdrafts in the year (note 25)	(31,763)	6,318	12,945
Cash flow from movement in borrowings (note 25)	21,529	2,196	2,534
Increase in net (debt)/cash resulting from cash flows	(10,234)	8,514	15,479
Movement in net (debt)/cash in the year	(10,234)	8,514	15,479
Net cash/(debt) at beginning of year	7,444	(1,070)	(16,549)
Net (debt)/cash at end of year	(2,790)	7,444	(1,070)

25 Analysis of changes in net cash/(debt)

	1 January 2018 €'000	Cash flow €'000	31 December 2018 €'000
Cash and cash equivalents	33,447	(31,763)	1,684
	33,447	(31,763)	1,684
Bank loans repayable within one year	(2,195)	(2,279)	(4,474)
Bank loans payable after one year	(23,808)	23,808	—
Bank loans	(26,003)	21,529	(4,474)
Net cash/(debt)	7,444	(10,234)	(2,790)

	1 January 2017 €'000	Cash flow €'000	31 December 2017 €'000
Cash and cash equivalents	27,129	6,318	33,447
	27,129	6,318	33,447
Bank loans repayable within one year	(2,158)	(37)	(2,195)
Bank loans payable after one year	(26,041)	2,233	(23,808)
Bank loans	(28,199)	2,196	(26,003)
Net (debt)/cash	(1,070)	8,514	7,444

	1 January 2016 €'000	Cash flow €'000	31 December 2016 €'000
Cash and cash equivalents	14,184	12,945	27,129
	14,184	12,945	27,129
Bank loans repayable within one year	(5,061)	2,903	(2,158)
Bank loans payable after one year	(25,672)	(369)	(26,041)
Bank loans	(30,733)	2,534	(28,199)
Net (debt)/cash	(16,549)	15,479	(1,070)

26 Financial instruments

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

Financial assets

	Notes	Financial assets at amortised cost €'000	Total €'000
2018			
Trade and other receivables*	13	44,876	44,876
Cash and cash equivalents	14	1,684	1,684
		46,560	46,560
2017			
Trade and other receivables*	13	15,984	15,984
Cash and cash equivalents	14	33,447	33,447
		49,431	49,431
2016			
Trade and other receivables*	13	14,579	14,579
Cash and cash equivalents	14	27,129	27,129
		41,708	41,708

* Excluding prepayments and accrued income.

Financial liabilities

	Notes	Financial liabilities at amortised cost €'000	Total €'000
2018			
Borrowings	16	4,474	4,474
Trade and other payables**	15	14,861	14,861
		19,335	19,335
2017			
Borrowings	16	26,003	26,003
Trade and other payables**	15	11,349	11,349
		37,352	37,352
2016			
Borrowings	16	28,199	28,199
Trade and other payables**	15	12,108	12,108
		40,307	40,307

** Excluding non-financial liabilities.

Fair value

Due to the short term nature of the current receivables, their carrying value is considered to be the same as their fair value.

Fair value hierarchy

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.

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 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 is a subsidiary of Uniphar plc, and it's risk management is carried out by the central finance department of Uniphar plc under policies approved by the Uniphar plc Board of directors. Uniphar plc group finance identifies, evaluates and manages financial risks in close co-operation with the Group's operating units. The Uniphar plc 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.

Credit risk

Credit risk arises from credit to customers 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 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 2.5% of gross trade receivables (2017: 2.7%, 2016: 2.6%). 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 default (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.

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:

	2018 €'000	2017 €'000	2016 €'000
At 1 January	411	386	406
Provision for impairment recognised during the year	18	27	125
Receivables written off during the year as uncollectible	(8)	(2)	(145)
At 31 December	421	411	386

The trade receivables balances disclosed in note 13 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 (2017: 86.9%, 2016: 91.2%). Invoice discounting arrangements are employed in certain Group operations where deemed to be of benefit by management.

The ageing of trade receivables at 31 December 2018, 2017 and 2016 was:

	2018 €'000	2017 €'000	2016 €'000
Not past due	14,617	12,969	13,185
Past due			
0 – 30 days	1,221	1,235	776
30 – 60 days	294	432	274
60 days	225	293	215
Total past due	1,740	1,960	1,265
Total trade receivables	16,357	14,929	14,450

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.

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:

	2018 €'000	2017 €'000	2016 €'000
Trade and other receivables*	44,876	15,984	14,579
Cash and cash equivalents	1,684	33,447	27,129
Total	46,560	49,431	41,708

* Excluding prepayments and accrued income

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.

Contractual maturity of financial liabilities

	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
At 31 December 2018						
Borrowings	4,474	—	—	—	—	4,474
Trade and other payables	14,861	—	—	—	—	14,861
	19,335	—	—	—	—	19,335
At 31 December 2017						
Borrowings	2,195	—	—	—	23,808	26,003
Trade and other payables	11,349	—	—	—	—	11,349
	13,544	—	—	—	23,808	37,352
At 31 December 2016						
Borrowings	2,158	—	—	—	26,041	28,199
Trade and other payables	12,108	—	—	—	—	12,108
	14,266	—	—	—	26,041	40,307

Borrowings maturing within less than 6 months include an invoice discounting facility of €4,474,000 at the end of the year (2017 and 2016: nil).

Currency risk

The Group primarily operates in the Republic of Ireland and the majority of the Group's activities are conducted in Euro. An element of the Group's operations are carried out in the UK and, as a result, the Group is exposed to structural currency fluctuations in respect of Sterling. 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 businesses and Sterling is the principal currency of the Group's UK businesses. The Group actively monitors the level of foreign exchange exposure and ensures that its net exposure is kept at an acceptable level. At the year end, the Group had no contracts or options in place to buy or sell foreign currency.

Interest rate risk

The Group has no fixed rate borrowings and its receivables are carried at amortised cost. Group term loans and invoice discount funding are subject to an interest rate of Euribor +3% (2017 and 2016: Euribor +3%)

The exposure of the Group's borrowings to interest rate changes is as follows:

	2018 €'000	2017 €'000	2016 €'000
Variable rate borrowings (note 16)	4,474	26,003	28,199

A decrease of fifty basis points in the Euribor interest rate would have reduced interest payable on borrowings in finance costs by €22,000 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 consequently reduced our profit before tax and equity by €22,000.

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.

27 Future capital expenditure not provided for

At 31 December 2018 the Group had capital commitments of €nil (2017 and 2016: €nil)

28 Contingent liabilities

Guarantees

The Company along with all of its subsidiary undertakings has guaranteed the bank overdrafts and bank loans totalling €4,474,000 (2017: €26,003,000, 2016: €28,199,000) at the Balance Sheet date.

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 2018, the directors are satisfied that there are no such matters which require either a provision or contingent liability disclosure in the financial information.

29 Related party transactions

SHG Group Limited is a wholly owned subsidiary within the Uniphar plc Group. Its immediate and ultimate parent is Uniphar plc, a company incorporated in Ireland.

During the year Mr. J Osbourne, a director, received payments of €88,688 (2017 and 2016: €88,688) in respect of rent for a premises occupied by a group company.

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 senior management team as key management personnel. The senior management 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 senior management team consists of 3 directors (2017 and 2016: 3) with 2 directors receiving remuneration in 2018 (2017 and 2016: 2) and 20 senior employees (2017 and 2016: 20) at 31 December 2018.

	2018 €'000	2017 €'000	2016 €'000
Remuneration of key management personnel			
Short term employee benefits (including redundancy)	3,806	4,068	4,259
Post-employment benefits	384	246	270
	4,190	4,314	4,529

30 Group companies

Holding company	Country of Incorporation	Principal activity	Registered office
SHG Group Limited	Isle of Man	Investment holding company	First Names House Victoria Road Isle of Man IM2 4DF

The following are the principal subsidiary undertakings of SHG Group Limited at 31 December 2018:

Name	Country of Incorporation	Principal activity	Registered office
UK Healthco IOM Limited	Isle of Man	Investment holding company	First Names House Victoria Road Isle of Man IM2 4DF
Scale IOM Limited	Isle of Man	Investment holding company	First Names House Victoria Road Isle of Man IM2 4DF
Scale Holdings Unlimited Company	Ireland	Investment holding company	4045 Kingswood Road Citywest Business Park Co. Dublin Ireland D24 V06K
Sisk Healthcare Holdings UK Limited (UK)	United Kingdom	Investment holding company	6 Wildflower Way Boucher Road Belfast Northern Ireland BT12 6TA
Sisk Healthcare (UK) Limited	United Kingdom	Medical device distribution	6 Wildflower Way Boucher Road Belfast Northern Ireland BT12 6TA
Sisk Healthcare Unlimited Company	Ireland	Medical device distribution	4045 Kingswood Road Citywest Business Park Co. Dublin Ireland D24 V06K
Sisk Healthcare Pension Trustee Company Limited	Ireland	Investment holding company	4045 Kingswood Road Citywest Business Park Co. Dublin Ireland D24 V06K
Scale IOM Holding Company	Ireland	Investment holding company	First Names House Victoria Road Isle of Man IM2 4DF

All companies listed above are 100% owned within the group.

In August 2018, 100% of the ordinary share capital of SHG Group Limited was acquired by Uniphar plc.

31 Commitments under operating leases

At 31 December 2018 the Group had commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Buildings €'000	Motor vehicles €'000	2018 €'000	2017 €'000	2016 €'000
Within one year	413	1,110	1,523	1,483	1,394
Between one and five years	1,127	1,271	2,398	2,832	2,603
Greater than five years	663	—	663	876	1,103
	2,203	2,381	4,584	5,191	5,100

32 Post balance sheet events

There were no significant events affecting the Group with have taken place since the end of the financial year.

33 Transition to International Financial Reporting Standards

As stated in the accounting policies these are the Group's first consolidated financial statements prepared in accordance with IFRS.

The accounting policies set out on page 130 have been applied in preparing the financial statements for the year ended 31 December 2018, the comparative information presented in these financial statements for the years ended 31 December 2017 and 2016 and in the preparation of an opening IFRS Balance Sheet at 1 January 2016 (the Group's date of transition to IFRS). In preparing its opening IFRS Balance Sheet, the Group has adjusted the amounts reported previously in financial statements prepared under Irish GAAP. An explanation of how the transition from Irish GAAP to IFRS has affected the Group's financial position, financial performance and cash flows is set out in the following table and notes.

In restating the Group's financial statements, the Group, has availed of the following relevant mandatory and optional exemptions in accordance with IFRS 1, First – time Adoption of International Financial Reporting Standards and a number of other standards:

IFRS 1 provides an option to apply IFRS 3, ' Business combinations', prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Group elected to apply IFRS 3 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated. Consequently, goodwill at the transition date is carried forward at its net book value as deemed cost and, along with goodwill on subsequent acquisitions, is subject to annual impairment testing. Goodwill was assessed for impairment at the transition date and no impairment charges arose from this exercise.

Other than as noted below, IFRS estimates at 1 January 2016 are consistent with the estimates as at the same date made in conformity with Irish GAAP.

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The Group's first time adoption of IFRS did not have an impact on the total operating, investing or financing cash flows. Other than as noted below, there was no impact to equity as a result of the transition from Irish GAAP to IFRS on 1 January 2016. The following tables represent the reconciliations from Irish GAAP to IFRS for the respective periods noted for equity, earnings and comprehensive income.

Balance Sheet as at 01 January 2016

	Irish GAAP €'000	Goodwill €'000	Other adjustments €'000	Converted IFRS €'000
Assets				
Non-current assets				
Intangible assets	28,139	—	—	28,139
Property, plant and equipment	2,381	—	—	2,381
Deferred tax asset	505	—	—	505
	31,025	—	—	31,025
Current assets				
Inventory	20,763	—	(1,583)	19,180
Trade and other receivables	19,604	—	(145)	19,459
Cash and cash equivalents	14,184	—	—	14,184
	54,551	—	(1,728)	52,823
Total assets	85,576	—	(1,728)	83,848
Equity				
Called up share capital	2	—	—	2
Other reserves	611	—	—	611
Retained earnings	33,320	—	(1,728)	31,592
Total equity	33,933	—	(1,728)	32,205
Liabilities				
Non-current liabilities				
Borrowings	25,672	—	—	25,672
Other non-current payables	—	—	—	—
Provisions	125	—	—	125
	25,797	—	—	25,797
Current liabilities				
Borrowings	5,061	—	—	5,061
Trade and other payables	20,785	—	—	20,785
	25,846	—	—	25,846
Total liabilities	51,643	—	—	51,643
Total equity and liabilities	85,576	—	(1,728)	83,848

Balance Sheet as at 31 December 2016

	Irish GAAP €'000	Goodwill €'000	Other adjustments €'000	Converted IFRS €'000
Assets				
Non-current assets				
Intangible assets	26,416	1,731	—	28,147
Property, plant and equipment	3,044	—	—	3,044
Deferred tax asset	494	—	—	494
	29,954	1,731	—	31,685
Current assets				
Inventory	20,625	—	(1,583)	19,042
Trade and other receivables	15,854	—	(145)	15,709
Cash and cash equivalents	27,129	—	—	27,129
	63,608	1,731	(1,728)	61,880
Total assets	93,562	1,731	(1,728)	93,565
Equity				
Called up share capital	2	—	—	2
Other reserves	(1,228)	—	—	(1,228)
Retained earnings	41,933	1,731	(1,728)	41,936
Total equity	40,707	1,731	(1,728)	40,710
Liabilities				
Non-current liabilities				
Borrowings	26,041	—	—	26,041
Other non-current payables	19	—	—	19
Provisions	64	—	—	64
	26,124	—	—	26,124
Current liabilities				
Borrowings	2,158	—	—	2,158
Trade and other payables	24,573	—	—	24,573
	26,731	—	—	26,731
Total liabilities	52,855	—	—	52,855
Total equity and liabilities	93,562	1,731	(1,728)	93,565

Income statement for year ended 31 December 2016

	Irish GAAP €'000	Goodwill €'000	Total adjustments €'000	Converted IFRS €'000
Revenue	120,532	—	—	120,532
Cost of sales	(72,720)	—	—	(72,720)
Gross profit	47,812	—	—	47,812
Selling and distribution costs	(18,836)	—	—	(18,836)
Administrative expenses	(14,575)	1,731	1,731	(12,844)
Operating profit pre-exceptional costs	14,401	1,731	1,731	16,132
Exceptional costs	—	—	—	—
Operating profit	14,401	1,731	1,731	16,132
Finance cost	(1,027)	—	—	(1,027)
Profit before tax	13,374	1,731	1,731	15,105
Income tax (expense)/credit	(2,461)	—	—	(2,461)
Profit for the financial year	10,913	1,731	1,731	12,644

Statement of comprehensive income for year ended 31 December 2016

	Irish GAAP €'000	Goodwill €'000	Total adjustments €'000	Converted IFRS €'000
Profit for the financial year	10,913	1,731	1,731	12,644
Unrealised foreign currency translation adjustments	(1,839)	—	—	(1,839)
Total comprehensive income for the year	9,074	1,731	1,731	10,805

Balance Sheet as at 31 December 2017

	Irish GAAP €'000	Goodwill €'000	Other adjustments €'000	Converted IFRS €'000
Assets				
Non-current assets				
Intangible assets	24,785	3,462	—	28,247
Property, plant and equipment	3,811	—	—	3,811
Deferred tax asset	477	—	—	477
	29,073	3,462	—	32,535
Inventory	21,684	—	(1,760)	19,924
Trade and other receivables	17,994	—	(144)	17,850
Cash and cash equivalents	33,447	—	—	33,447
	73,125	—	(1,904)	71,221
Total assets	102,198	3,462	(1,904)	103,756
Equity				
Called up share capital	2	—	—	2
Other reserves	(1,776)	—	—	(1,776)
Retained earnings	54,252	3,462	(1,904)	55,810
Total equity	52,478	3,462	(1,904)	54,036
Liabilities				
Non-current liabilities				
Borrowings	23,808	—	—	23,808
Other non-current payables	13	—	—	13
Provisions	58	—	—	58
	23,879	—	—	23,879
Current liabilities				
Borrowings	2,195	—	—	2,195
Trade and other payables	23,646	—	—	23,646
	25,841	—	—	25,841
Total liabilities	49,720	—	—	49,720
Total equity and liabilities	102,198	3,462	(1,904)	103,756

Income statement for year ended 31 December 2017

	Irish GAAP €'000	Goodwill €'000	Other adjustments €'000	Converted IFRS €'000
Revenue	128,071	—	—	128,071
Cost of sales	(75,640)	—	(177)	(75,817)
Gross profit	52,431	—	(177)	52,254
Selling and distribution costs	(20,120)	—	—	(20,120)
Administrative expenses	(14,561)	1,731	—	(12,830)
Operating profit pre-exceptional costs	17,750	1,731	(177)	19,304
Exceptional costs	—	—	—	—
Operating profit	17,750	1,731	(177)	19,304
Finance cost	(457)	—	—	(457)
Profit before tax	17,293	1,731	(177)	18,847
Income tax (expense)/credit	(2,653)	—	—	(2,653)
Profit for the financial year	14,640	1,731	(177)	16,194

Statement of comprehensive income for year ended 31 December 2017

	Irish GAAP €'000	Goodwill €'000	Other adjustments €'000	Converted IFRS €'000
Profit for the financial year	14,640	1,731	(177)	16,194
Unrealised foreign currency translation adjustments	(548)	—	—	(548)
Total comprehensive income for the year	14,092	1,731	(177)	15,646

The key impacts on the Group arising from transition to IFRS can be summarised as follows, and the corresponding adjustments to the reported amounts under Irish GAAP are disclosed in the preceding reconciliations.

Notes to the reconciliation of Irish GAAP and IFRS

(a) Goodwill

Under Irish GAAP, goodwill was being amortised over a period corresponding to its estimated economic life. In accordance with IFRS, goodwill is not amortised; it is, instead tested for impairment annually. The amortisation reversed for each of the years ended 31 December 2017 and 31 December 2016 was €1,731,000.

(b) Other adjustments

The other adjustments relate to:

1) the impact of applying an IFRS expected credit loss impairment model to trade receivables at 1 January 2016, 31 December 2016 and 31 December 2017; and

2) a revision to the estimation technique applied in estimating the net realisable value of inventory.

(c) Retained earnings

All adjustments above were recognised against opening retained earnings as at 1 January 2018 and 1 January 2017.

PART 5: HISTORICAL FINANCIAL INFORMATION ON DURBIN GROUP PLC

SECTION A: ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF DURBIN GROUP PLC FOR THE THREE YEARS ENDED 31 DECEMBER 2018

The Directors
Uniphar plc
4045 Kingswood Road
Citywest Business Park
County Dublin
Ireland

J&E Davy
Davy House
49 Dawson Street
Dublin 2
Ireland

12 July 2019

Dear Sirs

Durbin Group plc ("Durbin")

Introduction

We report on the financial information for the three years ended 31 December 2018 set out in section B of Part 5 below (the "**Durbin Financial Information Table**"). The Durbin Financial Information Table has been prepared for inclusion in the admission document dated 12 July 2019 (the "**Admission Document**") of Uniphar plc on the basis of the accounting policies set out in the Durbin Financial Information Table. This report is required by Schedule Two of the AIM rules for Companies published by the London Stock Exchange plc (the **"AIM Rules"**) and Schedule Two of the Euronext Growth rules for Companies published by Euronext Dublin (the **"Euronext Growth Rules"**) and is given for the purposes of complying with those items and for no other purpose.

Responsibilities

The Directors of Uniphar plc are responsible for preparing the Durbin Financial Information Table in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion as to whether the Durbin Financial Information Table gives a true and fair view, for the purposes of the Admission Document and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules or under paragraph (a) of Schedule Two of the Euronext Growth Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules and with Schedule Two of the Euronext Growth Rules, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom and published by the Institute of Chartered Accountants in Ireland. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to Durbin's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the Durbin Financial Information Table gives, for the purposes of the Admission Document dated 12 July 2019, a true and fair view of the state of affairs of Durbin as at the dates stated and of its (losses)/profits, cash flows and other comprehensive income for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules and paragraph (a) of Schedule Two of the Euronext Growth Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules and Schedule Two of the Euronext Growth Rules.

Yours faithfully

PricewaterhouseCoopers
Chartered Accountants

SECTION B: HISTORICAL FINANCIAL INFORMATION OF DURBIN GROUP PLC FOR THE THREE YEARS ENDED 31 DECEMBER 2018

GROUP INCOME STATEMENT
Financial Years Ended 31 December 2018, 2017 and 2016

	Notes	2018 £	2017 £	2016 £
Revenue	3	50,334,818	64,494,226	70,625,759
Cost of sales		(40,287,937)	(52,260,999)	(55,473,228)
Gross profit		10,046,881	12,233,227	15,152,531
Selling and distribution costs		(1,400,685)	(1,313,384)	(1,129,324)
Administrative expenses (before exceptional items)		(10,595,087)	(9,336,343)	(8,081,040)
Operating (loss)/profit pre-exceptional	5	(1,948,891)	1,583,500	5,942,167
Exceptional expenses	4	(239,237)	—	—
Operating (loss)/profit		(2,188,128)	1,583,500	5,942,167
Finance cost	6	(148,775)	(162,002)	(140,527)
(Loss)/profit before tax		(2,336,903)	1,421,498	5,801,640
Income tax credit/(expense)	7	321,956	(578,276)	(1,044,646)
(Loss)/profit for the financial year		(2,014,947)	843,222	4,756,994
Attributable to owners		(2,014,947)	843,222	4,756,994
Attributable to non-controlling interests		—	—	—
(Losses)/Profit attributable to:				
— Continuing Operations		(2,014,947)	843,222	4,756,994
		(2,014,947)	843,222	4,756,994

GROUP STATEMENT OF COMPREHENSIVE INCOME
Financial Years Ended 31 December 2018, 2017 and 2016

	Notes	2018 £	2017 £	2016 £
(Loss)/Profit for the financial year		(2,014,947)	843,222	4,756,994
Other comprehensive (expense)/income				
Items that may be reclassified to the Income Statement:				
Unrealised foreign currency translation adjustments		131,828	(104,202)	—
Total comprehensive (expense)/income relating to the year		(1,883,118)	739,020	4,756,994
Total comprehensive (expense)/income relating to the year				
Attributable to owners		(1,883,118)	739,020	4,756,994
Attributable to non-controlling interests		—	—	—
		(1,883,118)	739,020	4,756,994
Total comprehensive (expense)/income attributable to:				
— Continuing operations		(1,883,118)	739,020	4,756,994
		(1,883,118)	739,020	4,756,994

GROUP BALANCE SHEET
As at 31 December 2018, 2017 and 2016 and 1 January 2016

ASSETS	Notes	2018 £	2017 £	2016 £	01/01/016 £
Non-current assets					
Intangible assets	9	28,103	28,103	28,103	28,103
Property, plant and equipment	10	3,749,548	2,723,782	1,330,196	730,406
Deferred tax asset	13	31,032	—	143,853	—
		3,808,683	2,751,885	1,502,152	758,509
Current assets					
Inventory	11	3,430,354	4,225,963	4,720,388	3,832,726
Trade and other receivables	12	6,935,898	8,648,639	9,212,566	6,202,280
Cash and cash equivalents	14	1,991,358	1,741,243	3,184,546	5,962,726
		12,357,610	14,615,845	17,117,500	15,997,732
Total assets		16,166,293	17,367,730	18,619,652	16,756,241
EQUITY					
Capital and reserves					
Called up share capital	17	50,000	50,000	50,000	50,000
Other Reserve	18	27,626	(104,202)	—	—
Retained earnings	19	8,583,279	10,598,226	9,755,004	8,698,010
Total equity		8,660,905	10,544,024	9,805,004	8,748,010
LIABILITIES					
Non-current liabilities					
Deferred tax liability	13	—	14,410	—	13,955
		—	14,410	—	13,955
Current liabilities					
Trade and other payables	15	7,505,388	6,809,296	8,814,648	7,994,276
		7,505,388	6,809,296	8,814,648	7,994,276
Total liabilities		7,505,388	6,823,706	8,814,648	8,008,231
Total equity and liabilities		16,166,293	17,367,730	18,619,652	16,756,241

GROUP CASH FLOW STATEMENT
Years Ended 31 December 2018, 2017 and 2016

	Notes	2018 £	2017 £	2016 £
Operating activities				
Cash inflow from operating activities	20	3,031,257	1,227,335	3,028,366
Interest paid		(171,792)	(184,655)	(156,658)
Corporation tax payments		(95,073)	(904,467)	(1,899,997)
Net cash inflow from operating activities		2,764,392	138,213	971,711
Investing activities				
Payments to acquire business assets	25	(234,944)	—	—
Payments to acquire property, plant and equipment	10	(1,702,350)	(1,879,373)	(766,022)
Receipts from disposal of property, plant and equipment		—	204	—
Interest received	6	23,017	22,653	16,131
Net cash outflow from investing activities		(1,914,277)	(1,856,516)	(749,891)
Financing activities				
Movement on related party loans		(600,000)	275,000	700,000
Dividends paid to equity shareholders	19	—	—	(3,700,000)
Net cash outflow from financing activities		(600,000)	275,000	(3,000,000)
Increase/(decrease) in cash and cash equivalents in the year	21	250,115	(1,443,303)	(2,778,180)
Opening balance cash and cash equivalents	21	1,741,243	3,184,546	5,962,726
Closing balance cash and cash equivalents	14	1,991,358	1,741,243	3,184,546

GROUP STATEMENT OF CHANGES IN EQUITY
Years Ended 31 December 2018, 2017 and 2016

	Notes	Share Capital £	Other Reserves £	Retained Earnings £	Total Shareholders Equity £
At 1 January 2016		50,000	—	8,698,010	8,748,010
Profit for the financial year		—	—	4,756,994	4,756,994
Other Comprehensive Income:					
Movement in foreign currency translation reserve	18	—	—	—	—
Transactions recognised directly in equity:					
Payment of dividends to equity shareholders	19	—	—	(3,700,000)	(3,700,000)
At 31 December 2016		50,000	—	9,755,004	9,805,004
At 1 January 2017		50,000	—	9,755,004	9,805,004
Profit for the financial year		—	—	843,222	843,222
Other Comprehensive Income:					
Movement in foreign currency translation reserve	18	—	(104,202)	—	(104,202)
At 31 December 2017		50,000	(104,202)	10,598,226	10,544,024
At 1 January 2018		50,000	(104,202)	10,598,226	10,544,024
Profit for the financial year		—	—	(2,014,947)	(2,014,947)
Other Comprehensive Income:					
Movement in foreign currency translation reserve	18	—	131,828	—	131,828
At 31 December 2018		50,000	27,626	8,583,279	8,660,905

ACCOUNTING POLICIES

Basis of preparation

The consolidated financial information of Durbin Group 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 information 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 Act 2006.

Durbin Group plc is a public limited company domiciled and incorporated in the United Kingdom under company registration number 09288651 with a registered office and principal place of business at Durbin House, Unit 5, Swallowfield Way, Hayes, UK, UB3 1DQ.

First Time Adoption of International Reporting Standards

IFRS 1 'First Time Adoption of International Financial Reporting Information' sets out the requirements for the first-time adoption of IFRS. The directors have adopted the IFRS standards from 1 January 2016 (date of transition) onwards as the appropriate reporting and true reflection of the financial operations of the business and company. The principal differences are highlighted in note 30 'Transition to IFRS'. The directors consider this accounting basis to provide a clearer insight into the financial statements of the Company. In accordance with IFRS 1, we have applied all IFRS's in force at 31 December 2018 with effect from date of transition

Going Concern

The financial information has been prepared on a going concern basis which assumes that the Group will continue in current operational existence for the foreseeable future. Management forecasts cashflows expected to settle trade and other payables and actively monitors the levels of cash available to the Group. On this basis the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

New Standards, Amendments and Interpretations

IFRS 16 Leases

IFRS 16, published in January 2016 and effective on 1 January 2019, replaces the existing guidance in IAS 17 'Leases'. IFRS 16 eliminates the classification of leases as either operating leases or finance leases. It introduces a single lessee accounting model, which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months and depreciation of lease assets separately from interest on lease liabilities in the income statement.

The Group has assessed the impact on its consolidated financial statements resulting from the application of IFRS 16. The adoption of this new standard will have a material impact on the Group Income Statement and Balance Sheet as follows:

Income Statement

Operating expenses will decrease, as the Group currently recognises operating lease expenses in either cost of sales or selling and distribution expenses (depending on the nature of the lease).

Depreciation and finance costs as currently reported in the Group Income Statement will increase, as under the new Standard the right-of-use asset will be capitalised and depreciated over the term of the lease with an associated finance cost applied annually to the lease liability.

Balance Sheet

At the effective date of 1 January 2019 the Group have assessed all lease commitments outstanding at that date and applied the appropriate discount rate to calculate the present value of the lease commitment. The Group will adopt IFRS 16 by applying the cumulative catch up approach as permitted by the Standard.

The Group has entered into operating leases in relation to property. The Group has elected to apply the recognition exemption for both short-term and low-value leases.

The Group's assessment of the impact of adopting IFRS 16 is in the process of being finalised. Based on the information currently available for those operating leases that will be recognised in the Group Balance Sheet at 1 January 2019 the estimated impact on the Group's key measures at 1 January 2019 is as follows:

● Property, plant and equipment	increase	£3m – £5m
● Net debt	increase	£3m – £5m
● EBITDA	increase	£400k – £600k
● Profit before tax	decrease	£50k – £150k
● Net debt to EBITDA	increase	10% – 20%

Note 28 discloses the Group commitments under operating leases. IFRS 16 requires the application of present value discounting to these lease commitments, whilst also requiring the consideration of the Group's intentions in relation to break clauses. The commitments under operating leases requires the disclosure of the Group's legal commitments under these leases, and as these leases can be terminated where a break clause exists this will result in material differences between the commitments under operating leases, and the amounts to be capitalised on transition to IFRS 16 at 1 January 2019.

Transition

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. The Group will apply IFRS 16 from its effective date using the cumulative catch up approach. Therefore, the right of use asset will equal the lease liability. There will be no adjustment to retained earnings and there will be no retrospective adjustment required.

In addition to the impacts noted above, there will also be significant increased disclosures in the 2019 annual report when the Group adopts IFRS 16. Additionally, there will be a change in the accounting policy for leases in our 2019 annual report to align our leases accounting policy with the requirements of IFRS 16.

Historical cost convention

The financial information has been prepared on a historical cost basis.

The preparation of financial information 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 information 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 information are set out in note 1.

The financial information is prepared in sterling which is the functional currency of the company.

Foreign currency translation

(i) Functional currency and presentational currency

Items included in the financial information 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 Sterling. The consolidated financial information is presented in Sterling.

(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 the appropriate expense category.

(iii) Foreign currency translation

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in Other Comprehensive Income. When a foreign operation is sold the associated exchange differences are reclassified to the Income Statement, as part of the gain or loss on sale.

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.

Intangible assets

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.

Impairment of assets

Goodwill has an indefinite useful life, not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they 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 initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Property, plant and equipment are stated at cost or deemed cost as appropriate less accumulated depreciation.

Depreciation is calculated in order to write off the cost or valuation of assets less their residual values over their estimated useful lives on the following basis:

Buildings freehold	50 years
Buildings leasehold	Straight-line basis over life of the lease
Plant and machinery	5 years
Fixtures, fittings & equipment	3-5 years
Motor vehicles	3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of an asset and is recognised in the income statement.

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. Net realisable value comprises selling price net of trade but before settlement discounts, less all costs to be incurred in marketing, selling and distribution.

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. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

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.

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 profit or loss.

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 profit or loss.

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 profit or loss.

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.

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 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 information. 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.

