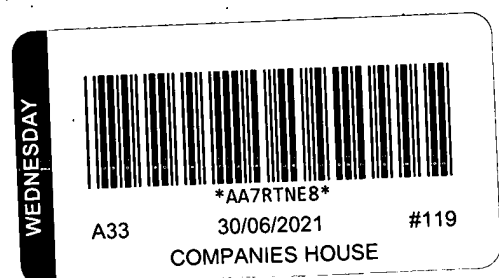


**Registered number: 09129880**

**PCI PENN UK HOLDCO LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2020**



## **PCI PENN UK HOLDCO LIMITED**

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## **PCI PENN UK HOLDCO LIMITED**

### **COMPANY INFORMATION**

**Directors**

J Metzinger  
S Haffar  
T De Weerd

**Company secretary**

Capital Law and People Limited

**Registered number**

09129880

**Registered office**

Capital Building  
Tyndall Street  
Cardiff  
United Kingdom  
CF10 4AZ

**Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
One Kingsway  
Cardiff  
CF10 3PW

## **PCI PENN UK HOLDCO LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2020**

The directors present the Strategic Report for the Penn UK Holdco Limited (the "Company") for the year ended 30 June 2020.

#### **Business review**

PCI Penn UK Holdco Limited acts as an intermediate holding company.

The Company's parent company is Pioneer UK Holdings Limited, a company incorporated in the United Kingdom. The parent of both the smallest and largest groups in which the results of PCI Penn UK Holdco Limited are consolidated is Pioneer UK Midco 1 Limited, a company incorporated in the United Kingdom.

A full strategic report on the group is available within the consolidated financial statements.

The net assets of the Company as at 30 June 2020 are £45,102k (2019: £52,764k).

#### **Principal risks and uncertainties**

There are no specific risks for the Company beyond those disclosed for the Group in the Group Strategic Report contained in the account of Pioneer UK Midco 1 Limited.

#### **Financial key performance indicators**

Given the simple nature of the Company's activities, the directors do not consider it relevant to provide an analysis of performance using key indicators.

#### **Section 172(1) Directors' Statement**

A director of a company must act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decisions in the long-term;
- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and the environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the company

#### ***Our purpose***

The primary purpose of Pioneer UK Midco 1 (and its subsidiaries) is to serve our customers in the pharmaceutical industry by being a leading provider of outsourced pharmaceutical services offering commercial and clinical packaging, clinical storage and distribution services, high potency and non-potent drug manufacturing and selected drug development and analytical services. PCI Penn UK Holdco Limited serves to act as a holding company.

#### ***The Board's approach to section 172 and decision making***

Collectively the Board of Directors (the "Board"), appointed by the Company's shareholders, are responsible for the effective oversight of the Company and have implemented a governance structure to support the long-term success of the Company to deliver sustainable shareholder value.

The Board comprises the Chairman, representatives from the Company's shareholders and the Group's CEO. The Board meets monthly and receives monthly reporting packages, presentations, project updates and proposals in relation to all key issues and decisions of the business including Operations, Quality Assurance (QA), Human Resources, Acquisitions, Finance, Environmental Social & Governance (ESG) and Information Technology (IT).

The Board uses these materials as the basis to consider and discuss both key strategic and tactical decisions, taking account of their likely long-term impact on the activities and success of the business and on its key

## **PCI PENN UK HOLDCO LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020**

The Board also has an Executive Committee, a Compensation Committee, an Audit Committee and an ESG Committee. Each of these Committees meets regularly and are required to advise the Board on their respective areas.

#### ***Stakeholder engagement***

The Board acknowledges that the long-term success of the Company is dependent on the way it works with several important stakeholders. Key stakeholders are considered in their decision making and in doing so ensure that the directors' duty is discharged under section 172 of the Companies Act of 2006.

