

**KEY PHARMACEUTICALS (EU) LIMITED**  
**Directors' Report and Financial Statements**  
**For the Year Ended 30 June 2025**

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## **KEY PHARMACEUTICALS (EU) LIMITED**

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### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

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## KEY PHARMACEUTICALS (EU) LIMITED

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### DIRECTORS, ADVISORS AND OTHER INFORMATION

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#### DIRECTORS

Gregory Vincent Pateras  
Thorsten Beer (resigned 1 July 2025)  
Ben Mitchell (appointed 1 July 2025)

#### COMPANY SECRETARY

Thomas Richard John Ferguson

#### REGISTERED NUMBER

446646

#### REGISTERED OFFICE

The Merrion Buildings,  
18 - 20 Merrion Street,  
Dublin 2

#### INDEPENDENT AUDITORS

Forvis Mazars  
Chartered Accountants & Statutory Audit Firm  
Harcourt Centre  
Block 3  
Harcourt Road  
Dublin 2

#### BANKERS

HSBC Ireland  
1 Grand Canal Square  
Grand Canal Harbour  
Dublin Docklands  
Dublin 2

Barclays Bank P.L.C.  
One Molesworth Street  
Dublin  
Dublin 2

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# KEY PHARMACEUTICALS (EU) LIMITED

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## DIRECTORS' REPORT

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The directors submit their report together with the audited financial statements for the year ended 30 June 2025, which have been prepared on a basis other than going concern following the decision to cease trading after the year end.

### 1. Principal Activities

The principal activity of the company is to wholesale distribute pharmaceuticals to independent retail pharmacies. Following the year end, the directors made the decision to cease trading, and the company is being prepared for closure. The financial statements have therefore been prepared on a basis other than that as a going concern.

### 2. Business Review

The Company had sales of €3.7m (2024: €6.3m) during the financial period, representing a 42% decrease.

The Company has net assets of €274k at 30 June 2025 (30 June 2024: €1.2m). The loss for the current financial year is primarily driven by inflationary pressures within the supply base, resulting in increased costs and reduced gross margins. In addition, higher staff costs against lower revenue further impacted the results.

During the financial period, the directors made the decision to cease trading and wind down the Company's operations. As a result, these financial statements have been prepared on basis other than that as a going concern, and assets and liabilities have been measured accordingly.

### 3. Results for the year and dividends

The result for the financial year, after taxation, is a loss of €0.94m (2024: €0.4m). No dividend was paid by the Company during the year (2024: €nil).

### 4. Future developments

Following the decision to cease trading, no further business developments are anticipated. The focus of the directors is now on winding down operations, settling outstanding obligations, and disposing of remaining assets in an orderly manner.

### 5. Environment

The Company recognises the importance of its environmental responsibilities and undertakes initiatives to promote greater environment responsibility. The Company operates in accordance with Group policies. Please refer to Bestway Healthcare Holdings Limited's financial statements for further information in relation to Streamlined Energy and Carbon Reporting (SECR) specific to the Group. These are available to the public and may be obtained from Merchants Warehouse, Castle Street, Castlefield, Manchester, England, M3 4LZ.

### 6. Political donations

The company did not make any political donations during the current financial year.

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# KEY PHARMACEUTICALS (EU) LIMITED

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## DIRECTORS' REPORT

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### 7. Holding Company

The immediate parent company is Lexon (UK) Holdings Limited, a wholly owned subsidiary of Bestway Panacea Holdings Limited. Bestway Panacea Holdings Limited is a company incorporated in the United Kingdom.

### 8. Interests of directors and secretary

The directors and secretary, who held office as of 30 June 2025, had no beneficial interest in the share capital of the company or any undertaking of the company at any time during the financial period.

### 9. Principal risks and uncertainties

Following the cessation of trading, the Company's principal risks and uncertainties relate to the realisation of remaining assets and settlement of outstanding liabilities during the wind-down period. The key areas of risk identified by the directors are as follows:

#### Liquidity risk

The Company is reliant on support from its parent undertaking to meet any outstanding obligations as they fall due. The directors have received confirmation from the parent company that such financial support will continue to be provided for the foreseeable future to ensure an orderly wind-down.

#### Credit risk

Credit risk arises in respect of the recoverability of remaining receivables. These balances have been reviewed for impairment and are considered recoverable based on information available at the reporting date.