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 Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

Employee benefits

Post-employment obligations

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

Short-term benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases (note 28). Payments made under operating leases (net of any incentives received from the lessor) are charged to the Income Statement on a straight-line basis over the period of the leases.

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 VAT and trade discounts.

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.

Durbin Group plc has several different revenue streams across both its UK and US business:

International Sales (IS)

The IS / Export business is the legacy business for both the UK and US companies and as such both have established infrastructures, supplier networks and customer bases. The business supplies product to different customer types, ranging from specialist importers (e.g. Pharmasource) to Traders (wholesalers selling to other wholesalers); with margin for the supply of product being greater the closer the customer segment is to the patient. The international sales revenue stream accounts for approximately £14m of the revenues in the UK business.

Coulsdon

The business is established in the aid and relief supply market with a dedicated, specialist team operating from separate premises located in Coulsdon, Surrey. The revenues are primarily driven by supporting longer term aid and development projects, where they provide medicine and medical kits to multinational charitable organisations. The projects do not provide for any after sales services on the medical kits and allow for the supply of product only. The Coulsdon sales revenue stream accounts for approximately £12m of the revenues in the UK business.

Clinical Trials

Revenue stream driven by the procurement of drugs across the globe buying directly from manufacturers and wholesalers and using the expertise in distribution ensures delivery of clinical trial comparators to trial centres around the world. The clinical trials revenue stream accounts for approximately £5.4m of the revenues in the UK and £5.5m in the US businesses.

Pharma Services

UK import business is primarily focussed on importing unlicensed medicines at the request of UK hospitals. The pharma services revenue stream accounts for approximately £4.3m of the revenues in the UK business.

Sexual Health

Revenue stream is driven by the supply of a full range of contraceptives as well as instruments, testing kits, and other products commonly used by sexual health professionals. The sexual health revenue stream accounts for approximately £4.1m of the revenues in the UK business.

Wholesale

Durbin USA specializes in supplying the following – Prescription drugs (branded and generic); Over the counter drugs; Controlled drugs; Temperature-controlled products; U.S. manufactured products; Products on the WHO essential drug list; Nutritional supplements; Medical supplies.

The wholesale revenue stream accounts for approximately £6.6m of the revenues in the US business.

Research and Development

Similar to the clinical trial revenue stream revenues are driven by the procurement of drugs across the globe buying directly from manufacturers and wholesalers and using the expertise in distribution ensures delivery of product to facilitate research and development at clinical trial centres around the world. The research and development revenue stream accounts for approximately £2.4m of the revenues in the US business.

Pharmacy

Revenues in this stream are driven by the supply of branded and generic pharmaceutical products, consumables and medical devices to wholesalers, hospitals and pharmacies. The pharmacy revenue stream accounts for approximately £1.7m of the revenues in the US business.

Contract Assets

Contract asset is recognised only when a performance obligation is satisfied (and revenue recognised). The payment is conditional not only on the passage of time. The other conditions relate to entity's fulfilment of other performance obligations in the contract. A right to receive payment is unconditional if only the passage of time is required before payment is due

Cost of sales

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 taxes 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.

Exceptional items

The Group has applied an income statement format which seeks to highlight significant items within Group results for the year. 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. The Group believes that such a presentation provides a more helpful analysis as it highlights material items of a non-recurring nature.

NOTES TO THE FINANCIAL STATEMENTS

1 Significant estimates and judgements

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The preparation of financial information 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.

Information about significant estimates made in applying accounting policies that have the most significant effect on the amounts recognised in the financial information is included in the following notes:

Impairment of inventory

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, the directors consider 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 11 for the net carrying amount of the inventories.

Useful economic lives of property, plant and equipment

The annual depreciation on property, plant and equipment, along with their useful economic lives and residual values are reviewed annually. 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 for the carrying amount of the property, plant and equipment and accounting policies for the useful economic lives for each class of asset.

Estimated impairment of goodwill and other non-current assets

The Group tests annually whether goodwill has suffered any impairment. 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). Further information is detailed in the intangible assets note 9. Impairment tests in respect of property, plant and equipment are also performed on a CGU basis.

2 Basis of consolidation

The Group's financial information has been prepared for the year ended 31 December 2018. The financial information incorporates the Company and all its subsidiary undertakings. The Group controls an entity when the Group is exposed to, as has rights to, variable returns from its involvement with the activity and has the ability to effect those returns through its powers to direct the activities of the entity.

The results of all Group undertakings are prepared to the Group's financial year end. The subsidiaries are listed in note 27. The attributable results of acquisitions are included in the financial information 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 information.

3 Revenue

	2018 £	2017 £	2016 £
Revenue	50,334,818	64,494,226	70,625,759

The UK division operates through seven different divisions, five of which are significant. The US division operates through four different divisions. The main divisions can be summarised as follows:

International Sales (IS)

The IS / Export business is the legacy business for both the UK and US companies and as such both have established infrastructures, supplier networks and customer bases. The business supplies product to different customer types, ranging from specialist importers (e.g. Pharmasource) to Traders (wholesalers selling to other wholesalers); with margin for the supply of product being greater the closer the customer segment is to the patient.

Coulsdon

The business is established in the aid and relief supply market with a dedicated, specialist team operating from separate premises located in Coulsdon, Surrey. Supporting longer term aid and development projects, where they provide medicine and medical kits to multinational charitable organisations. The projects do not provide for any after sales services on the medical kits and allow for the supply of product only.

Clinical Trials

The procurement of drugs across the globe buying directly from manufacturers and wholesalers and using the expertise in distribution ensures delivery of clinical trial comparators to trial centres around the world.

Pharma Services

UK import business is primarily focussed on importing unlicensed medicines at the request of UK hospitals.

Sexual Health

Supply of a full range of contraceptives as well as instruments, testing kits, and other products commonly used by sexual health professionals.

Wholesale

Durbin USA specializes in supplying the following – Prescription drugs (branded and generic); Over the counter drugs; Controlled drugs; Temperature-controlled products; U.S. manufactured products; Products on the WHO essential drug list; Nutritional supplements; Medical supplies.

Research and Development

Procurement of drugs across the globe buying directly from manufacturers and wholesalers and using the expertise in distribution ensures delivery of product to facilitate research and development at clinical trial centres around the world.

Pharmacy

Supply of branded and generic pharmaceutical products, consumables and medical devices to wholesalers, hospitals and pharmacies. The pharmacy revenue stream accounts for approximately £1.7m of the revenues in the US business.

	2018 £	**2017** £	**2016** £
International Sales	13,968,742	16,564,405	15,820,782
Coulsdon	12,038,982	15,534,268	14,770,863
Clinical Trials	5,396,366	15,565,703	24,942,767
Pharma Services	4,309,019	5,574,864	4,654,120
Other	14,621,709	11,254,986	10,437,227
	50,334,818	64,494,226	70,625,759

There are a number of other divisions included within Other above. However, each is less than 10% of total annual revenue on an individual basis for each of the years 2018, 2017 and 2016 and is not significant for disclosure purposes.

Geographical analysis

The Group operates in two principal geographical regions being the United Kingdom and USA. Other geographical regions include European countries and Other Rest of World, disclosed below.

	2018 £	2017 £	2016 £
United Kingdom	9,776,256	9,727,606	11,712,852
Germany	4,633,797	4,183,951	4,070,311
France	1,529,499	2,289,484	2,297,139
Ireland	1,513,933	1,513,086	1,432,164
Other EU Countries	8,318,557	11,313,556	9,575,310
USA	11,837,448	14,672,777	20,463,294
Syria	2,265,636	1,407,948	1,677,321
Turkey	1,122,882	1,572,268	1,269,667
Iraq	1,020,700	1,283,405	208,002
Other Rest of World Countries	8,316,109	16,530,145	17,919,700
	50,334,818	64,494,226	70,625,759

There are a significant number of countries included within the breakdown Other EU Countries and Other Rest of World Countries above. However, each country is less than 2% of total annual revenue on an individual basis for each of the years 2018, 2017 and 2016 and is not significant for disclosure purposes.

4 Exceptional Charge

	2018 £	2017 £	2016 £
Provision for impairment of goodwill	239,237	—	—

5 Operating (loss)/profit

	2018 £	2017 £	2016 £
Operating (loss)/profit is stated after (crediting)/charging:			
Directors' remuneration			
— Emoluments	128,802	132,109	130,746
— Defined contribution pension	—	—	—
— Fees	—	—	—
Depreciation (note 10)	739,864	435,908	166,231
Loss on disposal of tangible fixed assets	25,923	—	—

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.

	2018 £	2017 £	2016 £
— Audit of group accounts	10,250	10,250	10,250
— Audit of subsidiary accounts	22,217	31,650	19,750
— Other non-audit services	7,475	7,475	7,475
Operating lease rentals:			
— Buildings	895,307	874,729	753,312
Staff costs (including directors):			
— Wages and salaries	6,100,303	5,861,640	5,362,423
— Social welfare costs	587,767	586,050	548,050
— Pension costs (note 16)	81,613	50,868	45,005
	6,769,683	6,498,558	5,955,478

	2018 Number	2017 Number	2016 Number
Employees The average number of persons employed by the Group (including directors) during the year was as follows:			
Administration	63	64	63
Selling, distribution and warehouse	89	89	89
	152	153	152

6 Finance cost

	2018 £	2017 £	2016 £
Interest costs	171,792	184,655	156,658
Interest receivable	(23,017)	(22,653)	(16,131)
	148,775	162,002	140,527

7 Income tax (credit)/expense

	2018 £	2017 £	2016 £
Recognised in the Income Statement:			
Current income tax			
United Kingdom	(258,235)	296,021	1,017,950
Adjustments in respect of prior years	(18,279)	258,757	4,512
Total current income tax (credit)/expense	(276,514)	554,778	1,022,462
Deferred income tax			
Origination and reversal of temporary differences:			
Property, plant and equipment	(6,481)	23,498	22,184
Tax losses and other differences	(38,961)	—	—
Total deferred income tax (credit)/charge	(45,442)	23,498	22,184
Total income tax (credit)/expense	(321,956)	578,276	1,044,646
The total income tax (credit)/expense for the financial year is analysed as follows:			
Continuing operations	(321,956)	578,276	1,044,646
	(321,956)	578,276	1,044,646

Factors effecting the tax expense in future years

The UK statutory corporation tax rate of 19% will be progressively reduced to 17% by 1 April 2020.

	2018 £	2017 £	2016 £
Reconciliation of effective tax rate			
(Loss)/profit on ordinary activities before tax	(2,336,903)	1,421,498	5,801,640
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 19% (2017: 19.25%; 2016: 20%)	(444,012)	273,639	1,160,328
Effects of			
Tax effect of expenses not deductible in determining taxable profit	58,116	3,845	12,590
Unutilised tax losses carried forward	105,071	—	—
Adjustments in respect of prior years	(18,279)	258,757	4,512
Other adjustments	(22,852)	42,045	(132,784)
Total income tax (credit)/expense for the year	(321,956)	578,276	1,044,646

8 Dividends

There were no dividends paid in the current year ended 31 December 2018, or the prior year ended 31 December 2017. In the year ended 31 December 2016 interim dividends of £3,700,000 were paid.

9 Intangible assets

	Goodwill £	Total £
Deemed Cost		
At 1 January 2016	28,103	28,103
Foreign exchange movements	—	—
Acquisitions	—	—
Additions	—	—
Disposals	—	—
At 31 December 2016	28,103	28,103
At 1 January 2017	28,103	28,103
Foreign exchange movements	—	—
Acquisitions	—	—
Additions	—	—
Disposals	—	—
At 31 December 2017	28,103	28,103
At 1 January 2018	28,103	28,103
Foreign exchange movements	—	—
Acquisitions	239,237	239,237
Additions	—	—
Disposals	—	—
At 31 December 2018	267,340	267,340
Impairment		
At 1 January 2016	—	—
Foreign exchange movements	—	—
Provision for impairment	—	—
At 31 December 2016	—	—
At 1 January 2017	—	—
Foreign exchange movements	—	—
Provision for impairment	—	—
At 31 December 2017	—	—
At 1 January 2018	—	—
Foreign exchange movements	—	—
Provision for impairment	239,237	239,237
At 31 December 2018	239,237	239,237
Net book amounts		
At 01 January 2016	28,103	28,103
At 31 December 2016	28,103	28,103
At 31 December 2017	28,103	28,103
At 31 December 2018	28,103	28,103

Goodwill acquisition of £239,237 is the acquisition of the trade and assets of Phoenix Pharma LLC on 1 June 2018 (note 25).

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 (cash-generating units). The carrying value of goodwill is initially compared to fair value less cost of disposal. The fair value less costs of disposal is calculated as the maintainable EBITDA of each CGU multiplied by the appropriate EBITDA valuation multiple attributable to that CGU. The maintainable EBITDA of the CGU is calculated based on the forecasted five-year average EBITDA, with the valuation multiple calculated based on recent market transactions, and where evidence of recent market transactions are not available, management calculate the valuation multiple based on their best estimate using historical experience.

The value in use calculations are only prepared when this comparison indicates a potential impairment. Other than as noted below, at the balance sheet date this comparison did not indicate any potential impairment. 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 2018.

During the year, an impairment charge of £239,237 was recognised in respect of the goodwill associated with the acquisition of Phoenix Pharma LLC. This asset was acquired on 1 June 2018 (Note 25). At 31 December 2018, based on poor trading results and market conditions at that time, an impairment review was carried out and management deemed it appropriate to fully impair this asset. A once off impairment charge of £239,237 was recognised (Note 4).

Sensitivity analysis

Sensitivity analysis was performed by applying reductions to both EBITDA and the valuation multiple used to calculate the fair value less costs of disposal. 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.

10 Property, plant and equipment

	Buildings freehold £	Buildings leasehold £	Plant and machinery £	Fixtures fittings & equipment £	Motor vehicles £	Total £
Cost						
At 1 January 2016	570,190	68,071	748,420	661,159	26,330	2,074,170
Foreign exchange movement	(131,120)	—	—	(79,710)	—	(210,830)
Additions	95,975	—	357,407	289,838	22,802	766,022
Acquisitions	—	—	—	—	—	—
Disposals	—	—	—	(2,285)	—	(2,285)
At 31 December 2016	535,045	68,071	1,105,827	869,002	49,132	2,627,077
At 1 January 2017	535,045	68,071	1,105,827	869,002	49,132	2,627,077
Foreign exchange movement	(46,345)	—	—	(9,180)	(1,975)	(57,500)
Additions	178,476	—	562,440	1,138,457	—	1,879,373
Acquisitions	—	—	—	—	—	—
Disposals	—	—	(69,614)	(147,433)	—	(217,047)
At 31 December 2017	667,176	68,071	1,598,653	1,850,846	47,157	4,231,903
At 1 January 2018	667,176	68,071	1,598,653	1,850,846	47,157	4,231,903
Foreign exchange movement	89,095	—	—	68,466	1,238	158,799
Additions	124,039	—	1,138,841	421,663	17,807	1,702,350
Acquisitions	—	—	—	—	—	—
Disposals	—	(68,071)	(602,968)	(199,056)	—	(870,095)
At 31 December 2018	880,310	—	2,134,526	2,141,919	66,202	5,222,957
Accumulated depreciation						
At 1 January 2016	59,446	43,252	544,910	585,288	22,996	1,255,892
Foreign exchange movement	(46,679)	—	—	(76,278)	—	(122,957)
Charge for the year	14,121	8,510	92,405	46,105	5,090	166,231
Disposals	—	—	—	(2,285)	—	(2,285)
At 31 December 2016	26,888	51,762	637,315	552,830	28,086	1,296,881
At 1 January 2017	26,888	51,762	637,315	552,830	28,086	1,296,881
Foreign exchange movement	(2,329)	—	—	(5,200)	(296)	(7,825)
Charge for the year	18,087	8,526	205,453	198,302	5,540	435,908
Disposals	—	—	(69,614)	(147,229)	—	(216,843)
At 31 December 2017	42,646	60,288	773,154	598,703	33,330	1,508,121
At 1 January 2018	42,646	60,288	773,154	598,703	33,330	1,508,121
Foreign exchange movement	11,095	—	—	57,522	979	69,596
Charge for the year	18,252	5,688	345,252	365,031	5,641	739,864
Disposals	—	(65,976)	(581,081)	(197,115)	—	(844,172)
At 31 December 2018	71,993	—	537,325	824,141	39,950	1,473,409
Net book amounts						
At 01 January 2016	426,303	24,819	203,510	72,440	3,334	730,406
At 31 December 2016	508,157	16,309	468,512	316,172	21,046	1,330,196
At 31 December 2017	624,530	7,783	825,499	1,252,143	13,827	2,723,782
At 31 December 2018	808,317	—	1,597,201	1,317,778	26,252	3,749,548

11 Inventory

	2018 £	2017 £	2016 £	01/01/016 £
Goods for resale	3,430,354	4,255,963	4,720,388	3,832,726

The replacement cost of inventories did not differ materially from the Balance Sheet amounts at 31 December 2018, 31 December 2017 and 31 December 2016.

Inventory stated above is net of impairment provision of £341,932 (2017: £175,316; 2016: £4,760).

In 2018, goods for resale recognised as cost of sales amounted to £40,159,422 (2017: £51,181,012; 2016: £56,830,239).

12 Trade and other receivables

	2018 £	2017 £	2016 £	01/01/016 £
Current trade and other receivables				
Trade receivables	5,650,302	6,225,336	7,407,565	5,323,064
Prepayments	588,014	1,747,811	1,259,833	439,924
Other receivables	71,054	80,180	93,270	116,419
VAT refundable	254,941	396,591	451,898	322,873
Corporation tax recoverable	371,587	198,721	—	—
	6,935,898	8,648,639	9,212,566	6,202,280

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 22.

13 Deferred tax asset/(liability)

The following is an analysis of the movement in the major categories of deferred tax assets/(liabilities) recognised by the Group for the years ended 31 December 2018, 31 December 2017 and 31 December 2016:

	Property plant and equipment £	Tax losses and other differences £	Total £
At 1 January 2016	(23,778)	9,823	(13,955)
Recognised in Income Statement	(22,184)	179,992	157,808
At 31 December 2016	(45,962)	189,815	143,853
At 1 January 2017	(45,962)	189,815	143,853
Recognised in Income Statement	(23,498)	(134,765)	(158,263)
At 31 December 2017	(69,460)	55,050	(14,410)
At 1 January 2018	(69,460)	55,050	(14,410)
Recognised in Income Statement	6,481	38,961	45,442
At 31 December 2018	(62,979)	94,011	31,032

The directors are satisfied that there will be sufficient profits in the future to utilise these deferred tax assets. In 2018 the Group went through a period of change, with the relocation to a new warehouse and the acquisition of Phoenix Pharma LLC in the USA in June 2018. Management are confident that the Group will move forward and achieve positive profitable results in the future, enabling the use of these deferred tax assets. The Group has tax losses of £583,728 for which a deferred tax asset has not be recognised.

14 Cash and cash equivalents and restricted cash

	2018 £	2017 £	2016 £	01/01/016 £
Cash at bank and in hand	1,991,358	1,741,243	3,184,546	5,926,726

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:

	2018 £	2017 £	2016 £	01/01/016 £
Cash and cash equivalents	1,991,358	1,741,243	3,184,546	5,926,726

15 Trade and other payables

	2018 £	2017 £	2016 £	01/01/016 £
Trade payables	4,117,568	3,347,772	5,150,969	5,008,528
Accruals	964,065	390,408	549,383	46,312
Other payables	2,040,171	2,619,966	2,358,542	1,647,003
Corporation tax payable	—	—	285,733	983,276
PAYE/NI Liability	383,584	451,150	470,021	309,157
	7,505,388	6,809,296	8,814,648	7,994,276

Trade and other payables are payable at various dates in the next three months in accordance with the suppliers' usual and customary credit terms.

Tax and social welfare costs are payable at various dates over the coming months in accordance with the applicable statutory provisions.

Included in Other payables above are Directors' Loans payable. Interest is payable on these loans at a rate of 7% per annum (Note 6). See Note 26 for further breakdown.

16 Employee defined contribution scheme

The group operates a defined contribution scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

	2018 £	2017 £	2016 £
Charge to Income Statement in respect of the defined contribution scheme	81,613	50,868	45,005

17 Called up share capital

	2018 £	2017 £	2016 £	01/01/016 £
Ordinary Share Capital				
Allotted, called up and fully paid presented as equity				
50,000 of ordinary shares of £1 each	50,000	50,000	50,000	50,000

18 Other Reserves

	2018 £	2017 £	2016 £	01/01/016 £
Foreign Currency Translation Reserve	27,626	(104,202)	—	—

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the net assets of the Group's non-Sterling 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.

19 Retained Earnings

	£
At 1 January 2016	8,698,010
Profit for the financial year	4,756,994
Other comprehensive income	—
Dividends paid to equity shareholders	(3,700,000)
At 31 December 2016	9,755,004
At 1 January 2017	9,755,004
Profit for the financial year	843,222
Other comprehensive income	—
At 31 December 2017	10,598,226
At 1 January 2018	10,598,226
Loss for the financial year	(2,014,947)
Other comprehensive income	—
At 31 December 2018	8,583,279

20 Reconciliation of operating (loss)/profit to cash flow from operating activities

	2018 £	2017 £	2016 £
Operating (loss)/profit pre-exceptional	(1,948,891)	1,583,500	5,942,167
Depreciation	739,864	435,908	166,231
Loss on disposal of tangible fixed assets	25,923	—	—
Decrease/(increase) in inventory	795,609	494,425	(887,662)
Decrease/(increase) in receivables	1,885,606	633,622	(2,881,260)
Increase/(decrease) in payables	1,296,092	(1,865,593)	688,890
Foreign currency translation adjustments	237,054	(54,527)	—
Cash inflow from operating activities	3,031,257	1,227,335	3,028,366

21 Analysis of changes in net debt

	1 January 2018 £	Cash flow £	Acquisitions £	Disposals £	31 December 2018 £
Cash and cash equivalents	1,741,243	225,842	24,273	—	1,991,358
Related party loans due within one year	(2,600,000)	600,000	—	—	(2,000,000)
Net (debt)	(858,757)	825,842	24,273	—	(8,642)

	1 January 2017 £	Cash flow £	Acquisitions £	Disposals £	31 December 2017 £
Cash and cash equivalents	3,184,546	(1,443,303)	—	—	1,741,243
Related party loans due within one year	(2,325,000)	(275,000)	—	—	(2,600,000)
Net cash/(debt)	859,546	(1,718,303)	—	—	(858,757)

	1 January 2016 £	Cash flow £	Acquisitions £	Disposals £	31 December 2016 £
Cash and cash equivalents	5,962,726	(2,778,180)	—	—	3,184,546
Related party loans due within one year	(1,625,000)	(700,000)	—	—	(2,325,000)
Net cash	4,337,726	(3,478,180)	—	—	859,546

22 Financial instruments

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

Financial assets	Notes	Financial assets at amortised cost £	Total £
2018			
Trade and other receivables*	12	5,721,356	5,721,356
Cash and cash equivalents	14	1,991,358	1,991,358
		7,712,714	7,712,714
2017			
Trade and other receivables*	12	6,305,516	6,305,516
Cash and cash equivalents	14	1,741,243	1,741,243
		8,046,759	8,046,759
2016			
Trade and other receivables*	12	7,500,835	7,500,835
Cash and cash equivalents	14	3,184,546	3,184,546
		10,685,381	10,685,381

* Excluding prepayments.

Financial liabilities	Notes	Financial liabilities at amortised cost £	Total £
2018			
Trade and other payables**	15	7,121,804	7,121,804
		7,121,804	7,121,804
2017			
Trade and other payables**	15	6,358,146	6,358,146
		6,358,146	6,358,146
2016			
Trade and other payables**	15	8,344,627	8,344,627
		8,344,627	8,344,627

** Excluding non-financial liabilities.

Fair Value

Due to the short-term nature of the trade and other receivables and the trade and other payables, their carrying value is considered to be the same as their fair value.

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 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.

Credit risk

Credit risk arises from credit to customers, 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 review and monitoring of customer and bank credit ratings.

Trade receivables

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 default (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.

For these receivables the estimated impairment losses are recognised in a separate provision for impairment. The Group considers that there is evidence of default 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 administrative costs. Subsequent recoveries of amounts previously written off are credited against administrative 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:

	2018 £	2017 £	2016 £
At 1 January			
Provision for impairment recognised during the year	14,798	—	—
Arising on acquisition	—	—	—
Receivables written off during the year as uncollectible	—	—	—
Recovery of balances previously provided for	—	—	—
Reclassification	—	—	—
At 31 December	14,798	—	—

The trade receivables balances disclosed in note 12 comprise a large number of customers spread across the Group's activities and geographies with balances classified as "not past due" representing 55.6% of the total trade receivables balance at the balance sheet date (2017: 68%; 2016: 62.7%).

The ageing of trade receivables at 31 December 2018, 2017 and 2016 was:

	2018 £	2017 £	2016 £
Not past due	3,141,199	4,231,814	4,641,664
Past due			
0 – 30 days	2,025,107	1,397,606	2,079,096
30 – 60 days	262,594	289,884	39,483
60 days	221,402	306,032	647,322
Total past due	2,509,103	1,993,522	2,765,901
Total trade receivables	5,650,302	6,225,336	7,407,565

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.

Other financial assets

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:

	2018 £	2017 £	2016 £
Trade and other receivables*	5,721,356	6,305,516	7,500,835
Cash and cash equivalents	1,991,358	1,741,243	3,184,546
Total	7,712,714	8,046,759	10,685,381

* Excluding prepayments

Liquidity risk

The Group manages liquidity risk through, maintaining sufficient cash and cash equivalents to meet obligations when due, credit facilities and overdraft facilities, 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 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.

Contractual maturity of financial liabilities	**Less than 6 months £**	**6 to 12 months £**	**Between 1 and 2 years £**	**Between 2 and 5 years £**	**Over 5 years £**	**Total contractual cash flows £**
At 31 December 2018						
Trade and other payables	7,121,804	—	—	—	—	7,121,804
	7,121,804	—	—	—	—	7,121,804
At 31 December 2017						
Trade and other payables	6,358,146	—	—	—	—	6,358,146
	6,358,146	—	—	—	—	6,358,146
At 31 December 2016						
Trade and other payables	8,344,627	—	—	—	—	8,344,627
	8,344,627	—	—	—	—	8,344,627

Currency risk

The Group primarily operates in the United Kingdom and the majority of the Group's activities are conducted in Sterling. An element of the Group's operations are carried out in the US and, as a result, the Group is exposed to structural currency fluctuations in respect of the Dollar. To the extent that the non-Sterling 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.

Sterling is the principal currency of the Group's UK businesses and Dollar is the principal currency of the Group's US businesses. The Group actively monitors the level of foreign exchange exposure and ensures that its net exposure is kept at an acceptable level. At the year end, the Group had no contracts or options in place to buy or sell foreign currency.

Interest rate risk

The Group has no fixed rate borrowings and its receivables are carried at amortised cost. The Group has no term loans or invoice discounting funding, and so is not subject to interest rate risk.

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.

Total equity surplus position of the Group at 31 December 2018 was £8,660,905 (2017: £10,544,024; 2016: £9,805,004).

23 Future capital expenditure not provided for

	2018 £	2017 £	2016 £
At 31 December 2018 the Group had capital commitments of £Nil (2017: £Nil; 2016: £379,230)			
Contracted for			
Property, plant and equipment	—	—	379,230

24 Contingent liabilities

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 2018, 31 December 2017 and 31 December 2016, the directors are satisfied that there are no such matters which require either a provision or contingent liability disclosure in the financial information.

25 Acquisitions of subsidiary undertakings and business assets

On 1 June 2018 the group acquired the trade and assets of Phoenix Pharma LLC as part of the group's plan to further expand the business activities. The consideration payable for the acquisition is £234,944 of which £Nil is outstanding at 31 December 2018.

The provisional fair value of the assets and liabilities acquired as part of the acquisition completed during the financial year are set out below:

	Phoenix Pharma LLC £
ASSETS	
Current Assets	
Trade and other receivables	76,123
Cash and cash equivalents	24,273
	100,396
Total Assets	100,396
LIABILITIES	
Current Liabilities	
Trade and other payables	104,689
	104,689
Total Liabilities	104,689
Identifiable net liabilities acquired	(4,293)
Non-controlling interest arising on acquisition	—
Group share of net liabilities acquired	(4,293)
Goodwill arising on acquisition	239,237
Consideration	234,944

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 workforce and management teams within the businesses acquired, the enhancement of the competitive position of the Group in the marketplace and the strategic premium paid by Durbin Group plc to create the combined Group.

The gross contractual value of the trade and other receivables as at the respective dates of acquisition amounted to £76,123. The fair value of these receivables is estimated at £76,123 (all of which is expected to be recoverable).

The acquisitions completed in 2018 have contributed £183,618 to revenue and £167,259 of operating loss for the period since the date of acquisition. The proforma revenue and operating loss for the Group for the period ended 31 December 2018 would have been £50,465,974 and £2,134,418 respectively had the acquisitions been completed at the start of the current reporting period.

In 2018, the Group incurred acquisition costs of £7,232 (2017: £Nil; 2016: £Nil). These have been included in administrative expenses in the Group Income Statement.

26 Related party transactions

During the year ended 31 December 2016 dividends totalling £3,700,000 were paid to directors (2018: £Nil; 2017: £Nil). At the year ended 31 December 2018 there was a balance due to directors of £2,000,000 (2017: £2,600,000; 2016: £2,325,000). This loan is subject to interest at a rate of 7% per annum. During the year the group paid interest on these loans totalling £171,704 (2017: £179,317; 2016: £145,324).

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.

	2018 **£**	**2017** **£**	**2016** **£**
Remuneration of key management personnel			
Short term employment benefits	807,674	905,093	887,297
Post-employment benefits	8,849	7,444	7,848
Total	816,523	912,537	895,145

27 Group companies

Holding company	Principal activity
Durbin Group plc	Investment holding company

The following are the significant undertakings of Durbin Group plc at 31 December 2018:

Incorporated and trading in the United Kingdom (UK)	
Durbin plc	Pharmaceutical wholesaler
Incorporated and trading in the United States (USA)	
Durbin Inc USA	Intermediate holding company
Pharmaceutical Trade Services Inc	Pharmaceutical wholesaler
Durbin Trade Services Inc	Pharmaceutical wholesaler
Non-trading Companies Singapore	
Durbin PTE Ltd	Dormant

Details of registered offices are listed below:

Incorporated in UK	**Registered office**
Durbin Group plc Durbin plc	Durbin House Unit 5, Swallowfield Way, Hayes, UK UB3 1DQ
Incorporated in USA	**Registered offices**
Durbin Inc Pharmaceutical Trade Services Inc Durbin Trade Services Inc	5820 Gul Tech Drive, Ocean Springs, Mississippi 39564 USA
Incorporated in Singapore	
Durbin PTE Ltd	60 Paya Lebar Road, #08-43, Paya Lebar Square, Singapore 409051

All of the entities above are 100% owned within the Group.

28 Commitments under operating leases

At 31 December 2018 the Group had commitments payable of £3,860,810 (2017: £4,700,250; 2016: £5,487,669) under non-cancellable operating leases. The future minimum lease payments under non-cancellable operating leases are as follows:

	Buildings £	2018 £	2017 £	2016 £
Within one year	558,667	558,667	860,018	945,876
Between one and five years	2,065,608	2,065,608	2,087,295	2,430,911
Greater than five years	1,236,535	1,236,535	1,752,937	2,110,882
	3,860,810	3,860,810	4,700,250	5,487,669

29 Post balance sheet events

There were no significant events affecting the Group which have taken place since the end of the financial year.

30 Transition to International Financial Reporting Standards

As stated in the accounting policies this is the Group's first presentation of its consolidated financial information prepared in accordance with IFRS.