#### ***Customers***

Customers are proactively engaged through our Commercial, Clinical and Manufacturing business development teams in order to build long standing relationships and deliver high standards of service. We also have dedicated project management teams to ensure we have met our customers' needs and expectations.

Our global QA team ensures that we achieve customer and regulatory quality requirements, and that our standards and practices are in line with regulatory requirements. Quality is one of the key metrics that sites are measured upon on a global basis.

Customer satisfaction is one of our key factors of success, and our project management teams have a direct line of communication with customers to ensure that any issues are both identified and corrected in a timely manner. Monthly production, backlog and pipeline reports are prepared by the teams in each of our three segments, and these reports are utilized to ensure we are meeting our customers' needs as well as achieving Company goals.

#### ***Suppliers***

Our Supply Chain is made up of formal supply contracts of critical packaging and other pharmaceutical related materials across the world. We have a dedicated global Procurement department who continuously engage with suppliers to ensure we build effective relationships.

The Company is committed to maintaining the highest possible standards of integrity and trust in our business relationships with suppliers. In turn, we also look for suppliers who share the same values and standards.

Monthly reports are provided by the procurement team which detail our performance against internal goals as well make sure we are meeting our suppliers' needs.

#### ***Employees***

The Board recognizes that the ability to hire, engage with and maintain high performing employees is critical to the Company achieving both its short and long term goals, and contributes significantly to the overall success of the organization.

In fiscal year 2020, the Company overhauled its employee review process and put into place a more formalized quarterly review process where goal and expectations are made clear. During these reviews employees and their managers are encouraged to engage with one another to make sure that employee development is made a priority, and that employee development is aligned with overall organization goals. In addition to formal quarterly review meetings, employees are encouraged to seek out and managers are encouraged to provide, real time, informal feedback.

The CEO sends out Company-wide e-mails on a regular basis in order to update employees on the performance of the Company and discuss any new or major projects being undertaken. These communications are also an opportunity for the CEO to remind employees just how important the work they are performing is and how they what they do has an impact every day in the lives of patients around the world.

## PCI PENN UK HOLDCO LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

#### *Shareholders*

Our Board contains representatives from the Company's majority shareholders. These representatives attend the monthly board meetings and receive monthly reporting packages which include the Company's internal financial statements. In addition, members of our corporate finance and accounting teams work with our shareholders in order to ensure ensure that our shareholders have what they need to meet their own internal and external reporting requirements.

#### *Lenders*

The Company has two terms loans as well as a revolving credit facility with a syndicate of external lenders and is subject to compliance calculations and reporting. The Company engages with lenders in several ways including providing quarterly financial reporting/covenant compliance calculations as well inclusion in annual budget presentations.

#### *Community*

The Company recognizes its presence on a global level and that it is part of the international community. Being conscience of this, the Company aims to be a good corporate citizen and contribute to the communities in which it operates.

#### *Environment*

Given the industry that the Company operates it (packaging/storage), the risk of major environmental damage are a result of operations is relatively remote. Nevertheless, the Company does recognize the importance in taking steps to reduce its carbon footprint and to reduce waste wherever possible.

The Company is currently in the process of implementing a new ESG department. From the environmental side of the ESG department, key areas of focus will include global carbon footprint reduction, overall waste reduction, better energy management and water conservation practices. Ways to make advances in these areas of focus will include LED lighting replacement, consolidated energy suppliers, water saving devices, reusable shipping solutions, and use of energy efficient equipment and development of ways to reduce commercial scrap as well as increase recycling of scrap.

ESG targets and goals are monitored by the Senior Vice President of Human Resources in order to ensure continuous improvement.

#### *Principal decisions taken in the year*


The Board approved the fiscal year 2020 budget as well as capital expense plan, which included build out of facilities and additional capacity at a number of sites.

The Board also approved the purchase of Bellwyck Pharma Services, Inc., a commercial packaging and clinical trial services provider with operations in Canada, the United States and Germany.

