Applegreen plc Annual Report and Financial Statements 2018

Reshaping Roadside Retail

The role of the service station has changed. Fuel is no longer the only commodity driving sales and powering growth. Motorists now expect more when they stop. Quality, convenience, choice, and a customer experience that extends beyond the transactional; these attributes are no longer the exception, but the norm. And the brands and businesses who understand that the landscape has changed will thrive. At Applegreen plc we are proud to be helping to shape the future of our industry, by reshaping roadside retail around the customer and creating transformational opportunities for our people, partners and shareholders along the way. Welcome to the Applegreen plc Annual Report and Financial Statements 2018.

applegreen

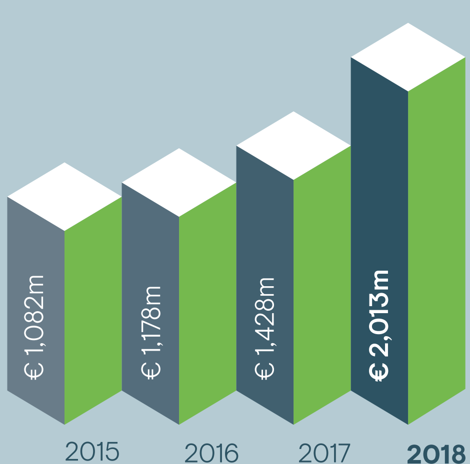
A Year of Growth

We continue to grow as a retail-led business by unlocking the potential of our people and harnessing the power of our brand partnerships to provide a distinctive retail offering and deliver great customer experiences. Here's how we performed at a glance.

REVENUE

21%

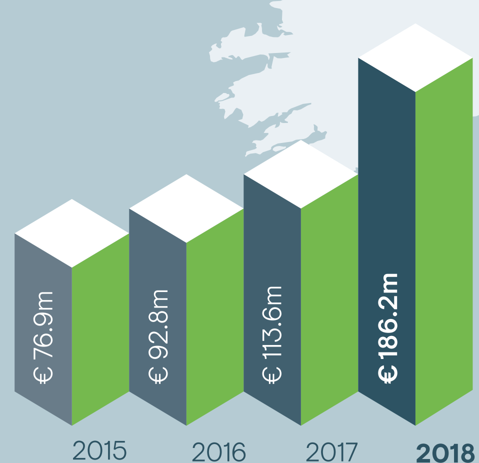
CAGR



NON-FUEL GROSS PROFIT

34%

CAGR



WELCOME BREAK ACQUISITION

50.01%

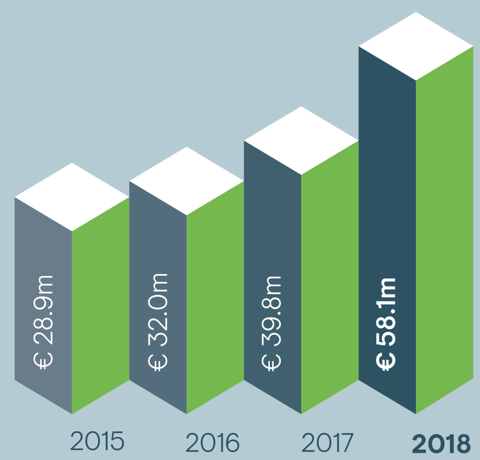
CONTROLLING STAKE

making Applegreen the second largest operator of Motorway Service Areas in the United Kingdom

ADJUSTED EBITDA

26%

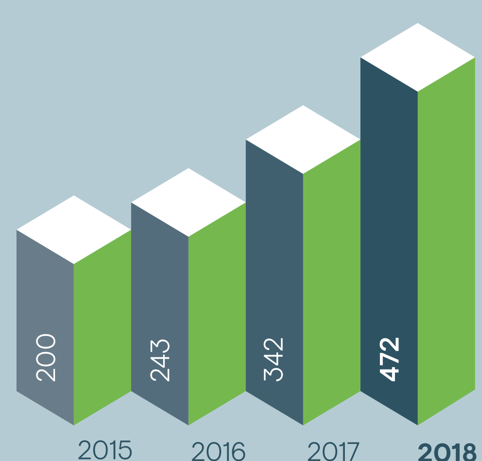
CAGR



SITES

33%

CAGR



Overview

Applegreen is a roadside convenience retailer, operating from motorway service areas and petrol filling stations.

Since the company's foundation in 1992 at one site in Ballyfermot, Dublin, we have always aimed to provide a superior customer experience and value for money. This remains just as true now for all those who visited our 472 sites last year.

The Group has a major presence in the Republic of Ireland, the United Kingdom and the USA, and continued its strong growth in 2018 with the addition of 130 sites during the year, including 34 larger motorway service areas.

In the Republic of Ireland, Applegreen has an 18% market share of the petrol retail market and is the number one operator of Motorway Services Areas. A further 16 sites were added to the estate during the year, including three service area sites.

In the United Kingdom, the Group completed the acquisition of a controlling interest in Welcome Break, making Applegreen the UK's second largest Motorway Service Area operator.

In the USA, Applegreen continued to roll out its growth strategy in co-operation with its existing real estate investor partners, CrossAmerica Partners and Getty Realty. The Group expanded its footprint in the USA with the addition of 53 new sites, including a 43-site group acquisition in Florida and a 7-site group acquisition in South Carolina.

In addition to its own Bakewell brand, the Group enjoys established partnerships with a portfolio of high quality international brands. Following the Welcome Break acquisition, new brand partners include Starbucks, KFC, Pret a Manger, Pizza Express, Waitrose, WH Smith, Harry Ramsden, Tossed and the Ramada and Days Inn hotel brands. These are added to existing brands including Burger King, Subway, Costa Coffee, Greggs, Lavazza, Chopstix, Freshii and 7-Eleven, some of which also have an existing presence on the Welcome Break network.

SITES

472

MOTORWAY SERVICE AREA SITES

46

QUALITY BRAND OFFERINGS

482

HOTEL BEDROOMS

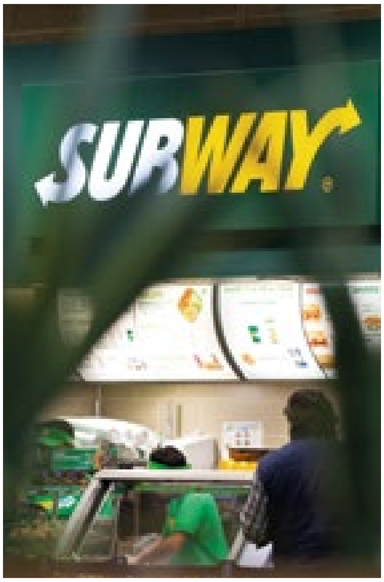
2,282

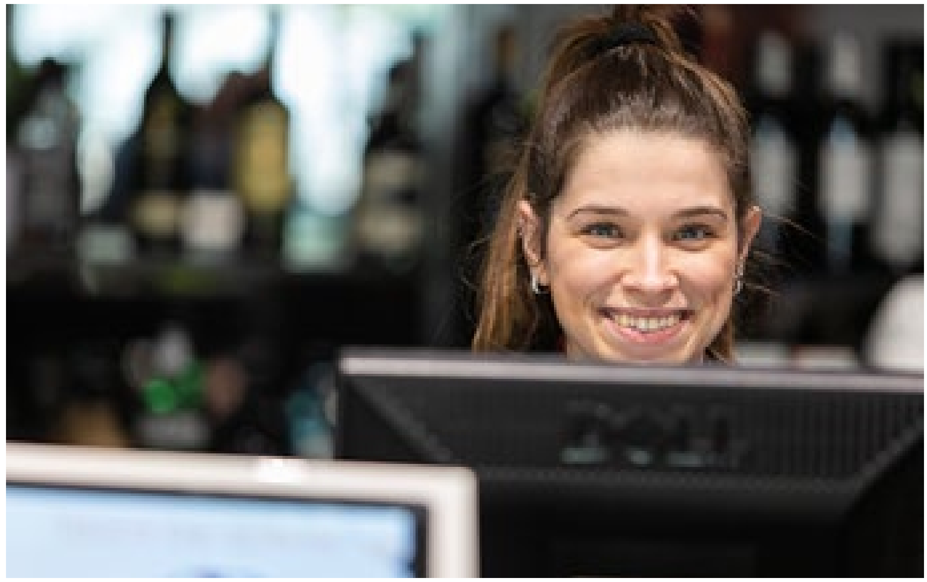
EMPLOYEES

c10,700

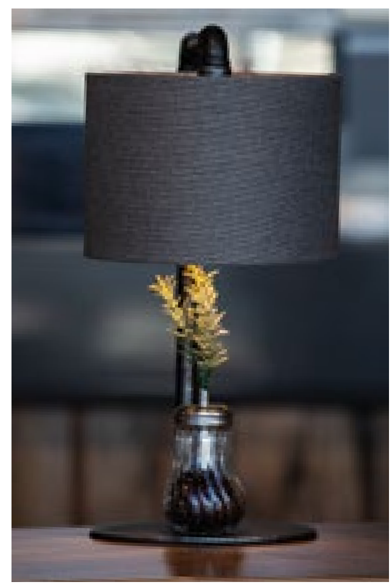
26%

COMPOUND ANNUAL GROWTH RATE IN ADJUSTED EBITDA OVER THE PAST 5 YEARS


SUBWAY




BEST
COFFEE
ON THE ROAD




BURGER
KING
DRIVE

"In addition to its own Bakewell brand, Applegreen enjoys established partnerships with a portfolio of high quality international brands.


WELCOMEBREAK
WELCOME
BREAK

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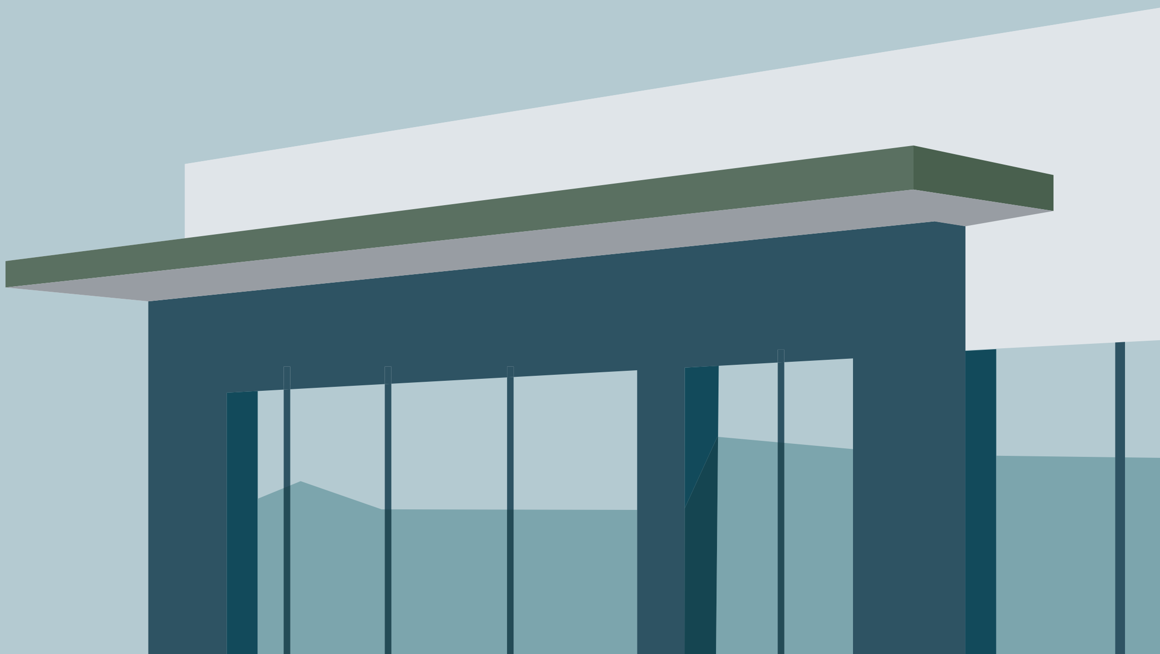



applegreen

Our Story

The Group was founded in 1992 by Robert Etchingham (Chief Executive Officer) following the acquisition of its first site in Ballyfermot, Dublin.

SITE NUMBERS

24	53	64	75	81	95
2005	2008	2009	2010	2011	2012
Petrogas launches the Applegreen brand.	Opens first forecourt in UK.	Distribution Centre opens.	Opens 6 Motorway Service Areas (MSA). Outsources transaction processing to EXL in India. **New brands: Costa Burger King**	Launches loyalty card programme.	157,000 loyalty card holders.

Mr Etchingham was joined in the business a year later by Joseph Barrett (Chief Operating Officer). Together they have led the growth and development of the business in the intervening period. While the initial years of the Group saw gradual growth (with the number of sites increasing to 24 by the end of 2005), from the outset the focus was always on the development of the retail proposition and the establishment of a quality food offering on its forecourt sites.

The Applegreen brand was successfully launched in 2005 and the Group has subsequently expanded at a rapid rate. Site numbers reached 75 by the end of 2010 and 472 by 31 December 2018. In October 2018, the Group acquired a controlling stake in Welcome Break, the second largest Motorway Service Area operator in the UK. The Welcome Break portfolio comprises 34 Motorway Service Area sites, three Trunk Road Service Area sites and 29 hotels (23 co-located on Service Area sites and six stand-alone hotels) across the UK motorway network. The Group also completed two significant acquisitions in the US, a 43-site group acquisition in Florida and a 7-site group acquisition in South Carolina.

119

2013

Completes refinance of business.

Acquires 4 MSA sites in NI.

New brand: Subway

152

2014

Fuel card and dealer offering launches.

2 sites open in the USA.

200

2015

Completes successful IPO.

New brands: Chopstix, Lavazza, Greggs

243

2016

Opens award winning Lisburn site in NI.

New brands: Freshii, 7-Eleven

342

2017

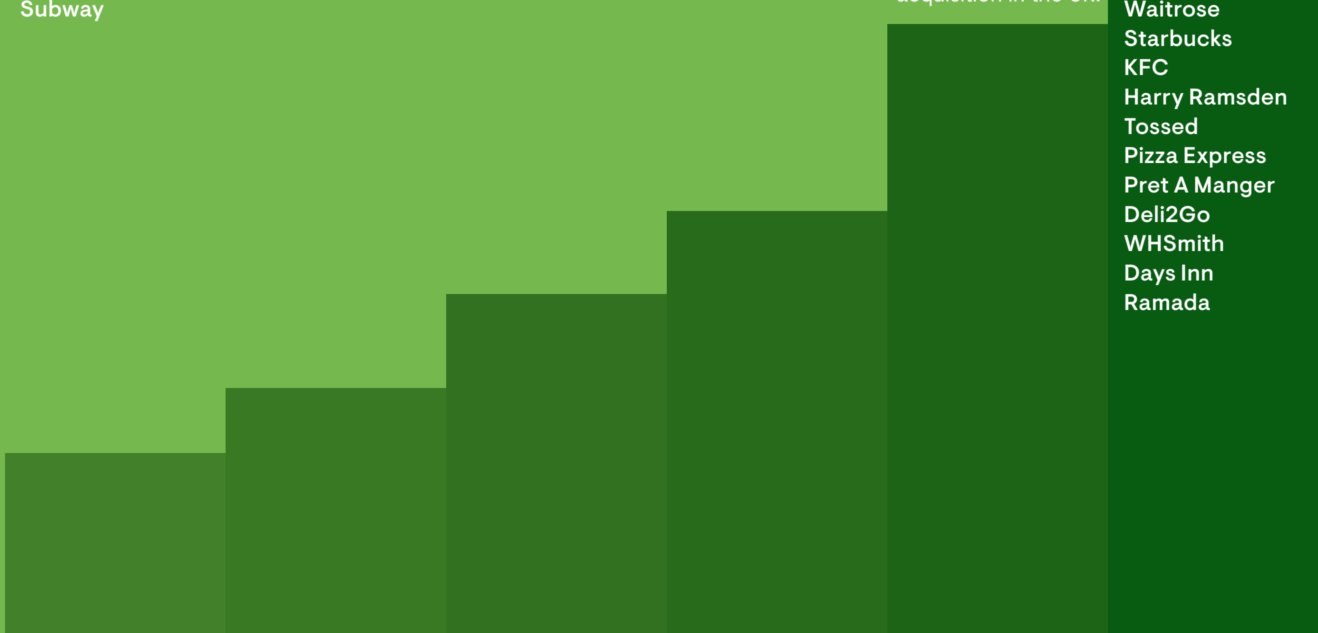
Completes JFT acquisition in ROI, Brandi Group acquisition in South Carolina and Carsley Group acquisition in the UK.

472

2018

Completes the acquisition of a controlling interest in Welcome Break.

New brands: Waitrose, Starbucks, KFC, Harry Ramsden, Tossed, Pizza Express, Pret A Manger, Deli2Go, WHSmith, Days Inn, Ramada



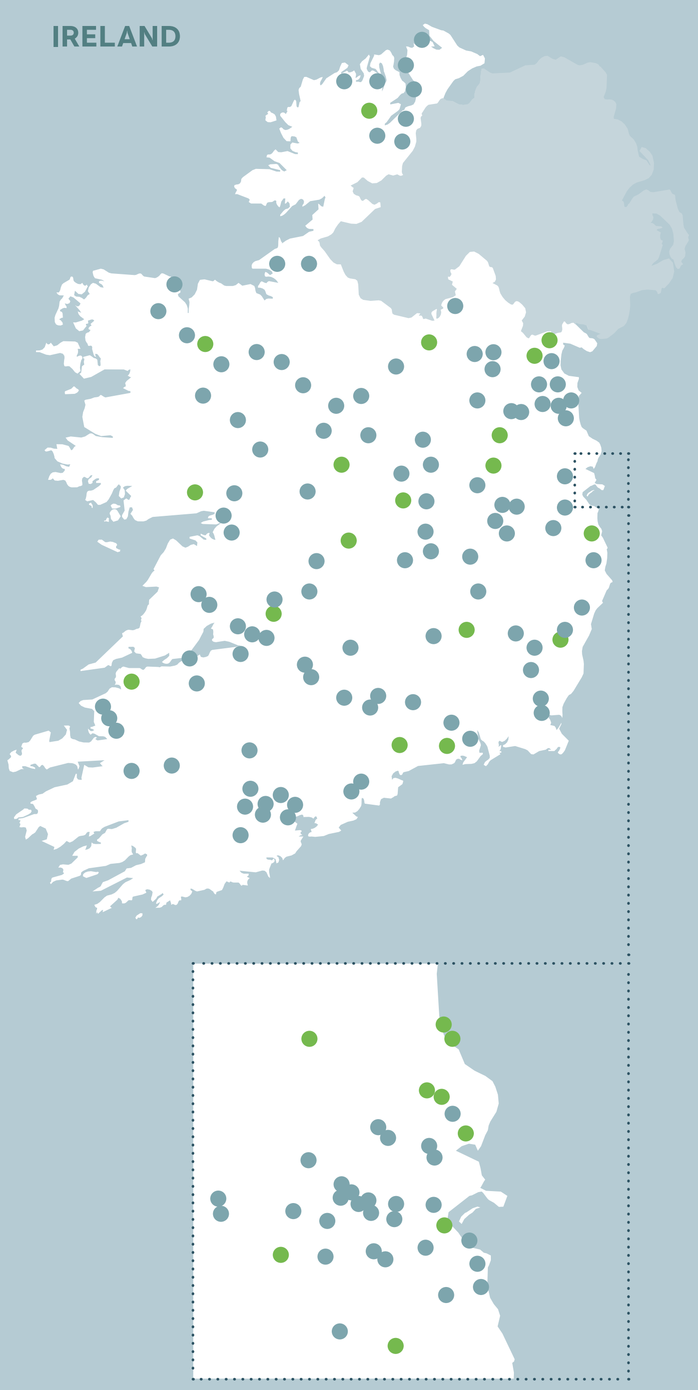
Our Locations

Service Area Sites

Motorway Service Areas ("MSA") are the Group's largest sites situated on motorways that, alongside a retail proposition, operate three or more food and beverage offerings from a combination of its own food brand, Bakewell and international brands including Burger King, Starbucks, KFC, Subway, Waitrose, WHSmith, Costa Coffee, Chopstix, Pizza Express, Harry Ramsden and Greggs. In addition, the Group operates **Trunk Road Service Areas ("TRSA"),** which are located on major roads. These are large sites close to heavily trafficked or urban routes that have a big plot size and ample parking. The sites contain high end stores with an attractive ambience. They have a relevant retail offering with Applegreen brand produce and a limited chilled/ambient grocery offering alongside a cafe environment with one to three food and beverage offerings. As of 31 December 2018, the Group operated a total of 81 Service Area sites (including 46 MSA sites), of which 33 were located in the Republic of Ireland and 48 in the United Kingdom. Six of our MSA sites in the Republic of Ireland are operated under 25 year licences from Transport Infrastructure Ireland ("TII").