The accounting policies set out on pages 170 – 175 have been applied in preparing the financial information for the year ended 31 December 2018, the comparative information presented in this financial information for the years ended 31 December 2017 and 2016 and in the preparation of an opening IFRS Balance Sheet at 1 January 2016 (the Group's date of transition to IFRS). In preparing its opening IFRS Balance Sheet, the Group has adjusted the amounts reported previously in financial information prepared under UK GAAP. An explanation of how the transition from UK GAAP to IFRS has affected the Group's financial position, financial performance and cash flows is set out in the following table and notes.

In restating the Group's financial information, the Group, has availed of the following relevant mandatory and optional exemptions in accordance with IFRS 1, First – time Adoption of International Financial Reporting Standards and a number of other standards:

IFRS 1 provides an option to apply IFRS 3, ' Business combinations', prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Group elected to apply IFRS 3 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated. Consequently, goodwill at the transition date is carried forward at its net book value and, along with goodwill on subsequent acquisitions, is subject to annual impairment testing. Goodwill was assessed for impairment at the transition date and no impairment charges arose from this exercise.

IFRS estimates at 1 January 2016 are consistent with the estimates as at the same date made in conformity with UK GAAP.

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The Group's first-time adoption did not have an impact on the total operating, investing or financing cash flows. The following tables represent the reconciliations from UK GAAP to IFRS for the respective periods noted for equity, earnings and comprehensive income.

Balance Sheet as at 1 January 2016	UK GAAP £	Goodwill £	Total Adjust. £	Converted IFRS £
ASSETS				
Non-current assets				
Intangible assets	28,103	—	—	28,103
Property, plant and equipment	730,406	—	—	730,406
Deferred tax asset	—	—	—	—
	758,509	—	—	758,509
Current Assets				
Inventory	3,832,726	—	—	3,832,726
Trade and other receivables	6,202,280	—	—	6,202,280
Cash and cash equivalents	5,962,726	—	—	5,962,726
	15,997,732	—	—	15,997,732
Total Assets	16,756,241	—	—	16,756,241
EQUITY				
Capital and Reserves				
Called up share capital	50,000	—	—	50,000
Other Reserve	—	—	—	—
Retained Earnings	8,698,010	—	—	8,698,010
	8,748,010	—	—	8,748,010
Liabilities				
Non – Current Liabilities				
Deferred tax liability	13,955	—	—	13,955
	13,955	—	—	13,955
Current Liabilities				
Trade and other payables	7,994,276	—	—	7,994,276
	7,994,276	—	—	7,994,276
Total Liabilities	8,008,231	—	—	8,008,231
Total Equity and Liabilities	16,756,241	—	—	16,756,241

Balance Sheet as at 31 December 2016	UK GAAP £	Goodwill £	Total Adjust. £	Converted IFRS £
ASSETS				
Non-current assets				
Intangible assets	21,077	7,026	7,026	28,103
Property, plant and equipment	1,330,196	—	—	1,330,196
Deferred tax asset	143,853	—	—	143,853
	1,495,126	7,026	7,026	1,502,152
Current Assets				
Inventory	4,720,388	—	—	4,720,388
Trade and other receivables	9,212,566	—	—	9,212,566
Cash and cash equivalents	3,184,546	—	—	3,184,546
	17,117,500	—	—	17,117,500
Total Assets	18,612,626	7,026	7,026	18,619,652
EQUITY				
Capital and Reserves				
Called up share capital	50,000	—	—	50,000
Other Reserve	—	—	—	—
Retained Earnings	9,747,978	7,026	7,026	9,755,004
	9,797,978	7,026	7,026	9,805,004
Liabilities				
Non – Current Liabilities				
Deferred tax liability	—	—	—	—
	—	—	—	—
Current Liabilities				
Trade and other payables	8,814,648	—	—	8,814,648
	8,814,648	—	—	8,814,648
Total Liabilities	8,814,648	—	—	8,814,648
Total Equity and Liabilities	18,612,626	7,026	7,026	18,619,652

Income Statement for the year ended 31 December 2016	UK GAAP £	Goodwill £	Total Adjust. £	Converted IFRS £
Revenue	70,625,759	—	—	70,625,759
Cost of Sales	(55,473,228)	—	—	(55,473,228)
Gross Margin	15,152,531	—	—	15,152,531
Selling and distribution costs	(1,129,324)	—	—	(1,129,324)
Administrative costs	(8,088,066)	7,026	7,026	(8,081,040)
Operating profit	5,935,141	7,026	7,026	5,942,167
Finance cost	(140,527)	—	—	(140,527)
Profit before tax	5,794,614	7,026	7,026	5,801,640
Income tax expense	(1,044,646)	—	—	(1,044,646)
Profit for the financial year	4,749,968	7,026	7,026	4,756,994

Statement of Comprehensive Income for the year ended 31 December 2016				
Profit for the financial year	4,749,968	7,026	7,026	4,756,994
Unrealised foreign currency translation adjustments	—	—	—	—
Profit for the financial year	4,749,968	7,026	7,026	4,756,994

Balance Sheet as at 31 December 2017	UK GAAP £	Goodwill £	Total Adjust. £	Converted IFRS £
ASSETS				
Non-current assets				
Intangible assets	14,051	14,052	14,052	28.103
Property, plant and equipment	2,723,782	—	—	2,723,782
Deferred tax asset	—	—	—	—
	2,737,833	14,052	14,052	2,751,885
Current Assets				
Inventory	4,225,963	—	—	4,225,963
Trade and other receivables	8,648,639	—	—	8,648,639
Cash and cash equivalents	1,741,243	—	—	1,741,243
	14,615,845	—	—	14,615,845
Total Assets	17,353,678	14,052	14,052	17,367,730
EQUITY				
Capital and Reserves				
Called up share capital	50,000	—	—	50,000
Other Reserve	(104,202)	—	—	(104,202)
Retained Earnings	10,584,174	14,052	14,052	10,598,226
	10,529,972	14,052	14,052	10,544,024
Liabilities				
Non – Current Liabilities				
Deferred tax liability	14,410	—	—	14,410
	14,410	—	—	14,410
Current Liabilities				
Trade and other payables	6,809,296	—	—	6,809,296
	6,809,296	—	—	6,809,296
Total Liabilities	6,823,706	—	—	6,823,706
Total Equity and Liabilities	17,353,678	14,052	14,052	17,367,730

Income Statement for the year ended 31 December 2017	UK GAAP £	Goodwill £	Total Adjust. £	Converted IFRS £
Revenue	64,494,226	—	—	64,494,226
Cost of Sales	(52,260,999)	—	—	(52,260,999)
Gross Margin	12,233,227	—	—	12,233,227
Selling and distribution costs	(1,313,384)	—	—	(1,313,384)
Administrative costs	(9,343,369)	7,026	7,026	(9,336,343)
Operating profit	1,576,474	7,026	7,026	1,583,500
Finance cost	(162,002)	—	—	(162,002)
Profit before tax	1,414,472	7,026	7,026	1,421,498
Income tax expense	(578,276)	—	—	(578,276)
Profit for the financial year	836,196	7,026	7,026	843,222

Statement of Comprehensive Income for the year ended 31 December 2017				
Profit for the financial year	836,196	7,026	7,026	843,222
Unrealised foreign currency translation adjustments	(104,202)	—	—	(104,202)
Profit for the financial year	731,944	7,026	7,026	739,020

Balance Sheet as at 31 December 2018	UK GAAP £	Goodwill £	Total Adjust. £	Converted IFRS £
ASSETS				
Non-current assets				
Intangible assets	198,415	(170,312)	(170,312)	28,103
Property, plant and equipment	3,749,548	—	—	3,749,548
Deferred tax asset	31,032	—	—	31,032
	3,978,995	(170,312)	(170,312)	3,808,683
Current Assets				
Inventory	3,430,354	—	—	3,430,354
Trade and other receivables	6,935,898	—	—	6,935,898
Cash and cash equivalents	1,991,358	—	—	1,991,358
	12,357,610	—	—	12,357,610
Total Assets	16,336,605	(170,312)	(170,312)	16,166,293
EQUITY				
Capital and Reserves				
Called up share capital	50,000	—	—	50,000
Other Reserve	27,626	—	—	27,626
Retained Earnings	8,753,591	(170,312)	(170,312)	8,583,279
	8,831,217	(170,312)	(170,312)	8,660,905
Liabilities				
Non – Current Liabilities				
Deferred tax liability	—	—	—	—
	—	—	—	—
Current Liabilities				
Trade and other payables	7,705,388	—	—	7,705,388
	7,705,388	—	—	7,705,388
Total Liabilities	7,505,388	—	—	7,505,388
Total Equity and Liabilities	16,336,605	(170,312)	(170,312)	16,166,293

Income Statement for the year ended 31 December 2018	UK GAAP £	Goodwill £	Total Adjust. £	Converted IFRS £
Revenue	50,334,818	—	—	50,334,818
Cost of Sales	(40,287,937)	—	—	(40,287,937)
Gross Margin	10,046,881	—	—	10,046,881
Selling and distribution costs	(1,400,685)	—	—	(1,400,685)
Administrative costs	(10,649,960)	54,873	54,873	(10,595,087)
Operating profit pre-exceptional	(2,003,764)	54,873	54,873	(1,948,891)
Exceptional Costs	—	(239,237)	(239,237)	(239,237)
Operating profit	(2,003,764)	(184,364)	(184,364)	(2,188,128)
Finance cost	(148,775)	—	—	(148,775)
Profit before tax	(2,152,539)	(184,364)	(184,364)	(2,336,903)
Income tax expense	321,956	—	—	321,956
Profit for the financial year	(1,830,583)	(184,364)	(184,364)	(2,014,947)
Statement of Comprehensive Income for the year ended 31 December 2018				
Profit for the financial year	(1,830,583)	(184,864)	(184,864)	(2,014,947)
Unrealised foreign currency translation adjustments	131,828	—	—	131,828
Profit for the financial year	(1,698,755)	(184,864)	(184,864)	(1,883,118)

The key impacts on the Group arising from transition to IFRS can be summarised as follows, and the corresponding adjustments to the reported amounts under UK GAAP are disclosed in the preceding reconciliations.

Notes to the Reconciliation of UK GAAP and IFRS

(a) Goodwill

Under UK GAAP, goodwill was being amortised over a period corresponding to its estimated economic life. In accordance with IFRS, goodwill is not amortised; it is tested for impairment annually. The amortisation reversed for the year ended 31 December 2018 was £54,873 and for the years ended 31 December 2017 and 31 December 2016 was £7,026. The goodwill impairment put through was £239,237 in the year ended 31 December 2018.

(b) Retained Earnings

All adjustments above were recognised against opening retained earnings as at 1 January 2016, 1 January 2017 and 1 January 2018.

PART 6: UNAUDITED *PRO FORMA* FINANCIAL INFORMATION FOR THE ENLARGED GROUP

The unaudited *pro forma* income statement and the unaudited *pro forma* statement of net assets set out in Part 6 of this document have been prepared on the basis of the note set out below (together, the "Unaudited *Pro Forma* Financial Information for the Enlarged Group") and in accordance with Schedule Two of the AIM Rules for Companies and Schedule 2 of the Euronext Growth Rules for Companies to illustrate the effect of (i) the completion of the acquisition of Durbin and the Placing and Admission on the Group's net assets, as if those events had taken place as of 31 December 2018, and (ii) the acquisitions of Durbin and Sisk Healthcare on the income statement of the Group for the year ended 31 December 2018 as if the acquisitions had taken place on 1 January 2018.

The financial information contained in this Part 6 has been prepared using the Group's accounting policies as set out in the historical financial information of the Uniphar Group set out in Part 3 of this document.

The Unaudited *Pro Forma* Financial Information for the Enlarged Group has been prepared for illustrative purposes only and because of its nature, addresses a hypothetical situation and, therefore, does not purport to represent what the Enlarged Group's actual financial position would be at any future date or results of operations for any future period if the acquisition of Durbin, the acquisition of Sisk Healthcare and the Placing and Admission had been completed on the dates indicated.

The Unaudited *Pro Forma* Financial Information for the Enlarged Group does not constitute financial statements within the meaning of the Companies Act 2014. Shareholders should read the whole of this document and not rely solely on the financial information contained in this Part 6.

In addition to the matters noted above, the Unaudited *Pro Forma* Financial Information for the Enlarged Group does not reflect the effect of synergies and efficiencies (if any) associated with the acquisitions.

Pro Forma Income Statement

	Uniphar Consolidated 2018 €m (Note 1)	Elimination SHG Post Acquisition €m (Note 2)	SHG 2018 €m (Note 3)	Durbin 2018 €m (Note 4)	Acquisition Adjustments €m (Note 5)	Pro forma Group €m (Note 6)
Revenue	1,417.9	(52.8)	130.1	56.9	—	1,552.1
Cost of sales	(1,302.2)	30.6	(75.3)	(45.6)	—	(1,392.5)
Gross profit	115.7	(22.2)	54.8	11.3	—	159.6
Selling and distribution costs	(34.9)	9.6	(20.7)	(1.6)	—	(47.6)
Administrative expenses	(56.6)	4.9	(13.5)	(11.9)	1.0	(76.1)
Other operating income	0.8	—	—	—		0.8
Operating profit/(loss) before exceptionals	25.0	(7.7)	20.6	(2.2)	1.0	36.7
Exceptional items	(9.2)	—	(1.8)	(0.3)	1.9	(9.4)
Operating profit/(loss) after exceptionals	15.8	(7.7)	18.8	(2.5)	2.9	27.3
Finance cost	(4.5)	0.1	(0.5)	(0.2)	(1.2)	(6.3)
Profit/(loss) before tax	11.3	(7.6)	18.3	(2.7)	1.7	21.0
Income tax (expense)/credit	(2.6)	1.0	(2.5)	0.4	—	(3.7)
Profit/(loss) for the financial year	8.7	(6.6)	15.8	(2.3)	1.7	17.3
Profit/(loss) for the year from continuing operations	8.7	(6.6)	15.8	(2.3)	1.7	17.3
Profit/(loss) for the year from discontinued operations	—		—	—		—
	8.7	(6.6)	15.8	(2.3)	1.7	17.3
Reconciliation: Operating profit/(loss) after exceptional items to EBITDA						
Operating profit/(loss) after exceptional items	15.8	(7.7)	18.8	(2.5)	2.9	27.3
Exceptional items	9.2	—	1.8	0.3	(1.9)	9.4
Depreciation	4.6	(1.1)	2.5	0.9	—	6.9
Amortisation	2.6	—	0.1	—	—	2.7
	32.2	**(8.8)**	**23.2**	**(1.3)**	**1.0**	**46.3**

The *pro forma* income statement is prepared on the basis set out in the notes below:

1) Uniphar's financial information for the year ended 31 December 2018 has been extracted, without material adjustment, from Uniphar's historical financial information for the year ended 31 December 2018, which is set out in section B of Part 3.
2) The elimination of Sisk Healthcare post acquisition results is to remove the five months of SHG results consolidated in Uniphar's results for the year ended 31 December 2018.
3) The addition of Sisk Healthcare's financial information for the year ended 31 December 2018 which has been extracted, without material adjustment, from Sisk Healthcare's historical financial information for the year ended 31 December 2018, which is set out in section B of Part 4.
4) Durbin's financial information for the year ended 31 December 2018 has been extracted, without material adjustment, from Durbin's historical financial information for the year ended 31 December 2018, which is set out in section B of Part 5.
5) The acquisition adjustments are: (i) the reversal of €1.0m of management retention costs included in Administrative expenses in Sisk Healthcare which was treated as a fair value adjustment arising on the acquisition of Sisk Healthcare in the Uniphar group consolidated financial statements; (ii) exceptional items of €1.9 million made up of: (a) Durbin acquisition related expenses of €1.8 million; (b) the unwind of the fair value adjustment of €1.9 million held against the share warrants held by the former shareholders in Sisk Healthcare, which will both be treated as exceptional items in the year ended 31 December 2019 financial statements of Uniphar; and (c) the elimination of exceptional items of €1.8 million in Sisk Healthcare which were treated as fair value adjustments arising on the acquisition of Sisk Healthcare in the Uniphar group consolidated financial statements; and (iii) an increase in finance costs of €1.2 million which is the present value adjustment on the deferred contingent consideration arising on the acquisitions of Sisk Healthcare and Durbin as if the acquisitions were completed on 1 January 2018.
6) The *pro forma* Group income statement for the year ended 31 December 2018 is the sum of columns (1) to (5).
7) In preparing the unaudited *pro forma* income statement no account has been taken of the trading or transactions of the Uniphar Group, Sisk Healthcare or Durbin Group since 31 December 2018.
8) In including Durbin in the unaudited *pro forma* income statement no account has been taken of the impact of additional depreciation or amortisation costs that may arise, and have a continuing impact, following any purchase price allocation exercise, as this will be undertaken following the Durbin acquisition.
9) In including Durbin in the unaudited *pro forma* income statement the income statement of Durbin has been translated from £ sterling into euro using an exchange rate of €/£stg0.88458 being the average rate used in the preparation of the Uniphar Group income statement for the year ended 31 December 2018.

Pro Forma Net Assets

ASSETS	Uniphar 2018 €m (Note 1)	Equity Raise €m (Note 2)	Exercise of Loan Note €m (Note 3)	Exercise of Warrants €m (Note 4)	Durbin 2018 €m (Note 5)	Acquisition Adjustments €m (Note 6)	Pro forma Group €m (Note 7)
Non-current assets							
Intangible assets	207.0	—	—	—	—	35.7	242.7
Property, plant and equipment	23.1	—	—	—	4.2	—	27.3
Deferred tax asset	7.1	—	—	—	—	—	7.1
Other receivables	2.1	—	—	—	—	—	2.1
Employee benefit surplus	0.4	—	—	—	—	—	0.4
Financial assets – Investments in equity instruments	—	—	—	—	—	—	—
Financial assets – Long term receivables	5.5	—	—	—	—	—	5.5
	245.3	—	—	—	4.2	35.7	285.2
Current assets							
Properties held for sale	4.0	—	—	—	—	—	4.0
Inventory	76.1	—	—	—	3.8	—	79.9
Trade and other receivables	170.7	—	—	(1.5)	7.7	—	176.8
Cash and cash equivalents	10.5	123.7	(1.5)	1.5	2.2	(29.7)	106.7
Restricted cash	2.4	—	—	—	—	—	2.4
	263.6	123.7	(1.5)	—	13.7	(29.7)	369.8
Total assets	508.9	123.7	(1.5)	—	17.9	6.0	655.0
LIABILITIES							
Non-current liabilities							
Borrowings	84.0	—	—	—	—	—	84.0
Provisions	52.1	—	—	—	—	19.7	71.8
Derivative financial instruments	27.6	—	—	(27.6)	—	—	—
Facility termination fee	5.1	—	—	—	—	—	5.1
	168.9	—	—	(27.6)	—	19.7	161.0
Current liabilities							
Borrowings	81.8	—	—	—	—	—	81.8
Trade and other payables	256.4	—	(1.5)	—	8.3	(2.3)	260.9
Facility termination fee	2.5	—	—	—	—	—	2.5
	340.7	—	(1.5)	—	8.3	(2.3)	345.2
Total liabilities	**509.5**	**—**	**(1.5)**	**(27.6)**	**8.3**	**17.4**	**506.1**
EQUITY							
Capital and reserves							
Called up share capital presented as equity	9.4	9.4	—	1.5	0.1	(0.1)	20.3
Share premium	22.5	114.3	—	24.2	—	—	161.0
Other reserves	(0.4)	—	—	—	—	—	(0.4)
Retained earnings	(32.0)	—	—	1.9	9.5	(11.3)	(31.9)
Attributable to owners	(0.4)	123.7	—	27.6	9.6	(11.4)	149.1
Attributable to non-controlling interests	(0.2)	—	—	—	—	—	(0.2)
Total equity/Net Assets	(0.6)	123.7	—	27.6	9.6	(11.4)	148.9

The *pro forma* statement of net assets is prepared on the basis set out in the notes below:

1) Uniphar's historical financial information for the year ended 31 December 2018 has been extracted, without material adjustment, from Uniphar's published financial information for the year ended 31 December 2018, which is set out in section B of Part 3.
2) The net proceeds of the Placing receivable by the Company of €123.7 million represents gross proceeds of €135.0 million calculated on the basis that Uniphar issues 117,391,304 New Ordinary Shares at a price of €1.15 per share, net of estimated expenses in connection with the Placing and Admission of approximately €11.3 million. This results in an increase in called up share capital presented as equity of €9.4 million, an increase in share premium of €125.6 million less the estimated expenses in connection with the issue of the New Ordinary Shares and the listing of the existing Ordinary Shares of €11.3 million. The estimated expenses in relation to the costs of the listing of the existing Ordinary Shares will be analysed separately and treated as an exceptional item in the year ended 31 December 2019 financial statements of Uniphar with no impact on Pro Forma Net Assets or Pro Forma EBITDA.
3) As part of the Sisk Healthcare acquisition, Uniphar issued an on demand loan note to the previous shareholders of Sisk Healthcare in the amount of €1.5m which was included in trade and other payables at 31 December 2018. The holders of the loan note are expected to call for payment of this loan note on or prior to an IPO with a cash outflow of €1.5 million.
4) The exercise of the share warrants (Derivative financial instruments) that were issued to the previous shareholders of the Sisk Healthcare giving them the right to subscribe for 18,782,808 ordinary shares in Uniphar plc at an exercise price of €25.7 million. The share warrants are assumed to be exercised as follows: (i) 18,782,808 ordinary shares are subscribed for at their nominal value of €1.5 million resulting in an increase in Called up share capital and cash and cash equivalents; (ii) the €27.6 million Derivative financial instrument is cancelled as follows: (a) €24.2 million of the liability for the warrant converts into Share premium; (b) The fair value provision of €1.9 million made against the share warrants at 31 December 2018 is recognised in retained earnings; and, (c) the €1.5 million balance of the warrant liability is cancelled against a €1.5 million receivable in relation to the nominal value of the warrant shares.
5) Durbin's financial information for the year ended 31 December 2018 has been extracted, without material adjustment, from Durbin's historical financial information for the year ended 31 December 2018, which is set out in section B of Part 5.
6) The acquisition adjustments are (i) an increase in Intangible assets of €35.7 million made up of €24.5 million cash consideration, €19.7 million deferred consideration and the Durbin deposit (€1.1 million) less Durbin's estimated net asset value at the date of acquisition of €9.6 million before fair value adjustments; (ii) a reduction in cash and cash equivalents of €29.7 million made up of the €24.5 million cash consideration, the Durbin deposit (€1.1 million), the acquisition expenses of €1.8 million and the repayment of related party loans in Durbin of €2.3 million; (iii) an increase of €19.7 million in provisions arising from the deferred consideration; (iv) a reduction in trade and other payables arising from the repayment of related party loans in Durbin; (v) a reduction in total equity of €9.6 million being Durbin's total equity at the date of acquisition; and (vi) a reduction in retained earnings due to the €1.8m Durbin acquisition costs in Uniphar.
7) The *pro forma* Group net assets is the sum of columns (1) to (6).
8) In preparing the unaudited *pro forma* statement of net assets no account has been taken of the trading or transactions of Uniphar Group or Durbin since 31 December 2018.
9) The balance sheet of Durbin has been translated from £ sterling into euros using an exchange rate of €/£stg0.9027 being the rate used in the preparation of the Uniphar Group balance sheet at 31 December 2018.
10) No assumption has been made as to the use of any of the proceeds of the Placing to pay down any of Uniphar's debt.

PART 7: TAXATION

1. IRISH TAXATION

1.1. General

The comments in this section are intended as a general guide for Ireland tax resident shareholders as to their tax position under current Irish law and Revenue practice as at the date of this document. Such law and practice (including, without limitation, rates of tax) are in principle subject to change at any time possibly with retrospective effect. The comments apply to Shareholders who are resident and domiciled for tax purposes in Ireland, who will hold Ordinary Shares as an investment and will be the absolute beneficial owners of them. Non-Ireland resident and/or non-Ireland domiciled Shareholders should consult their own tax advisers. Legislative, administrative or judicial changes may modify the tax rates, reliefs or consequences described below, possibly with retrospective effect.

The statements do not constitute tax advice and are intended only as a general summary and should not be construed as constituting advice. Any holder or prospective holder of Ordinary Shares, whether resident and domiciled in Ireland or elsewhere, should consult their own professional adviser on the possible tax consequences of acquiring, owning and disposing of Ordinary Shares under the laws of their particular citizenship, residence and/or domicile.

1.2. Tax Residency of the Company

The Company is incorporated in Ireland and is managed and controlled in Ireland and accordingly it is resident in Ireland for tax purposes.

1.3. Dividend Withholding Tax

Withholding tax at the standard rate of income tax (currently 20 per cent.) applies to dividend payments and other profit distributions by an Irish resident company. Certain categories of shareholders can receive dividends free of dividend withholding tax provided they supply relevant declarations to the Company.

The categories of shareholders include (amongst others):

- an Irish resident company;
- an Irish pension fund or Irish charity approved by Revenue;
- an individual who is neither resident nor ordinarily resident in Ireland and is resident in another EU Member State or in a treaty country;
- a company resident in a treaty country or another EU Member State that is not controlled by Irish residents;
- a company not resident in Ireland and is under the control, whether directly or indirectly, of a person or persons who, is or are resident in a treaty country or another EU Member State and who is/are not under the control, whether directly or indirectly, of a person who is or persons who are, not so resident;
- a company not resident in Ireland, if its principal class of shares is substantially and regularly traded on a recognised stock exchange in Ireland, in a tax treaty country or Member State or;
- certain collective investment undertakings;
- certain trusts,
- certain government agencies and funds as specified by a minister of the Irish Government; and
- certain intermediaries.

In all cases noted above, the Company must have received from the shareholder, where required, the relevant Irish Revenue Commissioners Dividend Withholding Tax exemption declaration form (the "**DWT Forms**") prior to the payment of the dividend.

1.4. Income tax

Irish resident and/or ordinarily resident individual shareholders in the Company will be liable to Irish income tax on dividends received from the Company at their marginal rate, plus social security ("**PRSI**") and the universal social charge ("**USC**") currently at combined rates of up to 55 per cent., depending on their circumstances, on the aggregate of the net dividend received and the withholding tax deducted.

Subject to certain exceptions, the Company is required to apply dividend withholding tax at source at the standard rate of income tax (currently 20 per cent.) on dividends paid to Irish resident and/or ordinarily resident individual shareholders. The Company should provide such shareholders with a certificate setting out the gross amount of the dividend, the amount of tax withheld, and the net amount of the dividend.

Where tax has been withheld at source a shareholder may, depending on their circumstances (i) be liable to further tax/USC/PRSI on their dividend at their applicable marginal rate, (ii) incur no further liability to tax/USC/PRSI on their dividend, or (iii) be entitled to claim repayment of some or all of the tax withheld on their dividend. The withholding tax deducted will be available as a credit against the individual's Irish income tax liability. An individual may make a claim to have the withholding tax refunded to him/her to the extent that it exceeds his/her combined Irish income tax/USC and PRSI liability.

1.5. Corporation tax

A corporate shareholder of an Irish resident company, such as the Company should not be subject to Irish corporation tax on dividends received from the Company and tax should not be withheld at source by the Company provided the appropriate declaration is validly made (please refer to section 1.3 above on the dividend withholding tax exemptions available to shareholders of an Irish resident company). If dividend withholding tax is withheld at source, an Irish resident company shareholder should be entitled to set-off the tax withheld against any liability to corporation tax in the accounting period in which the distribution is received. Irish resident company shareholders which are close companies, as defined under Irish legislation, may be subject to a corporation tax surcharge on dividend income to the extent that it is not re-distributed within the appropriate time frame.

1.6. Capital Gains Tax ("CGT")

1.6.1. Individuals

CGT (currently 33 per cent.) may be applied to any chargeable gain made on the disposal of shares in the Company by Irish resident shareholders. Shareholders should consult their tax advisors on any disposal of shares in the Company, as details of the disposal may need to be reported to Revenue.

1.6.2. Companies

Corporation tax on chargeable gains (currently an effective tax rate of 33 per cent.) may be applied to any chargeable gain made on the disposal of shares in the Company by an Irish company shareholder, subject to certain exemptions. Subject to certain conditions being satisfied, any chargeable gain made by an Irish resident company on the disposal by it of shares in the Company may be exempt from CGT under the Irish participation exemption.

1.7. Capital Acquisitions Tax ("CAT")

CAT is an Irish tax which can apply to both gifts and inheritances of property. Irish CAT may be chargeable on an inheritance or a gift of Ordinary Shares as such shares would be considered Irish property, regardless of the tax status of the recipient and the donor. The Ordinary Shares would be regarded as property situated in Ireland as the Company's share register is held in Ireland. The current rate of CAT is 33 per cent. The amount of tax due would be subject to any reliefs, group thresholds or small gift exemptions that may be applied. Shareholders should consult their tax advisers with respect to the CAT implications of any proposed gift or inheritance of Ordinary Shares.

1.8. Stamp Duty ("Stamp Duty")

Irish stamp duty should not generally arise on the issue of new Ordinary Shares. Irish stamp duty may arise on a transfer of the Sale Shares in the absence of an exemption.

Transfers or sales of shares in an Irish incorporated company would generally be subject to *ad valorem* stamp duty. This is generally payable by the purchaser. The Irish rate of stamp duty on shares is currently 1 per cent. of the consideration paid for the shares (or 1 per cent. of the market value of the Ordinary Shares, if higher).

However, transfers or sales of shares in the Company should not be subject to Irish stamp duty following Admission, as transfers of shares in an Irish incorporated company, quoted on Euronext Growth are exempt from Irish stamp duty. This is the case regardless of whether the instrument in question is executed in Ireland or not.

1.9. Automatic Exchange of Information for Tax Purposes

Council Directive 2011/16/EU on Administrative Cooperation in the Field of Taxation (as amended by Council Directive 2014/107/EU) ("**DAC2**") provides for the implementation among EU Member States (and certain third countries that have entered into information exchange agreements) of the automatic exchange of information in respect of various categories of income and capital and broadly encompasses the regime known as the Common Reporting Standard ("**CRS**") published by the OECD as a new global standard for the automatic exchange of information between tax authorities in participating jurisdictions.

Under the CRS, governments of participating jurisdictions (currently more than 100 jurisdictions) are required to collect detailed information to be shared with other jurisdictions annually.

Pursuant to the Irish legislation implementing DAC2 and the CRS, the Company may be required to obtain and report to the Revenue Commissioners annually certain financial account and other information for all new and existing holders of Ordinary Shares (other than Irish and US holders) (and, in certain circumstances, their controlling persons). The first return for the Company must be submitted on or before 30 June 2020 with respect to the year ended 31 December 2019. The information may include amongst other things, details of their name, address, taxpayer identification number ("**TIN**"), place of residence and, in the case of Shareholders who are individuals, their date and place of birth, together with details relating to payments made to accountholders and their holdings. This information may be shared with tax authorities in other EU Member States (and in certain third countries subject to the terms of Information Exchange Agreements entered into with those countries) and jurisdictions which implement the CRS.

Similarly, pursuant to provisions of the Ireland/US Intergovernmental Agreement with respect to FATCA and supporting Irish legislation, the Company may be required to report annually to Revenue details of its reportable account (which includes accounts held by US persons) holders. The first return for the Company must be submitted on or before 30 June 2020 with respect to the year ended 31 December 2019. The information may include amongst other things, details of their name, address, TIN, place of residence and, in the case of Shareholders who are individuals, their date of birth, together with details relating to payments made to accountholders and their holdings. This information may be shared with the Internal Revenue Service of the United States.