Finally, during fiscal year 2020 the Board approved the sale of Pioneer Cayman Holdings, LLC, the Parent Company for Pioneer UK Midco 1 Limited. A sale agreement was subsequently entered into on 22 August 2020 and the sale ultimately took place on 30 November 2020.

The Board considers that it has complied in all material respects with their s172(1) duties.

This report was approved by the board and signed on its behalf by:



**T De Weerd**  
Director

## **PCI PENN UK HOLDCO LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020**

The directors present their annual report and the audited financial statements of PCI Penn UK Holdco Limited (the "Company") for the year ended 30 June 2020.

#### **Results**

The loss for the financial year amounted to £7,662,000 (2019: loss £9,382,000).

#### **Directors**

The directors who served during the year and up to the date of signing the financial statements were:

J Metzinger (appointed 25 January 2021)  
R Hauser (resigned 30 November 2020)  
S John (resigned 30 November 2020)  
S Haffar (appointed 20 September 2018)  
S Dupuis (resigned 10 March 2021)  
T De Weerdts (appointed 10 March 2021)

#### **Directors qualifying third party indemnity provisions**

The Company has granted indemnities to the directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in Section 234 of the Companies Act 2006. Such qualifying third party indemnity provisions remain in force as at the date of approving the Director's Report.

#### **Future developments**

The Company is expected to remain a holding company for the foreseeable future.

#### **Financial risk management**

As the Company is a holding company there are not considered to be any financial risks which require management judgement.

#### **Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The wider group continues to experience growth from both a revenue and EBITDA perspective. Additionally, in conjunction with the transaction noted in the post balance sheet events section of this report, the parent company's existing Term and Subordinated Loans were repaid and replaced with new Term and Subordinated loan agreements. New borrowing under the Term Loan totaled \$920,000,000 and the Subordinated Loan totaled \$300,000,000. In addition to the funds received from the Term and Subordinated loans, the parent company also secured a \$125,000,000 revolving line of credit which is currently not being utilized. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

#### **COVID-19**

The spread of the COVID-19 coronavirus could adversely affect the Company's business, financial condition and results of operations. While the health emergency is expected to be temporary, the duration and intensity of the disruption is uncertain, including potential broader impacts like facility closures, reduced workforces, scarcity of raw materials, and potential disruption of transportation of goods. Given the uncertainty regarding these circumstances, the related financial impact cannot be reasonably estimated at this time.

## **PCI PENN UK HOLDCO LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020**

#### **Post balance sheet events**

On 22 August 2020 the owners of Pioneer UK Midco 1 Limited entered into an agreement to sell the Company. This deal closed on 30 November 2020 and a majority share in the Company was sold for approximately \$3,100,000,000. In conjunction with the sale, the Company's existing Term and Subordinated Loans were repaid and replaced with new Term and Subordinated loan agreements. New borrowing under the Term Loan totaled \$920,000,000. In addition to the funds received from the Term Loan, the company also has up to \$125,000,000 of availability on a revolving line of credit. New borrowing under the Subordinated Loan totaled \$300,000,000.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

#### **Directors' confirmations**

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.



**PCI PENN UK HOLDCO LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2020**

**Independent auditors**

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

The financial statements on pages 12 to 22 were approved by the Board of Directors and signed on its behalf by:



**T De Weerd**  
Director

Date: 30 June 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PCI PENN UK HOLDCO LIMITED

## Report on the audit of the financial statements

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### Opinion

In our opinion, PCI Penn UK Holdco Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 30 June 2020; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### Basis for opinion

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

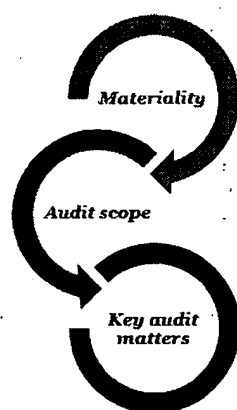
### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### Our audit approach

#### Overview



Overall materiality: £1.8m (2019: £1.8m), based on 1% of Total Assets.