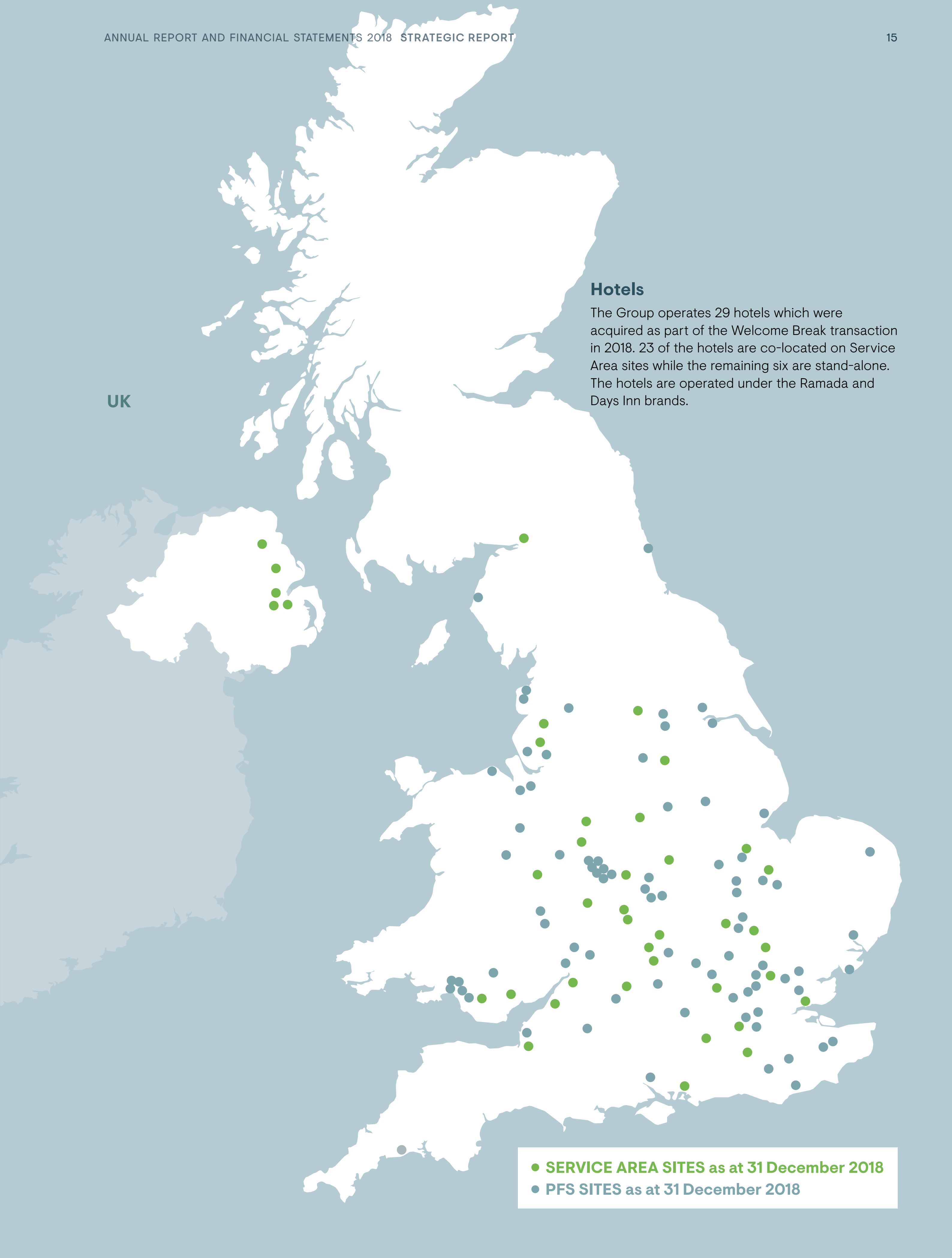
Petrol Filling Stations ("PFS")

The Group operates both company-owned and dealer PFS sites. As of 31 December 2018, the Group operated 385 sites categorised as Petrol Filling Stations of which 160 were located in the Republic of Ireland (91 company owned PFS sites and 69 dealer PFS sites), 104 in the United Kingdom and 121 in the United States. Almost half of the Group's current company-owned PFS estate is operated under the Applegreen brand name. Applegreen branded sites have received significant investment, in particular where there is a high quality food proposition based around its own food brand, Bakewell, and/or an international brand such as Subway. The retail proposition is built to reflect the local demographic.

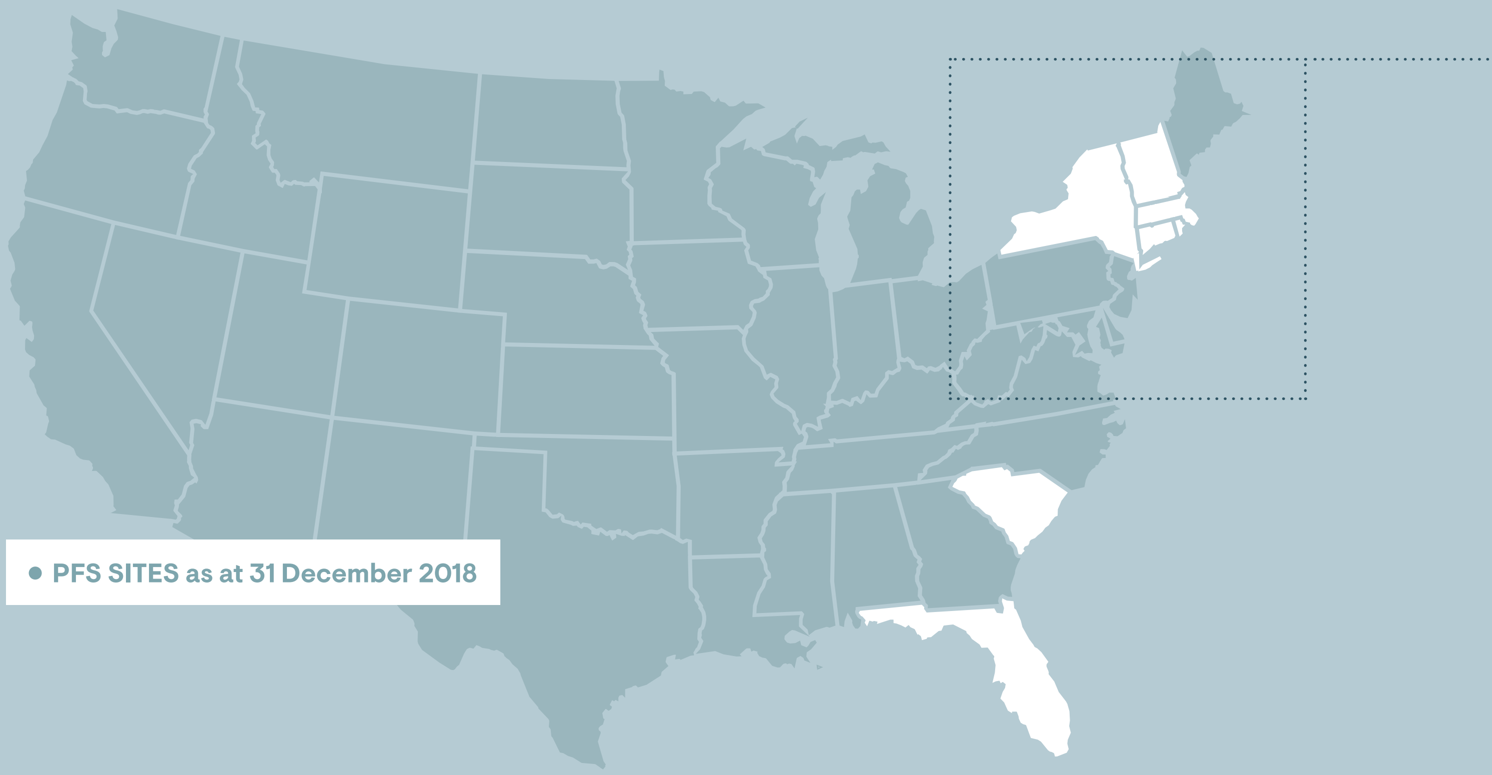


Hotels

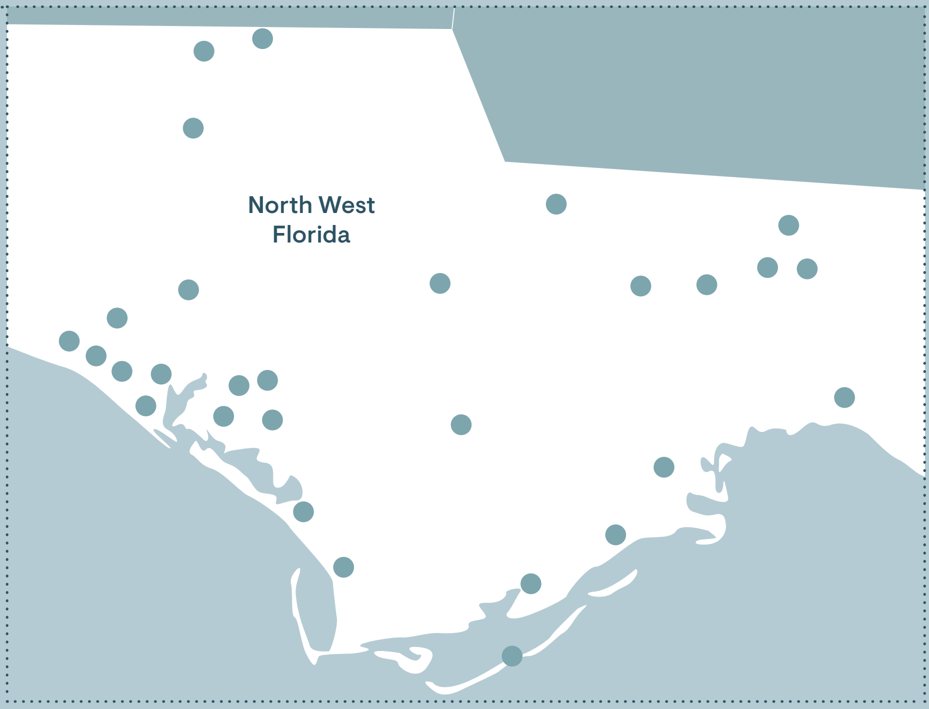
The Group operates 29 hotels which were acquired as part of the Welcome Break transaction in 2018. 23 of the hotels are co-located on Service Area sites while the remaining six are stand-alone. The hotels are operated under the Ramada and Days Inn brands.



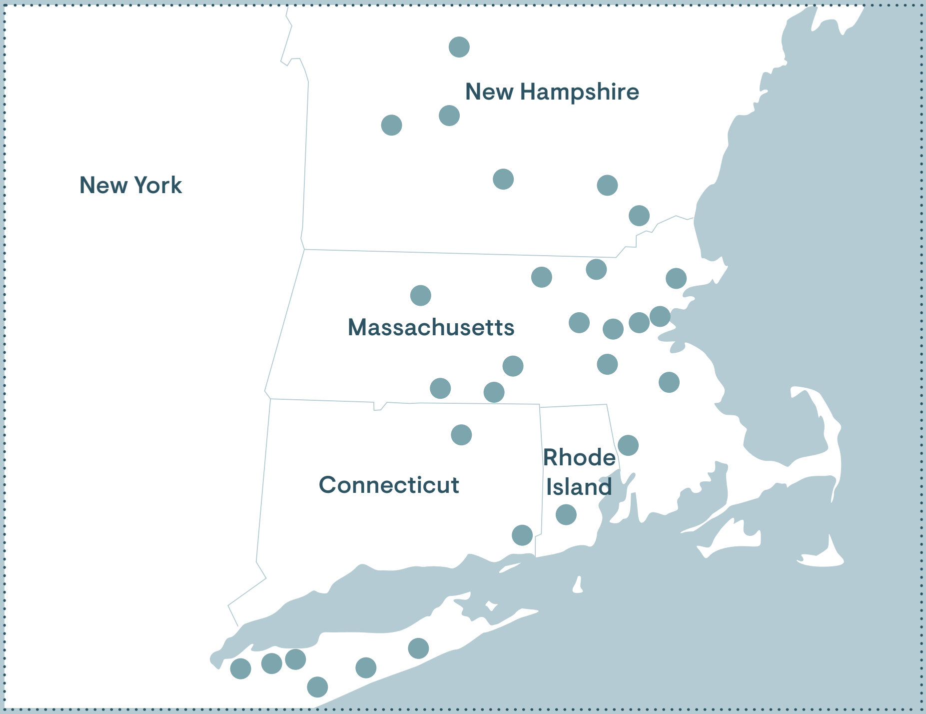
US



SOUTH



NORTH EAST



SOUTH EAST

Introducing Welcome Break

The acquisition of a controlling interest in Welcome Break provides a step change in the growth and development of the Group, enlarging its footprint in the United Kingdom, increasing its food and beverage business and brand portfolio, and further reducing the Group's reliance on fuel dependent revenue streams.

The transaction

On 31 October 2018, Applegreen acquired a 55.02% majority stake in Welcome Break from NIBC Infrastructure Fund. As part of the deal transaction, Applegreen sold an 8.6% shareholding in Welcome Break to AIP, the sole other current shareholder of Welcome Break. Applegreen also transferred its UK MSA and TRSA assets, as well as development pipeline assets to Welcome Break. The net impact of transactions resulted in Applegreen ultimately holding a 50.01% shareholding in Welcome Break and management control.

The acquisition was funded via a successful fund raising from both existing and new shareholders by way of a placing of new ordinary shares, raising a total of approximately €175 million, and through new debt facilities of €300 million. The strong support from our shareholders and from our new banking syndicate also endorses the compelling rationale behind the Welcome Break acquisition.

The Welcome Break business

Welcome Break is the second largest MSA operators in the UK, with a market share of approximately 30%, and attracts an estimated 85 million customers per year. Welcome Break's portfolio consists of 34 MSA sites and three TRSA sites. The Group operates 29 hotels, 20 Days Inn hotels and nine Ramada hotels. 23 of the hotels are co-located on Service Area sites and the remaining six are stand-alone. Welcome Break's MSA sites are located on major motorway routes predominantly in the high traffic volume routes in the Midlands and South.

The business brings a strong portfolio of brand franchise partners providing a high quality food, beverage and retail offering for customers. Starbucks is one of the major brands with a total of 58 units including 20 drive thru units with Welcome Break establishing the Starbucks drive thru concept on the UK motorway network. Other major brands include KFC, Burger King, Pizza Express, Subway, Harry Ramsden, Waitrose and WH Smith.

Strong business providing stable earnings growth

MSA sites are infrastructure like assets with long lead times for any new developments. Customer footfall is also principally driven by stable growth in motorway traffic volumes and the involuntary need to stop for comfort breaks, rest, food and drink.

The well invested Welcome Break estate provides an inviting and comfortable environment for customers, which combined with its high quality branded food and beverage offerings, further drives increased footfall, transactions and spend.

Welcome Break has completed a significant four year capital expenditure programme with total investment to date of approximately €110m. The capital expenditure program involves a number of initiatives designed to expand and enhance the customer offer at its sites. These included amongst others:

- A continued roll out of Starbucks Drive Thrus;
- Refurbishment of food courts on all major sites to contemporary open plan design providing customers with a relaxing ambience to encourage dwell time;
- Ongoing phased refresh of Waitrose stores;
- Upgrading suitable Days Inn hotels to enable rebranding as Ramada, attracting a different demographic and higher room rates;
- Brand upgrade to Burger King Prime model for all units;
- Start of a roll out of self-service kiosks for the KFC and Burger King food brands;
- Improved car parking and site signage to improve the customer journey.

“ Strong support from shareholders and our new banking syndicate reinforces the compelling rationale behind the acquisition.


STARBUCKS COFFEE


WELCOME BREAK
Waitrose


STARBUCKS COFFEE

Catering and retail focus driving growth

In recent years, the focus on branded catering and retail offers has enabled Welcome Break to achieve significant growth in this area. A significant portion of Welcome Break's non-fuel revenues comes from catering sales.

Welcome Break represents an excellent strategic fit for Applegreen

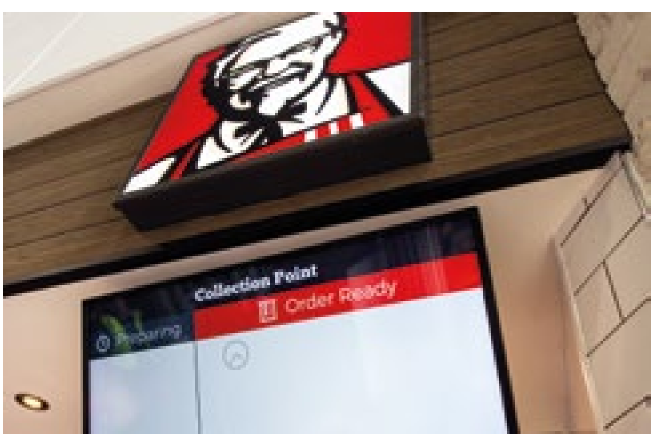
The acquisition of a controlling interest in Welcome Break represents a step-change development in Applegreen's vision of reaching critical mass in the UK market while also significantly increasing the proportion of earnings derived from catering and retail. Welcome Break provides much greater overall exposure to MSA assets for the Group which significantly enhances stability of earnings and cashflow generation when compared to smaller Petrol Filling Stations.

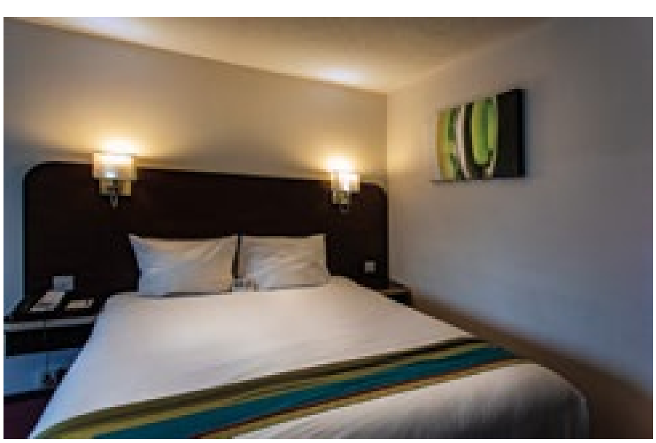
The investment in the estate and brands over recent years is expected to continue driving additional future earnings growth.

Applegreen's existing UK based MSA and TRSA sites and development pipeline of new sites have also been incorporated within Welcome Break following the acquisition. This will bring new development capabilities to Welcome Break, where previously the focus has been on improvements to the existing estate.

> "The Welcome Break estate provides an inviting and comfortable environment for customers, which combined with a high quality food and beverage offering, further drives increased footfall, transactions and spend.


PIZZAEXPRESS
PIZZAEXPRESS


Collection Point
Order Ready
Preparing




Order Here
BURGER KING

Our Business Model

Applegreen operates a distinctive retail-led business model which has been built around a very clear value proposition and by being attentive to the needs of our customers.