2. UK TAXATION

2.1. General

The comments in this section are intended as a general guide for UK resident shareholders as to their tax position under United Kingdom law and the current published practice of HMRC as at the date of this document. Such law and practice (including, without limitation, rates of tax) are in principle subject to change at any time, possibly with retrospective effect. The comments apply to Shareholders who are resident (and in the case of individuals, domiciled) for tax purposes in the UK who will hold Ordinary Shares as an investment and will be the absolute beneficial owners of them. Non-UK resident and non-UK domiciled Shareholders should consult their own tax advisers. It does not apply to certain specific classes of Shareholder, including substantial shareholders, dealers in securities, insurance companies, collective investment schemes and Shareholders who have (or are deemed for tax purposes to have) acquired their Ordinary Shares by reason of an office or employment. Legislative, administrative or judicial changes may modify the tax rates, reliefs or consequences described below, possibly with retrospective effect. The rates and allowances for 2019/20 stated in the UK tax section are those included in Finance Act 2019 of the United Kingdom.

The statements do not constitute tax advice and are intended only as a general summary. Any holder or prospective holder of Ordinary Shares, whether resident and domiciled in the United Kingdom or elsewhere, should consult their professional adviser on the possible tax consequences of acquiring, owning and disposing of Ordinary Shares under the laws of their particular citizenship, residence or domicile.

2.2. Income tax

Shareholders who are resident and domiciled in the UK for taxation purposes may, depending on their circumstances, be liable to UK income tax in respect of dividends paid by the Company.

All dividends received from the Company by an individual Shareholder who is resident and domiciled in the UK will, except to the extent that they are earned through an individual savings account (**ISA**), self-invested pension plan or other regime which exempts the dividend from tax, form part of the Shareholder's total income for income tax purposes.

A nil rate of income tax applies to the first £2,000 of dividend income received by an individual Shareholder in a tax year (the "**Nil Rate Amount**"), regardless of what tax rate would otherwise apply to that dividend income. Any dividend income received by an individual Shareholder in a tax year in excess of the Nil Rate Amount will be subject to income tax at the following dividend rates for 2019/20: 7.5 per cent. for basic rate taxpayers, 32.5 per cent for higher rate taxpayers and 38.1 per cent for additional rate taxpayers.

Dividend income that is within the dividend nil rate amount counts towards an individual's basic or higher rate limits – and will therefore affect the level of savings allowance to which they are entitled, and the rate of tax that is due on any dividend income in excess of the nil rate amount. In calculating into which tax band any dividend income over the nil rate amount falls, savings and dividend income are treated as the highest part of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice. UK resident trustees of a discretionary trust in receipt of dividends are liable to income tax at a rate of 38.1 per cent of the gross dividend to the extent trust income exceeds the standard rate band available for the trust.

2.3. Corporation tax

As a general rule, the receipt of dividends by a UK tax resident company will be subject to UK corporation tax at a rate of 19% (falling to 17% from 1 April 2020).

However, Shareholders within the charge to UK corporation tax which are "small companies" (for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009) will generally be exempt from corporation tax on dividends (including dividends received from the Company) provided certain conditions are met (including an anti-avoidance condition).

A UK resident corporate Shareholder which is not a "small company" for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009 will be subject to UK corporation tax on dividends (including dividends from the Company), unless the dividends fall within an exempt class and certain conditions are met. Examples of exempt classes of dividends may include dividends paid on shares that are ordinary and non-redeemable for UK tax purposes (that is, shares that do not carry any present or future preferential right to dividends or to the Company's assets on its winding up and are not redeemable), and dividends paid to a person holding less than 10 per cent of the issued share capital of the Company (or any class of that share capital in respect of which the distribution is made) and who would be entitled to less than 10% of the profits available for distribution and of the assets on a winding up of the Company. However, the exemptions are not comprehensive and are subject to anti-avoidance rules.

2.4. Capital Gains Tax ("CGT")

2.4.1. Individuals

Where a UK resident individual Shareholder disposes (or is deemed to dispose) of Ordinary Shares at a gain, UK capital gains tax will be levied to the extent that the gain exceeds the annual exemption (£12,000 for 2019/20) and after taking account of any capital losses available to the individual.

The rate of UK capital gains tax on disposal of shares is 10 per cent (2019/20) to the extent that any gain for individuals falls within the basic rate band and 20 per cent (2019/20) for individuals to the extent that the amount of any gain would be in excess of the basic rate band.

For trustees and personal representatives of deceased persons, capital gains tax on gains in excess of the current annual exempt amount (for 2019/20, up to £12,000, for personal representatives of deceased persons and certain trustees for disabled persons, and up to £6,000 for 2019/20 for other trustees) will be charged at a flat rate of 20 per cent.

Where a shareholder disposes of Ordinary Shares at a loss, the loss should be available to offset against other current year gains or carried forward to offset against future gains.

2.4.2. Companies

Where a corporate Shareholder is within the charge to UK corporation tax, a disposal of Ordinary Shares may give rise to a chargeable gain (or allowable loss) for the purposes of UK corporation tax at the rate applicable to that Shareholder (currently 19 per cent, reducing to 17 per cent from 1 April 2020). An exemption may be available for disposals by corporate Shareholders with a holding of 10 per cent or more in the Company, subject to meeting certain conditions.

2.5. Inheritance Tax ("IHT")

Individual investors domiciled or deemed to be domiciled in any part of the UK may be liable on occasions to IHT on the value of any Ordinary Shares held by them. IHT may also apply to individual Shareholders who are not domiciled in the UK although relief under a double tax convention may apply to those in this position. Under current law, the chief occasions on which IHT is charged are on the death of the Shareholder, on any gifts made during the seven years prior to the death of the Shareholder, and on certain lifetime transfers, including transfers to trusts or appointments out of trusts to beneficiaries, save in very limited and exceptional circumstances.

However, a relief from IHT known as Business Property Relief ("**BPR**") may apply to ordinary shares in trading companies once these have been held for two years. This relief applies notwithstanding that the Company's shares will be admitted to trading on AIM (although it does not apply to companies whose shares are listed on the Official List). Where applicable, BPR operates by reducing the value of shares in qualifying holdings by up to 100 per cent for IHT purposes.

2.6. Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

Neither UK stamp duty nor SDRT should arise on the issue of new Ordinary Shares.

The Finance Act 2014 of the United Kingdom introduced provisions that exempt shares admitted to trading on AIM from UK stamp duty and SDRT, applying with effect from 28 April 2014. As a result of these provisions and subject to certain conditions being met, transfers of securities admitted to trading only on certain recognised growth markets (presently including AIM) are exempt from UK stamp duty and SDRT provided the securities are not also "listed" on a recognised stock exchange. The Ordinary Shares will be admitted to trading on AIM and Euronext Growth and no other recognised stock exchange and as such, following Admission, subsequent transfers of Ordinary Shares for value should also not give rise to either UK stamp duty or SDRT.

The statements in this Part 7 apply to any holders of Ordinary Shares and are a summary of the current position, intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries.

PART 8: TERMS AND CONDITIONS OF THE PLACING

1. INTRODUCTION

Each person who is invited to and who chooses to participate in the Placing (including individuals, funds or others) confirms its agreement (whether orally or in writing) to the Joint Bookrunners to subscribe for or purchase Ordinary Shares under the Placing and that it will be bound by these terms and conditions and will be deemed to have accepted them.

The Joint Bookrunners may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as they (in their absolute discretion) see fit and/or may require any such Placee to execute a separate placing letter.

2. AGREEMENT TO SUBSCRIBE FOR OR PURCHASE ORDINARY SHARES

Conditional on: (i) Admission occurring by no later than 8.00 a.m. on 17 July 2019 (or such later date as the Joint Bookrunners and the Company may agree, being no later than 31 July 2019); (ii) the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission; and (iii) the Joint Bookrunners confirming to the Placees their allocation of Ordinary Shares, each Placee agrees to become a member of the Company and agrees irrevocably to subscribe for or purchase (as applicable) those Ordinary Shares allocated to it by the Joint Bookrunners at the Placing Price. To the fullest extent permitted by law, each Placee acknowledges and agrees that it shall not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

3. PAYMENT FOR ORDINARY SHARES

Each Placee irrevocably undertakes to pay the Placing Price for the Ordinary Shares issued or sold to the Placee in the manner and by the time directed by the Joint Bookrunners or either of them. In the event of any failure by any Placee to pay as so directed and/or by the time required by the Joint Bookrunners, the relevant Placee shall be deemed (i) to have appointed the Joint Bookrunners or either of them or any nominee of the Joint Bookrunners as its agent to use its reasonable endeavours to sell (in one or more transactions) any or all of the Ordinary Shares in respect of which payment shall not have been made as directed, and (ii) to indemnify the Joint Bookrunners and their respective affiliates on demand in respect of any liability for stamp duty and/or stamp duty reserve tax or any other liability whatsoever arising in respect of any such sale or sales. A sale of all or any of such Ordinary Shares shall not release the relevant Placee from the obligation to make such payment for relevant Ordinary Shares to the extent that the Joint Bookrunners or either of them or their nominee has failed to sell such Ordinary Shares at a consideration which, after deduction of the expenses of such sale and payment of stamp duty and/or stamp duty reserve tax as aforementioned, exceeds the Placing Price per Ordinary Share.

4. REPRESENTATIONS AND WARRANTIES

By agreeing to subscribe for or purchase Ordinary Shares under the Placing, each Placee that enters into a commitment to subscribe for or purchase Ordinary Shares shall (for itself and for any person(s) procured by it to subscribe for or purchase Ordinary Shares and any nominee(s) for any such person(s)) be deemed to irrevocably represent, undertake and warrant to the Company and each of the Joint Bookrunners that:

a) in agreeing to subscribe for or purchase Ordinary Shares under the Placing, it is relying solely on this document, and any supplementary admission document issued by the Company and not on any other information given, or representation or statement made at any time (including, without limitation, the roadshow presentation prepared by the Company or research by any third parties containing information about the Company) by any person concerning the Company, the Ordinary Shares, Placing or Admission. It agrees that neither the Company, the Joint Bookrunners, nor any of their affiliates or any of their respective directors, officers, agents or employees, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information, representation or statement;

b) it acknowledges that the content of this document is exclusively the responsibility of the Company and the Directors and apart from the liabilities and responsibilities, if any, which may be imposed on any of the Joint Bookrunners under any regulatory regime, neither of the Joint Bookrunners nor any person acting on their behalf nor any of their respective affiliates makes any representation, express or implied, nor accepts any responsibility whatsoever for the contents of this document nor for any other statement made or purported to be made by them or on its or their behalf in connection with the Company, the Ordinary Shares, the Placing or Admission and none of the Joint Bookrunners nor any person acting on their behalf nor any of their respective affiliates shall be liable for any decision by a Placee to participate in the Placing based on any information, representation or statement contained in this document or otherwise;

c) if the laws of any territory or jurisdiction outside the United Kingdom or Ireland are applicable to its agreement to subscribe for or purchase Ordinary Shares under the Placing, it warrants that it is a person to whom the Ordinary Shares may be lawfully offered under that other jurisdiction's laws and regulations, that it has complied with all such laws, that it has obtained all governmental and other consents which may be required, that it has complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken or omitted to take any action which would result in the Company, or the Joint Bookrunners, any of their respective affiliates or any of their respective officers, agents or employees or partners acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom or Ireland in connection with the Placing;

d) it has all necessary capacity to acquire the Ordinary Shares pursuant to the Placing, it has obtained all necessary consents and authorities to enable it to give its commitment to subscribe for or purchase Ordinary Shares under the Placing and to perform its subscription or purchase obligations, it has carefully read and understands this document and, if appropriate, any placing letter in its entirety, it is sufficiently knowledgeable to understand the risks of accepting a participation in the Placing, it is not relying on the Joint Bookrunners or the Company to advise it as to whether the Ordinary Shares are a suitable investment and it acknowledges that it is acquiring Ordinary Shares on the terms and subject to the conditions set out in this Part 8 and the Articles;

e) it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Ordinary Shares and it is not acting on a non-discretionary basis for any such person;

f) it agrees that, having had the opportunity to read this document and, if appropriate, any placing letter, it shall be deemed to have had notice of all information, undertakings, representations and warranties contained in this document and that it is acquiring Ordinary Shares solely on the basis of this document and no other information and that in accepting a participation in the Placing it has had access to all information it believes necessary or appropriate in connection with its decision to subscribe for or purchase Ordinary Shares;

g) it acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this document and any supplementary admission document and, if given or made, any information or representation must not be relied upon as having been authorised by the Company or the Joint Bookrunners;

h) it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the UK Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986 of the United Kingdom;

i) it accepts that none of the Ordinary Shares have been or will be registered under the laws of any Excluded Territory. Accordingly, the Ordinary Shares may not be offered, sold or delivered, directly or indirectly, within any Excluded Territory;

j) if ordinarily resident in or incorporated in Ireland, it is a Qualified Investor or has agreed to subscribe a minimum of €100,000;

k) if ordinarily resident in or incorporated in the United Kingdom, it is a person (i) who has professional experience in matters relating to investments and falls within the definition of "investment professionals" in Article 19(5) of the Financial Promotion Order; or (ii) who falls within Article 49 of the Financial Promotion Order;

l) if located in the EEA but outside Ireland and the United Kingdom it is a Qualified Investor;

m) if located within the EEA but outside the United Kingdom and Ireland, it has received this document on its own request and has not been provided this document or any other document relating to the Ordinary Shares without having solicited such documentation;

n) if it is outside the United Kingdom and Ireland, it acknowledges that neither this document nor any other offering, marketing or other material in connection with the Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for or purchase Ordinary Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Ordinary Shares could lawfully be distributed to and subscribed for or purchased and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;

o) in the case of any Ordinary Shares acquired by an investor as a financial intermediary within the meaning of the law in the relevant EEA state implementing Article 2(1)(e)(i), (ii) or (iii) of the Prospectus Directive:

   (i) the Ordinary Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant EEA state other than Relevant Persons;

   (ii) it has not offered or sold and will not offer or sell any Ordinary Shares subscribed for or purchased in the Placing to, and is not applying for Ordinary Shares on behalf of, persons in the EEA except Relevant Persons;

p) if it is a pension fund or investment company, its acquisition of the Ordinary Shares is in full compliance with applicable laws and regulations;

q) the Ordinary Shares have not been registered or otherwise qualified, and will not be registered or otherwise qualified, for offer and sale nor will a document be cleared or approved in respect of any of the Ordinary Shares under the securities laws of any Excluded Territory and, subject to certain exceptions, the Ordinary Shares may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within any Excluded Territory or in any country or jurisdiction where any action for that purpose is required;

r) none of the Joint Bookrunners nor any of their respective affiliates nor any person acting on their behalf is making any recommendations to it, advising it regarding the suitability of any transactions into which it may enter in connection with the Placing or providing any advice in relation to the Placing, and participation in the Placing is on the basis that it is not and will not be a client of the Joint Bookrunners or any of their affiliates and that the Joint Bookrunners and their affiliates do not have any duties or responsibilities to it for providing protections afforded to their respective clients or for providing advice in relation to the Placing or in respect of any representations, warranties, undertaking or indemnities contained in these terms;

s) save in the event of fraud on the part of the Joint Bookrunners, none of the Joint Bookrunners, their ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective directors, members, partners, officers and employees shall be responsible or liable to the Placee or any of its clients for any matter arising out of the Joint Bookrunners' role as Nominated Adviser (in the case of Davy only), Euronext Growth Advisor (in the case of Davy only), broker, placing agent or otherwise in connection with the Placing and where any such responsibility or liability nevertheless arises as a matter of law the Placee and, if relevant, its clients, shall immediately waive any claim against any of such persons which the Placee or any of its clients may have in respect thereof;

t) where it is subscribing for Ordinary Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for or purchase the Ordinary Shares for each such account; (ii) to make on each such account's behalf the undertakings, representations, warranties and agreements set out in this document (including this Part 8); and (iii) to receive on behalf of each such account any documentation relating to the Placing in the form provided by the Company and/or any of the Joint Bookrunners. It agrees that the provisions of this paragraph shall survive any resale of the Ordinary Shares by or on behalf of any such account;

u) it irrevocably appoints any director of either of the Joint Bookrunners to be its agent and on its behalf (without any obligation or duty to do so) to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for or purchase of all or any of the Ordinary Shares for which it has given a commitment under the Placing, in the event of its own failure to do so;

v) it accepts that if the Placing does not proceed or the conditions to the Placing Agreement are not satisfied or the Ordinary Shares for which valid applications are received and accepted are not admitted to trading on Euronext Growth or AIM (respectively) for any reason whatsoever then none of the Company (or its Directors) or the Joint Bookrunners or any of their affiliates, nor persons controlling, controlled by or under common control with any of them nor any of their respective directors, employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;

w) in connection with its participation in the Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and countering terrorist financing and its application is only made on the basis that it accepts full responsibility for any requirement to identify and verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2007 in force in the United Kingdom or subject to the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 in Ireland; or (ii) subject to the EU Money Laundering Directive; or (iii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the EU Money Laundering Directive;

x) it acknowledges that due to anti-money laundering and the countering of terrorist financing requirements, the Joint Bookrunners and/or the Company may require proof of identity of a Placee and related parties and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the Placee to produce any information required for verification purposes, the Joint Bookrunners and/or the Company may refuse to accept the application and the subscription or purchase monies relating thereto. It holds harmless and shall indemnify the Joint Bookrunners and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it or has not been provided on a timely basis;

y) the Joint Bookrunners and the Company are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to it (or any agent acting on its behalf);

z) its name and its participation in the Placing may be disclosed, if required, by law or any applicable rules or regulations including the AIM Rules or Euronext Growth Rules or in such other circumstances as the Company or the Joint Bookrunners may consider appropriate; and

aa) it is acting as principal and for no other person and its acceptance of a Placing commitment will not give any other person a contractual right to require the issue by the Company or sale by any Selling Shareholder of any of the Ordinary Shares.

The representations, undertakings and warranties contained in this document are irrevocable. Each Placee acknowledges that the Joint Bookrunners, the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, undertakings and warranties and it agrees that if any of the representations, undertakings or warranties made or deemed to have been made by its subscription for or purchase of the Ordinary Shares are no longer accurate, it shall promptly notify the Joint Bookrunners and the Company.

Where a Placee or any person acting on behalf of it is dealing with either of the Joint Bookrunners, any money held in an account with either of the Joint Bookrunner's on behalf of it and/or any person acting on behalf of it shall not be treated as client money within the meaning of the relevant rules and regulations of the FCA or the Central Bank of Ireland which therefore shall not require the Joint Bookrunners to segregate such money, as that money will be held by the Joint Bookrunners under a banking relationship and not as trustee.

Any of the Joint Bookrunners' clients, whether or not identified to the other Joint Bookrunner or any of its affiliates or agents, will remain that Joint Bookrunner's sole responsibility and will not become clients of the other Joint Bookrunner or any of its affiliates or agents for the purposes of the rules of the FCA or the Central Bank of Ireland or for the purposes of any other statutory or regulatory provision. Each Placee accepts that the allocation of Ordinary Shares shall be determined by the Company (following consultation with the Joint Bookrunners) in their absolute discretion and that such persons may scale down any Placing commitments for this purpose on such basis as they may in their discretion determine.

Each Placee agrees that time shall be of the essence as regards its obligations to settle payment for the Ordinary Shares and to comply with its other obligations under the Placing.

5. SELLING RESTRICTIONS

No action has been or will be taken in any jurisdiction that would permit a public offer of the Ordinary Shares, or possession or distribution of this document or any other offering material, in any country or jurisdiction where action for that purpose is required.

Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and this document may not be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction.

Persons into whose possession this document comes should inform themselves about and observe any restrictions on the distribution of this document and the offer of Ordinary Shares contained in this document. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document does not constitute an offer to acquire any of the Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

6. UNITED STATES

Until 40 days after the commencement of the offering of the Ordinary Shares, an offer or sale of Ordinary Shares in the United States by any dealer (whether or not participating in the Placing) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from registration under the US Securities Act.

7. EUROPEAN ECONOMIC AREA

Within the EEA, this document is directed at and is being distributed only to Relevant Persons.

8. SWITZERLAND

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Ordinary Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company or the Ordinary Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Ordinary Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA), and the offer of Ordinary Shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Ordinary Shares.

9. TRANSFER RESTRICTIONS

Each purchaser of Ordinary Shares in the United States shall be deemed to have represented and agreed as follows:

i. the purchaser (a) is a qualified institutional buyer, or QIB, as defined in Rule 144A under the U.S. Securities Act of 1933, as amended, or a broker-dealer acting for the account of a QIB, (b) is acquiring such securities for its own account or for the account of a QIB, and (c) is aware that the securities are restricted within the meaning of the Securities Act and may not be deposited into any unrestricted depositary facility, unless at the time of such deposit the securities are no longer restricted;

ii. the purchaser is aware that the Ordinary Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended, and are being offered in the United States only to QIBs in a transaction not involving any public offering in the United States within the meaning of the Securities Act; and

iii. the purchaser understands and agrees that no Ordinary Shares may be offered, sold, pledged or otherwise transferred, except (a) to a person that the seller and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of another QIB or (b) outside the United States in accordance with Regulation S under the U.S. Securities Act 1933, as amended, or (c) pursuant to an exemption from registration under the Securities Act or (d) pursuant to an effective registration statement under the Securities Act.

10. SUPPLY AND DISCLOSURE OF INFORMATION

If any of the Joint Bookrunners, the Registrar, the Company or any of their agents request any information in connection with a Placee's agreement to subscribe for or purchase Ordinary Shares under the Placing or in order to comply with any relevant legislation, such Placee must promptly disclose it to them.

11. MISCELLANEOUS

The rights and remedies of the Joint Bookrunners, the Registrar and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

On application, if a Placee is an individual, that Placee may be asked to disclose (in writing or orally), his nationality. If the Placee is a discretionary fund manager, that Placee may be asked to disclose (in writing or orally) the jurisdiction in which its funds are managed or owned.

All documents provided in connection with the Placing will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.

Each Placee agrees to be bound by the Articles (as amended from time to time) once the Ordinary Shares, which the Placee has agreed to subscribe for or purchase pursuant to the Placing, have been acquired by the Placee. The contract to subscribe for or purchase Ordinary Shares under the Placing and the appointments and authorities mentioned in this document shall be governed by, and construed in accordance with, the laws of Ireland. For the exclusive benefit of the Joint Bookrunners and the Company, each Placee irrevocably submits to the jurisdiction of the courts of Ireland and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against a Placee in any other jurisdiction.

In the case of a joint agreement to subscribe for or purchase Ordinary Shares under the Placing, references to a "Placee" in these terms and conditions are to each of the Placees who are a party to that joint agreement, and their liability shall be joint and several.

The Joint Bookrunners and the Company each expressly reserve the right to modify the Placing (including, without limitation, its timetable and settlement) at any time before allocations are determined. Each Placee agrees that its obligations pursuant to these terms and conditions are not capable of termination or rescission by it in any circumstances.

The Placing is subject to the satisfaction of the conditions contained in the Placing Agreement (which include but are not limited to those set out in this Part 8 above), and such agreement not having been terminated. Each Joint Bookrunner has the right not to waive any such condition or terms and shall exercise that right without recourse, reference, duty or liability to Placees. Further details of the terms of the Placing Agreement are contained in paragraph 9.3 of Part 9 of this document.

PART 9: ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Company (whose registered office appears below) and the Directors (whose names and functions appear on page 8 of this document) accept responsibility for the information contained in this document. To the best of the knowledge of the Company and of the Directors, each of whom has taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. THE COMPANY

2.1 The Company was incorporated in Ireland on 7 November 1994. It is a public limited company registered under the Companies Act with the name Uniphar Public Limited Company and with registered number 224324.

2.2 The Company's registered office is at 4045 Kingswood Road, Citywest Business Park, Co. Dublin, Ireland and its telephone number is +353 1 428 7777. The Company is domiciled in Ireland.

2.3 The Company's corporate website, at which the information required by Rule 5.26 of Part II (Non-Harmonised Rules) of the Euronext Growth Rules and Rule 26 of the AIM Rules can be found, is www.uniphar.ie.

2.4 PricewaterhouseCoopers, Chartered Accountants, whose address is One Spencer Dock, North Wall Quay, Dublin 1, Ireland, is the Company's independent auditor and audited the accounts of the Group for the financial years ended 31 December 2018, 31 December 2017 and 31 December 2016.

2.5 The financial year end of the Company is 31 December.

2.6 In 2018, the annualised average number of employees employed by the Group was 1,622.

3. CORPORATE STRUCTURE

The Company is the holding company of the Group. The Company has the following significant subsidiaries, being all subsidiaries of the Group other than joint venture and dormant entities, which are, except where stated to the contrary, wholly-owned by the Company:

Company Name	Holding (%)[1]	Principal Activity
Incorporated and trading in the Republic of Ireland (ROI)		
Uniphar Wholesale Limited	100	Pharmaceutical wholesale distributor
All-Phar Services Limited	100	Pharmaceutical supply chain and services
Unisource Pharma Services Limited	100	Outsourcing and resourcing
Allcare Management Services Limited	100	Pharmacy support services
Point of Care Health Services Limited	100	Specialist nursing and infusion services
IPOS Holding 97 Limited	73.4	Pharmacy
Collis Pharmacies Limited	73.4	Pharmacy
Uniphar Europe Limited	100	Medical device distribution
Sisk Healthcare Unlimited Company	100	Medical device distribution
Sisk Healthcare Pension Trustee Company Limited	100	Pension Trustee Company
Scale Holdings Unlimited Company	100	Holding Company
Pagni Pharmacies Limited	100	Pharmacy
Pyramach Limited	100	Pharmacy
Duffy's Medical Hall Limited	100	Pharmacy
Dodd's Pharmacy Limited	100	Pharmacy
Carlingford Pharmacy Limited	100	Pharmacy
Matthews Chemist (Dunleer) Limited	100	Pharmacy
Aire Pharmacy Limited	100	Pharmacy
Martins Pharmacy (Ringsend) Limited	100	Pharmacy

Company Name	Holding (%)[(1)]	Principal Activity
Willms Pharmacy Limited	100	Pharmacy
Bandridge Holdings Limited	100	Pharmacy
Rathgibbon Limited	100	Pharmacy
Matthews Chemist (Drogheda) Limited	100	Pharmacy
Cooladine Limited	100	Pharmacy
Mounttown Pharmacy Limited	100	Pharmacy
Siofra Limited	100	Pharmacy
Lindchem Designated Activity Company	100	Pharmacy
Spallango Holdco 1 Limited	100	Holding Company
Spallango Holdco 3 Limited	100	Holding Company
Spallango Holdco 5 Limited	100	Holding Company
Spallango Holdco 11 Limited	100	Holding Company
Spallango Holdco 20 Limited	100	Holding Company
IPOS Holding 32 Limited	100	Holding Company
IPOS Holding 94 Limited	100	Holding Company
IPOS Holding 51 Limited	100	Holding Company
Gladsham Trading Limited	100	Pharmacy
Levinwick Limited	100	Pharmacy
Oconodrug Limited	100	Pharmacy
M. O'Carroll Pharmacy Limited	100	Pharmacy
Blue Cross Engineering Limited	100	Pharmacy
Geoff McMaw Pharmacy Limited	100	Pharmacy
O'Brien's Pharmacy (Hospital) Limited	100	Pharmacy
John Gerard Bourke Pharmacy Limited	100	Pharmacy
Allcare Chemists Limited	100	Holding Company
Noreen Normoyles (Chemist) Limited	100	Pharmacy
Trennamally Limited	100	Pharmacy
Ballincollig Pharmacy Limited	100	Pharmacy
G.P Breen Limited	100	Pharmacy
Byrnes Pharmacy Limited	100	Pharmacy
Cahills Pharmacy (Camden Street) Limited	100	Pharmacy
Atelabaz Limited	100	Pharmacy
Edmund Hassett Limited	100	Pharmacy
Bannockview Limited	100	Pharmacy
Caunter Developments Limited	100	Pharmacy
Kinirons Pharmacy Limited	100	Pharmacy
McHughs Pharmacy Limited	100	Pharmacy
Nortonway Limited	100	Pharmacy
O'Rourkes Pharmacy Limited	100	Pharmacy
Rush Pharmacy Limited	100	Pharmacy
C.P. Roche and Co Limited	100	Pharmacy
Incorporated and trading in the United Kingdom (UK)		
Outcome Medical Solutions Limited	100	Investment holding company
Unisource Limited	100	Investment holding company
Star Medical Limited	100	Outsourcing and resourcing
Star Medical Contracts Limited	100	Outsourcing and resourcing
Dialachemist Limited	80	Online pharmacy and product fostering
Outico Limited	89.3	Data intelligence and consultancy
Clinical Pyramid Limited	70	Investment holding company
Clinical Cube Limited	70	Data solutions for pharma industry
Macromed (UK) Limited	94.95	Medical device distribution
UK Healthco IOM Limited	100	Medical device distribution
Sisk Healthcare Holdings UK Limited	100	Holding Company
Sisk Healthcare UK Limited	100	Medical device distribution

Company Name	Holding (%)(1)	Principal Activity
Incorporated and trading in the Netherlands		
Angiocare B.V.	100	Medical device distribution
Star Medical B.V.	90	Outsourcing and resourcing
Incorporated in the Isle of Man		
SHG Group Limited	100	Holding Company
Scale IOM Limited	100	Holding Company
Scale IOM Holding Company	100	Holding Company

1 Please refer to paragraphs 9.11, 9.14, 9.15 and 9.16 of this Part 9 for information about the Group's entitlements to acquire increased shareholdings in the referenced subsidiaries

The Company has been or, in some cases, is a shareholder in a number of companies which have been or are in the process of being liquidated/wound up, or which the Company expects will soon be put into liquidation. There are approximately 124 of such companies. The Company does not believe that these liquidations or windings up, either individually or together, give rise to any actual or contingent liabilities that would have a material adverse effect on the Group's financial condition, business or prospects.

4. SHARE CAPITAL

The issued share capital of the Company as at the close of business on the Latest Practicable Date (including the 18,782,808 Ordinary Shares to be issued immediately prior to Admission pursuant to the exercise of the warrant held by the Sisk family and the 13,162,240 Ordinary Shares issued under the 2018 LTIP) and as expected to be immediately following Admission (assuming 117,391,304 New Ordinary Shares are issued pursuant to the Placing) is as follows:

Class	Authorised Number	Nominal Value per Share	Issued and paid up number	Nominal value aggregate
At the Latest Practicable Date(1)				
Ordinary Shares	300,000,000	€0.08	151,805,946(1)	€12,144,475.68(1)
"A" Ordinary Shares	16,000,000	€0.08	Nil	Nil
After Admission				
Ordinary Shares	300,000,000	€0.08	269,197,250(2)	€21,535,780.00(2)
"A" Ordinary Shares	16,000,000	€0.08	Nil	Nil

1. Including 18,782,808 Ordinary Shares to be issued immediately prior to Admission pursuant to the exercise of the warrant held by the Sisk family in connection with its disposal of the Sisk Healthcare business to the Group and 13,162,240 Ordinary Shares issued under the 2018 LTIP
2. Assuming no exercise of the Over-allotment Option

Authorised Share Capital

On 1 January 2016, the authorised share capital of the Company was €20,480,000 divided into 240,000,000 Ordinary Shares of €0.08 each and 16,000,000 "A" Ordinary Shares of €0.08 each.

On 12 June 2019, pursuant to the resolution referred to at paragraph 4.3.1 of this Part 9, the authorised share capital was increased to €25,280,000 divided into 300,000,000 Ordinary Shares of €0.08 each and 16,000,000 "A" Ordinary Shares of €0.08 each.