There is a single component and therefore all transactions and balances were in scope for our audit if material

- Carrying value of investments and intercompany balances; and
- Impact of Covid-19 on the financial statements.

### The scope of our audit

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

## PCI PENN UK HOLDCO LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PCI PENN UK HOLDCO LIMITED (cont)

#### *Key audit matters*

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

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p><i>Carrying value of investments and intercompany balances</i></p> <p>At year end PCI Penn UK Holdco Limited holds investments of £101m in subsidiary companies - AndersonBrecon (UK) Limited, Penn Pharmaceutical Services Limited, AndersonBrecon (UK) Limited and Millmount Healthcare Limited. The recoverability of these investments and any intercompany balances of £78m are dependent on the financial performance of the subsidiaries.</p>	<p>We have performed the following procedures to assess the recoverability of the investments as follows:</p> <ol style="list-style-type: none"><li>1. Considered the FY20 financial performance of subsidiaries;</li><li>2. Considered and corroborated the FY21 and FY22 financial forecast for all subsidiaries and considered whether these appear reasonable and reviewed actual performance versus forecast performance; and</li><li>3. Reviewed discounted cash flow forecasts and any information supporting the fair value less costs to sell, where appropriate.</li></ol> <p>Sufficient evidence has been obtained from the procedures noted above for us to conclude that no impairment of investments is required.</p>
<p><i>Impact of Covid-19 on the financial statements</i></p> <p>The emergence of Coronavirus ("COVID-19") during the early part of 2020 has impacted all businesses, both financially and operationally. The directors have assessed the impact of this on the entity's ability to continue as a going concern and the recoverability of its investments and intercompany debtors as discussed above.</p>	<p>We note that the impact of Covid-19 has been considered when performing procedures referred to above and sufficient evidence has been obtained for us to conclude that the emergence of Covid-19 has had no negative impact on the recoverability of investment in subsidiaries or the entities ability to continue as a going concern.</p> <ol style="list-style-type: none"><li>1. We have considered the potential impacts of the pandemic on results;</li><li>2. Obtained recent management accounts to assess the groups performance to date during the pandemic;</li><li>3. Obtained updated forecasts which incorporate the impact of the pandemic and include covenant calculations for the group; and</li><li>4. Reviewed the disclosures around Covid-19 within the financial statements.</li></ol> <p>Sufficient evidence has been obtained from the procedures above for us to conclude that the COVID-19 pandemic has not had an adverse effect on the business and had no negative impact on the investment in subsidiary or the recoverability of intercompany balances.</p> <p>Additionally the impact of Covid-19 has been considered in the assessment of the entity's ability to continue as a going concern. We have evaluated and challenged the cash flow forecasts of the Group, obtaining evidence that the Group has sufficient funding to meet its cash requirements and thus support PCI Penn UK Holdco Limited for at least 12 months from the date of approval of the financial statements.</p>

## PCI PENN UK HOLDCO LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PCI PENN UK HOLDCO LIMITED (cont)

#### *How we tailored the audit scope*

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

#### *Materiality*

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

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

<b>Overall materiality</b>	£1.8m (2019: £1.8m).
<b>How we determined it</b>	1% of Total Assets.
<b>Rationale for benchmark applied</b>	The entity does not trade and acts as a holding company within the Pioneer UK Midco 1 Limited group. We therefore believe that total assets is the primary measure used by the shareholders in assessing the performance of the entity, and is a generally accepted auditing benchmark.