Key strengths that facilitate the successful roll-out of the business model:

- A strong entrepreneurial culture in the business
- A trusted fuel source – Applegreen fuel meets the EU Standards Number: I.S. EN 590 and IS Number: I.S. EN 228 industry standards and are fully traceable back to source. During 2018, we developed our own proprietary additive in conjunction with a leading fuel laboratory in Germany and have added this into our regular base fuel in ROI rebranding our base fuel as "fuelgood". We also developed fuelgood PowerPlus during 2018, our most advanced, premium fuel
- A strong heritage in food developed over many years operating both own-brand and internationally branded food concessions
- A distribution capability whereby the majority of non-fuel products in Ireland are supplied through our own distribution centre. Non-fuel products in the UK and US are supplied via trusted supply partners including the franchisor's respective supply chains for food brands
- A strong and compelling Applegreen brand generating high levels of customer loyalty
- Strong financial discipline and a focus on our key financial metrics – gross profit, EBITDA, Return on Capital Employed and Cash Conversion

Key pillars of the Applegreen branded offer:

The Applegreen Business Model

Low Fuel Prices Always

- Local price promise
- Encouraging increased footfall to our shops

Better Value Always

- Tailored retail offer
- Impulse/ultra-convenience focus

Food & Beverage Focus

- Mix of own and international brands
- Tailored offer to each location

Site categories

Service Area Sites		Petrol Filling Stations 'PFS'		Hotels
Motorway 'MSA'	Trunk Road 'TRSA'	Company Owned	Dealer	Hotels

• MSA's are located on motorways with large facilities, extensive parking and at least three food offers
• MSA's typically offer a wide range of internationally recognised food brands
• Usually brown/green field developments
	• TRSA's are mid-size sites on trunk roads with seating areas and one to three food and beverage offerings
	• High end stores with attractive ambiance
	• Typically brown/green field developments
		• Traditional forecourt, store offer and food to go either own brand or Subway/Costa Coffee
		• Relevant retail proposition built to reflect local demographic
		• Value offer in store built on own brand and promotion
		• Ongoing rebrand/ facility development opportunities
			• PFS owned by operator, 5 year fuel supply agreements
			• Fixed margin per litre to dealer
				• Two types of brand offer:
				  ◦ Ramada
				  ◦ Days Inn
				• Mix of hotels co-located at Service Area sites and stand-alone hotels

We create value for all our stakeholders

REVENUE

€2.0bn

41%

GROSS PROFIT

€282.3m

55%

ADJUSTED EBITDA

€58.1m

46%

NEW SITES

130

38%

CAPITAL EXPENDITURE*

€70.4m

ADJUSTED DILUTED EPS**

25.49cent

* Excluding WB acquisition cost

**PAT adjusted for share based payments, non-recurring operating charges, interest on shareholder loans, non-recurring interest charges, acquisition related intangible asset amortisation charges and the related minority interest and tax impact on these items.

We operate different site categories:

Service Area Sites ("SA")

Motorway Service Areas ("MSA") are the Group's largest sites that, alongside the retail proposition, operate three or more food and beverage offerings. Trunk Road Service Areas ("TRSA") are located on major roads and operate one to three food offerings. All Service Areas are branded as Applegreen. Our site identification capability is complemented by an in-house new site development team.

Petrol Filling Stations ("PFS")

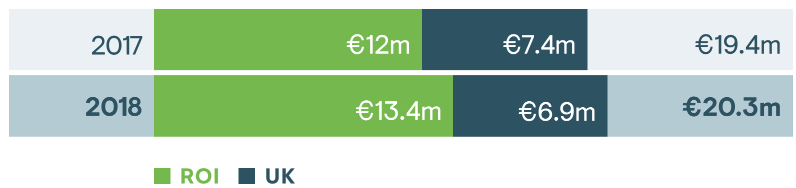
Applegreen branded

If it is appropriate and practicable at a site and if it meets the Group's minimum return hurdle rates, the Group will invest in upgrading and rebranding the location to its premium Applegreen brand. There is an ongoing programme of investment in the estate that will continue across each territory.

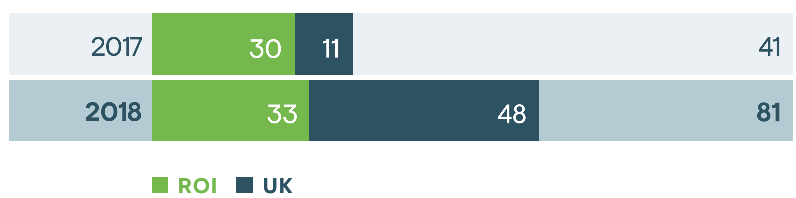
Other brand

On completion of the acquisition of a new PFS site, the site is typically rebranded on the forecourt canopy as a "low fuel prices, always" site requiring minimal capital expenditure.

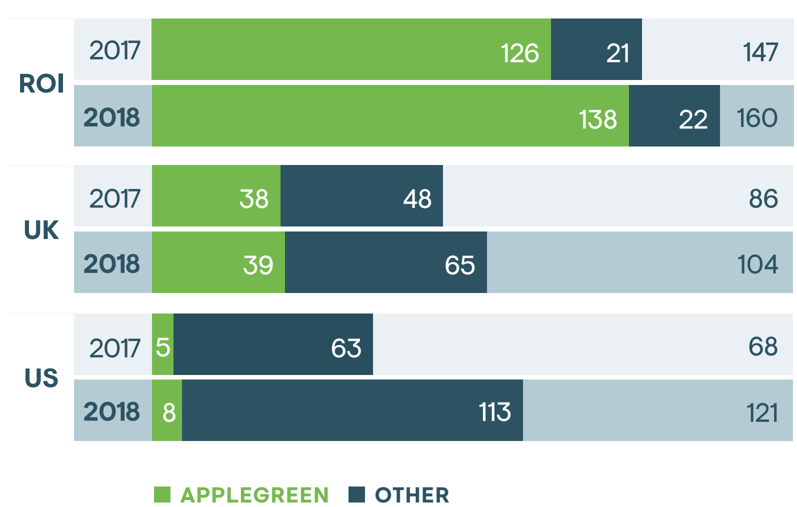
CAP EX – SA (€m)



SITE NUMBERS – SA



SITE NUMBERS – PFS



Brand Partners

Significant expansion and widening of brand relationships with a total of 559 hospitality outlets.

BURGER KING 67

COSTA 19

SUBWAY 115

GREGGS 10

LAVAZZA 7

CHOPSTIX NOODLE BAR 17

freshii 5

7 ELEVEN 9

The Bakewell 89

New Relationships in 2018

STARBUCKS COFFEE 58

KFC 26

PRET 1

PIZZA EXPRESS 4

Waitrose 27

WH S 34

Harry Ramsden EST. 1928 19

tossed 5

deli2go 18

RAMADA 8

Days Inn 21

Pizza Hut 1

Our Growth Strategy

Applegreen is committed to expanding its estate across each of the territories in which we operate and our growth strategy encompasses four main pillars:

Development

As well as continuing to develop its existing Service Area network in the Republic of Ireland and the UK, Applegreen plans to pursue other Service Area opportunities to allow us to deploy our food to go and development skills in the US market. As part of the Welcome Break transaction, the UK service area development pipeline has transferred to Welcome Break and all future service areas development activity in the UK will occur in Welcome Break.

The Group has dedicated personnel in each of its territories to focus solely on the identification of potential sites to be added to the estate. Opportunities are developed from the Group's existing network of contacts as well as brokers and intermediaries operating in the sector. This is complemented by an in-house development team (again focused on each territory). They develop and progress planning applications with local governmental and regulatory authorities and deliver the construction programme directly.

Expansion

Applegreen plans to continue the expansion of its PFS estate in the Republic of Ireland, the UK and the US. The site identification and development team in each region is responsible for identifying appropriate PFS sites, both existing and new to industry sites, and bringing them into the estate.

Upgrade and Rebrand

As of 31 December 2018, 89% of the estate in ROI (including Dealer Owned sites) and 59% of the estate in the UK were branded as Applegreen or Welcome Break sites (the Group's premium brands). On completion of the acquisition of a new PFS site, the site is typically rebranded on the forecourt canopy as a "low fuel prices, always" site requiring minimal capital expenditure. If it is appropriate and practicable at a site and if it meets the Group's minimum return hurdle rates, the Group will invest in upgrading and rebranding the location to its premium Applegreen brand. There is an ongoing programme of investment in the estate that will continue across each territory.

A different approach is taken in the US where the majority of sites are operated under a third party fuel brand. Here we have partnered with 7-Eleven to operate 7-Eleven convenience stores in selected sites with nine convenience stores converted to 7-Eleven at 31 December 2018. We have added an additional two 7-Eleven convenience stores in 2019 to date and have a number of others approved for conversion.

Group Acquisitions

During 2018, the Group completed the following significant acquisitions:

- Acquisition of a controlling stake in Welcome Break in October 2018. The Welcome Break portfolio comprises 34 MSA sites, three TRSA sites and 29 hotels (23 co-located on Service Area sites and six stand-alone hotels) across the UK motorway network
- Acquisition of 43 leasehold sites in Florida from CrossAmerica Partners ("CAP") completed in September 2018
- Acquisition of seven sites in South Carolina from Getty Realty completed in August 2018

People want more tha
when they stop. They
convenience, choice,
experience that goes
the transactional.
We give them great c

#TrafficStoppingRetail

an just fuel
y want quality,
, and a customer
beyond

offee too.

Chairman's Statement
Daniel Kitchen

It is my pleasure to introduce the annual report and financial statements of Applegreen plc for the financial year ended 31 December 2018, a year which saw substantial growth and development within the Group.

Growth and Acquisitions

In 2018 we added 130 new sites to the Group bringing the total number of operating sites to 472 across its three geographical markets. Good like for like earnings growth from existing sites, combined with the enhanced contribution from the new site acquisitions resulted in adjusted EBITDA increasing by 46% to €58.1m. This reflects the hard work and dedication of Applegreen staff at all levels of the business and the ability of the management team to execute on our growth strategy.

The Group completed the transformational acquisition of a controlling interest in the Welcome Break motorway services business in the United Kingdom in October 2018. In addition to this transaction, we also completed two group acquisitions in the USA during the third quarter of the year which added a further 50 sites to our estate in that market. The Welcome Break acquisition propels Applegreen into the position of second largest operator of motorway service areas in the United Kingdom. It also provides a major step forward in our aim to increase our presence in the service area sector and thereby increasing the proportion of earnings coming from catering and retail operations.

Funding for the Welcome Break acquisition was successfully delivered through a €175m equity placing and a €300m debt facility from a syndicate of leading financial institutions. I am delighted with the level of support we received from both new and existing investors and from our debt providers. We look forward to developing these strong relationships with our shareholders and lenders as our business continues to grow.

Board and Corporate Governance

The Board of Applegreen comprises of four non-executive directors and three executive directors. Board members meet formally at regular Board meetings and in Board committees to discuss issues affecting the business of the Group.

During the year, the Board devoted considerable time to the Group's acquisition activities and to our overall strategic objectives for the business going forward. Full details of our approach are set out in the Corporate Governance Statement on pages 66 to 75.

I would like to thank each member of the Board for their hard work and commitment during the year and I look forward to continuing to work with them for the benefit of the Group in the coming year.

Management and Employees

On behalf of the Board, I would like to thank the management team and all the Applegreen staff for their continued dedication and hard work to deliver another year of exceptional progress in the business. The Group now employs a total of c.10,700 people. The future success of Applegreen relies strongly on the passion, energy and commitment shown by all our employees and I look forward to their ongoing contribution.

Outlook

2018 has been a transformational year for Applegreen, having completed a major acquisition that provides a significant leap forward in our business strategy. The business and management team remain fully committed to maximising the full potential of recent acquisitions and delivering long term value to our stakeholders. I firmly believe that a continued focus on our clear development strategy and evolving business model places the business in a good position to continue along a path of profitable growth.

Daniel Kitchen
Chairman
18 April 2019

Chief Executive's Review
Robert Etchingham

2018 has been a significant milestone in the development of the Applegreen story with the transformational acquisition of Welcome Break. This, along with good growth in the rest of the business resulted in a very strong performance for the year.

The performance was driven by ongoing expansion of our estate, positive like for like growth despite weather related disruption and strong fuel margin performance, particularly in the fourth quarter of the year.

2018 Financial Highlights

The main highlights were as follows:

- Revenue of €2.0 billion
- 55% increase in Gross Profit (33% increase ex WB)
- Adjusted EBITDA of €58.1 million – increase of 46% (20% increase ex WB)
- Reported EBITDA of €48.5 million – increase of 30%
- 130 new sites (including 43 as part of the WB acquisition) bringing the total number of sites to 472 at 31 December 2018
- Continued investment in estate expansion with the addition of Welcome Break along with €70.4 million on routine capex
- Adjusted diluted EPS of 25.49 cent per share
- Final dividend of 0.91 cent per share proposed (full year dividend: 1.54 cent per share)

2018 Operating Highlights

Under the leadership of Chief Operating Officer, Joe Barrett, I am pleased to say that our operations have grown significantly during the year. We successfully integrated our 2017 acquisitions of the Brandi Group, the Carsley Group and the Joint Fuel Terminal into our business.

In October 2018, we completed the acquisition of a controlling stake in Welcome Break, the second largest Motorway Service Area operator in the UK, which was financed through debt and an equity fundraise. The Welcome Break portfolio comprises 34 Motorway Service Area sites, three Trunk Road Service Area sites and 29 hotels (23 co-located on Service Area sites and six stand-alone hotels) across the UK motorway network.

In August 2018, we completed the acquisition of seven sites in South Carolina from Getty Realty and in September 2018, we completed the acquisition of 43 leasehold sites in Florida from CrossAmerica Partners LP (“CAP”).

As a result of the above and a number of single site acquisitions, we grew the estate by 130 sites to 472 sites as at 31 December 2018.

Republic of Ireland (“ROI”)

ROI continues to be our core market and contributed 48% of our total gross profit in 2018.

During the year, we expanded our Republic of Ireland estate by 16 sites which included three Service Area sites, four Petrol Filling Station sites and nine dealer sites. 89% of the ROI estate is branded Applegreen (2017: 88%). As at 31 December 2018 we operated 193 sites in the region.

The retail team continued to develop our partnerships with international brands in the ROI as well as expand our own brand offering, Bakewell with a total of 17 new food offerings opened during the year. At 31 December 2018, there were 179 branded food offerings in ROI.

Total fuel gross profit increased by 16.9% compared to 2017 and increased by 9.7% on a like for like basis. This reflected the impact of an additional contribution from the Joint Fuel Terminal acquisition in Dublin which was acquired in mid-2017.

Like for like non-fuel sales and gross profit increased year on year by 3.3% and 2.0%, respectively, despite the adverse winter weather impact in March and the summer heatwave conditions.

Our dealer and fuel card volumes have continued to grow and now account for 32% of ROI fuel volumes on a combined basis.

United Kingdom ("UK")

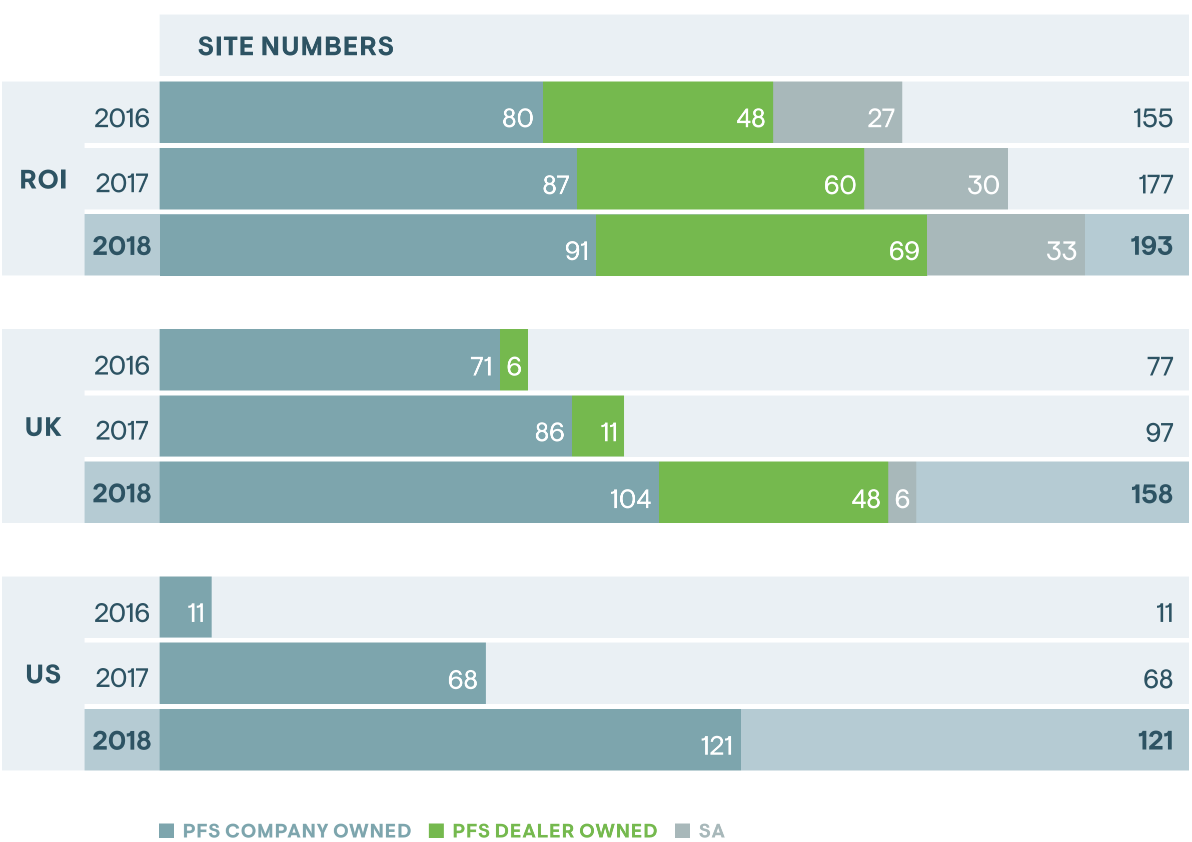
The UK business accounted for 36% of total gross profit in 2018, increasing from 26% in 2017 due to the full year impact of the 2017 acquisitions as well as the Welcome Break transaction. We expect the relative contribution of the UK business to further increase in 2019 with the incorporation of a full year of Welcome Break results.

In total, 61 new sites were added in the year including 43 through the Welcome Break acquisition (34 Motorway Service Areas, three Trunk Road Service Areas and six stand-alone hotels) as well as 18 new Petrol Filling Stations. At 31 December 2018 there were 158 sites trading in the UK with 59% trading under the Applegreen or Welcome Break brand.

As a result of these acquisitions as well as strong like for like growth, we have seen significant growth in reported revenue which increased by 55.2% and gross profit by 115.8%. Revenue and gross profit growth on a constant currency basis was 56.6% and 117.7%, respectively.

On a like for like basis (excluding Welcome Break), total revenue grew by 7.0% (at constant currency) and gross profit grew by 4.9% (at constant currency). Total fuel gross profit in the UK increased by 2.3% on a like for like basis (at constant currency) which reflects a very strong performance for the second half of 2018 offsetting the impact of competitive pricing pressures, weather disruption and rising oil commodity prices in H1 2018. Total non-fuel sales were 3.7% ahead of 2017 on a like for like basis (at constant currency) while related gross profit grew by 7.2% (at constant currency) reflecting an increased focus on food in the Applegreen estate.

Welcome Break has traded in line with management's expectations during 2018 and the integration of the business is progressing as planned. We have made a number of management changes and we are confident in delivering significant synergies from this acquisition. The hotel operations are a particular area of focus for Applegreen and there is a strategic review of this business underway currently. We have successfully transferred several Applegreen UK service areas to Welcome Break and there is a strong pipeline of MSA and TRSA opportunities to deliver further expansion.