Issued Share Capital

On 1 January 2016 118,460,160 Ordinary Shares in the capital of the Company were in the issue, of which 7,699,910 were partly paid up as to €0.02 each and 110,760,250 were fully paid up as to €0.08 each.

Between 1 January 2016 and the date of this document, there have been the following changes in the issued share capital of the Company:

- On 24 April 2018, 11,568,633 Ordinary Shares were issued to employees of the Group under the 2018 LTIP. These shares were issued as partly paid shares in the manner described in paragraph 11 of this Part 9.
- On 20 August 2018, 1,400,738 Ordinary Shares were issued to Gerard Penny and John Osborne (as to 700,369 each) for non-cash consideration in connection with the acquisition of 440 A Ordinary shares in SHG Group Limited.
- On 1 October 2018, 725,000 Ordinary Shares were issued to employees of the Group under the 2018 LTIP. These shares were issued as partly paid shares in the manner described in paragraph 11 of this Part 9.
- Between 1 May 2019 and 10 May 2019, 750,000 Ordinary Shares were issued to employees of the Group as part of the 2018 LTIP. These shares were issued as partly paid shares in the manner described in paragraph 11 of this Part 9.
- On 14 June 2019, 118,607 Ordinary Shares were issued to employees of the Group under the 2018 LTIP. These were issued as partly paid shares in the manner described in paragraph 11 of this Part 9.
- All Ordinary Shares which were issued as partly paid became fully paid on or prior to the date of this document.
- At close of business on the date of this document, the Company had in issue 133,023,138 fully paid Ordinary Shares. This number will increase to 151,805,946 immediately prior to Admission as explained in Note 1 to the above table.
- At close of business on the date of this document, no individual shareholder held more than a 25% interest in the Company.

Save as disclosed in this Part 9, as at the date of this document:

- there are no shares in the capital of the Company which do not represent capital;
- no person has any preferential subscription rights for any share capital of the Company;
- the Company does not hold any of its own Ordinary Shares as treasury shares and none of the Company's subsidiaries hold any Ordinary Shares;
- the Company has no convertible debt securities, exchangeable debt securities or debt securities with warrants in issue; and
- there are no acquisition rights or obligations over the unissued share capital of the Company and there is no undertaking to increase the share capital of the Company.

4.3 Authorisations relating to the share capital of the Company and related matters

By various resolutions of the Company passed on 12 June 2019, is was resolved that:

4.3.1. The authorised capital of the Company be increased from €20,480,000 divided into 240,000,000 Ordinary Shares of €0.08 each and 16,000,000 "A" Ordinary Shares of €0.08 each to €25,280,000 divided into 300,000,000 Ordinary Shares of €0.08 each and 16,000,000 "A" Ordinary Shares of €0.08 each;

4.3.2. The Directors be generally and unconditionally authorised for the purposes of section 1021 of the Act (with such authority expiring on the conclusion of the next Annual General Meeting of the Company unless previously revoked, varied or renewed by the Company in general meeting) to exercise all the powers of the Company to allot and issue relevant securities as defined in section 1021(12) of the Act up to a maximum amount equal to the amount of the authorised but unissued relevant securities of the Company at 11.59 pm on 12 June 2019. The Company could make an offer or agreement before the expiry of this authority which would or might require relevant securities to be allotted after the authority had expired and the Directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred had not expired;

4.3.3. For the purpose of section 1023(3) of the Act and subject to the Directors being authorised pursuant to section 1021 of the Act, the Directors be empowered pursuant to sections 1022 and 1023 of the Act to allot equity securities (as defined by section 1023 of the Act) for cash pursuant to the authority conferred by the resolution at paragraph 4.3.2 above as if section 1022(1) of the Act did not apply to any such allotment. The authority expires at the conclusion of the next Annual General Meeting of the Company after the passing of the resolution unless previously varied, revoked or renewed in accordance with the provisions of the Act;

4.3.4. The Memorandum of Association be amended by deleting the existing Regulation 5 and replacing it with the following: "The share capital of the Company is €25,280,000 divided into 300,000,000 Ordinary Shares of €0.08 each and 16,000,000 "A" Ordinary Shares of €0.08 each"; and

4.3.5. The Articles of Association of the Company be amended by deleting the existing Article 2 and replacing it with the following: "The share capital of the Company is €25,280,000 divided into 300,000,000 Ordinary Shares of €0.08 each and 16,000,000 "A" Ordinary Shares of €0.08 each".

With effect from Admission, the Ordinary Shares will be in registered form and, subject to the provisions of the 1996 Regulations, the Directors may permit the holding of Ordinary Shares in uncertificated form and title to such shares may be transferred by means of a relevant system (as defined in the 1996 Regulations).

Following Admission, the Ordinary Shares will be registered under ISIN: IE00BJ5FQX74

Following Admission, the Ordinary Shares will rank *pari passu* for dividends.

5. MEMORANDUM AND ARTICLES OF ASSOCIATION

The following is a summary of the Memorandum and Articles of Association of the Company which are in effect at the date of this document. Any shareholder requiring further detail than that provided in the summary is advised to consult the Memorandum and Articles of Association which are available at www.uniphar.ie.

5.1. Memorandum of Association

The principal objects of the Company are to carry on business as a holding company. The objects of the Company are set out in full in clause 3 of the Memorandum of Association.

5.2. Articles of Association

The Articles of Association contain (amongst others) the following provisions:

5.2.1. Allotment of Shares

Subject to the provisions of the Act, and without prejudice to any rights attached to any existing shares or class of shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or as the Directors may determine pursuant to any power conferred on them by the Articles.

Subject to the Articles and to the Act, the unissued shares of the Company (whether forming part of the original or any increased capital) are at the disposal of the Board. On the allotment and issue of any shares, the Directors may impose restrictions on the transfer or disposal of such shares as may be considered by the Directors to be in the best interests of the Company.

The Company may issue share warrants to any person to whom the Company has granted the right to subscribe for shares in the Company (other than under a share option scheme for employees) certifying the right of the registered holder thereof to subscribe for shares in the Company upon such terms and conditions as the right may have been granted.

5.2.2. Lien and Forfeiture

The Company has a first and paramount lien on every share (not being a fully paid share) for all monies payable to the Company (whether presently payable or not) in respect of that share. Subject to the terms of allotment, the Board may make calls on the Shareholders in respect of any monies unpaid on their shares. The Board may give not less than 14 clear days' notice requiring payment of the amount due. If a payment is not made when due and payable, the person from whom such amount is due shall be liable to pay interest on the amount unpaid from the day it became due until it is paid (at the rate fixed by the terms of the allotment or in the notice of the call, or at an appropriate rate (as defined by the Act) if no such rate is fixed). If that notice is not complied with, a further notice (giving a further 14 clear days' notice) may be sent by the Board. If this further notice is not complied with, any share in respect of which it was sent may, at any time before the payment required by the notice has been made, be forfeited by a resolution of the Board. The forfeiture shall include all dividends or other monies payable in respect of the forfeited share which are outstanding in respect of the forfeited share.

5.2.3. Variation of Share Capital and Variation of Rights

5.2.3.1. Increase of capital: The Company from time to time by ordinary resolution may increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

5.2.3.2. Consolidation, sub-division and cancellation of capital: The Company, by ordinary resolution, may consolidate and divide all or any of its share capital into shares of larger amount; subject to the provisions of the Act, subdivide its shares, or any of them, into shares of smaller amount, so however that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived (and so that the resolution whereby any share is subdivided may determine that, as between the holders of the shares resulting from such subdivision, one or more of the shares may have, as compared with the others, any such preferred, deferred or other rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares); or cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and reduce the amount of its authorised share capital by the amount of the shares so cancelled.

5.2.3.3. Reduction of capital: The Company, by special resolution, may reduce its share capital, any capital redemption reserve fund or any share premium account in any manner subject to certain procedures and restrictions set out in the Act. Unless otherwise provided by the terms of issue and without prejudice to the rights attached to any preference share to participate in any return of capital, the rights, privileges, limitations and restrictions attached to any preference share shall be deemed not to be varied, altered or abrogated by a reduction in any share capital ranking as regards participation in the profits and assets of the Company *pari passu* with or after that preference share.

5.2.3.4 Variation of Rights:

- Whenever the share capital is divided into different classes of shares, the rights attached to any class may be varied or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class, and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up.
- Unless otherwise provided by the rights attached to any shares, those rights shall be deemed to be varied by the reduction of the capital paid up on the shares and by the allotment of further shares ranking in priority for payment of a dividend or in respect of capital or which confers on the holders voting rights more favourable than those conferred by such first mentioned shares but shall not otherwise be deemed to be varied by the creation of new shares.

5.2.3.5. Purchase of Own Shares: Subject to the provisions of and to the extent permitted by the Act, to any rights conferred on the holders of any class of shares and to the Articles, the Company may purchase any of its shares of any class and may cancel any shares so purchased, or hold them as treasury shares, with liberty to re-issue any such shares or any class or classes. The Company shall not exercise any authority granted under section 1074 of the Act to make market purchases of its own shares unless the authority required by such section shall have been granted by special resolution of the Company. The Company shall not be obliged to select the shares to be purchased on a *pro rata* basis or in any particular manner as between the holders of shares of the same class or as between the holders of shares of different classes.

5.2.3.6. Disclosure of Interests: If in their absolute discretion the Directors consider it to be in the interests of the Company to do so, they may, at any time and from time to time, by notice require any holder of a share, to disclose to the Company in writing within such period as may be specified in such notice such information as the Directors shall require relating to the ownership of or any interest in such share and as lies within the knowledge of such holder or other person (supported if the Directors so require by a statutory declaration and/ or by independent evidence) including (without prejudice to the generality of the foregoing) any information which the Company is entitled to seek pursuant to the Act.

5.2.4. Transfer of Shares

Subject to such of the restrictions of the Articles and to such of the conditions of issue as may be applicable, the shares of any member may be transferred by instrument in writing in any usual or common form or any other form which the Directors may approve.

The Directors in their absolute discretion and without assigning any reason therefor may decline to register (a) any transfer, or renunciation of a renounceable letter of allotment, of a share which is not fully paid and (b) any transfer of a share to or by a minor or a person with a mental disorder (as defined in the Mental Health Act 2001) provided that the Directors shall not refuse to register any transfer or renunciation on any approved market where such refusal would prevent dealings in such shares from taking place on an open and proper basis.

Subject to the provisions of the Act, the Directors may decline to register any instrument of transfer, or renunciation of a renounceable letter of allotment, of any shares unless:

– it is lodged at the registered office of the Company or at such other place as the Directors may appoint and is accompanied by the certificate of the shares to which it relates (except in the case of a renunciation) and such other evidence as the Directors may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so

– it is in respect of one class of share only; and

– it is in favour of not more than four persons jointly.

If the Directors refuse to register a transfer then, within two months after the date on which the transfer was lodged with the Company, they shall send to the transferee notice of the refusal.

Notwithstanding section 95(2)(a) of the Act, no fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.

The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

5.2.5. Dividends

Subject to the Act, the Company may by ordinary resolution declare dividends, but no dividend shall exceed the amount recommended by the Board.

5.2.5.1. Interim and Fixed Dividends: Subject to the provisions of the Act the Directors may declare and pay interim dividends if it appears to them they are justified by the profits of the Company available for distribution.

5.2.5.2. Receipts: If several persons are registered as joint holders of any share, any one of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.

5.2.5.3. Deduction from Dividends: The Directors may deduct from any dividends or other monies payable to any member in respect of a share any monies presently payable by him to the Company in respect of that share.

5.2.5.4. Dividends in specie: A general meeting declaring a dividend may direct, upon the recommendation of the Directors, that it shall be satisfied wholly or partly by the distribution of assets (and, in particular, of paid up shares, debentures or debenture stock of any other company or in any one or more of such ways) and the Directors shall give effect to such resolution.

5.2.5.5. Payment of Dividends by post: Any dividend or other moneys payable in respect of any share may be paid (whether in euro or any other currency) by cheque or warrant sent by post, at the risk of the person or persons entitled thereto, to the registered address of the holder or, where there are joint holders, to the registered address of that one of the joint holders who is first named on the Register of members of the Company or to such person and to such address as the holder or joint holders may in writing direct.

5.2.5.6. Dividends not to bear interest: No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

5.2.5.7. Unclaimed Dividends: Any dividend which has remained unclaimed for twelve years from the date the dividend became due for payment shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company. The payment by the Directors of any unclaimed dividend or other monies payable in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. Any dividend, interest or other sum payable which remains unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.

5.2.6. Distribution of Assets on Winding Up

If the Company is wound up and the assets available for distribution among the members as such are insufficient to repay the whole of the paid up, or credited as paid up, share capital, the assets shall be distributed so that, as nearly as may be, the losses will be borne by the members in proportion to the capital paid up or credited as paid up at the commencement of the winding up on the shares held by them respectively. If, however, the assets available for distribution among the members are more than sufficient to repay the whole of the share capital as paid up or credited as paid up at the commencement of the winding up, the excess shall be distributed among the members in proportion to the capital at the commencement of the winding up paid up or credited as paid up on the said share held by them respectively

5.2.7. Pre-Emption Rights

Pre-emption rights pursuant to the Act may be disapplied by shareholder resolution.

5.2.8 General Meetings

5.2.8.1. Convening: The Company shall hold in each year a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notices calling it. Not more than fifteen months shall elapse between the date of one annual general meeting and that of the next. All general meetings other than annual general meetings are referred to in this paragraph as extraordinary general meetings. The Board may convene general meetings and extraordinary general meetings may also be convened on such requisition, or in default may be convened by such requisitionists, and in such manner as may be provided by the Act. Subject to the Act allowing a general meeting to be called by shorter notice, an annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by at least twenty-one clear days' notice and all other extraordinary general meetings shall be called by at least fourteen clear days' notice.

5.2.8.2. Quorum and adjournment: No business other than the appointment of a chairman shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Except as provided in relation to an adjourned meeting, three persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporate member, shall be a quorum. If such a quorum is not present within 30 minutes from the time appointed for the meeting, the meeting shall be dissolved and in any other case, shall stand adjourned to the same day in the next week at the same time and place, or to such other time and place as the chairman of the meeting may determine.

5.2.8.3. Voting:

- Votes of members: Votes may be given either personally or by proxy. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person and every proxy shall have one vote, so, however, that no individual shall have more than one vote, and on a poll every Member shall have one vote for every share carrying voting rights of which he is the holder. The Chairman shall be entitled to a casting vote where there is an equality of votes.

- Polls and Voting: At any general meeting, a resolution put to a vote of the meeting shall be decided on a show of hands unless before, or on the declaration of, the result of the show of hands, a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded by (a) the chairman of the meeting; (b) at least three Shareholders present (in person or by proxy) having the right to vote at the meeting; (c) by any Shareholder or Shareholders present (in person or by proxy) representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or (d) by a Shareholder or Shareholders present (in person or by proxy) holding shares in the Company conferring the right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all share conferring that right.

5.2.8.4. Default in payment of calls: Unless the Directors otherwise determine, no member shall be entitled to vote at any general meeting or any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, or to exercise any privilege as a member in respect of any share held by him unless all moneys then payable by him in respect of that share have been paid.

5.2.8.5. Appointment of Proxy: Every member entitled to attend and vote at a general meeting may appoint a proxy to attend, speak and vote on his behalf. The instrument appointing a proxy shall be in writing in any usual form or in any other form which the Directors may approve and shall be executed by or on behalf of the appointor. The signature on such instrument need not be witnessed. A body corporate may execute a form of proxy under common seal or under the hand of a fully authorised officer thereof. A proxy need not be a member of the Company.

5.2.8.6. Directors: Unless otherwise determined by the Company in general meeting, there shall not be more than twelve and not less than two Directors.

- At each annual general meeting of the Company, one-third of the Directors shall retire from office provided that each Director shall present himself for re-election at least once every three years. The Directors to retire shall be those who wish to retire and not be re-appointed to office and then those who have been longest in office since their last appointment or reappointment but as between persons who became or were last reappointed Directors on the same day those to retire shall be determined (unless they otherwise agree among themselves) by lot. Subject as aforesaid, a Director who retires may be reappointed, if he is not, he shall retain office until the meeting appoints someone in his place or until the end of the meeting.

- No person other than a Director retiring by rotation may be appointed as a Director at any general meeting unless (i) such person has been recommended by the Directors or (ii) notice has been given to the Company by a voting member or members of the intention to propose a person for appointment as a director stating the particulars required to be included in the Company's register of Directors and the written notice of that person in respect of his willingness to be appointed not less than seven nor more than 30 clear days before the date appointed for the meeting.

- The ordinary remuneration of the Directors shall be determined from time to time by an ordinary resolution of the Company and shall be divisible (unless such resolution shall provide otherwise) among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of the remuneration related to the period during which he has held office. If any Director who holds executive office, and who performs extra services such as acting as chairman or deputy chairman or serving on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, the Company may further remunerate such Director either by way of salary, commission or otherwise as the Directors may determine.

– The Directors may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors or general meetings or separate meetings of the holders of any class of shares or of debenture of the Company or otherwise in connection with the discharge of their duties. The Directors are expressly permitted (as contemplated in section 228 (1) (d) of the Act) to use the Company's property subject to any conditions which may be set by the Board from time to time.

– Save as otherwise provided by the Articles or permitted by ordinary resolution, a Director shall not vote at a meeting of the Directors or a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material or a duty which, in a material way, conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum present at a meeting in relation to any such resolution on which he is not entitled to vote.

– A Director shall (in the absence of some material interest other than those indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolutions concerning any of the following matters, namely:

  i. the giving of any security, guarantee or indemnity to him in respect of money lent by him or obligations incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiary or associated companies

  ii. the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary or associated companies for which he himself has assumed responsibility in whole or in part;

  iii. any proposal concerning any offer of shares or debentures or other securities of or by the Company or any of its subsidiary or associated companies for subscription, purchase or exchange in which offer he is entitled to participate as a holder of securities or is to be interested as a participant in the underwriting or sub-underwriting thereof;

  iv. any proposal relating to any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise;

  v. any proposal relating to the adoption, modification or operation of a pension or superannuation fund or retirement benefits scheme under which he may benefit;

  vi. any proposal concerning the adoption, modification or operation of any scheme for enabling employees of the Company and/or any subsidiary thereof to acquire shares in the Company or any arrangement for the benefit of employees of the Company or any of its subsidiaries under which the Director benefits or may benefit; or

  vii. any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors.

– The Directors may exercise all of the powers of the Company to borrow money, and to mortgage or charge its undertaking, property, assets and uncalled capital or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party without limitation as to amount.

- The Directors may provide benefits, whether by way of pensions, gratuities or otherwise, for any Director, former Director or other officer or former officer of the Company or to any person who holds or has held any employment with the Company or with any body corporate which is or has been a subsidiary or associated company of the Company or a predecessor in business of the Company or of any such subsidiary or associated company and to any member of his family or any person who is or was dependent on him and may set up, establish, support, alter, maintain and continue any scheme for providing all or any of such benefits and for such purposes any Director may accordingly be, become or remain a member of, or re-join any scheme and receive or retain for his own benefit all benefits to which he may be or become entitled thereunder. The Directors may pay out of the funds of the Company any premiums, contributions or sums payable by the Company under the provisions of any such scheme in respect of any of the persons or class of persons above referred to who are or may be or become members thereof.

5.2.9. Restriction of Rights

5.2.9.1. If at any time the Directors shall determine that a Specified Event (as defined below) shall have occurred in relation to any share or shares, the Directors may serve a notice to such effect on the holder or holders thereof. Upon the expiry of 14 days from the service of any such notice (referred to as a "Restriction Notice'') and for so long as such Restriction Notice shall remain in force:

- no holder or holders of the share or shares specified in such Restriction Notice (in the Articles defined as "Specified Shares'') shall be entitled to attend or vote either personally or by proxy at any general meeting of the Company or at any separate general meeting of the class of shares concerned or to exercise any other right conferred by membership in relation to any such meeting; and
- the Directors shall, where the Specified Shares represent not less than 0.25 per cent of the class of shares concerned, be entitled:
  - i. to withhold payment of any dividend or other amount payable in respect of the Specified Shares; and/or
  - ii. to refuse to register any transfer of the Specified Shares or any renunciation of any allotment of new shares or debentures made in respect thereof unless such transfer or renunciation is shown to the satisfaction of the Directors to be an arm's length transfer or a renunciation to another beneficial owner unconnected with the holder or any person offering to have an interest in the Specified shares (subject always to the provisions described further below).
- A Restriction Notice shall be cancelled by the Directors immediately after the holder or holders or other relevant person concerned shall have remedied the default by virtue of which the Specified Event shall have occurred.
- If, while any Restriction Notice shall remain in force in respect of any Specified Shares, any further shares shall be issued in respect thereof pursuant to a capitalisation issue made in pursuance of these Articles, the Restriction Notice shall be deemed also to apply in respect of such further shares which shall as from the date of issue thereof form part of the Specified Shares for all purposes of the Articles.
- On the cancellation of any Restriction Notice the Company shall pay to the holder (or, in the case of joint holders, the first named Holder) on the Register of member of the Company in respect of the Specified Shares as of the record date for any such dividend so withheld, all such amounts as have been withheld pursuant to the provisions of the Articles subject always to the provisions of the Article described in paragraph 5.2.6.7 of this Part 9 above which shall be deemed to apply, *mutatis mutandis*, to any amount so withheld.
- For the purposes of these Articles the expression "Specified Event" in relation to any share means any of the following events:-

i. the failure of the holder or holders thereof to pay any call or instalment of a call in the manner and at the time appointed for payment thereof;

ii. the failure by the holder thereof or any of the holders thereof to comply, to the satisfaction of the Directors, with all or any of the terms of Article 8 in respect of any notice or notices given to him or any of them thereunder; or

iii. the failure by the holder thereof or any of the holders thereof or any other person to comply, to the satisfaction of the Directors, with the terms of any notice given to him or any of them pursuant to the provisions of section 1062 of the Act.

5.2.10. Indemnity of Officers

Subject to the Act, every Director, auditor, secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.

5.2.11. Disclosure of Interests in Shares

Chapter 4 of Part 17 of the Act makes provision for the disclosure of interests in shares in public limited companies incorporated in the Republic of Ireland. The Act requires notification of interests in, and changes in interests of, 3 per cent or more of the relevant share capital (or of any class of relevant share capital) of a public limited company. The notification obligation arises where there is a change in the percentage of shares in which a person has an interest from below to above the 3 per cent threshold, or from above to below that threshold, or where 3 per cent is exceeded both before and after the transaction but the percentage level, in whole numbers, changes (fractions of a percentage being rounded down to the next whole number). "Relevant share capital" is defined, broadly, as issued share capital carrying full voting rights.

The obligation to notify must be performed within the period of five days from the date upon which the obligation arises. Where a person fails to comply with the notification requirements, no right or interest of any kind whatsoever in respect of the shares concerned, held by such person, shall be enforceable by such person, whether directly or indirectly, by action or legal proceeding. However, such person may apply to the High Court of the Republic of Ireland to have the rights attaching to the shares concerned reinstated.

The Directors may at any time and from time to time if, in their absolute discretion, they consider it to be in the interests of the Company to do so, give a notice to any member requiring such person (s) to notify the Company in writing within such period as may be specified in such notice of full and accurate particulars of his/its interest in Ordinary Shares held by the member and the nature of such interest. The Directors may (before or after the receipt of any written particulars) require any such particulars to be verified by statutory declaration.

6. DIRECTORS' AND OTHER INTERESTS

6.1 As at the Latest Practicable Date, none of the Directors held an option to subscribe for shares in the capital of the Company.

6.2 The table below sets out the interests of the Directors and the persons connected with them in the share capital of the Company (including Ordinary Shares issued under the 2018 LTIP) as at the Latest Practicable Date and as they are expected to be immediately following Admission:

Director	As at the Latest Practicable Date		Immediately following Admission (assuming there is no exercise of the Over-allotment Option)	
	Number of Ordinary Shares	Percentage of Existing Ordinary Shares	Number of Ordinary Shares	Percentage of Enlarged Ordinary Share Capital
Ger Rabbette	8,758,310	5.8%	8,758,310	3.3%
Tim Dolphin	5,586,322	3.7%	5,586,322	2.1%
Padraic Dempsey	3,285,183	2.2%	3,285,183	1.2%
Padraic Staunton	1,237,453	0.8%	1,672,235	0.6%
John Holly	1,044,282	0.7%	1,044,282	0.4%
Maurice Pratt	874,333	0.6%	1,091,724	0.4%
Marie McConn	712,150	0.5%	886,063	0.3%
Ger Penny	700,369	0.5%	700,369	0.3%
Mark Moran	0	0.0%	0	0.0%
Sue Webb	0	0.0%	0	0.0%
Paul Hogan	0	0.0%	0	0.0%
Heather Ann McSharry	0	0.0%	86,956	0.0%

6.3 Immediately following Admission, the Directors will not hold any options in the capital of the Company.

6.4 No Director or member of a Director's family has a related financial product (as defined in the Euronext Growth Rules and the AIM Rules) referenced to the Company's share capital.

6.5 There are no outstanding loans or guarantees which have been granted or provided to or for the benefit of any Director by the Company or any of its subsidiaries.

6.6 There are no agreements, arrangements or understandings (including compensation agreements) between any of the Directors connected with or dependent upon Admission or the Placing.

6.7 Save as otherwise disclosed in this document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group taken as a whole and which was effected by the Company or any other member of the Group during the current or immediately preceding financial year, or during any earlier financial year which remains in any respect outstanding or unperformed.

6.8 As at close of business on the Latest Practicable Date, the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises at the date of this document, or could immediately following Admission exercise, control over the Company.

6.9 Insofar as is known to the Company, there are no arrangements the operation of which may, at a date subsequent to the Latest Practicable Date, result in a change of control of the Company.

6.10 The following companies were put into compulsory liquidation when the Director identified below was a director of the relevant entity, or within 12 months of such Director ceasing to be a director of that entity:

Director	Liquidated Entity	Date of Liquidation
Tim Dolphin	IPOS Holding 88 Limited	25 June 2018
Tim Dolphin	Feeney's Pharmacy Limited	25 June 2018
Tim Dolphin	O'Malley's Pharmacy Limited	25 June 2018
Marie McConn	IPOS Investment 3 plc	17 February 2010

7. ADDITIONAL INFORMATION ON THE DIRECTORS

7.1. Executive Directors' deeds of employment:

At the date of this document there are three Executive Directors, each of whom is employed by the Company under a deed of employment. The key terms of the Executive Directors' deeds of employment are summarised below:

Name	Title	Salary (€)	Notice period
Gerard Rabbette	Chief Executive Officer	440,000	12 months except as below
Tim Dolphin	Chief Financial Officer	300,000	12 months except as below
Padraic Dempsey	Chief Commercial Officer	300,000	12 months except as below

A deed of employment was entered into between the Company and Mr. Rabbette on 27 June 2019 pursuant to which Mr. Rabbette is employed as the Group's Chief Executive Officer. Employment is terminable by either party giving 12 months' notice. Mr. Rabbette is entitled to a base salary of €440,000 per annum and is eligible to be paid a discretionary annual performance related bonus of up to a maximum of 100% of his basic annual salary, based on the achievement of predetermined performance criteria set out by the Board. As Mr. Rabbette has reached the standard fund threshold, the Company provides a pension allowance up to a maximum of 20% of basic salary per annum. The deed allows the Company to terminate Mr. Rabbette's employment by making a lump sum payment in lieu of notice consisting of his 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. The deed also contains standard 'garden leave' provisions. Mr. Rabbette's deed of employment includes post-termination restrictions on competing activity and on solicitation of customers or key employees which are effective for a period of 12 months after termination.

A deed of employment was entered into between the Company and Mr. Dolphin on 27 June 2019 pursuant to which Mr. Dolphin is employed as the Group's Chief Financial Officer. Employment is terminable by either party giving 12 months' notice. Mr. Dolphin is entitled to a base salary of €300,000 per annum and is eligible to be paid a discretionary annual performance related bonus of up to a maximum of 70% of his basic annual salary, based on the achievement of predetermined performance criteria set out by the Board. As Mr. Dolphin has reached the standard fund threshold, the Company provides a pension allowance up to a maximum of 20% of basic salary per annum. The deed allows the Company to terminate Mr. Dolphin's employment by making a lump sum payment in lieu of notice consisting of his 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. The deed also contains standard 'garden leave' provisions. Mr. Dolphin's deed of employment includes post-termination restrictions on competing activity and on solicitation of customers or key employees which are effective for a period of 12 months after termination.

A deed of employment was entered into between the Company and Mr. Dempsey on 27 June 2019 pursuant to which Mr. Dempsey is employed as the Group's Chief Commercial Officer. Employment is terminable by either party giving 12 months' notice. Mr. Dempsey is entitled to a base salary of €300,000 per annum and is eligible to be paid a discretionary annual performance related bonus of up to a maximum of 70% of his basic annual salary, based on the achievement of predetermined performance criteria set out by the Board. Mr. Dempsey is also entitled to a pension contribution of 20% of his basic salary per annum. The deed allows the Company to terminate Mr. Dempsey's employment by making a lump sum payment in lieu of notice consisting of his 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. The deed also contains standard 'garden leave' provisions. Mr. Dempsey's deed of employment includes post-termination restrictions on competing activity and on solicitation of customers or key employees which are effective for a period of 12 months after termination.

Benefits

Benefits under the Executive Directors' deeds of employment include healthcare allowances and car allowances up to specified monetary amounts. The Company also operates a life assurance scheme providing for a cash payment equal to four times the Executive Director's salary (or six times, if the Executive Director is married or in a civil partnership) at the date of death plus the value of his retirement account (if any).

7.2. Non-Executive Directors' letters of appointment

At the date of this document, there are eight Non-Executive Directors and a Non-Executive Chairman. The key terms of the Non-Executive Directors' letters of appointment are summarised below:

Name	Appointment date	Annual fee (€)	Notice period
Maurice Pratt	1 July 2003	150,000	One month except as below
Gerard Penny	20 August 2018	60,000	One month except as below
Mark Moran	20 August 2018	60,000	One month except as below
John Holly	25 September 2009	60,000	One month except as below
Padraic Staunton	25 September 2009	60,000	One month except as below
Marie McConn	25 September 2009	60,000	One month except as below
Sue Webb	27 June 2019	60,000	One month except as below
Paul Hogan	27 June 2019	75,000	One month except as below
Heather Ann McSharry	27 June 2019	90,000	One month except as below

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 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 Chairman will be paid a fee of €150,000 per annum and each of the other Non-Executive Directors will be paid the fee set out opposite their name above which includes additional fees to take account of increased time commitments for the senior independent director and each Chairperson of a Board Committee. In addition, the Company will reimburse all reasonable and documented expenses incurred in the performance of the Non-Executive Directors' duties.