We agreed with the directors that we would report to them misstatements identified during our audit above £0.1m (2019: £0.1m) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

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#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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#### Reporting on other information

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

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

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

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

## **PCI PENN UK HOLDCO LIMITED**

### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

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### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### *Auditors' responsibilities for the audit of the financial statements*

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Jason Clarke BSc ACA (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cardiff  
30 June 2021

**PCI PENN UK HOLDCO LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2020**

	<b>Note</b>	<b>2020 £000</b>	<b>2019 £000</b>
Administrative expenses		(250)	(683)
<b>Operating loss</b>	<b>4</b>	<b>(250)</b>	<b>(683)</b>
Interest payable and similar expenses	<b>8</b>	<b>(7,412)</b>	<b>(8,699)</b>
<b>Loss before tax</b>		<b>(7,662)</b>	<b>(9,382)</b>
Tax on loss	<b>9</b>	-	-
<b>Loss for the financial year</b>		<b>(7,662)</b>	<b>(9,382)</b>

The notes on pages 12 to 22 form part of these financial statements.

**PCI PENN UK HOLDCO LIMITED**  
**REGISTERED NUMBER: 09129880**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Investments	10	101,499	100,849
<b>Current assets</b>			
Cash at bank and in hand	11	6,340	-
Debtors	12	78,357	78,357
Creditors: amounts falling due within one year	13	(30,542)	(19,061)
<b>Net current assets</b>		<b>54,155</b>	<b>59,296</b>
<b>Total assets less current liabilities</b>		<b>155,654</b>	<b>160,145</b>
Creditors: amounts falling due after more than one year	14	(110,552)	(107,381)
<b>Net assets</b>		<b>45,102</b>	<b>52,764</b>
<b>Capital and reserves</b>			
Called up share capital	15	-	-
Other reserves	16	66,357	66,357
Profit and loss account	16	(21,255)	(13,593)
<b>Total shareholders' funds</b>		<b>45,102</b>	<b>52,764</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
**T De Weerd**  
 Director

Date: 30 June 2021

The notes on pages 12 to 22 form part of these financial statements.

**PCI PENN UK HOLDCO LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020**

	<b>Called up share capital £000</b>	<b>Other Reserves £000</b>	<b>Profit and loss account £000</b>	<b>Total shareholders' funds £000</b>
At 1 July 2018	-	66,357	(4,211)	62,156
<b>Comprehensive expense for the financial year</b>				
Loss for the financial year	-	-	(9,382)	(9,382)
<b>Total comprehensive expense for the financial year</b>	-	-	(9,382)	(9,382)
<b>At 30 June 2019</b>	-	66,357	(18,369)	52,764
<b>Comprehensive expense for the financial year</b>				
Loss for the financial year	-	-	(7,662)	(7,662)
<b>Total comprehensive expense for the financial year</b>	-	-	(7,662)	(7,662)
<b>At 30 June 2020</b>	-	66,357	(20,462)	45,102



## **PCI PENN UK HOLDCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

#### **1. General information**

PCI Penn UK Holdco Limited is a private company limited by shares and is incorporated and registered in the United Kingdom under the Companies Act. The address of the registered office is Capital Building, Tyndall Street, Cardiff, United Kingdom, CF10 4AZ.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied consistently throughout the year.

##### **2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

The company has investments in subsidiary undertakings, and yet does not prepare consolidated financial statements. Disclosure of the available exemption should be given. S400 - exemption from consolidation for subsidiary companies.

This information is included in the consolidated financial statements of Pioneer UK Midco 1 Limited as at 30 June 2020 and these financial statements may be obtained from Capital Building, Tyndall Street, Cardiff, United Kingdom, CF10 4AZ.