#### Economic risk

Economic risk is the risk of direct or indirect losses due to external events. The risk continues to be minimised through regular monitoring of the economic environment, maintenance of adequate insurance cover, and periodic management review of the Company's position.

While the Company is no longer trading, the directors continue to monitor general economic conditions as part of managing its remaining obligations.

#### Legislative risks

The Company operates in a regulated sector under the oversight of the Irish Medicines Board (IMB). While trading activities have ceased, the Company continues to maintain compliance with all regulatory requirements in relation to its licences until the wind-down process is completed. The directors do not anticipate any further regulatory risks arising during this period.

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## KEY PHARMACEUTICALS (EU) LIMITED

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### DIRECTORS' REPORT

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#### Exchange rate risk

The company operates solely in the Republic of Ireland; however, most purchases are made from the Key Pharmaceuticals (EU) Limited's sister company, Lexon (UK) Limited, which operates in the UK and predominantly trades in GBP ("£"). Management actively measures the sales price that is available for products to ensure that as a result of fluctuations in exchange rates the company does not purchase goods for a price in excess of the achievable sales price.

#### Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the limited size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits.

#### Brexit

The UK's withdrawal from the European Union previously impacted the Company's supply chain and product sourcing arrangements. However, following the cessation of trading, Brexit no longer presents an ongoing risk to the Company.

During the financial period, the directors reviewed the Company's future plans and made the decision to cease trading and wind down operations. As a result, the directors consider that it is no longer appropriate to prepare the financial statements on a going concern basis.

Accordingly, these financial statements have been prepared on a basis other than that as a going concern. Under this basis, assets are stated at their estimated realisable values and liabilities at the amounts expected to be settled. This change in basis has resulted in certain impairment charges and provisions, as disclosed in the notes to the financial statements.

The directors are satisfied that the Company has adequate resources to meet its obligations as they fall due during the wind-down period and that sufficient support will be available from the parent undertaking to facilitate an orderly closure of operations.

#### 10. Events after the end of the financial year

There were no events after the end of the financial year requiring adjustment to, or disclosure in, the financial statements.

#### 11. Accounting records

The measures that the directors have taken to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's office at Unit 22 Block 4, Port Tunnel Business Park, Clonshaugh, Dublin 17, Ireland.

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## KEY PHARMACEUTICALS (EU) LIMITED

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### DIRECTORS' REPORT

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#### 12. Statement on relevant information

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### 13. Auditors

Forvis Mazars, Chartered Accountants and Statutory Audit Firm, continue in office in accordance with Section 383(2) of the Companies Act 2014.

**On behalf of the Board:**

Signed by:

*Ben Mitchell*

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**Ben Mitchell**  
Director

Signed by:

*Greg Pateras*

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**Gregory Vincent Pateras**  
Director

**13 February 2026**

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## KEY PHARMACEUTICALS (EU) LIMITED

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### DIRECTORS' RESPONSIBILITIES STATEMENT

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The directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare the financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 assets, liabilities and financial position of the Company as at the financial year end date, of the profit or loss for that financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; 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 responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They 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 the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**On behalf of the Board:**

Signed by:  
  
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**Ben Mitchell**  
Director

Signed by:  
  
.....  
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**Gregory Vincent Pateras**  
Director

**13 February 2026**

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF**  
**KEY PHARMACEUTICALS (EU) LIMITED**

**Report on the audit of the financial statements**

**Opinion**

We have audited the financial statements of Key Pharmaceuticals (EU) Limited ('the Company'), for the year ended 30 June 2025 which comprise income statement, statement of financial position, statement of changes in equity, and notes to the Company financial statements, including the summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* issued in the United Kingdom by the Financial Reporting Council (FRS 102).

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 30 June 2025 and of its result for the year then ended;
- have been properly prepared in accordance with FRS 102; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of matter – basis of preparation**

We draw attention to note 3.2 of the financial statements, which explains that the directors intend to liquidate the Company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in note 3.2.

Our opinion is not modified in this respect.

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
KEY PHARMACEUTICALS (EU) LIMITED**

*(continued)*

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

**Opinions on other matters prescribed by the Companies Act 2014**

In our opinion, based on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the directors' report has been prepared in accordance with applicable legal requirements;
- the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited; and
- the financial statements are in agreement with the accounting records.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

**Matters on which we are required to report by exception**

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of Sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF**  
**KEY PHARMACEUTICALS (EU) LIMITED**  
*(continued)*

**Respective responsibilities**

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

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as management determines 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our auditor's report.