7.3. Other Directorships and Partnerships

In addition to being a director of the Company, the Directors have held or hold the following directorships (excluding subsidiaries of any company of which he or she is also a director) and/or have been/are a partner in the following partnerships within the five years immediately prior to the date of this document:

Director	Current	Former
Maurice Pratt	Barretstown Bed and Breakfast Homes or Ireland CLG Independent Express Cargo Limited Independent Nursing Home Ireland CLG	Boyne Valley Unlimited Company Brown Thomas Group Limited Business in the Community Ireland Carlow Investment Company Limited

Director	Current	Former
	Irish Tourism Industry Confederation Redesdale Group Limited Shearer Property Ireland Limited The European Movement – Ireland The Pallet Network (Irl) Limited Trade Player Ltd Serious Fun Children's Network	
Gerard Rabbette	Tower Court Property Management Limited The Ohana A Partnership The Ohana B Partnership	None
Tim Dolphin	Irish Medicines Verification Organisation Pharmaceutical Distributors Federation Ireland Company Limited by Guarantee The Valentia 48A Partnership The Valentia 48B Partnership	Dempsey's Pharmacy Limited Evergreen Road Pharmacy Limited Fogarty's Chemist Limited Goresbridge Chemists Limited IPOS Retail 83 Limited James O'Sullivan (Chemist) Limited Kevin Matthews Limited Lanidrac Designated Activity Company LBR Pharmacy Limited Michael & Mary Hennessy Pharmacy (Rathkeale) Limited Mistymorn Limited O'Callaghan's Pharmacy Limited P. Coffey Chemist (Roscrea) Limited Powermed Healthcare Limited R.N.J. Pharmacy Limited Stacks Pharmacy Fermoy Limited
Padraic Dempsey	Irish Medical Surgical Trade Association Limited	Aquilant Limited Mantis Surgical Limited New Splint Limited Unitech Equipment Limited Unitech Limited
Mark Moran	Ampleforth Limited Galway University Foundation Keltrim Properties Limited Rogey Management Limited Rostrevor Limited Rostrevor Topco Limited	Common Purpose (Ireland) Irish Welcome Tours Limited Mint Funding Holdings Limited SHG Distribution Unlimited Company
Gerard Penny	Abersoch Limited Building Developments Limited Capwell Property Partners Limited Korine Limited Origo Distribution Limited Peony Management Limited Sicon Group Pension Scheme Trustee Company Limited Sicon Limited Sispar Construction Limited Sispar Limited Swords Business Campus 1 Limited Swords Business Campus 2 Limited Swords Business Campus Limited Arundel Properties Limited	Parsis Limited M.E.D. Surgical Limited Rilmount Developments Limiuted SHG Distribution Unlimited Company Aster Advisory Limited Ordire Limited Rilmount Pipelines Limited Speedwell Management Limited SHG Group Limited Scale Holdings Unlimited Company Scale IOM Holding Limited Scale IOM Limited Sisk Healthcare (UK) Limited Sisk Healthcare Holdings (UK) Limited Sisk Healthcare Pension Trustee

Director	Current	Former
	John Sisk and Son (Holdings) Limited Consi Investments (Reading) Limited Capwell Investments Limited Capwell Property Hold Co No2 Limited Capwell Property Hold Co No1 Limited VB Offsite Fabrication (Holdings) Limited VB Offsite Fabrication Limited Archus Limited (UK)	Company Limited Sisk Healthcare Unlimited Company Tekno Surgical Limited UK HealthCo IOM 1 Limited
Padraic Staunton	Athboy Development Forum CLG Athboy Farmers Market Limited Athboy Rugby Club Limited P & B Staunton Limited Pharmachem Limited The Prometheus Foundation CLG	Stauntons Life Pharmacy Ltd
Marie McConn	Hogans Pharmacy (Limerick) Limited	None
John Holly	Inevitable Pictures Limited	None
Sue Webb	None	None
Paul Hogan	None	None
Heather Ann McSharry	CRH plc Greencore plc Jazz Pharmaceuticals Ergonomic Solutions Limited Institute of Directors	IDA Ireland

7.4 Save as set out in this document, as at the Latest Practicable Date no Director had:

(a) any unspent convictions in relation to indictable offences;

(b) ever had any bankruptcy order made against him or entered into any individual voluntary arrangement with his creditors;

(c) ever been a director of a company which, while he was a director or within twelve months after he ceased to be a director, has been placed in receivership, creditors' voluntary liquidation or administration or been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or with any class of its creditors;

(d) ever been a partner of any partnership which, while he was a partner or within 12 months after he ceased to be a partner, has been placed in compulsory liquidation or administration or been the subject of a partnership voluntary arrangement or has had a receiver appointed to any partnership asset;

(e) received any public criticism and/or sanction by any statutory or regulatory authority (including recognised professional bodies); or

(f) been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of a company.

8. SIGNIFICANT SHAREHOLDERS

8.1 As at the close of the business on the Latest Practicable Date and in so far as is known to the Company, the following persons are, directly or indirectly, interested in 3 per cent. or more of the Existing Ordinary Shares and (assuming 117,391,304 New Ordinary Shares are issued pursuant to the Placing) will be interested in 3 per cent. or more of the Enlarged Ordinary Share Capital following Admission:

Shareholder	As at the Latest Practicable Date		Immediately following Admission (assuming there is no exercise of the Over-allotment Option)	
	Number of Ordinary Shares	Percentage of Existing Ordinary Shares	Number of Ordinary Shares	Percentage of Enlarged Ordinary Share Capital
Sisk family[1]	18,782,808	12.4%	19,652,373	7.3%
Gerard Rabbette[2]	8,758,310	5.8%	8,758,310	3.3%
Timothy Dolphin[2]	5,586,322	3.7%	5,586,322	2.1%
AIB plc	—	0.0%	17,391,304	6.5%
Mackenzie Investment	—	0.0%	11,600,000	4.3%
Polar Capital	—	0.0%	8,750,000	3.3%
Danske Capital	—	0.0%	8,750,000	3.3%

(1) 18,782,808 Ordinary Shares to be issued immediately prior to Admission pursuant to the exercise of the warrant held by the Sisk family

(2) Including Ordinary Shares issued under the 2018 LTIP

8.2 None of the Company's significant shareholders listed above has voting rights which are different from the voting rights of other holders of Ordinary Shares.

9. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, are all of the contracts that have been entered into by the Company and its subsidiaries in the two years immediately preceding the date of this document and which are, or may be, material to the Group:

9.1. Euronext Growth Advisor, Nominated Adviser and Broker Agreement

On 12 July 2019, the Company and Davy entered into a Nominated Adviser, Euronext Growth Advisor and Broker Agreement pursuant to which Davy has agreed to act as Nominated Adviser, Euronext Growth Advisor and broker to the Company for the purposes of the AIM Rules and the Euronext Growth Rules following Admission. Pursuant to the agreement, Davy will receive an annual retainer fee. Either party may terminate the agreement following the initial 12 month term of the agreement on not less than 90 days' notice or, in the event of a material breach by the other party of its obligations under the agreement forthwith and if the breach is capable of remedy, fails to remedy that breach within 14 days (in the case of the Company) and seven days (in the case of Davy) of notice to do so. The Company shall be entitled to terminate the agreement in certain circumstances, including if Davy shall cease to be registered with the London Stock Exchange as nominated adviser or Euronext Dublin as Euronext Growth Advisor and/or broker. The Company has agreed to indemnify and hold Davy (for itself and as trustee for each Relevant Person (as defined in the agreement)) harmless against all liabilities arising out of or in connection with the agreement unless it is as a result of fraud, negligence or wilful default of Davy or any of its Relevant Persons.

9.2. Registrar Agreement

The Company and the Registrar entered into an agreement for the provision of registry and associated services dated 11 July 2019 under which the Registrar has agreed to act as registrar to the Company and to provide certain other administrative, investor and related services to the Company in relation to its business and affairs.

The Registrar is entitled to receive an annual fee for the provision of its services under the Registrar Agreement. The annual fee is based on the number of holders of Ordinary Shares in the Company and the number of transfers of such Ordinary Shares. The Registrar is also entitled to certain management and other fees and charges relating to specific additional services provided by it.

The Registrar Agreement shall continue unless and until terminated by either party by giving not less than six months' written notice, such notice period not to expire before the third anniversary of its commencement. In addition, the agreement may be terminated immediately if either party commits a material breach of the agreement which has not been remedied within 21 days of a notice requesting the same, upon an insolvency event in respect of either party or upon either party ceasing to have appropriate authorisations to permit it lawfully to perform the agreement.

Under the Registrar Agreement, the Company has given certain customary indemnities to the Registrar in connection with its engagement as the Company's registrar.

9.3. Placing Agreement and Stabilisation Facility Agreement

9.3.1. Placing Agreement

On 12 July 2019, the Company, the Directors and the Joint Bookrunners entered into the Placing Agreement. Pursuant to the Placing Agreement:

- the Company has appointed Davy and RBC as Joint Bookrunners in connection with Admission and the Placing;
- subject to certain conditions that are typical for an agreement of this nature, the Company has agreed to issue the New Ordinary Shares at the Placing Price and, as agent for and on behalf of each of the Selling Shareholders, to effect the sale of the Sale Shares at the Placing Price;
- the Joint Bookrunners have severally agreed, subject to certain conditions, to procure subscribers for the New Ordinary Shares and purchasers for the Sale Shares to be issued pursuant to the Placing at the Placing Price. The Placing is not being underwritten;
- subject to the conditions of the agreement having been satisfied or waived and it not having been terminated prior to Admission, the Company has agreed to pay the Joint Bookrunners (i) a commission on the sums received from subscribers for the New Ordinary Shares (ii) a commission on the sums received from subscribers for the Over-allotment Shares, if the Over-allotment Option is exercised and (iii) in its absolute discretion, an additional commission on the gross proceeds receivable by the Company. In addition, the Joint Bookrunners will receive a commission on the sums received from purchasers of the Sale Shares, payable by the Selling Shareholders;
- the obligations of the Joint Bookrunners to procure subscribers and/or purchasers for the Placing Shares on the terms of the Placing Agreement are subject to certain customary conditions. These conditions include the absence of any breach of representation or warranty under the Placing Agreement and Admission occurring on or before 8.00 a.m. on 17 July 2019 (being the expected date for Admission or if Admission does not become effective on that date, such later time and/or date as the Joint Bookrunners and the Company may agree in writing, being no later than 31 July 2019). In addition, the Joint Bookrunners have the right to terminate the Placing Agreement, exercisable in certain circumstances, prior to Admission;
- each of the Company and the Directors has given certain representations, warranties and undertakings to the Joint Bookrunners. The liability of the Company is unlimited as to amount and time. The liability of each of the Directors is limited as to amount and time;
- the Company has given certain indemnities to the Joint Bookrunners and their respective affiliates;
- the parties to the Placing Agreement have given certain representations, warranties and undertakings regarding compliance with certain laws and regulations affecting the offering of the New Ordinary Shares in certain jurisdictions;
- the Company has also undertaken to each of the Joint Bookrunners, amongst other things, that, subject to certain exceptions, during the period ending 12 months from Admission, it will not, without the prior written consent of the Joint Bookrunners, directly or indirectly issue, offer, lend, mortgage, assign, charge, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or any interest in Ordinary Shares or any securities

convertible into or exercisable or exchangeable for, or substantially similar to, Ordinary Shares or any interest in Ordinary Shares or file any registration statement under the Securities Act or file or publish any prospectus with respect to any of the foregoing; enter into any swap or other agreement or transaction that transfers, in whole or in part, any of the economic consequences of ownership of the Ordinary Shares; or agree or offer to do any of the foregoing during such period of 12 months; and

- the Company has granted the Over-allotment Option to the Stabilisation Manager, pursuant to which the Company will, at the option of the Stabilisation Manager, allot up to a maximum of 13,043,478 additional Ordinary Shares (the "**Over-allotment Shares**") at the Placing Price. The Over-allotment Option may be exercised in whole or in part, once or more than once, upon notice in writing by the Stabilisation Manager to the Company at any time on or before 16 August 2019 or such earlier date as the Company and the Stablisation Manager agree.

9.3.2. Stabilisation Facility Agreement

Pursuant to the Stabilisation Facility Agreement dated 12 July 2019, between the Company, Davy, RBC and Allied Irish Banks, p.l.c. ("**AIB**"), AIB has agreed to subscribe for new Ordinary Shares in cash at the Placing Price payable on Admission. To facilitate Davy, in its capacity as Stabilisation Manager, in over-alloting Ordinary Shares or effecting other transactions with a view to supporting the market price of the Ordinary Shares at levels other than those which might otherwise prevail in the open market for up to 30 calendar days following Admission (the "**Stabilisation Period**"), AIB has also agreed to defer settlement until the end of the Stabilisation Period in respect of further Ordinary Shares it has agreed to subscribe for equal in number to the total number of Over-allotment Shares in return for a commission. Davy has agreed to procure, by no later than the third business day following the expiry of the Stabilisation Period, that such further Ordinary Shares are credited to AIB's CREST account. AIB has undertaken, subject to certain customary exceptions, not to transfer, sell, assign, grant any options over, pledge, loan or otherwise dispose of any Ordinary Shares (or any interest therein) for a period of 12 months following Admission.

9.4. Lock-In Agreements

9.4.1. Sisk Lock-In Agreements:

a) The Company, Davy and RBC have entered into lock-in agreements with ROI Healthco IOM 1 Limited, John Osborne and Ger Penny (the "**Sisk Lock-In Parties**") (the "**Sisk Lock-In Agreements**"). Pursuant to the terms of the Sisk Lock-In Agreements, the Sisk Lock-In Parties have undertaken, subject to certain customary exceptions, not to transfer, sell or encumber, assign, grant any options over, pledge, loan, market or otherwise dispose of their respective shareholding in the Company as of immediately prior to Admission or any interest therein for a period of 12 months following Admission.

b) In addition, for a further period of 12 months after the expiration of such 12 month lock-in period, each of the Sisk Lock-In Parties undertakes that it will effect all sales, transfers or other disposals of its shares in such orderly manner as Davy may reasonably require, to maintain an orderly market in trading in the shares, warrants or other securities, as the case may be, of the Company.

c) The restrictions on disposal set out in the Sisk Lock-In Agreements are subject to a number of customary exceptions, including (i) any bid for the entire issued share capital of the Company which has been approved by the Board, (ii) any buy back by the Company of shares on identical terms to the terms offered to all shareholders, (iii) pursuant to a compromise or arrangement between the Company and its members and (where required) sanctioned by Court, (iv) pursuant to a scheme of reconstruction or arrangement of the Company, (v) where the prior written consent of Davy has been obtained, and (vi) pursuant to a court order or where required by law or a competent authority.

9.4.2. Board / Senior Management Lock-In Agreements:

a) The Company, Davy and RBC have entered into lock-in agreements with the Directors and certain of the senior management team (the "**Board/Senior Management Lock-In Parties**") (the "**Board/Senior Management Lock-In Agreements**"). Pursuant to the terms of the Board/Senior Management Lock-In Agreements, subject to Admission occurring on or prior to 31 December 2019, the Board/Senior Management Lock-In Parties have undertaken, subject to certain customary exceptions, not to transfer, sell or encumber, assign, grant any options over, pledge, loan, market or otherwise dispose of their respective shareholding in the Company (as of immediately prior to Admission in the case of senior management and as of immediately following Admission in the case of the Directors) or any interest therein for a period of 12 months following Admission.

b) In addition, for a further period of 12 months after the expiration of such 12 month lock-in period, each of the Board/Senior Management Lock-In Parties undertakes that it will effect all sales, transfers or other disposals of its shares in such orderly manner as Davy may reasonably require, to maintain an orderly market in trading in the shares, warrants or other securities, as the case may be, of the Company.

c) The restrictions on disposal set out in the Board/Senior Management Lock-In Agreements are subject to a number of customary exceptions, including (i) any bid for the entire issued share capital of the Company which has been approved by the Board, (ii) any buy back by the Company of shares on identical terms to the terms offered to all Shareholders, (iii) pursuant to a compromise or arrangement between the Company and its members and (where required) sanctioned by Court, (iv) pursuant to a scheme of reconstruction or arrangement of the Company, (v) where the prior written consent of Davy has been obtained, and (vi) pursuant to a Court order or where required by law or a competent authority.

9.4.3. Ordinary Shareholder Lock-In Agreements

a) Davy and RBC have entered into lock-in agreements with certain Shareholders and/or related parties whose holdings together are expected to comprise approximately 27% of the entire issued share capital of the Company as of immediately following Admission (the "**Ordinary Shareholder Lock-In Parties**" and "**Ordinary Shareholder Lock-In Party**" shall be construed accordingly) (the "**Ordinary Shareholder Lock-In Agreements**"). Pursuant to the terms of the Ordinary Shareholder Lock-In Agreements, subject to Admission occurring on or prior to 8am (Dublin time) on 31 December 2019, each of the Ordinary Shareholder Lock-In Parties has undertaken, subject to certain customary exceptions, not to sell transfer, assign, swap or otherwise dispose of any Ordinary Shares held or beneficially owned by such Ordinary Shareholder Lock-In Party immediately following Admission (excluding any shares acquired by such Ordinary Shareholder Lock-In Party as part of the Admission process) at any time during the period commencing immediately following Admission and ending on the first anniversary of Admission.

b) The restrictions on disposal set out in the Ordinary Shareholder Lock-In Agreements are subject to a number of customary exceptions, including (i) any disposal pursuant to a transaction governed by the Irish Takeover Rules which has been recommended by the Board, (ii) pursuant to a compromise or arrangement between the Company and its members and (where required) sanctioned by Court providing for the acquisition of more than 50% of the equity share capital of the Company that has been recommended by the Board, (iii) pursuant to a scheme of reconstruction of the Company, (iv) any buyback by the Company of shares on identical terms to the terms offered to all Shareholders, (v) pursuant to an intervening Court order binding on the relevant Ordinary Shareholder Lock-In Party or (vi) where the prior written consent of Davy and RBC has been obtained.

9.5. Summary of Bank Compromise and Variation Deeds

In 2014, the Company entered into an equity instrument with each of Ulster Bank Ireland Limited ("**UBIL**") and BOI-IF Services No.5 Company Unlimited Company ("**BOI-IF**") under which each was given an option to:

a) subscribe for shares in the Company up to an aggregate 10% of the issued share capital, or

b) be paid a cash termination right.

Each of UBIL and BOI-IF exercised their right to obtain a cash termination payment and a compromise and variation deed was entered into by the Company with each of UBIL and BOI-IF on 19 October 2017. Pursuant to deeds with UBIL:

a) UBIL no longer has the right to subscribe for shares in the Company;

b) the Company must make four annual payments of €1,875,000 commencing on 15 January 2018; and

c) interest of 10% is payable if the amounts are not paid when due and in respect of any payments after 15 January 2020.

Pursuant to the deed with BOI-IF:

a) BOI-IF no longer has the right to subscribe for shares in the Company;

b) the Company must make four annual payments of €625,000 commencing on 15 January 2018; and

c) interest of 10% is payable if the amounts are not paid when due and in respect of any payments after 15 January 2020.

The instalments due in January 2018 and January 2019 have been paid. In the case of an event of default, the full amount owed is payable. These events of default are customary in the main and include the Company's assets being at all times more than its liabilities (taking into account contingent and prospective liabilities).

9.6. Proposed acquisition of Durbin plc and Durbin Inc

On 16 May 2019, the Company entered into a share purchase agreement with Durbin Group plc and Leslie Morgan to acquire the entire issued share capital of Durbin plc and Durbin Inc. Completion of this acquisition is conditional on Admission, but Uniphar is entitled not to complete if Durbin Group plc has not complied with its obligations under the agreement in any material respect. The consideration payable is made up of the following:

a) a deposit of £1,000,000 which was paid on signing. This deposit is only refundable if there is a material breach of the share purchase agreement by Durbin Group plc. In all other circumstances, the deposit is non-refundable;

b) £18,590,651.80 payable on completion;

c) £3,700,000 payable on closing into a joint escrow account given that a net asset deficit is expected (in respect of which see further below); and

d) £550,000 being paid to certain key employees;

A completion accounts adjustment mechanism is included. To the extent the aggregated net assets of Durbin and its subsidiaries (the "**Durbin Group**") (being the amount by which the current and long-term liabilities of the Durbin Group are less than the fixed and current assets of the Durbin Group, all as determined from completion accounts to be prepared on the completion date) are less than or more than £10,500,000, there will be an adjustment to the consideration. £3,700,000 is being retained in a joint escrow account for this purpose as a retention in the event of a downward adjustment. A further adjustment to the consideration is payable depending on certain debts of the Durbin Group being paid within a period of 12 months from completion.

Deferred consideration is payable based on certain EBITDA targets as follows:

a) The First Deferred Payment is 8 times (Year 1 EBITDA (subject to a minimum of £3,000,000 and a maximum of £6,500,000) ("**Y1E**") less £3,000,000);

b) The Second Deferred Payment is 4 times (Year 2 EBITDA (subject to a maximum of £8,000,000) less the greater of the Y1E or £3,000,000 ("**Y2E**")); and

c) The Third Deferred Payment is 4 times (Year 3 EBITDA (subject to a maximum equal to the greater of £10,000,000 or 150% of Y2E) less the greater of the Y1E, Y2E or £3,000,000).

The aggregate of (i) the maximum amount payable pursuant to the share purchase agreement; (ii) the aggregate of completion bonuses payable to certain key employees; (iii) the 50% of the warranty and indemnity ("**W&I**") insurance premium which was paid by the Company; is approximately £60,000,000.

Customary warranties were given by Durbin Group plc and Leslie Morgan. These were subject to limitations, being:

a) 2 years following completion for general warranties;

b) 6 years following completion for tax warranties and indemnities;

c) an aggregate de minimus of £300,000; and

d) an overall cap on liability of £21,000,000 given for fundamental warranties (title and capacity) which is capped at the consideration.

A W&I policy is in place to cover most of the warranties but, as is normal for such policies, certain warranties (including product liability and transfer pricing) are specifically excluded from cover. For those material warranties which are outside the scope of the policy, Durbin Group plc and Leslie Morgan have given warranties, capped at £21,000,000.

If Admission takes place within ten business days of the end of a month, completion will take place on the last business day of the following month. Otherwise, completion must take place on the last business day of the month in which Admission occurs.

9.7. Acquisition of Sisk Healthcare

On 20 August 2018, the Company acquired 100% of the issued share capital of SHG Group Limited (including all its subsidiaries) from ROI Healthco IOM 1 Limited, John Osborne and Ger Penny. The consideration was made up of the following:

a) €79,663,616 paid on completion of the acquisition (which amount includes a net cash adjustment based on completion accounts);

b) payment of €1,790,000 into a joint escrow account;

c) payment of the insurance premium for the W&I insurance;

d) a loan note for €1,502,625 (which has been paid);

e) 700,369 shares in the capital of the Company to each of John Osborne and Ger Penny;

f) warrant in favour of ROI Healthco IOM 1 Limited for 18,782,808 Ordinary Shares. This warrant has now been exercised and the shares will be issued immediately prior to Admission; and

g) a maximum of €36,850,000 is payable as deferred consideration over a period of three years from completion of the transaction depending on satisfaction of gross profit tests involving certain key lines of products for the business.

Customary warranties and indemnities were given in respect of the companies acquired and W&I insurance was taken out in respect of certain of these warranties. These warranties were subject to limitations being:

a) two years from completion for general warranties;

b) five years following the end of the accounting period in which completion occurs for tax warranties and the tax indemnity; and

c) an individual de minimus of €10,000 and an aggregate de minimus of €400,000.

In the event of a claim under the warranties, recourse in respect of them is in the following order:

a) €1,000,000 from an amount held in escrow;

b) any amount in excess of €1,000,000, up to €30,000,000, from the W&I policy; and

c) any balance from any amount of deferred consideration due to the sellers under the share purchase agreement.

If any part of the deferred consideration is not paid when due, such amount will be converted into a loan to the sellers attracting interest at 15%, compounded annually.

If and for so long as any of the deferred consideration is due and payable but unpaid (i.e. once all required targets have been met and the relevant amount payable agreed or determined by an expert), but the Company is in default in settling the payment of any such amount, then the Company must obtain the prior consent of the sellers to:

a) acquire shares in or the business or substantially all of the business and assets of any person (the Company is allowed to complete an acquisition where it is legally obliged to complete on the day the deferred consideration first became overdue);

b) make any distribution to shareholders;

c) drawdown additional monies for any purpose; or

d) acquire or commit to acquire any real property in excess of an aggregate of €2,000,000.

So long as any consideration remains outstanding:

a) the sellers may appoint a Director to the Board;

b) until Admission occurs, and for so long as the sellers hold or are entitled to hold in aggregate more than 7.5% of the issued share capital of the Company, the sellers may appoint a second Director to the Board;

c) information concerning the performance of certain areas of the business must be provided to the sellers;

d) protections apply with respect to the managing of certain of the larger suppliers of SHG Group Limited and its subsidiaries; and

e) committed bank facilities must be in place and funds are in place to pay any deferred consideration due.[1]

9.8. Acquisition of certain pharmacies from Inischem DAC

Trennamally Limited (a subsidiary of the Company) entered into 14 separate share purchase agreements on 19 December 2018 to acquire 15 separate community pharmacies.

The total aggregate amount of consideration payable in respect of these companies is €5,489,975.

The relevant acquisitions were subject to the approval of the CCPC, which has been obtained. The agreements are otherwise unconditional. Under amendment agreements signed on 24 June 2019, completion must occur on or before 31 December 2019.

These pharmacies are being acquired from Inischem DAC, of which the Company owns 19.9% of the issued share capital. As part of the commercial arrangements for the acquisition, no warranties and/or indemnities were given by the selling companies or Inischem DAC on the basis that Allcare Management Services Limited, a Group Company, had been providing services to these pharmacies pursuant to a services agreement since 2011.

9.9. Acquisition of Bradley's Pharmacy Group

Pursuant to an investment agreement dated 30 October 2018, the Company agreed, subject to certain conditions which were subsequently satisfied, to subscribe for:

a) 10,000 shares in Pagni Pharmacies Limited (in examinership) for a total subscription price of €10,450,000; and

b) 1,000 shares in Pyramach Limited (in examinership) for a total subscription price of €50,000.

Pagni Pharmacies Limited and Pyramach Limited are the holding companies of the Bradley Pharmacy Group. The existing issued share capital in each of these companies, ultimately held by Brian Pagni and Monica Pagni was cancelled by way of Court order on 20 November 2018.

1 As part of the CCPC's clearance of the acquisition, certain commitments were given by the Group to the CCPC. These commitments included firewall and confidentiality provisions relating to certain areas of the business. The Group has been working to fulfil these obligations, and it expects to be in a position to submit the relevant compliance certificates to the CCPC by the required deadline of 16 August 2019.

As an acquisition pursuant to an examinership, no warranties and/or indemnities were obtained by the Company in relation to this acquisition.

9.10. Angiocare Share Purchase Agreement

Pursuant to a share purchase agreement dated 12 July 2018, made between (1) Uniphar Europe Limited and (2) Triple Business Partners B.V., the Group acquired the entire issued share capital of Angiocare B.V. €5,150,000 was paid by the Group on completion of the acquisition and there is further deferred consideration of up to €4,356,000 payable, contingent on agreed EBITDA targets being met over the three years from completion of the acquisition. Customary warranties and indemnities were given by the seller.

9.11. Macromed Share Purchase Agreement

Pursuant to a share purchase agreement dated 2 February 2018, Outcome Medical Solutions Limited acquired 94.95% of the issued share capital of Macromed (UK) Limited. £2,500,000 was paid on completion of the acquisition and a further amount of £113,878 was paid based on the net cash and working capital in this company on completion. Deferred consideration is payable subject to certain earnings before interest and taxation ("**EBIT**") targets being met over the four year period from acquisition up to a maximum amount of £1,334,000 in respect of the three years following completion of the acquisition and a further amount based on the EBIT of Macromed (UK) Limited in the fourth year following completion of the acquisition. Customary warranties and indemnities were obtained on completion. The remaining shares in Macromed (UK) Limited are subject to put and call option arrangements which are contained in the articles of association of Macromed (UK) Limited. The calculation of the consideration is based on the company enterprise value ("**CEV**") of Macromed. CEV is calculated based on a multiple of an agreed EBIT calculation based on the financial year ended prior to the exercise of the option. The consideration payable ranges between 0.000001% to 0.704225% of the CEV.

9.12. Clinical Cube Acquisition

Pursuant to a share purchase agreement dated 16 August 2017, 70% of the issued shares of Clinical Pyramid Limited were acquired by Outcome Medical Solutions Limited. £541,905 was paid on completion of the acquisition and £6,190,000 was paid as deferred consideration. Clinical Cube Limited is a wholly owned subsidiary of Clinical Pyramid Limited. The remaining 30% of the shares in Clinical Pyramid Limited are subject to a put and call option agreement, pursuant to which the seller is entitled to require Outcome Medical Solutions Limited to purchase such shares and Outcome Medical Solutions Limited is entitled to require the seller to sell such shares to it. The option is exercisable over a 6-month period once accounts for the 12 months to 16 August 2020 have been finalised. The option price is calculated based on a multiple of qualifying EBIT (which calculation cannot exceed £5,250,000).

The following contracts, not being contracts entered into in the ordinary course of business, are all of the contracts which were entered into by the Company and its subsidiaries before the period of two years immediately preceding the date of this document and which contain any provisions under which any member of the Group has any obligation or entitlement which is material to the Group:

9.13. Cahill May Roberts Acquisition

Pursuant to a share purchase agreement dated 14 November 2012 (as amended) the Group acquired 100% of the shares in Cahill May Roberts Limited. Two further tranches of deferred consideration are still payable:

a) €2,000,000 of the final instalment of the deferred consideration is payable by the Company on the date on which the payment referred to in paragraph (b) below is to be made. This deferred amount bears an interest rate of 5% p/a to the date of the actual payment;

b) a further amount of consideration is payable (up to a maximum of €3,400,000) linked to a sale or a valuation to be obtained on a property in Chapelizod, Dublin owned by Cahill May Roberts Limited.

9.14. Acquisition of Dialachemist Limited

Pursuant to a share purchase agreement dated 3 November 2015, 80% of the issued shares of Dialachemist Limited were acquired by Outcome Medical Solutions Limited. An option agreement was entered into on the same date to provide for the sale to Outcome Medical Solutions Limited of the remaining shares in Dialachemist Limited. The period in which the option is exercisable is 12 months following the approval of the 31 December 2020 accounts. The option price is based on a percentage of the EBIT as extracted from each of the 2018, 2019 and 2020 accounts for Dialachemist Limited and the net debt of that company.

9.15. Outico Acquisition

Pursuant to a share purchase agreement dated 3 April 2017, 89.3% of the issued shares in Outico Limited were acquired by Outcome Medical Solutions Limited. £2,350,000 was paid on completion of the acquisition. A balance of €616,666 is due in 2020 as deferred consideration in respect of this acquisition. Growth share provisions for the remaining shares in Outico Limited are subject to put and call option arrangements contained in the articles of association of Outico Limited. Pursuant to these, the seller is entitled to require Outcome Medical Solutions Limited to purchase such shares and Outcome Medical Solutions Limited is entitled to require the seller to sell such shares to it, based on the CEV of Outico Limited. CEV is calculated based on a multiple of an agreed EBIT calculation based on the accounts of Outico Limited as at the year-end prior to the exercise of the option. The EBIT for the purposes of this calculation cannot exceed £1,270,000. The consideration is payable on the exercise of the option but if the CEV is equal to or more than £12,750,000 based on the Year 3 accounts, the consideration is payable as to:

a) 50% by 15 May 2020;

b) 25% by 15 May 2021; and

c) 25% by 15 May 2022.

9.16. Star Medical B.V.

Star Medical B.V. ("**Star BV**"), a private company incorporated under the laws of the Netherlands is owned as to 90% by Uniphar Europe Limited ("**Uniphar Europe**") and as to 10% by Lockwood & Rann Ventures Limited ("**LRV**") and was incorporated to undertake screening and recruitment services for third party organisations in the Netherlands, primarily in the medical device and pharmaceutical services area.

A shareholders agreement was entered into in January 2019 between Uniphar Europe and LRV. It contains a number of reasonably standard minority protection rights for LRV. In addition, if Star BV sustains losses in aggregate of €290,000 or more over the financial years up to 31 March 2020, there is a requirement that it be wound up.

Pursuant to an option entered into in January 2019 between Uniphar Europe and LRV put and call options were granted in respect of the 10% of the shares in Star BV held by LRV. LRV can only exercise the put option:

a) if the EBIT of Star BV for the financial year ended 31 March 2021 is at least €1,000,000; and

b) by exercising the put option within one month of receiving notification from Star BV of the EBIT for the year ended 31 March 2021.

