

**DEROGATION LETTER IN RESPECT OF INITIAL ENFORCEMENT ORDER ISSUED PURSUANT
TO SECTION 72(2) ENTERPRISE ACT 2002**

COMPLETED ACQUISITION

Consent under section 72(3C) of the Enterprise Act 2002 to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority (the CMA) on 14 April 2023

Completed acquisition by Bestway Panacea Holdings Limited of Lexon UK Holdings Limited and Asurex Limited (the Transaction)

We refer to your letter dated 22 June 2023 requesting that the CMA consents to a derogation to the Initial Enforcement Order of 14 April 2023 (the **Order**). Unless otherwise stated, the terms defined in the Order have the same meaning in this letter.

Under the Order, save for written consent by the CMA, Bestway Healthcare, Bestway Finco, Well, Kericho, Lexon, and Norchem (the **Parties**) are required to hold separate the Lexon Pharmacy business from the Bestway Healthcare business and refrain from taking any action which might prejudice a reference under section 22 of the Act or impede the taking of any remedial action following such a reference. After due consideration of your request for a derogation from the Order, based on the information received from you and in the particular circumstances of this case, the Parties may carry out the following actions, in respect of the specific paragraph:

Paragraph 6(c) – Change to Norchem’s accounting reference date

The CMA understands that the financial year of Norchem and its subsidiaries (which together carry on the Lexon Pharmacy business) currently ends on 30 April. Following completion of the Transaction, the Parties intend to change the accounting reference date of the companies carrying on the Lexon Pharmacy business from 30 April to 30 June.

The CMA consents to a derogation from paragraph 6(c) of the Order to permit the Parties to change the accounting reference date of Norchem and its subsidiaries as described above. The CMA grants this derogation strictly on the basis that this derogation:

- a) Will not affect the Lexon Pharmacy business’ assets (tangible or intangible).
- b) Will not result in any changes to staff/management of the Lexon Pharmacy business.
- c) Will not affect the viability of the Lexon Pharmacy business.
- d) Will not result in any integration between the Lexon Pharmacy business and the Bestway Healthcare business.
- e) Shall not prevent any remedial action which the CMA may need to take regarding the Transaction.

Yours sincerely

Rachel Allen

Assistant Director, Mergers

23 June 2023