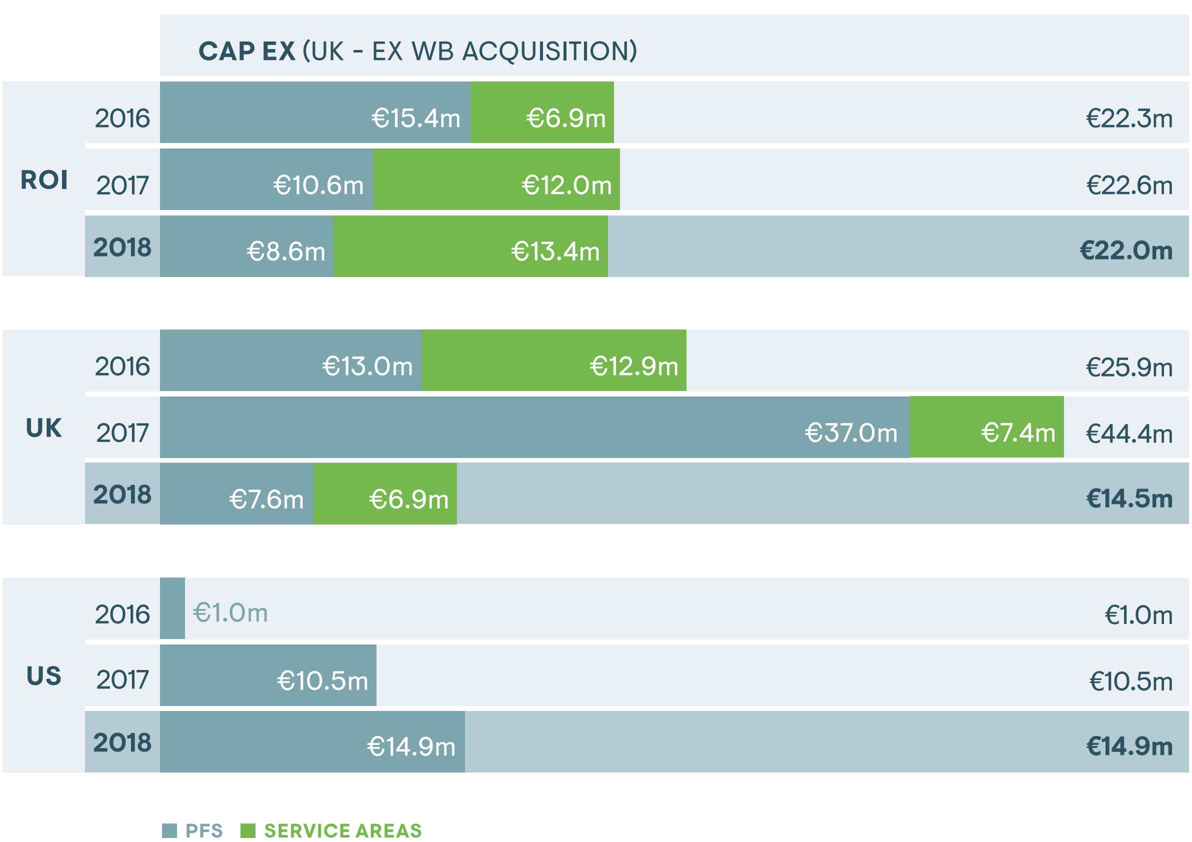
USA

During the year, the Group added 53 new sites in the USA. Of these sites, 50 were added through group acquisitions in the South East (43 in Florida and 7 in South Carolina) and the remaining three were single site acquisitions in the North East. The Group had 121 sites trading in the USA at the end of the year.

Revenue in the US increased by 224.4% and gross profit by 217.5%, primarily due to the full year impact of the 2017 acquisition in South Carolina as well as the sites added in 2018.

We have expanded our relationship with 7-Eleven in the North East and commenced a roll out of 7-Eleven redevelopments in the South East during the year. At 31 December 2018, we had nine 7-Eleven sites trading.

> **“I would like to extend a warm welcome to the Welcome Break team who joined us towards the end of 2018.**



Network Development

The Network Development division is led by Eugene Moore with local teams based in each region and comprises two main areas of activity. Firstly there is a team involved in identifying, appraising and acquiring new outlets, whether existing stations or green field opportunities. The other element of the team is involved in the project management of new builds on greenfield sites and the redevelopment of existing sites. We had another successful year in that regard, opening 37 new sites during 2018, excluding the impact of the Welcome Break and US group acquisitions.

Our People

We have a skilled, engaged and passionate group of employees in Applegreen. Their hard work, expertise and dedication has helped to deliver another year of continued progress for the Group and I am very grateful for their commitment. I would like to take this opportunity to thank all our employees for their hard work and dedication to the Group. I would also like to extend a warm welcome to the Welcome Break team who joined us towards the end of 2018. I look forward to continuing to work with you all as we continue with this exciting part of the Applegreen story.

Our highly regarded Management Development Programme ("MDP") continues to attract a steady flow of new recruits to the organisation and ensures a pipeline of new talent into the retail community. In addition, we have expanded our intern program to further develop our talent pipeline. The health and safety of all our employees is of fundamental importance to the management team. We have placed a strong emphasis on a safe working environment across our three regions and are continually working to ensure high standards are maintained across our business.

> **"We have a skilled, engaged and passionate group of employees. Their hard work, expertise and dedication has helped to deliver another year of continued progress.**

Outlook

We continue to develop our network in 2019 adding two new stand-alone sites since 31 December 2018. We also converted two convenience stores to 7-Eleven store in South Carolina and opening one new Pizza Express food offer in the UK.

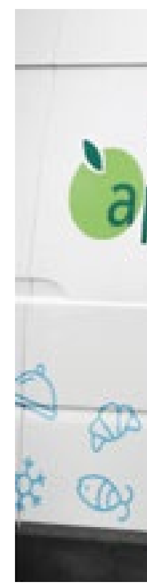
We have a good pipeline of further developments of both Service Area sites and Petrol Filling Stations across our markets.

Trading conditions remain generally good despite uncertainty caused by macro events. We anticipate another year of robust growth for the business. Our primary focus will be on the integration of Welcome Break and further reducing leverage but we will also continue to evaluate new opportunities to further expand the business in the future.

Robert Etchingham
Chief Executive Officer
18 April 2019


CHOPSTIX
NOODLE BAR
FASTER FRESHER
TOILETS
BURGER KING

Corporate Social Responsibility
Proudly supporting children and charities in need



10TH ANNIVERSARY
applegreen charitable fund

This year we celebrate 10 years since the establishment of the Applegreen Charitable Fund.

The Fund was set up in December 2009 with the aim to give back to the communities in which Applegreen operates throughout Ireland. The Fund has supported a number of charity partners, many with children at the centre, and with the aim to deliver tangible and visible benefit to the communities that both Applegreen and its charity partners serve.

Over the past 10 years, over €3m has been raised for our chosen causes thanks to the support and engagement shown by our customers and staff.

In 2018, Applegreen acquired a controlling interest in the UK motorway services business Welcome Break, which like Applegreen, has a strong association with charitable activities, also placing children as a core focus. Over the past 10 years, the customers and staff of Welcome Break have raised over £5m for BBC Children in Need. We are pleased that this association will continue in 2019 as a welcome addition to the Group's charitable activities.

The Applegreen Charitable Fund Committee comprises employees from all areas of the business, from service stations to head office staff, the majority of whom provide their time to the Fund on a voluntary basis.

Throughout the year head office staff and stores across Ireland arrange events to raise awareness and stimulate engagement with our charity partners. In the past year, volunteer days and events have included Static Cycles, Bake Sales, Marathons, Mountain Climbs, Skydives, Pub Quizzes.

The You Buy, We Give initiative continues to grow every year and has now alone contributed over €1.6m to the Charitable Fund. Every time a customer makes a shop and fuel or a shop only purchase in an Applegreen store in Ireland, the company donates 1c/1p to the Applegreen Charitable Fund at no extra cost to the customer. Funds are also donated through coin collection boxes placed in all Applegreen Service Stations, and Barcode Campaigns whereby the customer is given the option to donate €1/£1 in store once every quarter.

Clockwise left to right: DEBRA Ireland, Focus Ireland, FoodCloud, Irish Youth Foundation, Friends of the Cancer Centre

CHARITY AWARDS 2018
Chambers Ireland CSR Awards – Shortlisted in the category 'Partnership with a Charity'.

Irish Youth Foundation

The Applegreen Charitable Fund were delighted to choose the Irish Youth Foundation as one of our preferred charity partners for 2018/19 in support of 62 community and voluntary youth projects across Ireland which were chosen from over 300 applicants to receive a total of €124,000 from the fund. The fund invited applications from projects working with children and young people aged between 4 and 12 living in disadvantaged circumstances under the theme of health and wellbeing. All of the projects receiving grants were within 10km of an Applegreen store, in line with our approach of engaging with and supporting the communities we serve.

DEBRA Ireland

Following the success achieved with DEBRA Ireland, which resonated strongly with our staff, Applegreen decided to extend its support to this partnership beyond the usual two year term. DEBRA Ireland provides support services to patients and families living with the debilitating skin condition Epidermolysis Bullosa (EB). The EB Community Care programme provides valuable support for children and families in Ireland impacted by EB. By delivering the highest level of support in their homes and communities, the programme helps improve the quality of life for those affected. In addition, Applegreen's support of EB Awareness Week means families throughout Ireland are no longer living with the staring and stigma of this rare disease. The HSE has seen such immediate benefit that they will now take over the funding of an EB Nurse, freeing Debra Ireland up to put the next phase into play; a further expansion of EB Community Care which means an additional family support worker, an additional EB outreach nurse as well as increased respite funding for families living with EB.

Focus Ireland

Focus Ireland is driven by the fundamental belief that homelessness is wrong. No young person should have to live in emergency accommodation or worse. Focus Ireland provides innovative programmes for young adults, many of whom have no means of support after leaving children's homes or foster care. Programmes may involve housing, work placements and other basic support designed to make sure they stay off the streets. Applegreen is proud to support Focus Ireland as one of its charity partners. This partnership will enable Focus Ireland to work with more young people to provide a safe environment, opportunity, and help them reach their full potential.

Friends of the Cancer Centre

Friends of the Cancer Centre is dedicated to making a real and meaningful difference to cancer patients and their families across Northern Ireland. Through our partnership with the charity and with the support of staff and customers, we are able to make a positive impact on the charity's vital work with young people and families affected by cancer. No young person or family should ever have to face cancer, but Friends of the Cancer Centre is committed to ensuring that these young people have access to the expert and age-appropriate care they need, when they need it. Working together, we are providing support to teenagers and young adults with cancer, helping the charity fund vital hours of specialist nursing care and much more.

FoodCloud

Applegreen is delighted to be able to support FoodCloud with the funding of three distribution vans to help ensure food arrives fresh and safely. Applegreen is pleased to play its part in reducing food waste in the interests of a more sustainable environment, and at the same time help FoodCloud reach those in need.

BBC Children in Need

BBC Children in Need has been the chosen charity partner of the Welcome Break business in the UK for 10 years and has been strongly supported by Welcome Break customers via donations made at its motorway service areas and staff hold various fundraising events throughout the year. We support BBC Children in Need as it exists to change the lives of disadvantaged children and young people in the UK. Their vision is that every child in the UK has a safe, happy and secure childhood and chance to reach their potential.

Children in Need is local to people in all corners of the UK and provide grants to small and large organisations which empower children and extend their life choices. They support over 2,500 active projects that are working with children facing a range of challenges including: poverty and deprivation, children who have been the victims of abuse or neglect and disabled young people. Last year the customers and staff of Welcome Break raised a new record of over £750,000 for BBC Children in Need.

Changing Places

The Group collaborates with the Changing Places consortium in the UK, with Welcome Break recently installing state of the art assisted changing and toilet facilities for disabled people at nine of its major motorway service areas, with further facilities planned at other sites. The Changing Places Consortium is a group of organisations working to support the rights of people with profound and multiple learning disabilities and/or other physical disabilities. Established in 2005, the Consortium campaigns for Changing Places to be installed in all big public spaces so that disabled people can have greater access to their communities.

FuelSevice App

Applegreen joined forces with fuelService and the Disabled Drivers Association of Ireland (DDAI) to help disabled drivers receive assistance whilst refuelling at Applegreen stations across the country. Refuelling a car is one of the biggest challenges faced by disabled drivers, and Applegreen is proud to be the first Irish forecourt retailer to roll out this app service and go some way towards making refuelling easier and more accessible for disabled drivers. The app offers a two-step process to take the uncertainty and stress out of refuelling for disabled drivers.

> **"In the past decade, over €3m has been raised for Applegreen causes thanks to the support and engagement of our customers and staff.**

FoodCloud Hubs

BBC Children in Need

Financial Review

2018 was a very exciting year for Applegreen which saw an increase of 46% in Adjusted EBITDA generated through a combination of ongoing estate expansion, positive like for like growth and strong fuel margin performance. The most significant event of the year under review was the transformational acquisition of a controlling interest in Welcome Break ("WB").

These financial statements include Welcome Break results for the final two months of the year following the completion of the transaction on 31 October 2018. We have presented the results as reported with Welcome Break and excluding Welcome Break for ease of interpretation.

Results Summary

	WITH WB			EX WB		
	2018 €m	2017 €m	% growth	2018 €m	2017 €m	% growth
Revenue	**2,012.6**	**1,428.1**	**40.9%**	**1,878.9**	**1,428.1**	**31.6%**
Gross Profit	**282.3**	**181.7**	**55.3%**	**241.0**	**181.7**	**32.6%**
Selling & Distribution Costs	(156.8)	(100.1)	56.6%	(138.0)	(100.1)	37.9%
Administrative Expenses*	(39.9)	(25.8)	54.7%	(31.0)	(25.8)	20.2%
Other income	5.0	2.2	127.3%	2.6	2.2	18.2%
Adjusted EBITDAR*	**90.6**	**58.0**	**56.2%**	**74.6**	**58.0**	**28.6%**
Rent	(32.5)	(18.2)	78.6%	(26.8)	(18.2)	47.3%
Adjusted EBITDA*	**58.1**	**39.8**	**46.0%**	**47.8**	**39.8**	**20.1%**
Depreciation & Amortisation*	(22.1)	(14.0)	57.9%	(18.1)	(14.0)	29.3%
Impairment	(1.3)	0.0	0.0%	(1.3)	0.0	0.0%
Finance Costs, net*	(6.4)	(1.1)	481.8%	(1.6)	(1.1)	45.5%
Adjusted PBT*	**28.3**	**24.7**	**14.6%**	**26.8**	**24.7**	**8.5%**
Tax*	(3.3)	(3.3)	0.0%	(3.1)	(3.3)	(6.1%)
Adjusted PAT*	**25.0**	**21.4**	**16.8%**	**23.7**	**21.4**	**10.7%**
Non-controlling interests*	(0.1)	0.0	0.0%	0.0	0.0	0.0%
Adjusted PAT attributable to Applegreen plc*	**25.1**	**21.4**	**17.3%**	**23.7**	**21.4**	**10.7%**
Adjusted Diluted EPS (cents)*	**25.49**	**24.81**	**2.8%**	**25.41**	**24.81**	**2.4%**

*Adjusted for share based payments, non-recurring operating charges, interest on shareholder loans, non-recurring interest charges, acquisition related intangible asset amortisation charges and the related minority interest and tax impact on these items.

See Glossary of Financial Terms on page 184 for further detail on adjusting items.

Revenue

Revenue for the year of €2.0 billion was 40.9% ahead of 2017 (42.3% on a constant currency basis). Excluding the Welcome Break acquisition, Applegreen's revenue increased by 31.6% driven by good underlying growth and the full year impact of 2017 acquisition activity. The most notable 2017 acquisitions contributing to this growth were the Joint Fuel Terminal, the Brandi Group and the Carsley Group which each performed well during 2018.

Gross Profit

Gross Profit increased by 55.3% over the prior year to €282.3 million. (57.0% on a constant currency basis). Excluding the Welcome Break acquisition, Applegreen's gross profit increased by 32.6% driven by revenue growth and good underlying like for like growth at a gross profit level.

This performance was delivered despite a prolonged snow event in our home markets in Q1 2018 that heavily disrupted trading in that period and an extremely warm summer which also impacted on product mix as consumers shifted more towards impulse categories (cold drinks and ices) from higher margin hot beverages and food categories.

> "Excluding the Welcome Break acquisition, Applegreen's revenue increased by 31.6% driven by good underlying growth and the full year impact of 2017 acquisition activity.

Selling, Distribution and Administration Costs

Including Welcome Break, selling and distribution expenses (excluding rent, depreciation and net impairments charges) rose by 56.6% while administrative expenses (excluding share-based payment expense, non-recurring costs and depreciation) grew by 54.7%.

Excluding Welcome Break, selling and distribution expenses (excluding rent, depreciation and net impairments charges) increased by 37.9% which is primarily driven by the 25% increase in site numbers. Furthermore, the site additions in South Carolina in 2017 included a number of food offerings with associated payroll and utility costs which also contributed to the increase.

Administrative expenses (excluding share-based payment expense, non-recurring costs and depreciation) increased by 20.2% as a result of the growth in the business in the period, targeted marketing campaigns and continued investment in management capacity. Also excluding Welcome Break, the rent cost increased by €8.6 million to €26.8 million which is mostly driven by the annualisation of Brandi leasehold acquisition of 42 leasehold sites in October 2017 and the completion of the Florida leasehold acquisition of 43 sites in September 2018.

Other Costs

Depreciation, amortisation and impairments grew by €9.4 million which reflects the addition of Welcome Break to the Group as well as the increased level of capital expenditure in recent years (€5.4 million of total increase).

Interest costs have increased given the higher debt levels utilised to finance the acquisition of Welcome Break.

Adjusted Diluted EPS

Adjusted diluted EPS is 25.49 cent per share and 25.41 cent per share excluding Welcome Break which is an increase on 2017 of 2.8% and 2.4%, respectively. EPS is impacted by the higher number of shares in issue following the equity fundraise related to the acquisition of Welcome Break. This share placing saw us issue approximately 28.8 million new ordinary shares and raise gross proceeds of €175 million.

Adjusted Profit Attributable to the Group Reconciliation

	WITH WB			EX WB		
	2018 €m	2017 €m	% growth	2018 €m	2017 €m	% growth
Adjusted PAT attributable to Group	25.1	21.4	17.3%	23.7	21.4	10.7%
Share based payments	(1.1)	(1.6)		(1.1)	(1.6)	
Non-recurring charges	(8.5)	(1.0)		(7.7)	(1.0)	
Acquisition related intangible assets amortisation	(1.1)	(0.1)		(1.1)	(0.1)	
Interest on Eurobonds (shareholder loans)	(1.2)	0.0		2.1	0.0	
Non-recurring finance cost	(1.0)	0.0		(1.7)	0.0	
Tax	0.1	0.0		0.2	0.0	
Non-controlling interest	1.0	0.0		0.0	0.0	
Reported PAT attributable to Group	13.3	18.7	(28.9%)	14.4	18.7	(23.0%)

Non-recurring Charges

Non-recurring charges primarily relate to costs incurred in relation to the Welcome Break acquisition and costs incurred in relation to the upgrade of our financial ERP system.

Reported PAT attributable to the Group

Reported PAT attributable to the Group has decreased primarily due to increased depreciation charge, increased finance costs arising from the higher debt levels and additional non-recurring charges in relation to the Welcome Break acquisition.

Analysis by Product and Geography Segment

WITH WB

	2018 €m	2017 €m	Growth %	L4L Growth @ constant curr.* %
Fuel Revenue	1,572.1	1,145.1	37.3%	5.9%
Food Revenue	162.1	103.7	56.3%	1.5%
Store Revenue	268.9	179.3	50.0%	4.4%
Other Revenue	9.5			
Total Revenue	**2,012.6**	**1,428.1**	**40.9%**	**5.4%**
Fuel Gross Profit	96.0	68.1	41.1%	6.8%
Food Gross Profit	96.3	60.8	58.2%	1.5%
Store Gross Profit	82.5	52.8	56.3%	4.9%
Other Gross Profit	7.5			
Total Gross Profit	**282.3**	**181.7**	**55.3%**	**4.4%**
Non-Fuel Total				
Revenue	440.5	283.0	55.6%	3.3%
Gross Profit	186.3	113.6	63.9%	3.1%

* Like for Like (LFL) measures the performance of stores that were open at 1 January 2017 and excludes any stores that were closed or divested since that date and constant currency eliminates the effects of exchange rate fluctuations that occur when calculating financial performance numbers.

EX WB

	2018 €m	2017 €m	Growth %	L4L Growth @ constant curr.* %
Fuel Revenue	1,500.2	1,145.1	31.0%	5.9%
Food Revenue	133.0	103.7	28.3%	1.5%
Store Revenue	245.7	179.3	37.0%	4.4%
Total Revenue	**1,878.9**	**1,428.1**	**31.6%**	**5.4%**
Fuel Gross Profit	91.3	68.1	34.0%	6.8%
Food Gross Profit	78.3	60.8	28.8%	1.5%
Store Gross Profit	71.4	52.8	35.2%	4.9%
Total Gross Profit	**241.0**	**181.7**	**32.6%**	**4.4%**
Non-Fuel Total				
Revenue	378.7	283.0	33.8%	3.3%
Gross Profit	149.7	113.6	31.8%	3.1%

* Like for Like (LFL) measures the performance of stores that were open at 1 January 2017 and excludes any stores that were closed or divested since that date and constant currency eliminates the effects of exchange rate fluctuations that occur when calculating financial performance numbers.