**The purpose of our audit work and to whom we owe our responsibilities**

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
Brian Cormack

for and on behalf of Forvis Mazars  
Chartered Accountants & Statutory Audit Firm  
Harcourt Centre, Block 3  
Harcourt Road  
Dublin 2

13 February 2026

## Key Pharmaceuticals (EU) Limited

### INCOME STATEMENT

*For the year ended June 2025*

	Notes	Year ended 30 June 2025 €	Year ended 30 June 2024 €
Turnover	5	3,656,383	6,281,659
Cost of sales		<u>(3,023,258)</u>	<u>(5,601,288)</u>
<b>Gross profit</b>		633,125	680,371
Distribution costs		(793,736)	(806,939)
Administrative expenses		<u>(806,801)</u>	<u>(271,877)</u>
<b>Operating loss</b>	6	(967,412)	(398,445)
Interest payable and similar charges	7	(2,800)	(12,675)
Other income	8	<u>30,182</u>	<u>10,793</u>
<b>Loss ordinary activities before taxation</b>		(940,030)	(400,327)
Taxation	11	<u>-</u>	<u>-</u>
<b>Loss on ordinary activities after taxation</b>		<u><u>(940,030)</u></u>	<u><u>(400,327)</u></u>

As noted in Note 3.2, the company has ceased trading and the directors have determined that it is no longer appropriate to prepare the financial statements on a going concern basis. Therefore, the results above represent those arising from discontinued activities.

## Key Pharmaceuticals (EU) Limited

### STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Note	2025 €	2024 €
<b>Non-current Assets</b>			
Property, plant & equipment	12	-	58,862
Intangible asset	13	-	110,930
		-	169,792
<b>Current assets</b>			
Inventories	14	-	862,923
Receivables	15	466,430	1,287,728
Cash and cash equivalents		2,015,176	649,879
		2,481,606	2,800,530
<b>Creditors</b>			
Payables falling due within one year	16	(2,033,250)	(1,756,060)
Onerous lease provision	25	(174,124)	-
		(2,207,374)	(1,756,060)
<b>Net current assets</b>		274,232	1,044,470
<b>Net assets</b>		274,232	1,214,262
<b>Capital and reserves</b>			
Called up share capital presented as equity	17	2	2
Retained earnings		274,230	1,214,260
<b>Shareholders' funds</b>		274,232	1,214,262

#### On behalf of the Board:

Signed by:

*Ben Mitchell*

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**Ben Mitchell**  
Director

Signed by:

*Greg Pateras*

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**Gregory Vincent Pateras**  
Director

13 February 2026

The notes on pages 14 to 26 form part of these financial statements.

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## Key Pharmaceuticals (EU) Limited

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### STATEMENT OF CHANGES IN EQUITY

*As at 30 June 2025*

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	<b>Called Up Share Capital</b>	<b>Retained earnings</b>	<b>Total Shareholders Fund</b>
	€	€	€
Balance at 1 July 2023	2	1,614,587	1,614,589
Loss for the year	-	<u>(400,327)</u>	<u>(400,327)</u>
Balance at 30 June 2024	2	1,214,260	1,214,262
Loss for the year	-	<u>(940,030)</u>	<u>(940,030)</u>
<b>Balance at 30 June 2025</b>	<u>2</u>	<u>274,230</u>	<u>274,232</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

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# KEY PHARMACEUTICALS (EU) LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

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### 1 General information

Key Pharmaceuticals (EU) Limited is a private company limited by shares (registered under Part 2 of Companies Act 2014), incorporated in the Republic of Ireland. The Registered Office is The Merrion Buildings, 18-20 Merrion Street, Dublin 2. The principal place of business of the company is Unit 22, Block 4, Port Tunnel Business Park, Clonshaugh, Dublin 17. The nature of the company's operations and its principal activities are set out in the Director's Report.

### 2 Statement of compliance

These financial statements comprising the Income Statement, the Statement of Financial Position, Statement of Changes in Equity and the related notes constitute the financial statements of Key Pharmaceuticals (EU) Limited for the financial year ended 30 June 2025. The financial statements have been prepared in compliance with the Company Act 2014 and FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

### 3 Accounting policies

#### 3.1 Basis of preparation

The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The exemptions contained within Section 1.12(b), 33.1(a) 33.7 of FRS 102 have been availed of in the preparation of these financial statements.