The call option is exercisable by Uniphar Europe during the six month period following the expiry of the put option, or in other circumstances following the termination of a management agreement between Star BV and LRV.

The price payable on the exercise of either option is €500,000 if the EBIT of Star BV in respect of the year ending 31 March 2021 is at least €1,000,000. In all other circumstances, the price is €1.

9.17 Warranties and Indemnities given upon the disposal of 15 pharmacies during 2016 and 2017

The Company gave a number of tax warranties and/or tax indemnities upon the disposal of 15 pharmacies during 2016 and 2017 which have not expired. The warranties and indemnities in respect of eleven of these pharmacies expire on 31 December 2021 with the remainder expiring on 31 December 2022. The Company's liability under these warranties and indemnities is capped at a maximum amount equal to the consideration received in respect of the disposal concerned. There are no current or threatened claims in respect of any such warranties and/or indemnities.

9.18. Life Pharmacy Arrangements

One of the Company's retail brands "Life Pharmacy" is owned by Independent Life Pharmacy plc ("**ILP**"). ILP is owned as to 50% by the Company and as to 50% by individual pharmacies which trade under the "Life Pharmacy" brand.

The Company entered into a shareholders' agreement (the "**Life Pharmacy Shareholders' Agreement**") on 30 November 2015 with the original pharmacy members. Any pharmacy subsequently joining the Life Pharmacy "symbol group" must adhere to this agreement. Upon a pharmacy becoming a member of ILP, it is required to enter into an agreed form services agreement, trademark licence agreement and product supply agreement.

The following are key features of the Life Pharmacy Shareholders' Agreement:

a) while the Company owns 50% of the voting and financial rights of ILP, it does not control its board of directors; the pharmacy members at all times have the right to appoint a majority of the board;

b) there is a mechanism to ensure that the Company maintains its 50% interest regardless of changes to the pharmacy members;

c) it contains minority protections requiring the consent of either 75% or 90% of the shareholders for ILP to take certain specified actions. Actions requiring 75% consent include alteration of ILP's memorandum or articles of association, carrying on any business other than the management and control of it intellectual property, giving security over its assets, initiating a solvent winding up, certain types of asset disposal, entering into certain credit transactions, and changing certain key commercial agreements. Actions requiring 90% consent include issuing new shares (subject to certain exceptions), reorganization of IPL's share capital structure, reductions of capital, borrowing over a specified threshold, disposals of material intellectual property, and declaration or payment of dividends.

There is no pre-agreed mechanism for the Company to buy-out any of ILP's pharmacy members.

9.19. Facility Agreements

9.19.1. Syndicated Facility Agreement:

The Company is party to a Loan Market Association ("**LMA**") form facility agreement dated 25 April 2018 as amended by amendment letters dated 24 July 2018, 26 October 2018 and 4 January 2019 made between (1) the Company (as parent), (2) the Company, All-Phar Services Limited and Uniphar Wholesale Limited as original borrowers (the "**Original Borrowers**"), (3) the Original Borrowers and certain other Group Companies (as original guarantors), (4) The Governor and Company of the Bank of Ireland ("**BOI**"), AIB and Ulster Bank Ireland DAC (as original lenders and arrangers) and (5) BOI (as agent, security trustee and ID bank) (the "**Syndicated Facility Agreement**") pursuant to which the lenders agreed to make available five facilities to the Company, with total commitments of €213,950,000 and £1,900,000 respectively.

Facility A is a term loan of €77,350,000 repayable by way of instalments beginning 14 months after the closing date of the acquisition of the Sisk Healthcare Group (being 20 August 2018), with the final instalment date falling at 56 months. All amounts have to be repaid in full no later than five years from the date of the Syndicated Facility Agreement (the "**Termination Date**"). **Facility B** is an invoice discounting facility of €68,600,000 and **Facility C** is an invoice discounting facility up to €7,500,000. Both Facility B and Facility C can be terminated in accordance with the terms of the invoice discounting documents, or no later than the Termination Date. The termination provisions under the invoice discounting documents allow for either party to terminate the agreement by providing not less than six months' notice. The invoice discounting documents may also be terminated with immediate effect by written notice on the occurrence of an event of default. The purpose of Facility A, Facility B and Facility C is to fund the Sisk Acquisition, to provide working capital to the financing group and for general corporate purposes.

Facility D1 is a term loan facility of €15,000,000 for the purpose of funding specified acquisitions of a limited liability company, business or undertaking, permitted upon certain criteria being met. **Facility D2** is an uncommitted term loan facility of €35,000,000 for the purpose of funding proposed acquisitions, subject to approval of the lenders. **Facility E** is an uncommitted term loan facility of €10,500,000 for the purpose of paying a specific part of the consideration for Sisk Heathcare Group (see Sisk Acquisition Summary), pursuant to the Sisk Acquisition. Facility D1, Facility D2 and Facility E must each be repaid in full on the Termination Date.

Accrued interest is payable on Facility A, Facility D1, Facility D2 and Facility E on the last day of each interest period (being a period of three months) at a rate of 3 per cent., plus EURIBOR and reserve asset costs. There are two rates of Commitment fee payable under Facility A; 35 per cent. of the applicable margin for Tranche A of Facility A (which is for €74,500,000) and 40 per cent. of the applicable margin for Tranche B of Facility A (which is for €26,350,000). The Commitment fee for Facility D1 is 40 per cent. of the applicable margin, the applicable margin being 2 per cent. The margin element of the interest rate is subject to a downward ratchet determined by reference to the adjusted leverage ratio of the Company under the Syndicated Facility Agreement for the applicable interest period.

Neither Admission nor the Placing triggers a requirement to mandatorily prepay the indebtedness under the Syndicated Facility Agreement and no lender consent is required for Admission and Placing. However, if a person or group of persons acting in concert, (other than existing shareholders at the date of the Syndicated Facility Agreement) gain(s) direct or indirect control of the Company by holding beneficially more than 50 per cent. of the issued share capital of the Company, the indebtedness will automatically be cancelled and all outstanding utilisations, together with accrued interest and all other amounts accrued under the finance documents will become immediately due and payable.

There are a number of restrictive covenants specified in the Syndicated Facility Agreement, which, subject to certain specified exemptions, prohibit the Company and other obligors from incurring additional financial indebtedness, providing credit, guarantees, indemnities, security or entering into any transactions that are not expressly provided for, unless the prior written consent of the agent is obtained.

The LMA standard suite of events of default are provided for, including non-payment, breach of obligations, misrepresentation, cross default, insolvency, litigation and material adverse change. If an event of default occurs and is continuing, the agent, acting on the instruction of the lenders, has the right to cancel the facilities, declare that all amounts outstanding, including accrued interest, be paid and instruct the security trustee to enforce the security.

The Syndicated Facility Agreement is secured by cross guarantees and all asset debentures and share charges (as relevant) from material subsidiaries in the financing group. An intercreditor agreement dated 25 April 2018 between (1) AIB, BOI and Ulster Bank DAC (as original lenders) (2) The Governor and Company of the Bank of Ireland and Ulster Bank Designated Activity Company (as original bilateral providers) (3) AIB and BOI (as original invoice discounting providers) (4) BOI (as agent, and security trustee) and a subordination deed dated 25 April 2018 between (1) ROI Healthco IOM 1 Limited, Gerard Penny and John Osborne (as subordinated creditors) (2) the Company (as debtor) and (3) BOI (as agent and security agent) are in place. Additional obligors are required to accede to the Syndicated Facility Agreement and to the relevant security by deeds of accession.

9.19.2. Lindchem facilities Agreement

This bilateral facilities agreement is dated 14 December 2015 and is between, among others, (1) Lindchem Limited ("**Lindchem**") (as parent), (2) Spallango Companies (as original borrowers), (3) Lindchem Limited, the Spallango Companies, Gladsham Trading Limited, O'Callaghans Pharmacy Limited, Levinwick Limited, P. Coffey Chemist (Roscrea) Limited, Oconodrug Limited, Dempsey's Pharmacy Limited and Allcare Chemist Pharmacy Limited (as original guarantors) and (4) AIB (as lender) (the "**Lindchem Facilities Agreement**"). The Lindchem Facilities Agreement was amended by an amendment agreement dated 21 December 2016 and by a further amendment agreement dated 4 September 2017.

The Lindchem Facilities Agreement is an LMA form five-year term loan facility with total commitments of €14,635,000 (the "**Lindchem Facilities**"). Interest accrues and is payable on the last day of each interest period (being a period of three months) at a rate of 3.5 per cent. plus EURIBOR and reserve asset cost. Commitment fees of 50 per cent. per annum of the margin are payable to the lender.

Admission and the Placing would constitute a mandatory prepayment under the Lindchem Facilities Agreement only if it resulted in a change of control of Lindchem. This includes a change of indirect control. Therefore, if a person or persons acting in concert, gained control of more than 50 per cent. of the shares or voting rights of the Company, this would constitute an indirect change of control of Lindchem and be a mandatory prepayment event.

There are a number of restrictive covenants specified in the Lindchem Facilities Agreement which, subject to certain specified exemptions, prohibit Lindchem and the obligors from, without limitation, making loans or becoming a creditor, providing guarantees, indemnities or taking on additional financial indebtedness without the prior written consent of the lenders.

The customary standard suite of events of default are provided for including, without limitation, default relating to non-payment, breach of obligations, insolvency, cross default and litigation. If an event of default occurs and is continuing, the lender may cancel the Lindchem Facilities, declare that the Lindchem Facilities, with accrued interest, are due and payable and exercise any or all of its enforcement rights.

The Lindchem Facilities Agreement is secured by cross guarantees and an all asset debenture (including a deed of confirmation) from Lindchem and its subsidiaries.

9.19.3. Additional bilateral facilities

The Company is party to the following bilateral facility arrangements.

a) The BOI Uniphar Bilateral Facility Letter which provides:

Facility A – a €7,000,000 overdraft facility, repayable on demand, to assist the Company in funding working capital requirements;

Facility B – contingent facilities of €410,000 to discharge fees in favour of, among others, the Revenue Commissioners, the Customs and Excise Authorities, VAT authorities and the Department of Agriculture;

Facility C – a treasury line facility to assist in the management of foreign exchange and interest rate exposure undertaken by the Company during the course of its business; and

Facility D – any such other facilities as The Governor and Company of the Bank of Ireland may provide to the Company from time to time, including leasing facilities, credit card facilities and electronic funds transmission facilities.

b) BOI Sisk Bilateral Facility

A bilateral facility letter dated 20 August 2018 between Sisk Healthcare Unlimited Company ("**Sisk ULC**") and BOI in respect of a €102,500 guarantee facility made available to Sisk ULC for the purpose of issuing guarantees by BOI in favour of the Revenue Commissioners in respect of Sisk ULC, secured by a global letter of request in respect of all guarantees, bonds and/or letters of credit issued by BOI addressed from Sisk ULC to BOI and a global counter indemnity from Sisk ULC in favour of BOI and an all asset Irish law debenture.

In addition, both the BOI Uniphar Bilateral Facility Letter and the BOI Sisk Bilateral Facility benefit from the cross guarantees and debentures granted by the Company and other members of the Group in connection with the Syndicated Facility Agreement.

c) Bandridge Facility

By a novation, amendment and restatement agreement dated 30 October 2018 between (1) Pagni Pharmacies Limited ("**Pagni**") and T.A. Matthews (Ardee) Limited (as "**Transferors**"), (2) Bandridge Holdings Limited (as "**Transferee**") and (3) BOI (as lender) (the "**Bandridge Facility**"), the Transferee replaced the Transferors as borrower in respect of a facility letter dated 3 May 2018 and made between between T.A. Matthews (Ardee) Limited and BOI and a facility letter dated 3 May 2018 and made between Pagni and BOI.

The Bandridge Facility is an on demand loan facility of €4,000,000 secured by the properties of Bandridge Holdings Limited and also a property in Co. Louth held by T.A. Matthews (Ardee)

Limited. The Bandridge Facility is not guaranteed by the Company or any other subsidiary of the Company.

Pagni entered into an investment agreement on 30 October 2018 (as amended on 20 November 2018) between (1) Pagni (2) the Company (3) the companies listed in the Schedule thereto (4) Trennamally Limited and (5) Ken Tyrell (the "**Investment Agreement**"). In connection with the Investment Agreement, the Company invested capital in Pagni and Pyramach Limited ("**Pyramach**") and their associated subsidiaries in exchange for ordinary shares in each of Pagni, Pyramach and their subsidiaries (together the "**Bradleys Group Companies**").

The Bradleys Group Companies are subsidiaries of the Company and acceded to the Syndicated Facility Agreement and the existing security pursuant to deeds of accession dated 23 May 2019.

9.20. Stocking Loans

The Group, on occasion, advances stocking loans to its customers, which loans are permitted under the Syndicated Facility Agreement. These loans are documented by way of a loan agreement and personal guarantee and are interest-free. The current aggregate amount outstanding in respect of these loans, net of provisions, is €1,685,661.

9.21. Property Sale & Leaseback

9.21.1 The Company's premises at 4045 Kingswood Road, Citywest Business Park, Dublin 24 (the "**Property**") is held by it under a lease dated 27 June 2014 between (1) IPUT PLC ("**IPUT**") and (2) the Company (the "**Lease**").

The Property was originally owned by the Company, and was sold to IPUT on 27 June 2014. On completion of the sale, the Property was immediately leased back to the Company under the Lease, the key terms of which are as follows:

(a) Term – 20 years from 27 June 2014, with no break clause

(b) Rent – €2,100,000 per annum for Years 1 to 5 inclusive, €2,310,000 per annum for years 6 to 10 inclusive, €2,541,000 per annum for years 11 to 15 inclusive and €2,795,000 per annum for years 16 to 20 inclusive

(c) Permitted user – light industrial, manufacturing, warehousing, distribution and offices as ancillary thereto.

The rent is secured by a deposit equal to one year's rent which has been deposited with IPUT and may be set off against any rent arrears. The Company is entitled to all interest accruing on the deposit. The deposit must be released to the Company if its net profits for each of three consecutive financial years, as evidenced in the audited accounts for those years, are greater than three times the annual rent.

As part of the contract for sale to IPUT, the Company was given an option to buy back the Property from IPUT. This is governed by an option agreement between IPUT and the Company dated 27 June 2014 (the "**Option Agreement**"). Under the Option Agreement, the Company may exercise the option to purchase the Property on 27 June 2024 (the "**Option Date**") by giving not less than 12 months' prior written notice of exercise to IPUT, subject (amongst other things) to the notice being accompanied by a banker's draft for a deposit in the sum of €3,470,000. The purchase price set out in the Option Agreement is €34,700,000. If the Lease is forfeited or there is an early termination before the Option Date, the option to purchase will be deemed to be revoked and incapable of exercise by the Company.

9.21.2 The Company's premises at Unit 3, Northern Cross Business Park, Finglas ("**Northern Cross**") is currently held by it under a lease dated 19 October 2018 between (1) Exeter Ireland Property Limited ("**Exeter**") and (2) the Company (the "**Northern Cross Lease**").

Northern Cross was originally owned by the Company and was sold to Exeter on 2 July 2018. On completion of the sale, the Company entered into an Agreement for Lease with Exeter, dated 2 July 2018 (the "**AFL**"), to eventually lease Northern Cross back to the Company.

The key terms of the Northern Cross Lease are as follows:

(a) Term – 15 years from 1 October 2018, with a tenant break at the end of Year 10 (30 September 2028)

(b) Rent – €325,000 per annum for Years 1 to 5 inclusive and €390,000 per annum for years 6 to 10 inclusive.

(c) Rent Review – 1 October 2028.

(d) Permitted use – as a warehouse with ancillary offices.

The AFL contained a provision allowing the Company, prior to the Northern Cross Lease being granted, to nominate a group company or subsidiary to enter into the Northern Cross Lease. As the Company did not nominate a group company or subsidiary to take the Northern Cross Lease when it was granted, it is entitled under the terms of the Northern Cross Lease to assign to a group company or subsidiary at any time during the lease without Exeter's consent, provided the Company guarantees the tenant's obligations. Although the Northern Cross Lease has been granted to the Company, it was always intended that Sisk Healthcare Unlimited Company would be the ultimate tenant in the Property. The process to assign the Northern Cross Lease to Sisk Healthcare Unlimited Company is currently ongoing.

10. Professional Advisors and Service Providers to the Company

The Company engaged the following professional service providers and advisors during 2018 and 2019, to provide the services set out below:

Adviser/Service Provider	**Services Provided**
Legal	
William Fry	Irish Legal Advice
Osborne Clark	UK Legal Advice
Stek	Dutch Legal Advice
Greenberg Traurig	US Legal Advice
Financial, Audit and Governance	
PricewaterhouseCoopers	Audit and Financial Advisory Services
Deloitte	Financial Position and Prospects Procedures, Corporate Governance Advice and SAP support
Capnua	Corporate Finance Advice in respect of Acquisitions
Grant Thornton	Audit & Corporate Finance Advises in respect of Allcare Management Services and the Retail Network
Pensions Services	
Invesco	Pensions Advisors
Irish Pension Trust	Pension Services
Public Relations, Media and Strategy	
Q4	Public Relations and Media
Alchemy Communications	Public Relations
Stonehaven	Strategy Consultancy
Miscellaneous	
Agar	Property Advisors
Reardon & Co.	Liquidator services
Sapro	IT Consultancy
True Story	Preparation of Annual Report
Computershare	Registrar Services

In addition to the above service providers engaged by the Company, the Company also discharged legal fees of BOI in connection with financing matters of the Group. McCann FitzGerald, Hill

Dickinson, DQ Advocates and Van Doorne acted on behalf of BOI, in Ireland, the UK, the Isle of Man and the Netherlands respectively.

11. SHARE INCENTIVE ARRANGEMENTS

2018 Executive Share Incentive Plan ("2018 LTIP")

The 2018 LTIP was established on 24 April 2018. As at the date of this document 37 executives/key employees of the Group, comprising 29 Uniphar employees and 8 Sisk employees, hold awards granted under the 2018 LTIP over an aggregate of 13,162,240 Ordinary Shares. This will represent approximately 4.9% of the Enlarged Ordinary Share Capital following Admission.

Each 2018 LTIP award comprised an upfront subscription for partly paid Ordinary Shares; the nominal value of an Ordinary Share is €0.08 and the amount paid up in cash per Ordinary Share by each awardholder, upon subscription, was €0.02. Prior to Admission, each 2018 LTIP awardholder paid up the unpaid balance of €0.06 per Ordinary Share. For each 2018 LTIP awardholder, other than directors of the Company or any of its subsidiaries, the Company made a loan in the amount required to pay such unpaid amount. The aggregate amount lent by the Company is €207,864.06, all of which remains outstanding as at the date of this document. The Company may call for repayment of these loans at any time, and each loan must in any case be repaid on 30 June 2023.

Vesting of 2018 LTIP awards:

All 2018 LTIP awards are currently unvested. Vesting is conditional upon (1) specified performance conditions being satisfied before 31 December 2022 and (2) the awardholder being in the employment of the Group at that date.

Different performance conditions apply to the 2018 LTIP awards granted to Uniphar employees over an aggregate of 12,437,240 shares ("**Uniphar Awards**") and the 2018 LTIP awards granted to Sisk employees over an aggregate of 725,000 shares ("**Sisk Awards**").

Performance Condition – Uniphar Awards

Ordinary Shares subject to each Uniphar Award will mature (on a cumulative basis) if the value of an Ordinary Share reaches the target share price set out in the table below before 31 December 2022.

Target Share Price	% of 2018 LTIP Shares to Mature
€1.75	25%
€2.25	25%
€2.75	25%
€3.30	25%

Following Admission, the value of an Ordinary Share will be determined based on the average trading price over any period of 30 consecutive trading days. Matured Ordinary Shares will vest on 31 December 2022, provided the award holder is still employed by the Group.

Performance Condition – Sisk Awards

Each Sisk Award will vest in full if the medical devices business of the Group achieves maintainable EBITDA of at least €25,000,000 for the financial year ending 31 December 2022, provided the award holder is still employed by the Group.

Takeover of Uniphar

In the event of a takeover of Uniphar, all unvested 2018 LTIP awards will vest in full on an accelerated basis.

Compulsory transfer of unvested Ordinary Shares

From Admission, if the awardholder ceases to be employed by the Group before 31 December 2022 or to the extent the applicable performance conditions are not satisfied, the Company may direct that the awardholder sell his unvested Ordinary Shares to an employee benefit trust at a price equal to the amount paid on the Ordinary Share (€0.08 per Ordinary Share) plus 5% interest per annum from the date(s) of payment.

12. PENSIONS

Group Pension Schemes

The Group maintains two defined benefit pension schemes for certain current and former employees, the Whelehan Group Pension Scheme (the "**Whelehan Scheme**") and the Cahill May Roberts Limited Contributory Pension Plan (the "**CMR Contributory Scheme**"). Both schemes are closed to new entrants, closed to accrual and have recently been the subject of enhanced transfer value exercises. Contributions to both schemes are paid in line with ongoing actuarial valuation recommendations (€381,000 per annum to the Whelehan Scheme and €245,000 per annum to the CMR Contributory Scheme). The level of contributions in both cases is subject to change depending on future actuarial valuations. For the Whelehan Scheme, the trustee has the power to unilaterally issue a contribution demand to deal with any funding deficit where actuarial advice indicates this is necessary to provide the benefits under the scheme rules. A case was taken by 17 members of the CMR Contributory Scheme before the Workplace Relations Commission (the "**WRC**") on the continuation of the pre-closure employer contribution rate to the CMR Contributory Scheme (33.3% of pensionable salary). The Company confirmed to the union representing those members that contributions had continued in line with the funding agreement. Since the WRC hearing took place on 4 September 2018, the union requested the Company to exclude its members from the enhanced transfer value exercise, which the Company agreed to do, and no further correspondence has been received by the Company concerning this matter since 19 September 2018.

Certain Group Companies have recently wound up four defined benefit schemes (the United Pharmacists Co-Operative Society Limited Pension and Life Assurance Scheme; the Allied Pharmaceutical Distributors Pension Plan; the Cahill May Roberts Limited No. 2 Plan and the Uniphar Superannuation Scheme). The Company has been advised that the termination notices were validly given by the sponsor in each case and that there are no further contributions payable on those schemes. The Company has not received any complaint or threat of challenge in respect of these wind-ups.

Group Companies also sponsor three defined contribution schemes, the Uniphar Group Retirement Benefits Scheme, the Sisk Healthcare European Pension Scheme and the Cahill May Roberts Limited Defined Contribution Pension Plan. Employer contributions to these schemes range from 3% to 7.5% of pensionable salary and the sponsoring employer covers the cost of death in service benefits (these benefits range from 2 times salary to 6 times salary).

In addition, there are 21 small schemes that were established by Irish Group Companies, two of which are current, 10 are frozen and nine are wound up. There are no longer any employer contributions due or legal obligations to pay expenses to these schemes.

The Irish Group Companies also maintain PHI cover for employees.

Certain of the Group's non-Irish companies offer defined contribution pension arrangements to some of their employees. The Company is not aware of any material risks associated with these pension arrangements. Star Medical and Outico offer employees defined contribution benefits through a group scheme provided by Royal London. Macromed and Clinical Cube have enrolled employees in the UK government's NEST scheme to meet UK auto-enrolment requirements and Dialachemist offers employees access to defined contribution benefits. Angiocare provides access to a defined contribution pension scheme and pensionable salary is capped in accordance with Dutch law.

13. CORPORATE GOVERNANCE

The Directors acknowledge the importance of good corporate governance and believe that good corporate governance 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. The Directors have adopted the Quoted Companies Alliance Corporate Governance Code for small and mid-size quoted companies (the "**QCA Code**") which has become a widely recognised benchmark for corporate governance of small and mid-sized companies, particularly AIM and Euronext Growth companies.

The Chairman is responsible for ensuring that the Board implements, maintains and communicates effective corporate governance processes and for promoting a culture of openness and debate designed to foster a positive governance culture throughout the Company.

Immediately following Admission, the Board will comprise twelve Directors, three of whom will be Executive Directors and nine of whom, including the Chairman, will be Non-Executive Directors, reflecting a blend of different experience and backgrounds. Following Admission, the Board will meet at least six times a year to review, formulate and approve the Company's strategy, budgets and corporate actions and oversee the Company's progress towards its goals. The Company has established an Audit, Risk and Compliance Committee, a Remuneration Committee and a Nomination Committee with formally delegated duties and responsibilities and with written terms of reference. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises.

Board independence

At the date of this document, the Board consists of the Chairman, eight Non-Executive Directors (three of whom are considered independent) and three Executive Directors. The Board believes that Paul Hogan, Heather Ann McSharry and Sue Webb 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. The Board believes this combination of Executive, Non-Executive and Independent Non-Executive Directors allows it to exercise objectivity in decision making and proper control of the Group's business and that this composition is appropriate in view of the size and requirements of the Group's business.

Audit, Risk and Compliance Committee

The composition of the Audit, Risk and Compliance Committee is set out in paragraph 14 of Part 1. The terms of reference of this committee state that the composition should comprise of a minimum of three independent Non-Executive Directors, to the extent possible. On Admission, the committee will not meet this independence criteria but it is the Board's intention to transition to a fully independent Audit, Risk and Compliance Committee. Each appointment 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 remains independent. Members must rotate so that the committee regularly includes new members. The chairperson of the committee is appointed by the Board. However, the chairperson of the Board may not be a member of the committee. At least one member of the committee should have significant, recent and relevant financial experience. The committee will meet at least four times per year at appropriate intervals in the financial reporting and audit cycle, and otherwise as required.

The committee is responsible for ensuring that the financial performance of the Group is properly reported on and reviewed. 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 financial controls, monitoring and reviewing the effectiveness of the internal audit function, 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.

Nomination Committee

The composition of the Nomination Committee is set out in paragraph 14 of Part 1. The Nomination Committee is appointed by the Board and the terms of reference of this committee state that the composition should comprise a minimum of three Directors, the majority of whom must be independent Non-Executive Directors. On Admission, the committee will not meet this independence criteria but it is the Board's intention to transition to a Nomination Committee that comprises a majority of independent Non-Executive Directors. Each appointment 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 chairperson of the committee may be either the chairperson of the Board or another independent Non-Executive Director. The committee will meet at least once per year.

The committee is responsible for overseeing succession planning for the Board and senior management. It is also responsible for assessing the leadership needs for the Group in terms of its ability to compete effectively in its industry.

Remuneration Committee

The composition of the Remuneration Committee is set out in paragraph 14 of Part 1. The Remuneration Committee is appointed by the Board and the terms of reference of this committee state that the composition should comprise a minimum of three Directors, at least two of whom must be independent Non-Executive Directors. On Admission, the committee will not meet this independence criteria but it is the Board's intention to transition to a Remuneration Committee that comprises at least two independent Non-Executive Directors. Each appointment is for a term of up to three years, which may be extended by up to two further three-year terms, provided (where relevant) the Director in question remains independent. The committee will meet at least once per year.

The committee's main duties are to determine the Group's policy on executive remuneration; review the suitability of performance measurement criteria for the Executive Directors and senior management; review the notice periods for Executive Director employment contracts; determine compensation arrangements for early termination of employment contracts; administer share option schemes for Executive Directors and 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. The committee is responsible for reviewing the remuneration of the Chief Executive Officer and the other Executive Directors. The committee must consult the Chief Executive Officer fully about its remuneration proposals. No director or senior manager may be involved in any decisions as to their own remuneration. The committee is also responsible for appointing remuneration consultants.

Further details of the terms of reference of each of the above committees will be available on the Company's website.

Share dealing policy

The Company has adopted a share dealing policy regulating trading and confidentiality of inside information for the Directors and other persons discharging managerial responsibilities (and persons closely associated with them) which contains provisions appropriate for a company whose shares are admitted to trading on AIM and Euronext Growth (particularly relating to dealing during closed periods which will be in line with the Market Abuse Regulation). The Company will take all reasonable steps to ensure compliance by the Directors and any relevant employees with the terms of that share dealing policy.

Compliance with the QCA Code

The Board recognises the importance of sound corporate governance and applies the QCA Code, which the Directors believe is the most appropriate recognised governance code for a company with shares admitted to trading on AIM and Euronext Growth. It is believed that the QCA Code provides the Company with the framework to help ensure that a strong level of governance is maintained, enabling the Company to embed the governance culture that exists within the organisation as part of building a successful and sustainable business for all of its stakeholders. It is the Board's objective to continue to enhance its corporate governance structures and to transition to full compliance with the UK Corporate Governance Code within three years.

The QCA Code requires the Company to apply ten principles of good corporate governance and publish certain disclosures in its annual report and also on its website. The Company has committed to apply these principles within the business.

From Admission, the Company will publish on its Rule 26 website details of how it complies with the QCA Code and where it departs from the QCA Code with explanations of the reasons for doing so. The Company will review this information annually in accordance with the requirements of Rule 26 of the AIM Rules and Rule 5.26 of Part II (Non-Harmonised Rules) of the Euronext Growth Rules.

In early 2019 the Board appointed Deloitte to conduct a review of its compliance with the QCA Code and prepare a transition plan to set out steps towards complying with the QCA Code to the fullest extent possible, and the UK Corporate Governance Code within the next three years. In light of this review the Board took a number of steps to enhance its QCA Code compliance. Certain areas detailed below were identified as requiring further steps following Admission to ensure full compliance with the QCA Code.

An independent review of the Board's reporting structure was carried out by Deloitte. The review found that certain enhancements could be made to the scope of the information provided to the Board and that historically the information reviewed by the Board has been financially focused. In light of this, following Admission, the Board, with the assistance of the Company Secretary, will put in place a new board reporting calendar for the year and a more formal board reporting process will be implemented which will include non-financial metrics.

Deloitte also carried out an independent review of Board structure and composition. This detailed review focused on the skills and experience of each Board member and identified areas where the collective Board composition lacked certain attributes and diversity. Following this review, the Chairman engaged organisational consultants, Korn Ferry, to assist with the search for additional independent non-executive directors for the Board who would possess the skills identified as being under-represented on the Board. The outcome of this process saw the appointment of Paul Hogan, Heather Ann McSharry and Sue Webb as new independent Non-Executive Directors enhancing the independent representation on the Board. The composition of the Board's committees does not currently meet the independence criteria contained in the terms of reference for those committees and the Board intends to increase independent representation on the Board's committees over the next three years as it continues its transition to compliance with the UK Corporate Governance Code.

Following Admission, the Company intends to engage the services of an external service provider to help the Group identify, define and communicate its corporate culture throughout the organisation and also to its stakeholders.

14. MANDATORY BIDS, SQUEEZE-OUT AND BUY-OUT RULES

14.1 Mandatory Bids

Following Admission, the Company will be a public limited company incorporated in Ireland and its Ordinary Shares will be admitted to trading on Euronext Growth and AIM. As a result, the Company will be subject to the provisions of the Irish Takeover Rules. The Irish Takeover Rules regulate acquisitions of the Company's securities.

Rule 5 of the Irish Takeover Rules prohibits the acquisitions of securities or rights over securities in a company, such as the Company, in respect of which the Irish Takeover Panel has jurisdiction to supervise, if the aggregate voting rights carried by the resulting holding of securities the subject of such rights would amount to 30 per cent. or more of the voting rights of that company. If a person holds securities or rights over securities which in aggregate carry 30 per cent. or more of the voting rights, that person is also prohibited from acquiring securities carrying 0.05 per cent. or more of the voting rights, or rights over securities, in a 12-month period. Acquisitions by and holdings of concert parties must be aggregated. The prohibition does not apply to purchases of securities or rights over securities by a single holder of securities (including persons regarded as such by under the Irish Takeover Rules) who already holds securities, or rights over securities, which represent in excess of 50 per cent. of the voting rights.