Gross Profit Mix

Gross profit is the most important financial metric for the Group as fuel price fluctuations can have a disproportionate impact on revenue movements.

Gross profit from fuel increased by 41.0% during the year and 34% ex Welcome Break. This was primarily driven by the full year impact of 2017 acquisitions as well as like for like fuel margin growth which recovered strongly in H2 following a more challenging H1 which was impacted by weather related disruption.

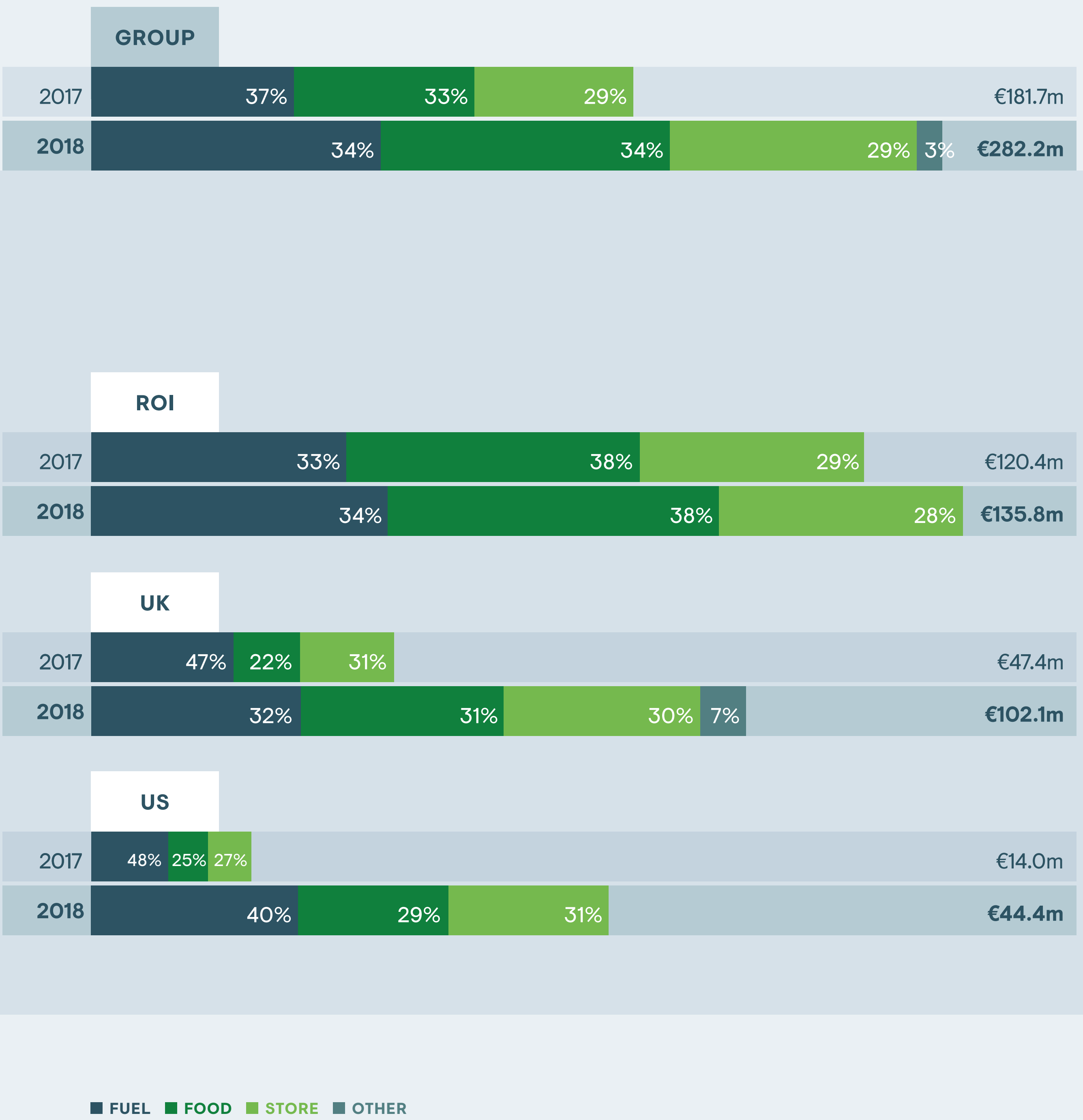
Food gross profit has increased by 58.2% and 28.8% ex Welcome Break reflecting the growth in the estate and continued focus on improving our food offering. Store gross profit has increased by 56.3% and 35.2% ex Welcome Break reflecting estate growth and strong growth in impulse categories during the summer months. Other revenue and gross profit includes hotels, gaming and parking.

The graphs on the opposite page indicate the proportion of gross profit that we derive from the different product segments across each of our markets in the Republic of Ireland, the UK and the USA.

The contribution to overall gross profit coming from non-fuel continues to increase with 66% of gross profit now coming from non-fuel revenue streams which is up from 63% in the prior year. Driving increased gross margin contribution from non-fuel sources has been a key strategic priority of the business.

"Food gross profit has increased by 58.2% and 28.8% ex Welcome Break reflecting the growth in the estate and continued focus on improving our food offering.

Gross Profit by Segment



Summary Cashflow

	2018 €m	2017 €m
Profit Before Tax	**15.4**	**22.0**
Non-cash Adjustments	33.2	16.8
Working Capital Movement	29.8	40.4
Taxes Paid	(3.1)	(1.6)
Cash flows from Operating Activities	**75.3**	**77.6**
Routine Capex	(66.2)	(113.4)
Investment in Welcome Break	(304.7)	0.0
Equity injection from non-controlling interest	85.6	0.0
Payment of Eurobonds (Shareholders Loans)	(11.4)	0.0
Cash acquired on acquisition	60.3	0.0
Cash flows from Investing Activities	**(236.4)**	**(113.4)**
Proceeds from Share Issue	169.9	49.1
Dividends Paid	(1.3)	(1.5)
Long-Term Borrowings	63.4	21.3
Net Finance Leasing	(1.3)	(0.8)
Net Interest Paid	(5.3)	(1.4)
Cash Flows from Financing Activities	**225.4**	**66.7**
Net increase in cash and cash equivalents	**64.3**	**30.9**
Opening Cash & Cash Equivalents	57.5	27.7
Exchange Losses	(0.3)	(1.1)
Closing Cash & Cash Equivalents	**121.5**	**57.5**
Cash Conversion	**151.2%**	**201.6%**

Profit before tax is lower than 2017 due to significant non-recurring charges arising from the Welcome Break acquisition.

Continued strong operating cash conversion has been driven by enhanced supplier credit terms on increased fuel volumes.

Cash flows from investing activities are primarily related to the investment in Welcome Break with routine capex in the rest of the business of €66.2 million.

Cash flows from financing activities include proceeds from the share issue related to the equity fundraise and drawdown of the new debt facilities. This has been partially offset by the repayment of previous facilities and the repayment of Welcome Break junior debt.

Summary Balance Sheet

	2018 €m	2017 €m
Tangible and Other Non-Current Assets	602.1	306.7
Intangible Assets	492.8	16.2
Non-Current Assets	**1,094.9**	**322.9**
Current Assets	115.6	58.5
Current Liabilities	(289.5)	(176.5)
Working Capital	**(173.9)**	**(118.0)**
Cash and Cash Equivalents	122.0	57.5
Total External Debt (1)	(628.9)	(67.7)
Net External Debt	**(506.9)**	**(10.2)**
Shareholders Loans (Eurobonds)	(79.5)	0.0
Net Debt	**(586.4)**	**(10.2)**
Non-Current Liabilities	(53.4)	(13.4)
Net Assets	**281.2**	**181.3**
Share Capital & Share Premium	367.5	191.4
Capital Reserves	(63.9)	(63.7)
Retained Earnings	57.7	53.6
Equity attributable to owners	**361.3**	**181.3**
Non-controlling interests	(80.1)	0.0
Total Equity	**281.2**	**181.3**
Return on Capital Employed (2)	**6.5%**	**15.8%**

Note 1: Total Debt adjusted to exclude shareholder loans of €79.5 million
Note 2: Return on Capital Employed based on adjusted EBIT (Earnings Before Interest and Taxation)

Non-Current Assets and Working Capital

Non-current assets and working capital have both increased substantially following the Welcome Break acquisition and consolidation of the Welcome Break assets. Goodwill of €436 million associated with the acquisition was recognised on consolidation.

Net External Debt

Net debt (excluding shareholder loans) was €506.9 million at 31 December 2018 (2017: €10.2 million). The Group has total borrowings of €628.9 million and total cash of €122.0 million at the balance sheet date.

Equity

The increase in share capital and share premium arises from the share placing completed in October 2018 as part of the Welcome Break transaction.

Return on Capital Employed

Return on average capital employed amounted to 6.5% (2017: 15.8%). This is impacted by Welcome Break being included in the results for two months only.

Niall Dolan
Chief Financial Officer
18 April 2019

Corporate Governance

Board of Directors

INDEPENDENT NON-EXECUTIVE CHAIRMAN

Daniel Kitchen (66)
Non-Executive Director

EXECUTIVE DIRECTORS

Robert Etchingham (65)
Chief Executive Officer

Joseph Barrett (52)
Chief Operating Officer

	Daniel Kitchen (66)	Robert Etchingham (65)	Joseph Barrett (52)
Nationality	Irish	Irish	Irish
Date of Appointment	27 May 2015	19 November 2010	19 November 2010
Committee Membership	Remuneration Committee Nomination Committee (Chairman)		
Skills and Experience and Other Current Directorships	Previously, he was finance director of Green Property plc from 1994 to 2002, Deputy CEO of Heron International from 2003 to 2008 and the Irish Government-appointed chairman of Irish Nationwide Building Society from 2009 to 2011. Non-executive chairman of Workspace Group plc, Hibernia REIT plc and Sirius Real Estate Limited, a non-executive director of LXB Retail Properties plc and a director of the Irish Takeover Panel.	Founded the Group in 1992 after working for Esso in the Republic of Ireland and the UK for over 10 years. Mr. Etchingham has over 30 years' experience in the retail fuel market and founded the Group with a clear strategic vision of the Group's position in the market. He has led the rapid growth in the Group's site numbers in recent years, capitalising on the opportunities presented during the recession in Ireland and GB. He has a Master's Degree in Economics from University College Dublin.	Joined the Group in its second year of operation with a strong background in retail and fast moving consumer goods having worked for Tesco and John West Foods. Mr. Barrett has 30 years' experience in the retail industry and has a key responsibility for the management and development of the Group's retail and food offerings. Mr. Barrett has been instrumental in developing the Group's partnerships with its international food brand partners. He has a B.Comm and MBA from University College Dublin.

Niall Dolan (45)
Chief Financial Officer

Irish

6 March 2018

Appointed Chief Financial Officer and Company Secretary of the Group in July 2017. Mr. Dolan joined the Company prior to the IPO in 2015 as Head of Corporate Finance and Treasury. Before joining the Company, Mr. Dolan was CFO of ISS Ireland Limited for five years having previously held a senior finance role with One51 plc. Mr. Dolan qualified as a chartered accountant with PwC in 1998 and also holds a Bachelor of Commerce Degree and a Masters of Accounting degree from University College Dublin.

NON-EXECUTIVE DIRECTORS

Howard Millar (57)
Independent
Non-Executive Director

Irish

27 May 2015

Remuneration Committee
Nomination Committee
Audit Committee (Chairman)

Served in several senior financial roles in Ryanair over a 23 year period between 1992 and 2014, and was Deputy Chief Executive and Chief Financial Officer from 1 January 2003 to 31 December 2014.

He graduated from Trinity College, Dublin and was awarded a B.Sc Mgmt (Hons) and is a Fellow of the Institute of Chartered Certified Accountants.

Non-Executive Director of Ryanair and serves as Chairman of the Remuneration Committee.

Member of the advisory Board of Irelandia Aviation, and serves as a Director on Viva Latinamerica S.A., FAST Colombia S.A.S. and ASL Airlines.

Chairman of BDO Chartered Accountants (Ireland).

Martin Southgate (64)
Independent
Non-Executive Director

Irish

11 February 2014

Remuneration Committee
Nomination Committee
Audit Committee

Graduate in Economics & Business Studies and holds a post Graduate Diploma in Marketing Studies. He has spent over 35 years in the consumer goods sector and has a wealth of international business experience having held numerous General Management positions worldwide. Prior to his retirement in 2013, Mr. Southgate was Managing Director of JTI UK from 2011 to 2013. Currently mentors small businesses in strategy and commercial development.

Board Director and trustee of Gallaher Pensions Limited and a member of the Advisory Counsel of the London Philharmonic Orchestra.

Brian Geraghty (53)
Independent
Non-Executive Director

Irish

19 August 2014

Remuneration Committee (Chairman)
Nomination Committee

Brian Geraghty is a chartered accountant (fellow of Chartered Accountants Ireland) and is a senior partner in Crowe (formerly Crowe Horwath), a long established Dublin accounting firm following the merger of Phelan Prescott & Co with this firm on 1 January 2017.

Director of Get Cover & Company and QYouTV International as well as a Founding Director of The Little Museum of Dublin.

Board Diversity by tenure (years): Less than 3 years (1) 3–8 years (4) 8 years or more (2)

Directors' Report

The directors present their annual report together with the audited group financial statements of Applegreen plc for the year ended 31 December 2018.

On 19 June 2015, Applegreen plc was admitted to trading on the Alternative Investment Market (AIM) of the London Stock Exchange and the Enterprise Securities Market (ESM) of Euronext Dublin. Following the announcement of the Welcome Break transaction on 2 August 2018, trading of Applegreen shares was temporarily suspended on both markets due to the transaction being deemed a reverse takeover of the Company under the ESM and AIM Rules. On 28 September 2018, trading resumed following the publication of an AIM and ESM Admission Document.

Principal Activities and Business Review

Established in 1992, Applegreen is a roadside convenience food and beverage retailer, operating from motorway service areas and petrol forecourts with a major presence in the Republic of Ireland, the United Kingdom and the USA. The Group is focused on acquiring and developing new Service Area and Petrol Filling Station sites in each of the three markets in which it operates. As at 31 December 2018, the business operated 472 forecourt sites and employed c10,700 people.

The directors are pleased with the performance of the Group during the year and a comprehensive review of the performance of the Group is included in the Chief Executive's Review and the Financial Review presented by the Chief Financial Officer.

Subsidiary and Associated Undertakings

A list of the Company's principal subsidiaries and associates is set out in note 29 of the financial statements.

Principal Risks and Uncertainties

The directors consider the principal risks and uncertainties facing the Group to be as follows:

Strategic/Commercial

RISK	IMPACT	MITIGATION
Acquisitions and upgrades	Acquisitions and upgrades of various sizes and nature continue to be a core element of the Group's growth strategy. There is a risk that the anticipated benefits of such transactions are not delivered, that the acquisitions are not integrated into the business appropriately or that risks embedded in a newly acquired business are not fully understood and managed. This can result in a failure or a delay in the delivery of the expected return on investment and a subsequent impact on the strategic development of the Group.	All acquisitions must be approved by the Investment Committee and, for significant acquisitions, by the Board. The Group has skilled and experienced personnel and has a successful track record in completing acquisitions efficiently and involve third party consultants as necessary. The Investment Committee has a clearly defined process to ensure that the evaluation of potential acquisitions is comprehensive and that the execution of acquisitions is effective. Regular updates are presented to the Board on potential significant acquisitions including strategic and financial evaluations of any proposed significant investments. Post-acquisition reviews are conducted by senior management and the results are presented to the Investment Committee and the Board. The Group has appointed key personnel to manage significant acquisitions and have set up an integration project team with members from key business streams to ensure the integration is managed appropriately.
Economic uncertainties	Uncertainties and challenging conditions in the economies in which the Group conducts business may adversely impact the Group's business, results of operations and financial condition.	The Group monitors these risks and actively manages its business to ensure minimal disruption to its operations.
Brexit	The UK's decision to leave the EU is likely to result in a short to medium term period of economic and political uncertainty and complexity. There is a risk that this uncertainty could reduce demand in the Group's UK market, particularly in our Motorway sites in the UK and could adversely impact the financial performance of the Group. Macro-economic conditions, particularly higher unemployment levels could lead to reduction in traffic volumes which would also impact the performance of the Group's UK based sites. In addition, the Group generates a significant portion of its earnings in the UK market, and any significant decline in the value of sterling will impact the Group's translation of its sterling earnings with consequential impacts on the reported performance and results of the Group.	The Group is closely monitoring this risk and there is an ongoing review of any new information and policy indications from the UK Government and the EU in relation to Brexit, in order to manage the risks associated with Brexit. The Group has set up a project team to assess and mitigate political risks to the supply chain.
Competitor activity	The Group operates in a highly competitive market, with competitors drawn from local and very large scale multi-national corporations. Actions taken by the Group's competitors (including but not limited to, opening forecourt sites adjacent to existing Group forecourt sites and competing aggressively on price), as well as actions taken in response by the Group (for example, responding to price competition), could place pressure on its margins and profitability.	The Group closely monitor gross margins and, where possible, develops appropriate responses to changes in the competitive environment. Mitigation of this risk is achieved through ensuring that the Group maintains its value proposition for customers and continues to innovate in order to better serve its customers.

Strategic/commercial

RISK	IMPACT	MITIGATION
Consumer preference	Increasing consumer preferences for alternative motor fuels, or improvements in fuel efficiency, could adversely impact the business.	The Group monitors industry trends and technological advances The Group has commenced trialling various alternative fuels. The Group also has continued to focus on the Service Area segment and the enhancement of its food offering across the estate which has been given significant momentum in 2018 with the acquisition of a controlling stake in Welcome Break.
Brand awareness	The Group's operating results depend on the reputation and awareness of the brands within the Applegreen business.	The Group actively manages its brand and designs a marketing strategy to maximise brand awareness and continue to build brand equity. The Group has further enhanced its brand portfolio with the addition of 11 new brand partner relationships through Welcome Break in the UK.
Technological changes	There continues to be innovations and developments in relation to motor vehicles, including, amongst others, the development of and increased sales of electric vehicles, the development of self-driving vehicles and vehicles with improved fuel efficiency. A move towards electric vehicles could have an impact on the useful life of some of the Group's petrol equipment.	The Group is diversifying its business with a move towards non-fuel dependent revenue streams. In addition, the Group has installed electric vehicle charging points on some of the Motorway Service Area sites.
Key personnel and succession planning	The Group is reliant on its directors, senior management team and key employees. If the Group is unable to retain its current key personnel and hire additional personnel with the requisite skills and experience, as necessary, its ability to implement its growth strategy and compete in its industry could be harmed.	The Board is focused on succession planning as the Group expands. The Nomination Committee regularly reviews Board and senior management succession planning to ensure that there is a robust succession plan for senior management positions and that the Group has the appropriate level of skills and diversity throughout the business. A Group Human Resources Director was appointed during 2018 to ensure further focus is given to strategic talent management and succession planning initiatives to proactively manage and mitigate this risk.