##### **2.3 Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The wider group continues to experience growth from both a revenue and EBITDA perspective. Additionally, in conjunction with the transaction noted in the post balance sheet events section of this report, the parent company's existing Term and Subordinated Loans were repaid and replaced with new Term and Subordinated loan agreements. New borrowing under the Term Loan totaled \$920,000,000 and the Subordinated Loan totaled \$300,000,000. In addition to the funds received from the Term and Subordinated loans, the parent company also secured a \$125,000,000 revolving line of credit which is currently not being utilized. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

## **PCI PENN UK HOLDCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

#### **2. Accounting policies (continued)**

##### **2.4 Investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

##### **2.5 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **2.6 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### **2.7 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting year for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **2.8 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**PCI PENN UK HOLDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**2. Accounting policies (continued)**

**2.9 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

**2.10 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.11 Current tax**

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

## PCI PENN UK HOLDCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### Key accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### Impairment of investment

Determining whether the investment in subsidiary undertakings is impaired requires an estimation of the value in use of the underlying businesses. The value in use calculation requires the entity to consider the current and future forecast EBITDA. The carrying value of investments in the company at the balance sheet date was £101.5m (2019: £100.8m). The value in use amount did not identify any investments that required an impairment charge. Accordingly, no impairment loss was recognised during 2020 (2019: £Nil).

#### 4. Operating loss

The operating loss is stated after crediting:

	2020 £000	2019 £000
Earnout expenses	141	551
Other expenses	109	133

#### 5. Auditors' remuneration

	2020 £000	2019 £000
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	2	2

Auditors' remuneration are borne by another member in the group of companies.

#### 6. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2019: £Nil).

**PCI PENN UK HOLDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 30 JUNE 2020**

**7. Directors' remuneration**

Directors are remunerated from other companies within the group:

**8. Interest payable and similar expenses**

	<b>2020</b>	2019
	<b>£000</b>	£000
Interest payable to other group undertakings	<b>4,170</b>	4,048

The interest payable also includes a further foreign exchange losses on loans of £3,242k (2019: £4,650).

**9. Tax on loss**

	<b>2020</b>	2019
	<b>£000</b>	£000
<b>Corporation tax</b>		
Current tax on loss for the year	-	-

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	<b>2020</b>	2019
	<b>£000</b>	£000
Loss before tax	<b>(7,662)</b>	(9,382)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	<b>(1,456)</b>	(1,783)
<b>Effects of:</b>		
Expenses not deductible	<b>27</b>	105
Group relief/ other reliefs	<b>1,429</b>	1,678
<b>Total tax charge for the financial year</b>	<b>-</b>	-

## PCI PENN UK HOLDCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

#### 9. Tax on loss

##### Factors that may affect future tax charges

In the Spring Budget 2021, the government announced that from 1 April 2023 the headline corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the Balance Sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the Balance Sheet date, would not be material to disclose.

#### 10. Investments

	Investments in subsidiary companies £000
<b>Cost</b>	
At 1 July 2019	100,849
Additions	650
	<hr/>
At 30 June 2020	101,499
	<hr/>
<b>Net book value</b>	
At 30 June 2020	101,499
	<hr/>
At 30 June 2019	100,849
	<hr/>

During the year the Company made capital contributions of £650,000 to Millmount Healthcare Limited, a company incorporated in the Republic of Ireland.

##### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name Direct	Class of shares	Holding	Principal activity
Biotec Services International Limited	Ordinary	100 %	Pharmaceutical Services
Penn Pharma Group Limited	Ordinary	100 %	Holding Company
AndersonBrecon (UK) Limited*	Ordinary	50 %	Pharmaceutical Services
Millmount Healthcare Limited	Ordinary	100%	Pharmaceutical Services

##### Indirect

Penn Pharmaceuticals Services Limited	Ordinary	100 %	Pharmaceutical Services
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\* AndersonBrecon (UK) Limited is 50% owned by PCI Penn UK Holdco Limited and 50% by Penn Pharma Group Limited. All entries are within the same group and are under common ownership.

The registered office of all the above subsidiaries (except Millmount Healthcare Limited) is: Capital Building, Tyndall Street, Cardiff, United Kingdom, CF10 4AZ.

The registered address of Millmount Healthcare Limited is Block 7, City North Business Campus, Stamullen, Ireland, K3Z YD60.