Rule 9 of the Irish Takeover Rules provides that where a person acquires securities which, when taken together with securities held by concert parties, amount to 30 per cent. of more of the voting rights of a company, that person is required under Rule 9 to make a general offer – a "mandatory offer" – to the holders of each class of transferable, voting securities of the Company to acquire their securities. The obligation to make a Rule 9 mandatory offer is also imposed on a person (or persons acting in concert) who holds securities conferring 30 per cent. or more of the voting rights in a company and which increases that stake by 0.05 per cent. or more in any 12 month period. Again, a single holder of securities (including persons regarded as such under the Irish Takeover Rules) who holds securities conferring in excess of 50 per cent. of the voting rights in a company may purchase additional securities without incurring an obligation to make a Rule 9 mandatory offer. There have been no mandatory takeover bids nor any public takeover bids by third parties in respect of the share capital of the Company in the last financial year or in the current financial year to date.

14.2 Squeeze-out and buy-out rules

Under the Companies Act, if an offeror were to acquire 80 per cent. of the issued share capital of a company within four months of making a general offer to shareholders, it could then compulsorily acquire the remaining 20 per cent. In order to effect the compulsory acquisition, the offeror would send a notice to outstanding shareholders telling them that it would compulsorily acquire their shares. Unless determined otherwise by the High Court of Ireland, the offeror would execute a transfer of the outstanding shares in its favour after the expiry of one month. Consideration for the transfer would be paid to the company, which would hold the consideration on trust for the outstanding shareholders.

Where an offeror already owned more than 20 per cent. of the Company at the time that the offeror made an offer for the balance of the shares, compulsory acquisition rights would only apply if the offeror acquired at least 80 per cent. of the remaining shares that also represented at least 50 per cent. in number of the holders of those shares.

The Companies Act also give minority shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all of the issued share capital, and at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 80 per cent. of the issued share capital, any holder of shares to which the offer related who had not accepted the offer could, by a written communication to the offeror, require it to acquire those shares. The offeror would be required to give any shareholders notice of their right to be bought out within one month of that right arising.

14.3 Substantial Acquisition Rules

The Substantial Acquisition Rules are designed to restrict the speed at which a person may increase a holding of voting securities (or rights over such securities) of a company which is subject to the Irish Takeover Rules, including the Company. The Substantial Acquisition Rules prohibit the acquisition by any person (or persons acting in concert with that person) of shares or rights in shares carrying 10 per cent. or more of the voting rights in a company within a period of 7 calendar days if that acquisition would take that person's holding of voting rights to 15 per cent. or more but less than 30 per cent. of the voting rights in that Company.

14.4 Merger Control Legislation

Under merger control legislation in the EU and Ireland, any undertaking (or undertakings) proposing to acquire direct or indirect control of the Company through the acquisition of Ordinary Shares or otherwise must, before putting the transaction into effect, if the relevant financial thresholds are met or exceeded, notify such acquisition to the European Commission or the Competition and Consumer Protection Commission the fact of which would be available on the European Commission's or the Competition and Consumer Protection Commission's website.

If the transaction has an 'EU dimension', i.e. if the financial thresholds under EU merger control rules are met or exceeded, any acquisition of control over the Company must be notified to the European Commission before being put into effect. There are two alternative tests for determining whether a concentration has an 'EU dimension'. The financial thresholds to trigger mandatory notification under EU merger control rules are that in the most recent financial year:

– Test 1: (a) the aggregate world-wide turnover of all of the undertakings concerned is more than €5,000,000,000 and (b) the aggregate EU-wide turnover of each of at least two of the undertakings concerned is more than €250,000,000, unless each of the undertakings concerned achieves more than two-thirds of its aggregate EU-wide turnover within one and the same EU Member State; or

– Test 2: (a) the aggregate world-wide turnover of all of the undertakings concerned is more than €2,500,000,000, (b) the combined aggregate turnover of all the undertakings concerned is more than €100,000,000 in each of at least three EU Member States, (c) the aggregate turnover of each of at least two of the undertakings concerned is more than €25,000,000 in each of at least three of the above EU Member States and (d) the aggregate EU-wide turnover of each of at least two of the undertakings concerned is more than €100,000,000, unless each of the undertakings concerned achieves more than two-thirds of its aggregate EU-wide turnover within one and the same EU Member State.

Failure to notify a transaction which has an EU dimension to the European Commission is punishable by fines. Any mandatorily notifiable transaction put into effect before clearance by the European Commission has been obtained is void.

The financial thresholds to trigger mandatory notification under Irish merger control rules are that in the parties respective most recent financial years, subject to certain exceptions (primarily where the acquisition is a media merger): (a) the aggregate turnover in Ireland of the undertakings involved in the merger or acquisition is not less than €60,000,000, and (b) each of at least two of the undertakings involved in the merger or acquisition has turnover in Ireland of at least €10,000,000. Failure to notify a mandatorily notifiable transaction either at all or properly is an offence (for the undertakings involved and in certain circumstances for the persons in control of the undertakings involved) under the laws of Ireland. The Competition Acts define “control” as existing if, by reason of securities, contracts or any other means, decisive influence is capable of being exercised with regard to the activities of an undertaking (and control is regarded as existing, in particular, by (a) ownership of, or the right to use all or part of, the assets of an undertaking, or (b) rights or contracts which enable decisive influence to be exercised with regard to the composition, voting or decisions of the organs of an undertaking). Under the laws of Ireland, any transaction subject to the mandatory notification obligation set out in the legislation (or any transaction which has been voluntarily notified to the Competition and Consumer Protection Commission to protect such a transaction from possible challenge under the Competition Acts if there is a competition law concern with such a transaction irrespective of the thresholds for a compulsory notification) will be void if put into effect before clearance by the Competition and Consumer Protection Commission is obtained or before the prescribed statutory period following notification has expired.

15. RELATED PARTY TRANSACTIONS

Save as disclosed below and in note 37 of the notes to the financial statements presented in Section (B) of Part 3 of this document, the Company has not entered into a transaction with a related party during the periods covered by the historical financial information set out in Part 3 of this document and between 31 December 2018 and the Latest Practicable Date.

In the ordinary course of business as pharmacists, certain non-executive directors of the Company and executive directors of subsidiary companies have traded on standard commercial terms with the Group. The individual value of these transactions is not material in the context of the Group’s financial results and have therefore been disclosed in aggregate.

The Group sold goods and other assets to companies controlled by these directors totalling €1,919,000 during the period from 31 December 2018 to the Latest Practicable Date. As a result of payments in advance, amounts of €259,000 were owing to the pharmacies in respect of these transactions at the Latest Practicable Date.

16. WORKING CAPITAL

The Directors are of the opinion, having made due and careful enquiry, taking into account the Net Proceeds and the funds available to the Group following Admission, that the Enlarged Group will have sufficient working capital for its present requirements, that is for at least the next twelve months from the date of Admission.

17. NO SIGNIFICANT CHANGE

Save as disclosed in this document, there has been no significant change in the financial or trading position of the Group since 31 December 2018 (the date to which the financial information reported on in the Accountant’s Report in respect of the Company presented in Part 3 of this document was prepared).

Save as disclosed in this document, there has been no significant change in the financial or trading position of Durbin since 31 December 2018 (the date to which the financial information reported on in the Accountant’s Report in respect of the Company presented in Part 5 of this document was prepared).

18. LITIGATION

There have been no legal, governmental or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Company's or the Group's financial position or profitability.

19. ENVIRONMENTAL ISSUES

Save as disclosed in this document, the Directors believe that the Group does not have any material environmental compliance costs or environmental liabilities.

20. GENERAL

20.1 Expenses

The total costs related to the Placing and Admission are estimated to amount to €11.3 million (excluding any recoverable VAT where relevant) on the basis of Gross Proceeds of €135.0 million and are payable by the Company.

20.2 Consents

(a) Davy, which is regulated in Ireland by the Central Bank of Ireland, has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references of its name in the form and context in which it appears.

(b) RBC, which is regulated in the United Kingdom by the FCA, has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references of its name in the form and context in which it appears.

(c) PwC, has given and not withdrawn its consent to the inclusion of its reports in Part 3, 4 and 5 of this document, and of its name and the references thereto in the form and context in which they appear.

20.3 Benefits received from the Company

Save as disclosed in this document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has received, directly or indirectly, from the Company within the 12 months preceding the application for Admission; or entered into any contractual arrangement to receive, directly or indirectly, from the Company on or after Admission, any fees totalling £10,000 or €14,000 or more or securities in the Company with a value of £10,000 or €14,000 or more (calculated by reference to the Placing Price) or any other benefit to a value of £10,000 or €14,000 or more at the date of Admission.

20.4 Availability of Admission Document

Copies of this document and documents incorporated by reference into this document (if any) are available free of charge from the registered office of the Company during normal business hours on any weekday (Saturdays and public holidays excepted) from the date of this document and will remain available for at least 30 days after the date of Admission and is also available subject to certain restrictions from the Company's website www.uniphar.ie.

20.5 Miscellaneous

The sale, distribution and marketing of certain products and services that the Group sells or provides, such as pharmaceutical products and medical devices, are highly regulated. Among the various licences and regulatory approvals which the Group has been granted, has obtained, or has applied for and expects to be granted, are those described immediately below.

Allphar Services Limited

- Manufacturer's Authorisation (No. M1009) granted by the Health Products Regulatory Authority to Allphar Services Limited in respect of activities relating to packaging and importation of medicinal products at the Group's premises at 4045 Kingswood Road, Citywest Business Park, Dublin, Ireland.
- Wholesale Distribution Authorisation (No. W00005/00001) granted by the Health Products Regulatory Authority to Allphar Services Limited in respect of activities relating to wholesale distribution of medicinal products at 4045 Kingswood Road, Citywest Business Park, Dublin, Ireland.

- Licence to Supply Controlled Drugs (No. 5/406-1-2019) granted by the Minister for Health to Allphar Services Limited in respect of the supply, offer to supply and possession of certain controlled drugs at 4045 Kingswood Road, Citywest Business Park, Dublin, Ireland.
- Registration of Authorisation to Supply Controlled Drugs (No. A16/2014) granted by the Minister for Health to Allphar Services Limited in respect of the supply, offer to supply and possession of certain controlled drugs at 4045 Kingswood Road, Citywest Business Park, Dublin, Ireland.
- Wholesale Distribution Authorisation (No. W00005/00005) granted by the Health Products Regulatory Authority to Allphar Services Limited in respect of activities relating to wholesale distribution of medicinal products at Units 645 & 646, Jordanstown Drive, Greenogue Industrial Estate, Rathcoole, Dublin, Ireland.
- Licence to Supply Controlled Drugs (application for renewal of No. 5/531-3-2018) applied for by Allphar Services Limited in respect of the supply, offer to supply and possession of certain controlled drugs at Units 645 & 646, Jordanstown Drive, Greenogue Industrial Estate, Rathcoole, Dublin, Ireland.
- Animal Remedies Wholesaler's Licence (No. WS/DN/078) granted by the Minister for Agriculture, Food and the Marine to the Company t/a Allphar Services in respect of activities relating to wholesale of animal remedies at Site 645-646, Jordanstown Drive, Greenogue Industrial Estate, Rathcoole, Co. Dublin.
- Wholesale Distribution Authorisation (Proposed No. W00005/00006) applied for by Allphar Services Limited in respect of activities relating to wholesale distribution of medicinal products at Pharmapark, Chapelizod, Dublin, Ireland.
- Licence to Supply Controlled Drugs (No. 5/188D-1-2018) granted by the Minister for Health to the Company in respect of the supply, offer to supply and possession of certain controlled drugs at 4045 Kingswood Road, Citywest Business Park, Dublin, Ireland.
- Wholesale Distribution Authorisation (No. W00241/00002) granted by the Health Products Regulatory Authority to the Company in respect of activities relating to wholesale distribution of medicinal products at Garryglass, Limerick, Ireland.
- Licence to Supply Controlled Drugs (No. 5/188A-1-2018) granted by the Minister for Health to the Company in respect of the supply, offer to supply and possession of certain controlled drugs at Garryglass Industrial Estate, Limerick, Ireland.
- Registration of Authorisation to Supply Controlled Drugs (No. U9/2016) granted by the Minister for Health to the Company in respect of the supply, offer to supply and possession of certain controlled drugs at Garryglass Industrial Estate, Limerick, Ireland.
- Wholesale Distribution Authorisation (No. W00241/00007) granted by the Health Products Regulatory Authority to the Company in respect of activities relating to wholesale distribution of medicinal products at Units 5 – 7 Cleveragh Business Park, Sligo, Ireland.
- Licence to Supply Controlled Drugs (No. 5/188-1-2018) granted by the Minister for Health to the Company in respect of the supply, offer to supply and possession of certain controlled drugs at 5/7 Cleveragh Business Park, Sligo, Ireland.
- Registration of Authorisation to Supply Controlled Drugs (No. U15/2016) granted by the Minister for Health to the Company in respect of the supply, offer to supply and possession of certain controlled drugs at /7 Cleveragh Business Park, Sligo, Ireland.
- Wholesale Distribution Authorisation (No. W00241/00008) granted by the Health Products Regulatory Authority to the Company in respect of activities relating to wholesale distribution of medicinal products at South Cork Industrial Estate, Pouladuff Road, Cork, Ireland;
- Registration of Authorisation to Supply Controlled Drugs (No. U10/2017) granted by the Minister for Health to the Company in respect of the supply, offer to supply and possession of certain controlled drugs at South Cork Industrial Estate, Pouladuff Road, Cork, Ireland.

- Licence to Supply Controlled Drugs (No. 5/188C-1-2018) granted by the Minister for Health to the Company in respect of the supply, offer to supply and possession of certain controlled drugs at South Cork Industrial Estate, Vicars Road, Togher, Cork, Ireland.

Uniphar Wholesale Limited

- Registration of Authorisation to Supply Controlled Drugs (No. AG1/2018) granted by the Minister for Health to Uniphar Wholesale Limited in respect of the supply, offer to supply and possession of certain controlled drugs at Garryglass Industrial Estate, Limerick, Ireland.

The Company

- Wholesale Distribution Authorisation (No. W00241/00001) granted by the Health Products Regulatory Authority to Uniphar Wholesale Limited in respect of activities relating to wholesale distribution of medicinal products at 4045 Kingswood Road, Citywest Business Park, Dublin, Ireland.

Retail Pharmacies

- Various retail pharmacy business registrations granted by the Pharmaceutical Society of Ireland.

20.6 Other

(a) The Ordinary Shares are in registered form and the liability of members of the Company is limited to the amount, if any, unpaid on their shares held by them in the capital of the Company.

(b) Save as disclosed in this document, the Directors are unaware of any exceptional factors which have influenced the Company's activities.

(c) Save as disclosed in this document, there are no investments by the Group in progress which are significant.

(d) This Document has not been approved by the Central Bank of Ireland or the Financial Conduct Authority of the UK.

(e) No Placing Shares are being made available, in whole or in part, to the public in conjunction with the applications for Admission.

(f) The Ordinary Shares will be in registered form, and capable of being held in uncertificated form, and will be admitted to listing on AIM and Euronext Growth.

(g) Where information has been sourced from a third party, this information has been accurately reproduced so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

(h) There is no fixed date on which any Shareholders' entitlements to dividends arises.

20.7 Selling Shareholders

Subject to Admission occurring, the following Shareholders are selling 1,104,734 Existing Ordinary Shares, in aggregate, at the Placing Price pursuant to the Placing. The business address of each of the Selling Shareholders for the purposes of the Placing is Davy House, 49 Dawson Street, Dublin 2, Ireland.

Selling Shareholder's Name	Number of Sale Shares
Mary Sharkey	166,666
Catherine Sharkey	333,333
Brian Ambrose	110,000
Frances Carter	200
Ailish Ryan	42,600
Charlie and Nuala Browne	451,935

Dated: 12 July 2019

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

"€" or **"Euro"** or **"cent"**	the currency of the member states of the EU that have adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome in 1957), as amended
"£" or **"Sterling"** or **"pence"**	the lawful currency of the United Kingdom
"1996 Regulations" or **"CREST Regulations"**	the Companies Act 1990 (Uncertificated Securities) Regulations 1996 as amended from time to time and any provisions of or under the Act which supplement or replace such CREST Regulations including any modification thereof or any regulations in substitution therefor under Section 1086 of the Act
"2018 LTIP"	Uniphar Group's Long-Term Incentive Plan, details of which are set out in paragraph 11 of Part 9 of this document
"Act" or **"Companies Act"**	the Companies Act 2014 of Ireland and every statutory modification and re-enactment thereof for the time being in force
"Admission"	admission of the Ordinary Shares to trading on AIM and Euronext Growth becoming effective in accordance with the AIM Rules and the Euronext Growth Rules respectively
"AIM"	AIM, a market operated by the London Stock Exchange
"AIM Rules for Companies" or **"AIM Rules"**	the AIM Rules for Companies issued by the London Stock Exchange from time to time and those other rules of the London Stock Exchange which govern the admission of securities to trading on, and the regulation of, AIM
"AIM Rules for Nominated Advisers"	the AIM Rules for Nominated Advisers published by the London Stock Exchange from time to time
"Articles" or **"Articles of Association"**	the articles of association of the Company in effect upon Admission, as amended from time to time
"Board"	the directors of the Company from time to time, being on Admission, those persons whose names are set out on page 8 of this document
"Brexit"	the United Kingdom's withdrawal from the European Union
"CAGR"	compound annual growth rate
"Chairman"	the chairman of the Company, being at the date of this document, Maurice Pratt
"CMR Contributory Scheme"	the Cahill May Roberts Limited Contributory Pension Plan, details of which are set out at paragraph 12 of Part 9 of this document
"**Company"** or **"Uniphar plc"**	Uniphar plc, a company incorporated and registered in Ireland with registered number 224324
"Competition Acts"	the Competition Acts 2002-2017 of Ireland
"Competition and Consumer Protection Commission" or **"CCPC"**	the Irish statutory body responsible for enforcing competition and consumer protection law in Ireland
"CREST"	the system of paperless settlement of trades in listed securities and holding of uncertificated securities operated by Euroclear UK & Ireland in accordance with the CREST Regulations
"CRO"	the Companies Registration Office of Ireland
"Davy"	J&E Davy, trading as Davy including its affiliate Davy Corporate Finance and other affiliates, or any of its subsidiary undertakings

"Deeds of Election"	deeds entered into by the Selling Shareholders in favour of the Company, Davy and RBC on or around the date of this document
"Directors"	the directors of the Company, being, at the date of this document, the persons whose names are set out on page 8 of this document, and "**Director**" means each or any of them as the context may require
"Durbin"	Durbin plc and Durbin Inc
"Durbin Acquisition"	the acquisition by the Company of Durbin pursuant to and in accordance with the terms of the Durbin Share Purchase Agreement, expected to occur following Admission
"Durbin Group plc"	the selling entity of Durbin plc and Durbin Inc
"Durbin Share Purchase Agreement"	the share purchase agreement dated 16 May 2019 between the Company, Durbin Group plc and Leslie Morgan providing for the acquisition by the Company of the entire issued share capital of Durbin, further details of which are set out in paragraph 9.6 of Part 9 of this document
"EBITDA"	operating profit before exceptional items plus depreciation and amortisation
"EEA"	the European Economic Area which includes the EU, Iceland, Liechtenstein and Norway
"Enlarged Group"	the Group following the acquisition of Durbin
"Enlarged Ordinary Share Capital"	the Existing Ordinary Shares and the New Ordinary Shares
"EU" or **"European Union"**	the political and economic union of 28 Member States and "**EU Member State**" shall be construed accordingly
"Euroclear UK & Ireland"	Euroclear UK & Ireland Limited, the operator of CREST
"Euronext Dublin"	means The Irish Stock Exchange plc, trading as Euronext Dublin
"Euronext Growth"	the Euronext Growth Market, a market operated by Euronext Dublin
"Euronext Growth Advisor"	Davy
"Euronext Growth Rules"	Part I (Harmonised Rules) and Chapter 5 (Additional Rules for the Euronext Growth Market operated by Euronext Dublin), of Part II (Non-Harmonised Rules) of the Euronext Growth Markets Rule Book (Effective Date: 10 June 2019)
"European Commission"	the executive arm of the EU
"Excluded Territory"	the United States, Australia, Canada, Japan, New Zealand, the Republic of South Africa and any other jurisdiction where any distribution of this document and/or any offer of the Ordinary Shares would constitute a breach of an applicable law (including, as the context may require, any of their respective states, provinces or territories)
"Executive Directors"	the executive Directors of the Company as at Admission, namely Gerard Rabbette, Tim Dolphin, and Padraic Dempsey
"Existing Ordinary Shares"	the 151,805,946 Ordinary Shares in issue prior to Admission including 18,782,808 Ordinary Shares to be issued immediately prior to Admission pursuant to the exercise of the warrant held by ROI Healthco IOM 1 Limited, and 13,162,240 Ordinary Shares issued under the 2018 LTIP (and including also, for the avoidance of doubt, the Sale Shares)

"FATCA"	the Foreign Account Tax Compliance Act 2010 of the United States
"Financial Conduct Authority" or **"FCA"**	the UK Financial Conduct Authority
"Financial Promotion Order"	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 of the United Kingdom (as amended)
"FSMA"	the UK Financial Services and Markets Act 2000, as amended
"GDPR"	the General Data Protection Regulation (EU) 20161679 which came into force across the EU in May 2018
"Gross Proceeds"	the gross proceeds of the Placing receivable by the Company
"Group" or **"Uniphar"**	the Company and its subsidiaries from time to time or any one or more of them, as the context may require
"Group Company"	a company in the Group
"IFRS"	International Financial Reporting Standards (including International Accounting Standards)
"Ireland"	the island of Ireland excluding Northern Ireland
"Irish Takeover Panel"	the statutory body responsible for monitoring and supervising takeovers and other relevant transactions in relevant companies in Ireland
"Irish Takeover Rules"	the Irish Takeover Panel Act, 1997 Takeover Rules, 2013
"Joint Bookrunners"	Davy and RBC
"Latest Practicable Date"	10 July 2019, being the latest practicable date prior to the publication of this document
"Lindchem Facilities Agreement"	the bilateral facilities agreement dated 14 December 2015 to which the Company is party, further details of which are set out at paragraph 9.19.2 of Part 9 of this document
"Lock-In Agreements"	the lock-in agreements described in paragraph 9.4 of Part 9 of this document
"London Stock Exchange"	the London Stock Exchange plc
"Market Abuse Regulation" or **"MAR"**	Regulation (EU) No 596/2014 of the European Parliament and of the Council on 16 April 2014 on market abuse
"Member State"	a member state of the EU
"Memorandum" or **"Memorandum of Association"**	the memorandum of association of the Company, as amended from time to time and in effect upon Admission
"MiFID II"	EU Directive 2014/65/EU on markets in financial instruments (as amended)
"Net Proceeds"	the net proceeds of the Placing, being the Gross Proceeds minus the fees and expenses related to the Placing and Admission, including listing fees, fees due under the Placing Agreement, legal and other advisory fees, registration, printing, advertising and distribution costs and any other applicable expenses
"New Ordinary Shares"	the 117,391,304 new Ordinary Shares to be issued by the Company at the Placing Price pursuant to the Placing
"Nominated Adviser"	Davy
"Nominated Adviser, Euronext Growth Advisor and Broker Agreement"	the Nominated Adviser, Euronext Growth Advisor and broker agreement dated 12 July 2019 between the Company, the Directors and Davy

"Non-Executive Directors"	the non-executive Directors of the Company, as set out in paragraph 12 in Part 1 of this document
"Northern Ireland"	the counties of Antrim, Armagh, Derry, Down, Fermanagh and Tyrone, forming part of the United Kingdom
"OECD"	the Organisation of Economic Co-operation and Development
"Official Lists"	the Official List of the Financial Conduct Authority and the Official List of Euronext Dublin
"Ordinary Shares" or **"Ordinary Share"**	ordinary shares of €0.08 each in the capital of the Company
"Over-allotment Option"	has the meaning given to such term on page 3 of this document
"Over-allotment Shares"	has the meaning given to such term on page 3 of this document
"Placees"	subscribers for and/or purchasers of Placing Shares
"Placing"	the conditional placing by Davy and RBC, on behalf of the Company, and the Selling Shareholders of the Placing Shares at the Placing Price pursuant to the Placing Agreement
"Placing Agreement"	the conditional placing agreement dated 12 July 2019 further details of which are set out in paragraph 9.3.1 of Part 9 of this document
"Placing Price"	€1.15 per Placing Share
"Placing Shares"	together, the New Ordinary Shares and the Sale Shares
"Prospectus Directive"	Directive 2003/71/EC including any relevant implementing measure in each relevant Member State
"Prudential Regulation Authority" or **"PRA"**	the Prudential Regulation Authority of the Bank of England
"PwC" or **"Reporting Accountant"**	PricewaterhouseCoopers, One Spencer Dock, North Wall Quay, Dublin 1, Ireland
"QCA"	the Quoted Companies Alliance
"QCA Code"	the QCA Corporate Governance Code published in 2018
"Qualified Investors"	persons in member states of the EEA who are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive, as modified by EU Directive 2010/73/EU, in each case as implemented in the relevant member state of the EEA, who are also "professional clients" or "eligible counterparties" (as defined in MiFID II)
"RBC"	RBC Europe Limited (trading as RBC Capital Markets)
"Registrar"	Computershare Investor Services (Ireland) Limited, whose registered office is 3100 Lake Drive, Citywest Business Campus, Dublin, D24 AK82
"Registrar Agreement"	the agreement dated 12 July 2019 between the Company and the Registrar referred to in paragraph 9.2 of Part 9 of this document
"Regulation S"	Regulation S under the US Securities Act
"Relevant Person"	(A) a person in a member state of the EEA who is a Qualified Investor; (B) in Ireland, a person who is a Qualified Investor or who has agreed to subscribe a minimum of €100,000; (C) in the UK: (i) a person who has professional experience in matters relating to investments and who falls within the definition of "investment professionals" in Article 19(5) of the Financial

	Promotion Order; or (ii) a person who falls within Article 49 of the Financial Promotion Order; and (D) a person to whom it may otherwise be lawful to communicate this document
"Revenue"	the Revenue Commissioners of Ireland
"Rules for Euronext Growth Advisers"	the Rules for Euronext Growth Advisors published by Euronext Dublin from time to time
"Sale Shares"	the 1,104,734 Existing Ordinary Shares being sold by the Joint Bookrunners on behalf of the Selling Shareholders, in each case, at the Placing Price, pursuant to the Placing
"Selling Shareholders" or **"Sellers"**	certain existing individual Shareholders who have appointed the Company as their agent to sell some of their Ordinary Shares at the Placing Price under the terms of a Deed of Election and whose names are set out in paragraph 20.7 of Part 9 of this document
"Shareholder"	a holder of Ordinary Shares
"SHG Group Limited", "Sisk Healthcare Group" or **"SHG"**	previously ROI Healthco IOM 2 Limited and renamed SHG Group Limited
"Sisk Acquisition"	the acquisition referred to in paragraph 9.7 of Part 9 of this document
"Sisk Family"	the Sisk Family or, where the context permits, their controlled entity ROI Healthco IOM 1 Limited
"Sisk Healthcare"	the business of SHG Group Limited and its subsidiaries
"Spallango Companies"	Spallango Companies means Spallango Holdco 1 Limited, Spallango Holdco 2 Limited, Spallango Holdco 3 Limited, Spallango Holdco 4 Limited, Spallango Holdco 5 Limited, Spallango Holdco 6 Limited, Spallango Holdco 7 Limited, Spallango Holdco 8 Limited, Spallango Holdco 9 Limited, Spallango Holdco 10 Limited, Spallango Holdco 11 Limited, Spallango Holdco 12 Limited, Spallango Holdco 13 Limited, Spallango Holdco 14 Limited, Spallango Holdco 15 Limited, Spallango Holdco 16 Limited, Spallango Holdco 17 Limited, Spallango Holdco 18 Limited, Spallango Holdco 19 Limited and Spallango Holdco 20 Limited.
"Stabilisation Period"	up to 30 calendar days following Admission
"Substantial Acquisition Rules"	the Irish Takeover Panel Act 1997, Substantial Acquisition Rules 2007
"Syndicated Facility Agreement"	the syndicated facility agreement dated 24 July to which the Company is party, further details of which are set out at paragraph 9.19.1 of Part 9 of this document
"Uniphar Europe"	Uniphar Europe Limited
"United Kingdom" or **"UK"**	the United Kingdom of Great Britain and Northern Ireland
"United States" or **"US"**	the United States of America, its territories and possessions, any state of the United States, and the district of Columbia
"US Securities Act"	the US Securities Act of 1933, as amended
"VAT"	value added tax
"Whelehan Scheme"	the Whelehan Group Pension Scheme, details of which are set out in paragraph 12 of Part 9 of this document
"WRC"	the Workplace Relations Commission

All references to legislation are to be construed as referring to it and every statutory modification and re-enactment thereof being in force from time to time.

GLOSSARY

"CRM"	customer relationship management
"CRO"	Contract Research Organisation
"CSO"	Contract Sales Outsourcing
"DEA"	the United States Drug Enforcement Agency
"EAP(s)" or **"Exclusive Access programme(s)"**	programme(s) managing the release of speciality medicines for pharmaceutical manufacturers to specifically approved patient populations
"European Medicines Agency" or **"EMA"**	the agency responsible for the evaluation and supervision of medicines for the benefit of public and animal health in the European Union
"EPO"	European Patent Office
"Global Access Programme"	a bespoke distribution model for speciality and orphan medicines and for medicines that are yet to be approved by local pharmaceutical regulators
"HCP"	healthcare professional
"HSE"	the Irish Health Service Executive
"IPHA"	the Irish Pharmaceutical Healthcare Association
"licensed"	in relation to use of a medicine, use in accordance with the terms of a marketing authorisation
"managed access programme(s)" or **"MAP(s)"**	a bespoke, controlled and supervised mechanism for the release of speciality medicines to specifically approved patient populations
"Medical Device Directive" or **"MD Directive"**	Council Directive 93/42/EEC of 14 June 1993 intended to harmonise the laws relating to medical devices within the European Union
"MHRA"	the UK Medicines and Healthcare Products Regulatory Agency (an executive agency of the UK Department of Health), which is responsible for regulating the safety, quality and effectiveness of medicines and medical devices
"multichannel account management" or **"MCAM"**	management of healthcare professionals by a single sales representative through multiple communication channels, being face-to-face, e-detailing, screen sharing and telephony
"NHS"	the UK National Health Service
"on-demand access"	sourcing and supplying unlicensed medicines to meet the needs of Uniphar's retail and hospital pharmacy customers
"orphan disease"	a rare disease affecting only a small number of individuals
"OTC"	Over the Counter
"pharmaco-medical products"	pharmaceutical and medical device products
"pharmaco-medical manufacturers"	pharmaceutical and medical device manufacturers
"pharmacovigilance"	the detection, collection, monitoring, assessment, understanding and prevention of adverse effects, particularly long term and short-term side effects, of medicines
"patient management system" or **"PMS"**	a solution for pharmaceutical manufacturers to enable online patient enrolment, HCP and patient interaction, data capture and product release

"ROCE"	return on capital employed
"SKUs"	stock keeping units
"symbol Group"	Uniphar's Life and Allcare brands
"unlicensed"	in relation to use of a medicine, use in certain circumstances where no marketing authorisation is currently in existence in the country in which such use occurs
"VAWD"	value-added wholesale distribution licence

Nominated Adviser,
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