These financial statements have not been prepared on a going concern basis. As the company has ceased trading and is in the process of being wound down, assets and liabilities have been measured at their recoverable or settlement amounts rather than on a realisation in the normal course of business. Comparative figures have not been restated.

#### 3.2 Going concern

The company has ceased trading and the directors have determined that it is no longer appropriate to prepare the financial statements on a going concern basis. The decision reflects the intention to wind down operations and the absence of future trading or income-generating activity.

Accordingly, the financial statements have been prepared on a basis other than of a going concern. All assets have been reviewed for impairment and are stated at the lower of carrying amount and estimated recoverable amount, and liabilities are presented at the amounts expected to be settled.

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## KEY PHARMACEUTICALS (EU) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS

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#### 3.3 Foreign currency translation

*Functional and presentation currency*

The Company's functional and presentational currency is Euros.

*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 period 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 period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss 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 profit or loss within 'other operating income'.

#### 3.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

*Sale of goods*

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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## KEY PHARMACEUTICALS (EU) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS

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#### 3 *Accounting policies (continued)*

##### 3.5 Finance Costs

Finance costs are charged to profit or loss 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.

##### 3.6 Employee benefits

The company provides a range of benefits to employees, including paid holiday arrangements.

###### *Short term benefits*

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

##### 3.7 Taxation

Taxation expense for the period comprises current tax recognised in the reporting period. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current taxation assets and liabilities are not discounted.

###### *Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. 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.

##### 3.8 Property, plant & equipment

Plant, property and equipment are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all plant, property and equipment at rates calculated to write off the cost or valuation, less estimated residual value, of each asset systematically over its expected useful life, as follows:

Plant and Equipment	-	Straight Line 25%
Computer Equipment	-	Straight Line 25%
Fixtures and Fittings	-	Straight Line 15%
Motor Vehicles	-	Straight Line 20%

Plant, property and equipment are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of Income and Retained Earnings.

The carrying values of plant, property and equipment are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

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## KEY PHARMACEUTICALS (EU) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS

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#### 3 *Accounting policies (continued)*

##### 3.9 **Operating leases: Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

##### 3.10 **Intangible assets**

Intangible assets relate to licenses purchased by the company which are initially recognised as an asset at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged over the period of the license.

##### 3.11 **Inventories**

Stocks are stated at the lower of cost and the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 3.12 **Debtors**

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

##### 3.13 **Cash and cash equivalents**

Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents, as defined above net of outstanding bank overdrafts, if any.

##### 3.14 **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.

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## KEY PHARMACEUTICALS (EU) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS

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#### 3.15 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, and loans from and to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period 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.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

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.

#### 3.16 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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## KEY PHARMACEUTICALS (EU) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS

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#### 3.17 Onerous lease contracts

A provision is recognised for an onerous lease when the unavoidable costs of meeting the lease obligations exceed the economic benefits expected to be received under the lease.

Following the decision to cease trading and prepare the financial statements on a non-going concern basis, the company has determined that the leased property provides no future economic benefit. The provision represents the lower of:

- the cost to fulfil the remaining lease obligations, and
- any compensation or penalties arising from early termination of the lease.

The provision has been calculated based on the remaining non-cancellable term of the lease, discounted to present value where the effect of discounting is material.

#### 4 Critical Accounting Estimates and Judgements

The directors make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

##### **Critical judgements made in applying the company's accounting policy**

Management is of the opinion that there are no critical judgements (other than those involving estimates) that have a significant effect on the amounts recognised in the financial statements.

##### **Key sources of estimation uncertainty**

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 discussed below:

##### *Impairment of assets*

Following cessation of trading, management has assessed the recoverable amounts of all property, plant and equipment, intangible assets and inventories. The estimation of recoverable values requires management judgement regarding expected disposal proceeds and costs to sell.

##### *Onerous lease provision*

The provision for the lease of premises has been determined based on the estimated unavoidable costs of meeting the remaining lease obligations, less any potential recoveries. Changes in assumptions regarding the timing of payments or discount rates could have a material effect on the amount recognised.

##### *Impairment of trade receivables*

The company assesses its trade receivables on a continuous basis for any objective evidence of impairment by considering factors, including the ageing profile, the creditworthiness and the past collection history of each receivable. If the financial conditions of these receivables were to deteriorate, resulting in an impairment of their ability to make payments, additional provisions may be required. The company's trade receivables carrying amounts as at 30 June 2025 is detailed in Note 15.