**PCI PENN UK HOLDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**11. Cash at bank and in hand**

	<b>2020</b>	2019
	<b>£000</b>	£000
Cash at bank and in hand	<b>6,340</b>	-

**12. Debtors**

	<b>2020</b>	2019
	<b>£000</b>	£000
Amounts owed by group undertakings	<b>78,357</b>	78,357

Amounts owed by group undertakings are non-interest bearing and repayable on demand.

**13. Creditors: amounts falling due within one year**

	<b>2020</b>	2019
	<b>£000</b>	£000
Amounts owed to group undertakings	<b>29,277</b>	16,495
Other creditors	<b>1,265</b>	2,566
	<b>30,542</b>	19,061

Amounts owed to group undertakings are non-interest bearing, unsecured and repayable on demand.

**14. Creditors: amounts falling due after more than one year**

	<b>2020</b>	2019
	<b>£000</b>	£000
Amounts owed to group undertakings	<b>110,552</b>	107,381
	<b>110,552</b>	107,381

Amounts owed to group undertakings comprise of the following loan balances:

a. At 30 December 2016, the loan notes were converted from £81.2m to \$100m. These loans attract an interest rate of 2.24% and are repayable on 1 August 2022.

b. One \$36.4m loan note, issued on 30 June 2015 with Packaging Coordinators Inc which attracts an interest rate of 8.25% and is repayable on 1 July 2023. This loan note is listed on the Cayman Islands Stock Exchange.

**15. Called up share capital**

	<b>2020</b>	2019
	<b>£000</b>	£000
Allotted, called up and fully paid		

## **PCI PENN UK HOLDCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

#### **16. Reserves**

##### **Other reserves**

Other reserves consist of the Capital Contribution Reserve, which represents amounts gifted to the Company by its parent.

##### **Profit and loss account**

The profit and loss account represents the accumulated profits, losses and distributions made.

#### **17. Contingent liabilities**

PCI Penn UK Holdco Limited is a party to a cross guarantee in relation to borrowings of Packaging Coordinators Inc. These borrowings are secured on the assets of PCI Penn UK Holdco Limited and other certain group undertakings party to the cross guarantee agreement. The total borrowings outstanding at 30 June 2020 subject to this cross guarantee amounted to \$798,055,113 (2019: \$789,826,521).

#### **18. Ultimate parent undertaking and controlling party**

The Company's immediate holding company is Pioneer UK Holdings Limited, a company incorporated in the United Kingdom. The parent of both the smallest and largest groups in which the results of PCI Penn UK Holdco Limited are consolidated is Pioneer UK Midco 1 Limited, a company incorporated in the United Kingdom.

Copies of the financial statements of Pioneer UK Midco 1 Limited may be obtained from the company secretary at Capital Building, Tyndall Street, Cardiff, United Kingdom, CF10 4AZ.

Pioneer Cayman Holdings Limited, a company incorporated and domiciled in the Cayman Islands is the immediate and ultimate parent company of the group. The ultimate controlling party of the group is PartnersGroupManagement(Scots)LLP, being the General Partner of Partners Group Access 822 L.P. which holds a majority interest in the ultimate parent company of the Group.

Pioneer UK Midco 1 Limited is the smallest and largest entity to prepare consolidated financial statements which include the results of the Company.

#### **19. Subsequent events**

On 22 August 2020 the owners of Pioneer UK Midco 1 Limited entered into an agreement to sell the parent company and all subsidiaries. This deal closed on 30 November 2020 and a majority share in the Company was sold for approximately \$3,100,000,000. In conjunction with the sale, the Company's existing Term and Subordinated Loans were repaid and replaced with new Term and Subordinated loan agreements. New borrowing under the Term Loan totaled \$920,000,000. In addition to the funds received from the Term Loan, the parent company also has up to \$125,000,000 of availability on a revolving line of credit. New borrowing under the Subordinated Loan totaled \$300,000,000.