Operational

RISK	IMPACT	MITIGATION
Fuel pricing risk	The Group's margin can be impacted by fluctuations in fuel commodity pricing. These fluctuations can be influenced by global supply, weather events, political decisions or changes in regulations. In a highly competitive market an inability to pass on cost increases to customers may impact the Group's margins.	The Group employs experienced commercial managers in this area and maintains a strong commercial focus on fuel procurement to manage and mitigate this risk.
Development of organisational infrastructure	The Group has experienced a period of substantial growth in its business. The Group is dependent on attracting, developing, engaging and retaining qualified, experienced and appropriately skilled employees. An inability to implement appropriate organisational structures and to secure and build a resilient talent pipeline could impact the Group's ability to achieve its strategic objectives.	As the scale of its operation grows, the Group will continue to develop systems to ensure that it has the appropriate management structure, and workforce required to meet the demands of its expanding business. Senior management is focused on retention of key talent, recruitment, mobility and in building local talent in each of the markets in which we operate. The Group operates a Global Mobility programme which supports key talent as they move within the organisation and significant resources and time are devoted to training and development of our people. The Group appointed a Group Human Resources Director in late 2018 to ensure a robust organisational structure is developed and maintained.
Regulation and compliance	The Group operates in a highly regulated sector and is reliant on licences in order to carry on certain of its activities. Environmental laws may expose the Group to the risk of substantial costs and liabilities, in particular in relation to the Group's storage and dispensing of hydrocarbon fuels.	The Group closely monitors all changes to such regulation and legislation. It also operates a system on all of its sites which monitors fuel stock at all times ensuring any risk of contamination is minimised.
Brand partners	The Group's branded food and beverage offerings are delivered through franchise agreements with brand partners including but not limited to Burger King, Starbucks, Costa Coffee, Subway, KFC, Chopstix, Lavazza, Freshii, 7-Eleven and Greggs. The Welcome Break acquisition has increased the number of food and beverage brand partners and also brought relationships with Days Inn and Ramada into the Group. A decision by any of those brand partners to terminate an agreement may negatively impact the business.	The Group endeavours to establish relationships with major brand partners with a strong track record and maintain good relationships with those brand partners.

Operational (continued)

RISK	IMPACT	MITIGATION
Information technology networks and computer systems	The Group is reliant on the proper functioning of its information technology networks, computer systems and the management of information. A failure of a critical system or the unavailability or inaccuracy of key data may disrupt operations. Cybercrime, including unauthorised access to information systems, may result in confidential data being accessed. Inadequate security controls surrounding banking or treasury systems could also result in the loss of cash assets. The Group is currently engaged in an enterprise resource planning transformation project which may result in a disruption to current business processes during the implementation phase. There can be no assurance that the Group's systems post implementation will continue to be appropriate to support the Group in the future.	The Group continually monitors the performance and robustness of its IT systems and that of its IT vendors to ensure business critical processes are safeguarded as far as practicably possible. The Group has an arrangement in place with a specialist third party provider to monitor network activity and early warning reporting in place to report unusual activity. The Group has ongoing communication programmes and training in place to ensure appropriate focus is maintained in respect of IT security requirements including Data Protection. The Group has business continuity plans in place and are continually assessing these plans to ensure that the processes in place are sufficient to meet the current and future needs of the Group. The enterprise resource planning transformation project is co-sponsored by the CEO and CFO and regular updates are provided to the Board. Significant resources have been allocated to the enterprise resource planning transformation project to ensure the system is appropriately implemented and to mitigate this risk.

Financial

RISK	IMPACT	MITIGATION
Taxation risk	In an increasingly complex international tax environment, such matters as changes in tax laws, changing legal interpretations, tax audits and transfer pricing judgements may impact the Group's tax liability or reporting requirements.	The Group's tax department supports the Group in ensuring compliance with all taxation matters globally. The Group also engages external taxation advisors for guidance on matters of compliance where appropriate.
Foreign currency risk	The Group is exposed to foreign currency exchange rate fluctuations.	This risk is mitigated as, in each territory, the majority of revenues and costs are in the same currency. The Group also manages its foreign exchange exposure where practical and cost effective, to partially hedge this foreign currency net investment in the UK operations. Hedging is done using currency borrowings in the same currency as the assets held by the operations using the borrowings. Please see note 22 to the financial statements for further details in respect of the Group's financial risk management policies.
Liquidity risk	The Group is leveraged and is subject to restrictive debt covenants that could restrict its ability to finance its future operations and capital needs and to pursue future business opportunities and activities. Failure to satisfy obligations under its existing financing arrangements and/or any future financing arrangements would give rise to enforcement risk and/or could require the Group to re-finance its borrowings.	The Group treasury department manages liquidity risk by monitoring its covenants and ensuring there is sufficient headroom available so that any breach is avoided. Following the refinancing in October 2018, and the addition of the Welcome Break debt to the consolidated balance sheet, the Group is highly focused on monitoring and managing covenants. Please see note 22 to the financial statements for further details in respect of the Group's financial risk management policies.
Insurance risk	The Group may suffer losses in excess of insurance proceeds, if any, or from uninsurable events.	The Group monitors its potential risks to ensure it has appropriate insurance coverage.
Litigation risk	There exists the potential for litigation to be brought against the Group by any party with which it does business, from time to time.	The Group monitors these risks and actively manages its business to ensure compliance with relevant laws and regulations.
Integration risk	The Group may experience difficulties in integrating material acquisitions. The integration process is likely to present administrative, managerial and financial challenges, some of which may not be identified or anticipated until after the acquisition completes. Unforeseen difficulties, costs, liabilities, losses or delays could adversely affect the business of the Group and the realisation of the potential benefits of the acquisition which may affect the financial position of the Group.	The Group has appointed key personnel to manage material acquisitions including the integration of the business into the Group. The senior management team spend a significant amount of time in the new businesses to ensure any issues are identified and remediated on a timely basis.

The Group's operations also expose it to a variety of other financial risks that include market rate risk, credit risk and interest rate risk. Please see note 22 to the financial statements for further details in respect of the Group's financial risk management policies.

The directors take such actions as they deem appropriate to minimise the Group's exposure to identified risks and are satisfied that effective systems, processes and expertise are in place to effectively manage the Group's business risk environment.

Results for the year

The highlights of the Group's financial statements include:

	2018 €m	2017 €m
Revenue	2,012.6	1,428.1
Profit for the year attributable to the Group	13.3	18.7
Gross assets	1,332.6	438.9
Equity	361.3	181.3

The Consolidated Financial Statements for the financial year ended 31 December 2018 are set out in detail on pages 101 to 169 including the results for the year which are set out in the Consolidated Income Statement on page 101.

Dividends

The directors recommend the payment of a final dividend of 0.91 cent per share, bringing the total dividend for the year ended 31 December 2018 to 1.54 cent per share (2017: 1.40 cent per share).

Events since the year end and future developments

Since the year end, the Group has opened one new company owned site in the Republic of Ireland and one in the UK. The Group will continue to pursue new developments to enhance shareholder value, through a combination of organic growth, acquisitions and development opportunities.

Directors

The names of the current directors and brief biographies are set out on page 54 to 55. Niall Dolan was appointed as a director on 6 March 2018.

Audit Committee

In accordance with Section 167 of the Companies Act 2014, Applegreen plc has an Audit Committee, which meets the requirements of the Companies Act.

Directors' Remuneration

The remuneration paid to the directors in their capacity as directors of Applegreen plc for the year ended 31 December 2018 is set out in the Remuneration Committee Report on page 82.

Interests of the Directors/Secretary in the Group

The Group's largest shareholder is B&J Holdings Limited (incorporated in Malta), which owns 41.3% of the Company's shares. This Company is owned by Joseph Barrett and Robert Etchingham who hold 100% of the shares in B&J Holdings Limited.

The directors and secretary who held office at 31 December 2018 had the following interests in the shares of the majority shareholder:

B&J Holdings Limited

	2018 Number of shares of €1 each		2017 Number of shares of €1 each	
	Ordinary	Redeemable	Ordinary	Redeemable
Robert Etchingham	71,625	3,375	71,625	3,375
Joseph Barrett	23,875	1,125	23,875	1,125
	95,500	4,500	95,500	4,500

The directors and secretary who held office at 31 December 2018 had the following interests in shares of Applegreen plc:

Applegreen plc

	2018 Ordinary Shares of €0.01 each	2017 Ordinary Shares of €0.01 each
Non-Executive Directors		
Daniel Kitchen	40,132	26,316
Brian Geraghty	16,447	0
Howard Millar	42,763	26,316
Martin Southgate	46,316	26,316
	145,658	78,948

Directors' interests in share options

Information on directors' share options to subscribe for ordinary shares of the Company are set out below:

	Options held at 31 December 2017	Granted during 2018	Exercised during 2018	Options held at 31 December 2018
Joe Barrett	0	100,000	0	100,000
Niall Dolan	450,000	100,000	0	550,000

Substantial Holdings

The table below shows all notified shareholdings in excess of 3% of the issued ordinary share capital of the Company as at 31 December 2018 and 18 April 2019:

	31 December 2018		18 April 2019 (date of signing)	
	Number of shares	% of issued ordinary share capital	Number of shares	% of issued ordinary share capital
B&J Holdings Limited	49,781,579	41%	49,781,579	41%
AXA Investment Managers	11,039,387	9%	8,422,676	7%
12 West Capital Management	6,272,677	5%	6,317,677	5%
Royal London Asset Management	5,478,633	5%	6,133,612	5%
Old Mutual	5,243,600	4%	5,435,600	5%
Allianz Global Investors	3,954,054	3%	3,954,054	3%

Political Donations

No political donations were made during the current or prior year.

Directors Compliance Statement

The directors acknowledge that they are responsible for securing compliance by the Company of its relevant obligations as set out in the Companies Act (the 'Relevant Obligations'). The directors further confirm that there is a Compliance Policy Statement in place setting out the Company's policies which, in the directors' opinion, are appropriate to ensure compliance with the Company's Relevant Obligations.

The directors also confirm that appropriate arrangements and structures are in place which, in the directors' opinion, are designed to secure material compliance with the Company's Relevant Obligations. For the year ended 31 December 2018, the directors, with the assistance of the Audit Committee, have conducted a review of the arrangements and structures in place. In discharging their responsibilities under Section 225 of the Companies Act, the directors relied on the advice of persons who the directors believe have the requisite knowledge and experience to advise the Company on compliance with its Relevant Obligations.

Disclosure of Information to Auditors

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

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

Accounting Records

The directors are responsible for ensuring that adequate accounting records, as outlined in Section 281–286 of the Companies Act 2014, are kept by the Company. The directors are also responsible for the preparation of the Annual Report. The directors have appointed professionally qualified accounting personnel with appropriate expertise and have provided adequate resources to the finance function in order to ensure that those requirements are met. The accounting records of the Company are maintained at the Group's principal executive offices located at Block 17, Joyce Way, Parkwest, Dublin 12, and at various subsidiary offices.

Non-Financial Statement

The Group aims to comply with the European Union (Disclosure of Non-Financial and Diversity Information by Certain Large Undertakings and Groups) Regulations 2017, S.I. No. 360 of 2017 as amended by the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) (Amendment) Regulations 2018, S.I. N. 410 of 2018. The Group has adopted the UN Sustainability Goals, such that they now form part of the policy of the Group. We have set out the most relevant information and page references on these topics below:

- Employee matters – see Applegreen People and Culture section of Corporate Governance Statement, page 73 and the Succession Planning section of the Nomination Committee Report, page 81;
- Respect for human rights – diversity and equality remain key values of the Group – see Applegreen People and Culture section of Corporate Governance Statement, page 73;
- Environmental matters – see Corporate Governance Statement, page 74;
- Social matters – see Corporate Social Responsibility section, pages 40 to 43;
- Anti-corruption and bribery – it is the policy of the Company to comply with the provisions of the Criminal Justice (Corruption Offences) Act 2018 – see Corporate Governance Statement, page 73;
- Diversity – the gender breakdown of the workforce is 53% female and 47% male; and
- Supply chains – see Business Model section, page 24, Directors' Report, page 56.

Going Concern

After making appropriate enquiries and considering the business risks, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and that covenant compliance will be met. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and financial statements.

Statutory Auditor

The statutory auditors, PricewaterhouseCoopers ("PwC"), have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

On behalf of the directors

Robert Etchingham
18 April 2019

Niall Dolan
18 April 2019

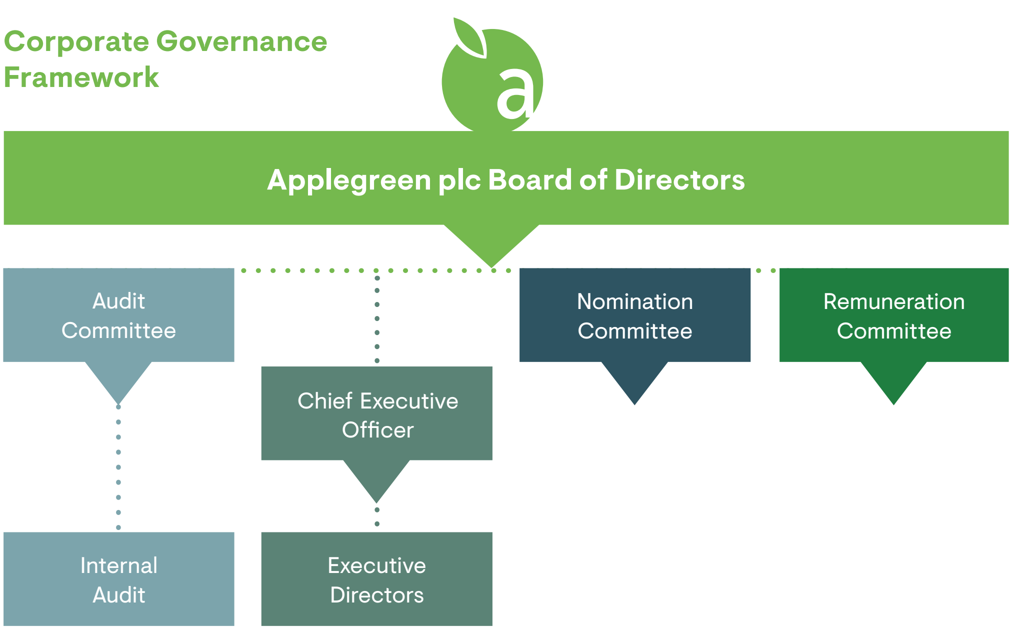
Corporate Governance Statement

The Board of Applegreen plc is firmly committed to business integrity, high ethical values and professionalism in all of its activities and operations. The Board recognises the importance of maintaining high standards of corporate governance.

Following the recent change to AIM Rule 26, the Board has committed to apply the principles of the Quoted Companies Alliance (QCA) Corporate Governance Code. Full details of our approach to governance are set out below and, as a Board, we continue to be committed to good standards in governance practices and will continue to review the governance structures in place, to ensure that the current practices are appropriate for our current shareholder base and that, where necessary, changes are made.

The key governance principles and practices are described in the statement below, together with the Audit, Nomination and Remuneration Committees' reports on pages 76 to 86.

Corporate Governance Framework



Board of Directors

The Board comprises a Non-Executive Chairman, three Non-Executive Directors and three Executive Directors (Chief Executive Officer, Chief Operating Officer and Chief Financial Officer). Brief biographies of all the Directors are set out on page 54 to 55.

The Board considers that there is an appropriate balance between Executive and Non-Executive Directors for governing the business effectively and promoting shareholder interests. The Board considers that between them, the Directors have the range of knowledge, skills and experience necessary to address the various challenges facing the Group. The composition of the Board is reviewed annually by the Nomination Committee to ensure that there is an effective balance of skills, experience and knowledge.

Division of Responsibilities

The roles of the Chairman and the Chief Executive Officer are separately held and the division of their responsibilities is clearly established.

Chairman

The Chairman's primary responsibility is to lead the Board and to ensure it is effective in carrying out all aspects of its duties and responsibilities. He sets the Board's agenda, ensures that adequate time is available for discussion and that the Directors receive accurate, timely and clear information. In particular, he ensures that the Board reviews and approves management's plans for the Group.

The Chairman is the link between the Board and the Group. He is specifically responsible for establishing and maintaining an effective working relationship with the Chief Executive Officer, and promoting a culture of open dialogue between the Executive and Non-Executive Directors. He has the responsibility to ensure that there is ongoing and effective communication with shareholders and to ensure that members of the Board develop and maintain an understanding of the views of the shareholders.

Chief Executive Officer

The Chief Executive Officer ("CEO") is responsible for the day to day management of the Group's operations and for the implementation of Group strategy and policies agreed by the Board. The CEO also has a key role in the process of setting and reviewing strategy. The CEO instils the Group's culture and standards which includes appropriate corporate governance throughout the Group.

In executing his responsibilities, the CEO is supported by the Chief Operating Officer ("COO") and the Chief Financial Officer ("CFO"), who together with the CEO, are responsible for ensuring that high quality information is provided to the Board on the Group's financial and strategic performance.

Non-Executive Directors

The Non-Executive Directors' main responsibilities are to review the performance of management and the Group's financial information, assist in strategy development, and ensure appropriate and effective systems of internal control and risk management are in place. The Non-Executive Directors review the relationship with external auditors through the Audit Committee, monitor the remuneration structures and policy through the Remuneration Committee and consider the Board composition and succession planning through the Nomination Committee.

The Non-Executive Directors provide a valuable breadth of experience and independent judgement to Board discussions.

Schedule of Matters Reserved for the Board

Specific responsibilities reserved for the Board include:

- setting the strategic direction of the Group;
- appointment or removal of the Chief Executive Officer and recommendation for appointment or removal of any member of the Board;
- Director and senior management succession planning;
- approving an annual budget;
- reviewing operational and financial performance;
- approving major capital expenditure;
- reviewing the Group's systems of financial control and risk management;
- approval of borrowing facilities;
- setting dividend policy.

Appointment of Directors

The Nomination Committee is responsible for reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and making recommendations to the Board with regard to any new appointments of Directors. As set out on page 80, the Nominations Committee recommended that the Board appoint Niall Dolan to the position of Executive Director. Niall was appointed as Executive Director on 6 March 2018.

Re-election of Directors

All Directors are required to retire by rotation in accordance with the Group's Constitution. At every Annual General Meeting of the Group as near as possible to one-third of the Directors will retire by rotation. The Nomination Committee recommended a change to its re-election policy during the year, in that all Directors shall retire annually and offer themselves for re-election at the AGM. The Notice of AGM will provide further details.

Independence

The Board has carried out its annual evaluation of the independence of each of its Non-Executive Directors. Non-Executive Directors should be independent in character and judgement and free from relationships or circumstances which are likely to affect, or could appear to affect, the Directors' judgement.

Since their appointment, all current Non-Executive Directors, including the Chairman, have been considered by the Board to be independent and free from any business or other relationship which could materially affect their judgement.

The highest standards in governance require that at least half of the Board should comprise Non-Executive Directors and this standard has been fully met since 27 May 2015.

Howard Millar has been appointed as senior independent director of the Group.

Time Commitment

Meetings of directors are held regularly. Before the beginning of each financial year, the Board sets a schedule of Board and Committee meetings to be held in the following year. A list of the Directors' attendance at scheduled meetings throughout the year can be found on page 69. Additional Board meetings are held on an ad hoc basis as required throughout the year. During 2018, there were nine scheduled meetings and five additional meetings relating to significant transactions which required Board input and approval.

Prior to each meeting, the directors receive a comprehensive board pack to facilitate meaningful discussion and decision making in relation to the Group's business at each meeting. If a Director is unable to attend a Board meeting, either in person or by telephone, they will receive meeting papers in advance and can communicate their views on the issues to be discussed to the other directors in advance of the meeting. These views are then communicated at the Board meeting on behalf of the absent Director. There is regular contact between meetings in order to progress the Group's business.

Board Committees

The Board has established an Audit Committee, a Remuneration Committee and a Nomination Committee. Each committee has written terms of reference which sets out how it should operate including its role, membership, authority and duties. Reports on the activities of the individual committees are presented to the Board by the respective Committee Chairmen.

Audit Committee

Further details on the duties, operation and activities of the Audit Committee can be found in the Audit Committee Report on page 76.

Remuneration Committee

Further details on the duties, operation and activities of the Remuneration Committee can be found in the Remuneration Committee Report on page 82.

Nomination Committee

Further details on the duties, operation and activities of the Nomination Committee can be found in the Nomination Committee Report on page 80.

Board and Committee Meetings

Details of the meetings held during the year, both of the Board and of the Board Committees are contained in the schedule below, which also contains information on individual attendance.

	Board of Directors	Audit Committee	Remuneration Committee	Nomination Committee
Number of scheduled meetings	14	5	3	2
Daniel Kitchen	13	-	3	2
Robert Etchingham	14	-	3*	2*
Joseph Barrett	14	-	-	-
Martin Southgate	14	5	3	2
Brian Geraghty	14	-	3	2
Howard Millar	13	5	3	2
Niall Dolan	13**	5*	-	-

* in attendance only

** attendance relates to period post appointment as director

Communication with Shareholders

The Board recognises the importance of engaging with all shareholders on a regular basis to ensure that our obligations to shareholders and other stakeholders are met. There are regular meetings between the representatives of the Group and representatives of its principal investors and presentations are made to both existing and prospective institutional shareholders principally, after the release of the interim and annual results. Feedback is obtained from the meetings which is communicated to the Board by the Chief Executive Officer and Chief Financial Officer.