## KEY PHARMACEUTICALS (EU) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 5 Turnover

Turnover represents the total invoice value, excluding value added tax of sales made during the year.

#### 6 Operating loss

Operating loss is stated after charging:

	<b>2025</b>	<b>2024</b>
	€	€
Auditors Remuneration	13,125	15,000
Depreciation (note 12)	26,601	29,820
Amortisation (note 13)	17,223	17,270
Impairment of Property, plant & equipment (note 12)	218,135	-
Impairment of Intangible assets (note 13)	53,333	-
Impairment of stock	61,919	-
	<u>61,919</u>	<u>-</u>

#### 7 Interest payable and similar charges

	<b>2025</b>	<b>2024</b>
	€	€
Bank charges	2,800	12,675
	<u>2,800</u>	<u>12,675</u>

#### 8 Other income

	<b>2025</b>	<b>2024</b>
	€	€
Other income	30,182	10,793
	<u>30,182</u>	<u>10,793</u>

#### 9 Staff costs

The average number of staff employed by the company during the financial year is 13 (2024: 14).

	<b>2025</b>	<b>2024</b>
	€	€
Wages and salaries	455,503	424,846
Redundancy costs	66,636	-
Social security costs	45,377	38,269
	<u>567,516</u>	<u>463,115</u>

#### 10 Directors remuneration

There was no director's remuneration during the period ended 30 June 2025 (2024: €nil).

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## KEY PHARMACEUTICALS (EU) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS

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#### 11 Taxation

##### (a) Analysis of (credit) / charge in the year

	2025	2024
	€	€
Irish corporation tax for the year	-	-
Total tax (credit) / charge	<u>-</u>	<u>-</u>

##### (b) Reconciliation of total tax (credit) / charge

The tax assessed on the result on ordinary activities for the year is different than the standard rate of corporation tax in Ireland of 12.5% (2024 – 12.5%).

	12 months ended 30 June 2025	14 months ended 30 June 2024
	€	€
(Loss) on ordinary activities before taxation	<u>(940,030)</u>	<u>(400,327)</u>
Corporation tax at the standard rate of tax (12.5%)	(117,504)	(50,041)
<b>Factors Affecting the tax (credit) / charge:</b>		
Other differences	-	1,218
Losses carried forward	<u>117,504</u>	<u>48,823</u>
Total tax (credit) / charge	<u>-</u>	<u>-</u>

##### (c) Circumstances affecting current and future tax charges

The total taxation charge in future periods will be affected by any changes to the corporation taxation rates in Ireland.

## KEY PHARMACEUTICALS (EU) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 12 Property, plant & equipment

	Plant and Equipment €	Computer Equipment €	Fixtures & Fittings €	Motor Vehicles €	Total €
<b>Cost</b>					
At 30 June 2024	97,576	30,786	65,261	56,773	250,396
Impairment	(97,576)	(30,786)	(65,261)	(56,773)	(250,396)
At 30 June 2025	-	-	-	-	-
<b>Accumulated depreciation</b>					
At 30 June 2024	72,172	18,977	47,893	52,492	191,534
Charge for the period	12,483	4,783	5,053	4,282	26,601
Impairment	(84,655)	(23,760)	(52,946)	(56,774)	(218,135)
At 30 June 2025	-	-	-	-	-
<b>Net book value</b>					
At 30 June 2025	-	-	-	-	-
At 30 June 2024	25,404	11,809	17,368	4,281	58,862

#### 13 Intangible Asset

	Licenses €
<b>Cost</b>	
At 30 June 2024	147,040
Impairment	(147,040)
At 30 June 2025	-
<b>Accumulated amortisation</b>	
At 30 June 2024	36,110
Charge for the period	17,223
Impairment	(53,333)
At 30 June 2025	-
<b>Net book value</b>	
At 30 June 2025	-
At 30 June 2024	110,930

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## KEY PHARMACEUTICALS (EU) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS

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#### 14 Inventories

	2025	2024
	€	€
Finished goods	-	862,923

An impairment of €61,919 in inventories was recognised during the year due to the wind-down of operations resulting in no inventories were held at 30 June 2025.

#### 15 Receivables

	2025	2024
	€	€
Trade receivables	426,476	1,199,075
Prepayments and other debtors	39,954	87,319
Accrued income	-	1,334
	<u>466,430</u>	<u>1,287,728</u>

All trade and other receivables are due within one year.

#### 16 Payables

	2025	2024
	€	€
Trade payables	20,352	495,736
Intercompany payables	1,784,038	949,090
Accruals and other creditors	195,879	195,155
PAYE and social welfare	11,752	11,197
VAT	21,229	104,882
	<u>2,033,250</u>	<u>1,756,060</u>

The payment terms of trade payables vary between on demand and ninety days. No interest is payable on trade creditors.

Tax and social insurance are subject to the terms of the relevant legislation. Interest accrues on late payment. No interest was due at the financial year end date.

Other amounts included within payables not covered by specific note disclosures are unsecured, interest free and payable on demand.

## KEY PHARMACEUTICALS (EU) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 17 Called up share capital presented as equity

	2025	2024
<b>Authorised share capital</b>		
1,000,000 ordinary shares of €1 each	<u>1,000,000</u>	<u>1,000,000</u>
<b>Allotted and called up share capital</b>		
2 ordinary Shares of €1 each	<u>2</u>	<u>2</u>

#### 18 Related party transactions

The company has availed of the exemptions available under Section 33.1(a) of FRS 102 from disclosure of related party transactions between wholly owned members of the same group.

##### *Key management personnel compensation*

The directors of the company who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel. Total remuneration in respect of these individuals is €nil (2024: €nil).

#### 19 Subsequent events

The directors have considered events subsequent to the reporting date and confirm that there have been no significant events requiring adjustment to, or disclosure in, the financial statements. The decision to cease trading and prepare the financial statements on a basis other than that as a going concern was made prior to the year end and is fully reflected in these financial statements.

#### 20 Financial instruments

The analysis of the carrying amounts of the financial instruments of the Company required under section 11 of FRS 102 is as follows:

	2025	2024
	€	€
<b><i>Financial assets that are debt instruments measured at amortised cost</i></b>		
Trade receivables	426,476	1,199,075
Cash and cash equivalents	<u>2,015,176</u>	<u>649,879</u>
<b><i>Financial liabilities at amortised cost</i></b>		
Intercompany payables	1,784,038	949,090
Trade payables	<u>20,352</u>	<u>495,736</u>

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## KEY PHARMACEUTICALS (EU) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS

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#### 21 Controlling party

The immediate parent company is Lexon (UK) Holdings Limited, a wholly owned subsidiary of Bestway Panacea Holdings Limited. Bestway Panacea Holdings Limited is a company incorporated in the United Kingdom. On 14 April 2024, Bestway Panacea Holdings Limited acquired Lexon (UK) Holdings Limited.

The smallest group in which the financial statements of Key Pharmaceuticals (EU) Limited are consolidated is headed by Bestway Healthcare Holdings Limited. Copies of Bestway Healthcare Holdings Limited's financial statements may be obtained from Merchants Warehouse Castle Street, Castlefield, Manchester, M3 4LZ, England.

#### 22 Capital commitments

There were no capital commitments at the period end (2024: €nil).

#### 23 Contingent liabilities

Under the arrangement to finance a related group company, Key Pharmaceuticals (EU) Limited has agreed to assign a floating charge over the assets of the company.

#### 24 Operating lease commitments

At 30 June 2025, the Company had future minimum lease payments under non-cancellable operating lease in respect of leases of land and buildings, as follows:

	<b>2025</b>	<b>2024</b>
	€	€
Expiring within one year	95,000	95,000
Expiring between two and five years	79,124	174,167
	<u>174,124</u>	<u>269,167</u>

At 30 June 2025, the Company had future minimum lease payments under non-cancellable operating leases. Following the cessation of trading and the preparation of the financial statements on a basis other than that of a going concern, the lease has been assessed as onerous. As a result, the full amount of these lease commitments is now recognised within the onerous lease provision disclosed in Note 25.

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## KEY PHARMACEUTICALS (EU) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS

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#### 25 Onerous lease provision

At 30 June 2025, the Company recognised a provision in respect of its lease of premises, which has been assessed as onerous following the cessation of trading.

The provision represents the unavoidable costs of meeting the remaining lease obligations over the non-cancellable lease term, less any expected recoveries. The lease has no further economic benefit to the Company.

The amount provided reflects the total remaining lease payments due under the lease to its contractual end date of 30 April 2027.

	<b>2025</b>
	<b>€</b>
At beginning of year	-
Provision recognized	174,124
Utilised during the year	-
At end of year	<u>174,124</u>

#### 26 Approval of financial statements

The financial statements were approved by the Board of Directors on 13 February 2026.