The Executive Directors held 176 meetings and conference calls with existing and prospective shareholders during 2018 including:

Date	Activity
January 2018	Investor Conference in New York
March 2018	2017 Preliminary Results
March 2018	Roadshows in Dublin, London, Paris, New York, Boston, Toronto
April 2018	Investor Conference in London
August 2018	Roadshows in Dublin, London, Edinburgh
September 2018	Interim Results for H1 2018
September 2018	Roadshows in Dublin, London
October 2018	Investor Conference in London
November 2018	Investor Conference in Dublin

Information is disseminated to shareholders and the market generally, via Regulatory News Services and is also published on the Group's website (www.applegreenstores.com). All current and historical annual and interim reports and investor presentations are also made available on the Company's website.

All shareholders are invited to the Group's Annual General Meeting where they have the opportunity to question the Board on the activities of the Group. Notice of the AGM will be circulated to all shareholders at least 21 days in advance of that meeting. Shareholders are also invited to participate in conference calls which present the annual and interim financial statements of the Group and this allows them the opportunity to raise questions on the results.

General Meetings

The Company operates under the Companies Act 2014 (the 'Act'). The Act provides for two types of shareholder meetings: the AGM with all other general meetings being called an EGM. The Company must hold a general meeting each year as its AGM, in addition to any other general meetings held in that year. Not more than 15 months may elapse between the date of one AGM and the next.

In accordance with the Company's constitution, an AGM and an EGM called for the passing of a special resolution shall be called by at least 21 days' notice and all other EGMs shall be called by 14 days' notice.

Shareholders have the right to attend, speak and vote at the AGM and all other general meetings. Votes may be given either personally or by proxy or by a duly authorised representative of a corporate member. Shareholders attending the meeting will be informed of the number of proxy votes lodged for each resolution.

The Company held its AGM on 6 June 2018 and an EGM was held on 24 October 2018 for the purpose of voting on resolutions in relation to the Welcome Break acquisition and related equity fundraise.

The 2019 AGM will be held on 5 June 2019. Details of the meeting and the resolutions to be proposed will be sent out in the shareholders' Notice of Meeting. The Notice will also be available on the on the Group's website (www.applegreenstores.com). All shareholders are invited to attend the AGM and it gives them an opportunity to hear about general development of the business and to ask questions of the Chairman and other Directors.

Internal Control

The Directors have considered the importance of internal control on the Group's operations. The Directors believe that the Group, throughout the year and up to the date of approval of the financial statements, has an effective internal control environment appropriate for the Group's size.

The Directors are responsible for ensuring that the Group maintains a system of internal control. This system is designed to provide reasonable, though not absolute, assurance against material misstatement or loss.

The Directors have established a number of key procedures designed to provide an effective system of internal control. The key procedures are as follows:

- an organisation structure with defined lines of responsibility and delegation of authority;
- a budgeting system with actual performance being measured against budget on a regular and timely basis, supported by information systems developed for this purpose;
- regular review of the key business risks relevant to the Group's operations and control procedures in place to address the key business risks.

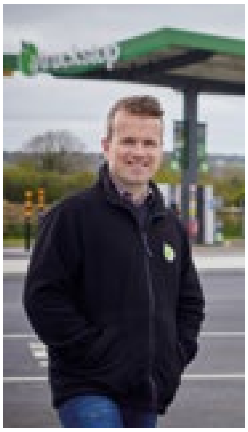
Annual Assessment of the Principal Risks Facing the Group

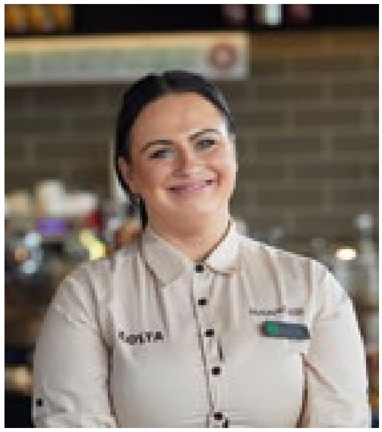
The Board and Audit Committee received and reviewed reports from the Group Internal Auditor, to help with their annual assessment of the principal risks facing the Group, and the controls in place to mitigate these risks.

Internal Audit

The Group has an internal audit function appropriate to the Groups' current size and complexity.


IT ALL STARTS WITH
an Appetite for Life

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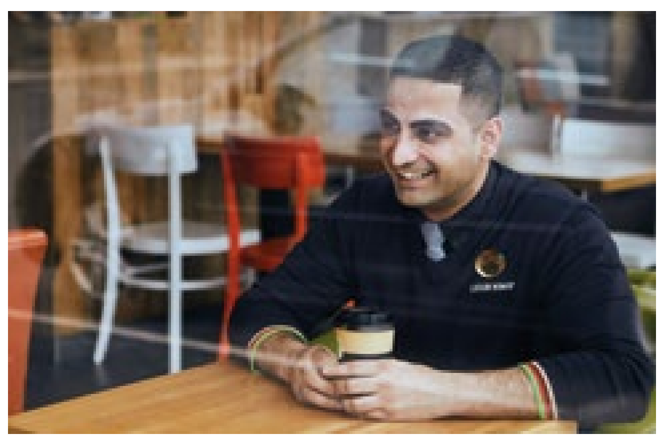


Applegreen People and Culture

Culture

Applegreen operates a decentralised business model, which has been established in each of our three regions through a combination of organic growth, single site acquisitions and larger group acquisitions. Each region has distinct elements in its culture while operating within a Group culture that is built around a very clear value proposition and being attentive to the needs of our customers. There is a strong entrepreneurial culture in the business which is driven by the founders who started the business more than 25 years ago and are still closely involved with the business. The close involvement of the Executive Directors in all regions of the business continues to foster a culture of excellence across the Group.

The Directors are committed to ethical behaviours and values which are implemented through the Group's principles and policies. The risk of employees engaging in unethical behaviour is mitigated by the implementation of specific policies around behaviour and values which are made available to all employees. The Board receives regular updates from the Executive Directors on culture, principles and policies to assess that ethical values and behaviours are recognised and respected through the Group.

Making Progress on our Diversity and Inclusion Agenda

At Applegreen we believe in the transformative potential of a truly inclusive and diverse workforce. Through actively engaging different perspectives we can challenge and stretch our thinking, enrich the experiences of our employees, and empower our people and business to achieve more. We expect everyone in our business—no matter what our level, role or function is—to play an active role in creating environments where people of diverse backgrounds are excited to bring all of who they are to work and to thrive in an open and supportive environment.

In 2018 we have reaffirmed our commitment to this through creation of a Group Human Resources function which will actively lead and address our more strategic talent agenda. Through this we will further develop, accelerate and embed new inclusion and diversity strategies and initiatives across our business:

- Investing and creating leading practices and policies throughout the employee lifecycle, to reflect our commitment to accelerating towards a more inclusive and diverse organisation internally and externally.
- Cultivating a culture that reflects, empowers and respects the diversity of our team and provides opportunity for our team members, believing a more diverse and inclusive workplace drives innovation and relevancy.
- Believing in equality, respect for and inclusive treatment of all people — with increased awareness of conscious and unconscious discrimination — to make the workplace, marketplace, society and the world a better place.

Together, we continue this journey into 2019 by investing in an inclusive and sustainable future for our employees and our communities.

Anti-Bribery and Corruption

Applegreen has implemented an Anti-Bribery and Corruption policy which states that no employees or representatives of the Group is to offer or accept any bribe or engage in any acts which constitute abuse of entrusted power or position for private gain. The policy is designed to ensure that each employee and representative of the Group business within the Group understands their responsibilities and the actions they need to take to comply with the policy so that the Group and our employees are protected from any penalties, fines and/or reputational damage. A copy of the policy is available on the Group's intranet page.

Whistleblowing

The Board has approved a Protected Disclosure Procedure (Whistleblowing Policy) which is reviewed annually. The procedure allows for concerns to be raised by employees and ensures that they are addressed through a transparent and confidential process. No concerns were raised by employees using the procedure during the year. A copy of the policy is available on the Group's intranet page.

Human Rights

We are committed to acting ethically and with integrity in all our business dealings. We aim to have a workplace free of modern slavery and will not knowingly engage with any organisation involved in such activities. While we recognise the risk associated with having a large workforce in multiple countries and a significant number of suppliers, our processes and procedures are designed to be in compliance with applicable human rights legislation in the countries in which we operate.

Environmental Matters

Climate change is a global risk to society and businesses. At Applegreen we are committed to conducting our business activities in an environmentally responsible and sustainable manner, efficiently using and respecting all resources. The Group monitors applicable environmental legislation and ensures that all parties operating in our business are aware of our responsibilities in this regard.

From new site development and construction through to site operation, we work with suppliers and customers to promote sustainable, carbon-neutral alternatives.

Water

There are several initiatives we engage in while developing our sites to help significantly reduce our water consumption and energy usage including the harvesting of rainwater from our forecourt canopy which is used in car washes. This used water is then cleaned via the water recycling centre and reused. Our sites also use auto on/off taps in the toilets to help conserve water.

Lighting

There have been huge efficiencies achieved on our forecourts via a change in the lighting systems we use. We use LED and low energy lights on our canopy and external forecourt displays which are more energy efficient and have a longer life. We also use motion detection lights where possible which enable the lights to dim to 30% energy usage to further reduce energy consumption. Energy efficient options are also used for internal store and back of house lighting including motion detection and night settings to reduce or turn off sections of lighting when appropriate.

Fuel

We utilise full-stage two vapour recovery pumps, which collect the vapours from the nozzle and vacuum them back into the tank, minimising vapour release into the atmosphere. We also employ a system on all sites which monitors fuel stock at all times ensuring any risk of contamination is minimised.

Construction Materials

The use of paints and other products with low VOC (Volatile Organic Compounds) as well as other safer materials make both our construction sites and subsequent completed buildings healthier environments. In addition, there is a selection of recycled materials utilised where possible in our internal furnishings e.g. certified wood throughout and the reuse of materials.

One of our Service Area sites in Dublin is registered with the Green Building Council and is an LEED certified building. This involved, among other measures, full design and implementation of an air handling and heat recovery system, air –to – air heat pumps, photovoltaic array system, sourcing and the use of alternative recycled and reused materials, and prioritising of locally sourced. This project sets the benchmark for future developments of our petrol forecourts and motorway service areas.

Suppliers

Applegreen aim to use environmentally friendly suppliers. For example, Applegreen only uses Tierra Lavazza in all our coffee machines. This is 100% Rainforest Alliance coffee, which is both environmentally friendly and practices non-exploitation of the workforce. In addition to this, we aim to source much of our food produce within the respective region to reduce its carbon footprint.

Waste and Recycling

Food waste has been a major focus for Applegreen and we partnered with FoodCloud in 2018 to facilitate the redistribution of surplus food to and to help reduce food waste.

During 2018 we introduced the first fully recyclable takeaway coffee cup for our Bakewell and self-serve coffee offer. There is also a conscious effort on our sites to ensure customers have access to recycle waste with segregated bins.

Audit Committee Report

I am pleased to present the Audit Committee Report prepared in respect of the year ended 31 December 2018. This report provides a summary of the Audit Committee's role and responsibilities and how we as a committee discharged these during 2018.

Role of the Audit Committee

The role, responsibilities and authorities of the Audit Committee are clearly communicated in our written Terms of Reference. In order to achieve the Audit Committee's stated responsibilities annually, the Audit Committee has documented a detailed meeting planner outlining matters for consideration and timelines for completion.

The Audit Committee has responsibility for ensuring that the financial performance of the Group is properly reported on and reviewed and its role includes:

- reviewing significant financial reporting judgements and changes in accounting policies
- monitoring the integrity of the financial statements of the Group (including Annual and Interim accounts and announcements)
- reviewing internal control and risk management systems
- reviewing the effectiveness and operation of the internal audit function
- considering and making a recommendation to the Board in relation to the continued appointment of the external auditor
- reviewing the extent of non-audit services undertaken by external auditors; and
- evaluating the performance of the external auditor, including their independence and objectivity

Membership

Members are appointed to the Committee by the Board, based on the recommendations of the Nomination Committee. The Committee is comprised of two independent non-executive directors, Martin Southgate and myself, Howard Millar (See pages 54 to 55 for our individual biographies).

The members of the Committee:

- are financially literate
- have knowledge of financial reporting principles
- understand any material factors impacting the Group's financial statements and
- have an understanding of the Group's internal controls and risk management framework and the legal and regulatory environments in which the Group operates

As with other Board Committees, the company secretary or his deputy acts as secretary to the Committee and the Audit Committee may obtain, at the Group's expense, outside legal or other professional advice needed to perform its duties.

On the basis of the above I am happy to confirm that the Audit Committee has the requisite knowledge and experience to discharge its duties.

Meetings

In line with the Audit Committee Terms of Reference, the Audit Committee is expected to meet formally three times a year and otherwise as required. The Committee met five times in 2018 (See details of meetings and attendance on page 69). Meetings are generally scheduled around the financial reporting cycle to allow the Audit Committee to discharge its duties in relation to the financial statements. Reports are circulated in advance of the meetings to allow the Audit Committee access to information in a sufficiently timely manner.

The CFO, the Group Head of Internal Audit and PwC as external Auditor, have a standing invitation to attend the Audit Committee. The Audit Committee has unrestricted access to the Group's external and internal auditors, with whom it meets at least three times a year. As part of the year end reporting cycle the Audit Committee meets with external audit for a private session where management is not present; this reinforces the independence of the Audit Committee and allows members to ask questions on matters that might not have been specifically addressed as part of the audit.

The Audit Committee also regularly invites other members of key management to attend the Audit Committee meetings. It is the Audit Committee's view that the attendance of these individuals brings additional insight when addressing significant and/or complex financial matters, and this approach will be continued in 2019. In general, the Audit Committee meets in advance of Board meetings and reports to the Board on the key outcomes from each meeting.

Financial Reporting and Significant Financial Issues

The Audit Committee has an important oversight role in providing the Board with assurance as to the propriety of the financial reporting process. As part of this role, the Audit Committee considers significant accounting policies, any changes to them and any significant estimates and judgements. The Audit Committee also considers the methods used to account for significant or unusual transactions where the accounting treatment is open to different approaches.

Taking into account the external auditor's view, the Audit Committee considered whether the Group in its financial statements has adopted appropriate accounting policies and, where necessary, made appropriate estimates and judgements. The Audit Committee also reviewed the clarity and integrity of disclosures in the financial statements. The Audit Committee reviewed in detail the below areas of significant judgement in respect of the financial statements for the year ended 31 December 2018. In this regard the Committee considered a report from the external auditor on its work undertaken and conclusions reached. A summary of this report is included in the Audit Report set out on pages 92–99. The Audit Committee also had detailed discussions on these matters with senior management and the external auditor.

Accounting for Material Acquisitions

In October 2018, the Group completed a transformative acquisition by acquiring a 50.01% controlling interest in Welcome Break which encompasses 34 MSAs, 3 trunk road service areas and 29 hotels. Following a detailed assessment by senior management, this was accounted for as a business combination in accordance with IFRS 3 as disclosed in note 26 to the financial statements.

The Audit Committee notes that the acquisition of a controlling interest in Welcome Break is a very significant acquisition and provides a step change in the growth and development of the Group. Following a detailed review with management and our auditors PwC, the Audit Committee concluded on the appropriate accounting and assessment of control for the acquisition in accordance with IFRS 10, and subsequently the methodology and assumptions applied in determining whether the acquisition constituted a business or an asset under IFRS 3.

The Audit Committee reviewed the methodology and assumptions applied in the calculation of goodwill, including the determination of the provisional fair values of identifiable assets and liabilities acquired and also the calculation of the consideration transferred.

Retail Sites Impairment Assessment

Retail sites are disclosed as land and buildings in the Property plant and equipment note (Note 13) of the financial statements which represents a material balance on the Group balance sheet. The Audit Committee considered the process and methodology used to complete the impairment review of the Groups property assets. In this regard the Audit Committee specifically assessed the methodology used to identify properties required to be assessed for impairment and the key assumptions used to estimate the recoverable amount of retail sites including future cash flows and discount rates and where necessary the basis for management's estimate of fair value less cost to sell.

The Audit Committee also assessed the process and methodology for identifying and recording impairment reversals.

Assets Under Construction – ERP

Assets under construction of €14.6 million are included in note 12 of the financial statements. These relate to development costs incurred in the upgrade of the Group's financial ERP system.

The Audit Committee considered the process and methodology used to assess the appropriateness of capitalised costs, and the carrying value at year end. In this regard the Audit Committee reviewed key project milestones and management's assessment that the new ERP system will be brought into use during 2019. The Audit Committee also considered management's estimation of future cost savings and the assessment of the net present value of these projected future cost savings and the value in use of those business units which will transition to the new ERP system during 2019.

Risk Management

The Board is responsible for maintaining a sound system of risk management and internal control. A summary of the key risks is detailed on pages 57 to 61. On behalf of the Board, the Audit Committee has a role in the continued development of a risk awareness culture driving the integration of risk and strategy, and behaviours and beliefs at all levels of the organisation.

During the year the Audit Committee continued its assessment of the overall risk management and internal control frameworks in place to ensure their appropriateness. During 2018 there was ongoing development of the process to identify and document the principal risks impacting the Group and how those risks are being managed and mitigated. The Audit Committee believes these changes will further assist the business in identifying and managing risks which are critical to the delivery of the Group's strategic objectives. The Committee has met with various members of the senior management team to secure assurance in this regard and this successful approach will be continued in 2019 with plans to meet key senior management on a rotational basis. The Committee has also engaged regularly with internal and external audit to ensure that appropriate measures are taken to address risks as they are identified or as their risk profile changes.

The Audit Committee plans to continue to encourage the development of policies, procedures, management systems and internal controls that are designed to enhance the existing risk management framework in the coming year.

Internal Audit

In my view having an internal audit function has a positive impact on the control environment of the Group and plays a significant role in supporting the Audit Committee. This is achieved by providing assurance as to whether the controls implemented by management are fit for purpose and working as intended.

As set out in the Internal Audit Charter, which was approved by the Audit Committee, the Audit Committee has is responsible for overseeing the internal audit function and, in this regard, the Audit Committee has responsibility for approving the internal audit plan. The plan, which is risk-based and reflective of the developing business and control environment, is assessed to ensure it provides adequate coverage across the Group including Ireland, the UK and the US. When changes are made to the plan, these are agreed by the Committee. Progress against the plan is reported to the Committee by the Group Head of Internal Audit at regular intervals throughout the year.

In line with good practice the findings contained in internal audit reports are prioritised against agreed standards. This indicates the importance of each audit recommendation and the urgency of any required action. The Audit Committee considers significant individual audit findings or recommendations and in particular the Audit Committee is focused on management's implementation plans. During 2018, the internal audit systems evolved to enhance the process of follow-up, to obtain appropriate assurance that management has taken timely and effective action and, where necessary, advise the Audit Committee of its findings and any further action required.

In addition to the above, one of the Audit Committee's roles is to annually review the effectiveness of the internal audit function. Following discussions with Senior Management the Audit Committee is satisfied that the internal audit function is appropriate for the Group and concluded that it performed well during 2018.

External Audit

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

Independence and Objectivity

PwC has been the Group's auditor since 2013. The Committee is responsible for ensuring that the external auditor is objective and independent. PwC as external auditor is precluded from engaging in certain non-audit services that would compromise its independence, violate any laws and regulations and affect its appointment as external auditor. In December 2016 the Audit Committee formalised the policy relating to non-audit fees which established prior approval requirements by the Audit Committee for certain non-audit services.

An analysis of the non-audit fees provided by the Group's auditor is set out on page 128. The Audit Committee performed a review of the audit and non-audit services provided by the external auditor and the fees charged for those services in respect of the year ending 31 December 2018. Following this review and the confirmation in writing received from the Group's external auditor reaffirming its independence and objectivity, the Audit Committee is satisfied as to PwC's independence and objectivity.

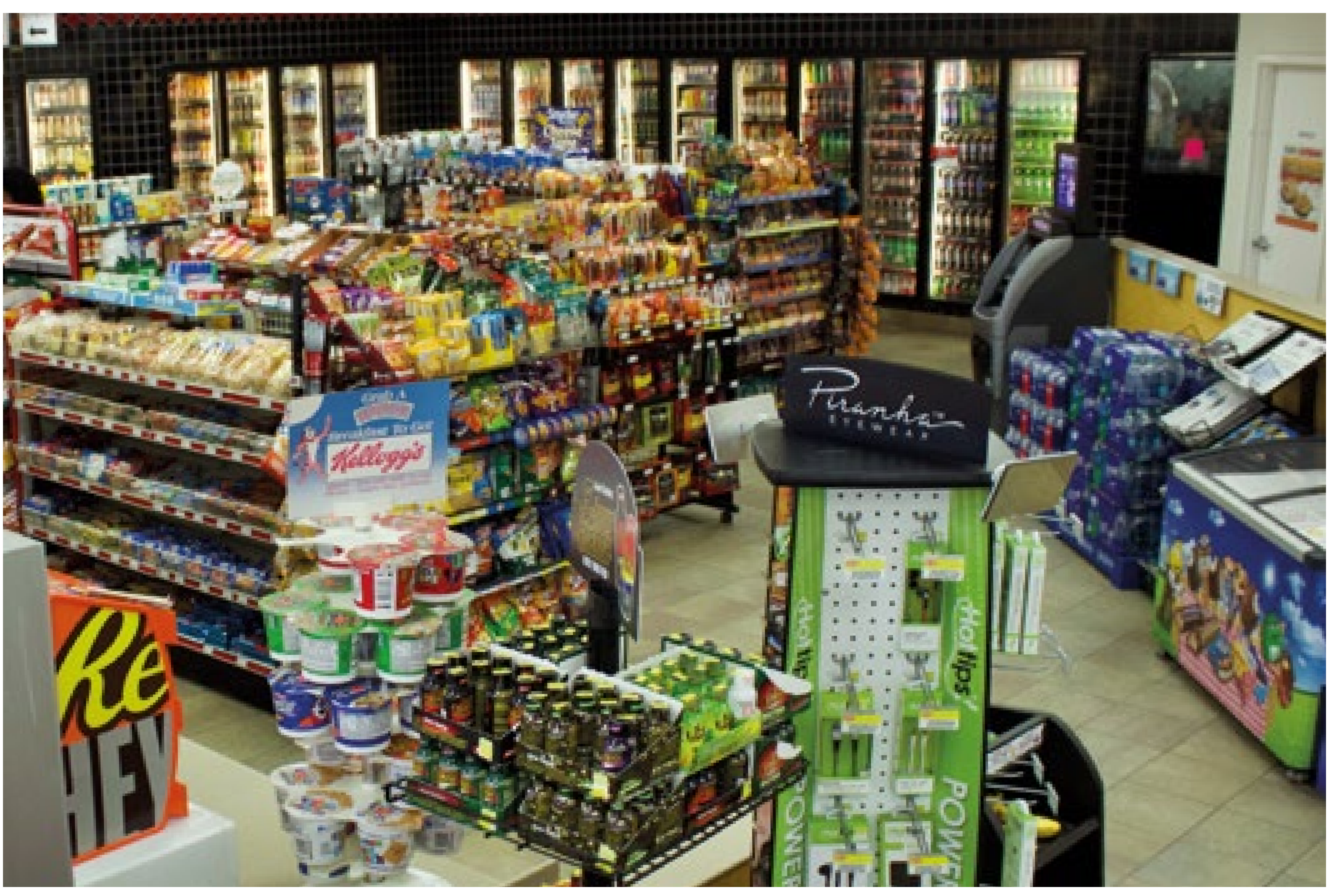
Effectiveness

As part of the assessment of the external auditor, the Audit Committee assessed the external auditor performance at our December 2018 meeting when the external audit plan for the year ended 31 December 2018 was presented. The Committee reviewed and appropriately challenged the external auditor before agreeing the proposed audit scope and approach. PwC presented an interim findings report in March 2019, and presented a final detailed report of their audit findings to the Committee at our meeting in April 2019. These findings were reviewed and appropriately challenged by the Audit Committee.

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

On behalf of the Audit Committee

Howard Millar
18 April 2019



Nomination Committee Report

I am pleased to present, the report of the Nomination Committee for the year ended 31 December 2018, which provides a summary of the Nomination Committee's role and responsibilities, and how the Committee discharged these during 2018.

Role of the Nomination Committee

The duties, reporting responsibilities and authority of the Nomination Committee are clearly set out in our written Terms of Reference. These include, but are not limited to, the following:

- reviewing the structure, size and composition of the Board compared to its current position and make recommendations to the Board with regard to any changes
- giving full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future
- identifying and nominating candidates for approval by the Board to fill Board vacancies, considering candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position
- evaluating the balance of skills, knowledge, experience and diversity on the Board; and
- reviewing annually the time required from non-executive directors and assessing whether the non-executive directors are spending sufficient time on fulfilling their duties

Membership

Under the Terms of Reference, the Nomination Committee must comprise at least two directors, of whom a majority shall be independent non-executive directors. Members are appointed to the Committee by the Board for a three year term.

The Committee is comprised of four independent non-executive directors:

- Daniel Kitchen (Chairman)
- Howard Millar
- Martin Southgate
- Brian Geraghty

See page 54–55 for individual biographies.

Board and Committee Composition

Elections and Re-elections at AGM

Joe Barrett, Martin Southgate and Brian Geraghty were re-elected by the shareholders as Directors at the Company's AGM on 6 June 2018. In addition, Niall Dolan was elected by the shareholders at the AGM having been appointed to the Board on 6 March 2018. Bob Etchingham, Daniel Kitchen and Howard Millar were last re-elected at the Company's previous AGM on 29 May 2017. In line with good practice corporate governance, from the 2019 AGM all Directors shall offer themselves for re-election on an annual basis.

Appointment of Executive Director

Following the resignation of Paul Lynch as Chief Financial Officer and Executive Director during 2017, a comprehensive search and selection process, which included the services of external advisers, was carried out which considered candidates from a wide range of backgrounds on merit and against objective criteria. The Nomination Committee recommended that the Board appoint Niall Dolan to the position of Chief Financial Officer and nominated him for the position of Company Secretary and Director. Niall was appointed Company Secretary on 1 July 2017 and was appointed as Director on 6 March 2018.

Re-appointment of Board Committees

During the year the Committee completed a review of the composition of the main Board Committees (Remuneration Committee, Nomination Committee and Audit Committee) having regard to skills, experience, diversity and the time required of each of the Non-Executive Directors in discharging their responsibilities. The Committee re-appointed the members of each Committee for a further three year term.

Boardroom Diversity

The Board is keen to ensure the Group benefits from the existence of a high quality Board comprising of individuals with an appropriate balance of skills and experience. Every year we review our evolving business needs and the core competencies and construct of our Board. The Committee acknowledges that there is a gender imbalance on the Board and its committees. As we identify new Board positions we are fully committed to a more diverse Board and are actively engaging with the Board Diversity Initiative in Ireland to address this gap at the appropriate time for our business. This will align with our overall Inclusion and Diversity strategy for our business. The Board does not have prescriptive or quantitative targets and the Nomination Committee agreed that, in relation to Board appointments, that diversity and equality remain key values.

The Board is comprised of three Executive Directors and four Independent Non-Executive Directors including the Chairman. The three main Board Committees (Remuneration Committee, Nomination Committee and Audit Committee) are solely comprised of Independent Non-Executive Directors.

Succession Planning

During the year the Nomination Committee reviewed Board and Senior Management succession planning to ensure that the Company has the appropriate level of skills and diversity. The Committee continues to ensure that there is a robust succession plan for senior management positions, and, in this regard, a Group Human Resources Director was appointed during 2018 to ensure further focus is given to strategic talent management and succession planning initiatives. This allows us to proactively plan and react to any senior management changes, help retain critical talent in the organisation, protect and sustain our financial targets and ensure the optimal foundation for future business growth.

Length of Tenure

The length of tenure of the Directors on the Board and on the three main Board Committee as at 31 December 2018 is set out below:

Tenure	Board of Directors Years	Audit Committee Years	Remuneration Committee Years	Nomination Committee Years
Daniel Kitchen	3.6	-	3.6	3.6
Robert Etchingham	8.1	-	-	-
Joseph Barrett	8.1	-	-	-
Martin Southgate	4.9	3.6	3.6	3.6
Brian Geraghty	4.4		3.6	3.6
Howard Millar	3.6	3.6	3.6	3.6
Niall Dolan	0.8	-	-	-
Average tenure	4.8	3.6	3.6	3.6

Meetings

The Committee met twice during 2018. The other matters dealt with by the Committee included the following:

- The Committee reviewed the results of the annual performance evaluation of the Board, its committees and individual directors, including a review of the time required from non-executive directors to fulfil their duties
- The Committee reviewed the Terms of Reference for the Nomination Committee to ensure the contents remained relevant and appropriate and best reflect the role and responsibilities of the Committee; and
- The Nomination Committee considered good practice and recommended to the Board that all directors, subject to and seeking re-election, be put forward for re-appointment at the Company's 2019 AGM

On behalf of the Nomination Committee

Daniel Kitchen
18 April 2019

Remuneration Committee Report

I am pleased to present the report of the Remuneration Committee for the year ended 31 December 2018 which has been prepared by the Remuneration Committee and approved by the Board.

The objective of the report is to provide shareholders with information to enable them to understand the remuneration structures and how they relate to the Group's financial performance. The responsibilities of the Remuneration Committee are summarised herein and are set out in full in the Terms of Reference for the Remuneration Committee.

We have been mindful to ensure disclosures in relation to the remuneration structures are in line with good practice and we recognise the importance of having remuneration policies, practices and reporting that reflect best corporate governance practices, having regard to the Company's size and the markets on which its shares are traded.

The Committee is dedicated to structuring a remuneration policy which fosters an ongoing commitment to the business from the Executive Directors and a continued alignment of shareholders' and executives' interests. The significant shareholdings of both the Chief Executive Officer and the Chief Operating Officer also demonstrate their ongoing commitment to the long term success of the Group.

There have been three Committee meetings during the year and details on the key matters considered are set out on in more detail below.

Membership and Responsibilities

The Remuneration Committee is chaired by Brian Geraghty and its other members are Daniel Kitchen, Howard Millar and Martin Southgate, all of whom are considered by the Board to be independent. The Remuneration Committee was set up during 2015 and meets formally three times a year and otherwise as required. The Remuneration Committee recommends policy for the Group to adopt on executive remuneration, determines the levels of remuneration for each of the Executive Directors and recommends and monitors the remuneration of members of senior management.

Remuneration Policy for Directors

The Group's policy on Executive Directors' remuneration is designed to ensure that employment and remuneration conditions reward, retain and motivate them to perform in the best interests of shareholders. Under this policy, the Remuneration Committee may make minor changes to this policy for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation. The elements of the remuneration package which may apply to Executive Directors are base salary, pension and benefits, annual bonus and the long term incentive plan. The table below summarises the framework which was applied during 2018 and will apply during 2019.

Consideration of Shareholder Views

The Remuneration Committee considers shareholder feedback received at each year's AGM. This feedback, in addition to any feedback received during any meetings held from time to time, is considered as part of the Remuneration Committee's annual review of the Remuneration Policy.

In addition, the Remuneration Committee will seek to engage directly with major shareholders and their representative bodies, should any material changes be proposed to the prevailing Remuneration Policy. The elements of the remuneration package which may apply to Executive Directors are base salary, pension and benefits, annual bonus long term incentive plans.

Executive remuneration framework

ELEMENT	PURPOSE AND OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE METRICS
Base Salary	An appropriate level of fixed remuneration to reflect the skills and experience of the individual. Salaries are reviewed annually by the committee taking into account all relevant factors.	There is no prescribed maximum. Salary increases are normally in line with those of the wider workforce or where contractually obliged. Larger increases may be awarded to reflect circumstances such as an increase in the size of the Group or in the responsibilities of the role.	N/A
Benefits	To provide a market competitive benefits package. Benefits currently provided include, for the CFO, an allowance of 6% of salary to provide for motor and other expenses.	The level of benefits is set at an appropriate market rate.	N/A
Pension	Contribution to executive pension scheme for the COO. The CFO participates in the Company defined contribution pension scheme.	€32,700 for the COO, The CFO participates in the Company defined contribution pension scheme and receives a contribution of 10% of salary.	
Annual Bonus	To drive and reward the delivery of the business objectives over the financial year.	The maximum bonus for each of the Executive Directors is 50% of salary.	Targets are set and assessed by the Committee each year. For 2018 and 2019 80% of the bonus will be based on the achievement of challenging adjusted EBITDA targets with the balance based on the delivery of specific non-financial objectives.

Executive remuneration framework (continued)

ELEMENT	PURPOSE AND OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE METRICS
Long term incentive plans	To reward Executive Directors and senior management for the delivery of long term performance and align their interests with those of shareholders and other stakeholders. Prior to admission an LTIP was established ('the 2014 Option Scheme') which involved the award of options over c. 6.8m shares to members of the senior management of the Company. Certain of these options vested at the IPO date while the remainder vested on the third anniversary of the award grant date. The options are granted with a fixed exercise price which is determined firstly based on the implied market value per share of the Company at the grant date of the options and secondly based on the tenure of the employee. Employees are required to remain in employment with the Group until the options become exercisable unless the board agrees otherwise. The options expire seven years after the date of grant. The Group has no legal or constructive obligation to repurchase or settle the options in cash.	No further awards will be made from the 2014 Option Scheme.	No performance metrics applied to the 2014 Option Scheme.
	A second LTIP scheme ('the 2015 LTIP scheme') was established on admission in 2015. Awards from this scheme may be made in the form of options or conditional shares and will vest no earlier than the third anniversary of the award grant date.	Under the 2015 LTIP scheme the maximum annual award is 150% of salary. In addition, no more than 5% of the issued ordinary share capital of the Company may be issued or reserved under the 2015 LTIP Scheme.	The vesting criteria for the awards granted under the 2015 LTIP Scheme in 2017 and 2018 are 50% based on relative total shareholder return ("TSR") measured against a group of listed peers and 50% based on the achievement of targeted earnings per share ("EPS") growth. In respect of the TSR objective, 25% vests on median performance rising on a linear basis to 100% vesting for upper quartile performance. In respect of EPS growth, 25% vests based on the achievement of growth of the Consumer Price Index ("CPI") + 3% rising to 100% where EPS growth is in excess of CPI +9%.

Changes to Executive Directors

Niall Dolan was appointed as Director on 6 March 2018, having been appointed as Chief Financial Officer on 1 July 2017.

Outcomes for 2018

(to be read as part of the consolidated financial statements)

The following table summarises the remuneration received by the Directors for the 2018 financial year:

	Salary/fees €000	Bonus €000	Allowance €000	Pension €000	2018 Total €000	2017 Total €000
Executive Directors						
Joseph Barrett[1]	351	205	-	32	588	357
Niall Dolan[2]	232	112	12	23	379	-
Robert Etchingham[1]	367	201	-	-	568	340
Paul Lynch[3]	-	-	-	-	-	269
Non-Executive Directors						
Brian Geraghty	20	-	-	-	20	20
Daniel Kitchen	80	-	-	-	80	80
Howard Millar	50	-	-	-	50	50
Martin Southgate	23	-	-	-	23	23
	1,123	518	12	55	1,708	1,139

[1] The bonus paid in 2018 related to both 2016 and 2017 performance.
[2] Niall Dolan was appointed as director on 6 March 2018. Details above are from date of appointment to 31 December 2018.
[3] Paul Lynch ceased to be a director on 30 June 2017.

Basic Salary for Executive Directors

The following table shows the base salaries for the executive directors as at 31 December 2018 with comparative information as at 31 December 2017:

	2018 €000	2017 €000	Increase %
Joseph Barrett	349	325	8%
Niall Dolan	288		20%
Robert Etchingham	365	340	8%

Salaries for the Executive Directors are set at a market competitive level for the scope of the roles and the size and complexity of the business. An 8% increase was awarded to Joe Barrett and Robert Etchingham in May 2018 which is marginally below the increase awarded to the senior management team. A 20% increase was awarded to Niall Dolan in recognition of his appointment as Executive Director earlier in the year.

In recommending the 2018 salary increase, the Committee took account of performance both of the Group as a whole and for the individual director, individual responsibilities within the Group and the review of wages and salaries across the Group which took place alongside the executive directors review.

Annual Bonus

The CEO, COO and CFO are eligible for a maximum bonus of 50% of base salary. The bonus will be based 80% on a profitability measure and 20% based on the delivery of specific non-financial objectives. The bonus paid in 2018 related to both 2016 and 2017 performance.

The profitability measure is based on performance relative to an adjusted EBITDA target. Adjusted EBITDA is defined in the glossary of financial terms on page 184. The Committee has determined that the specific targets for the year, both financial and non-financial are commercially sensitive and cannot be disclosed.

LTIP awards

The following table shows the LTIP awards granted to the executive directors during 2018 with comparative information for 2017:

	2018 Number of Options Granted	2017 Number of Options Granted
Joseph Barrett	100,000	-
Niall Dolan	100,000	400,000

The awards were granted on 9 May 2018 under the terms of the 2015 LTIP scheme as outlined above.

Service Contracts/Letters of Appointment

The Remuneration Committee reviews the contractual terms for any new Directors to ensure these reflect best market practice.

Executive Directors

All Executive Directors have service contracts with the Group with a notice period of six months. The service contracts for Robert Etchingham and Joseph Barret are dated 29 April 2015, while the service contract with Niall Dolan is dated 6 March 2018. The service contracts allow for termination by way of payment for the entire notice period or part thereof in lieu of notice. Standard 'cause' provisions are included in the service agreement which allow the Group to terminate without notice or the obligation to make payment in lieu of notice.

The Remuneration Committee may agree remuneration proposals on the recruitment or retention of Executive Directors which are outside the standard policy to facilitate the hiring or retention of someone of the calibre required to deliver the Group's strategy. When determining appropriate remuneration arrangements the Remuneration Committee will take into account all relevant factors including (among others) the level of opportunity, the type of remuneration opportunity being forfeited and the jurisdiction from which the candidate was recruited.

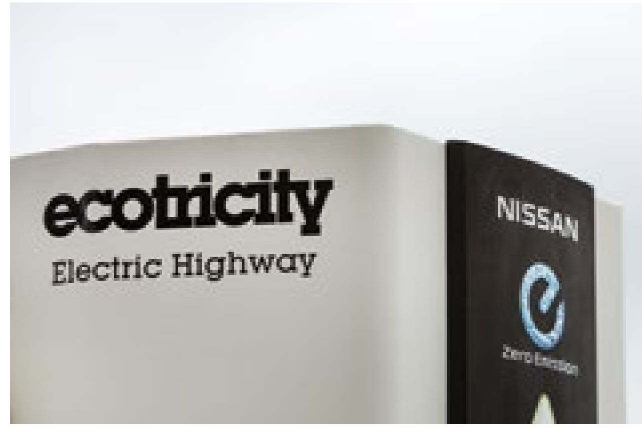
When determining leaving arrangements for an Executive Director, the Remuneration Committee takes into account applicable provisions of Irish employment law, any contractual agreements and the performance and conduct of the individual.

Non-Executive Directors

Each of the Non-Executive Directors are appointed under a letter of appointment, detailing arrangements that may generally be terminated at will, by either party, without compensation. The remuneration of Non-Executive Directors is determined by the Board of Directors as a whole subject to the limits in the Company's Constitution.

On behalf of the Remuneration Committee

Brian Geraghty
18 April 2019


ecotricity
Electric Highway
NISSAN
Zero Emission


The Bakewell
BAKEWELL MENU


applegreen

Statement of Directors' Responsibilities

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

Irish law requires the directors to prepare the Group and Company financial statements for each financial year giving a true and fair view of the Group's and Company's assets, liabilities and financial position at the end of the financial year and the profit or loss of the Group for the financial year. Under that law and in accordance with the Rules of the AIM and ESM exchanges issued by the London and Irish Stock Exchanges, the directors have prepared the financial statements of the Group and Company in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU IFRS) and with those parts of the Companies Act 2014 applicable to companies reporting under EU IFRS.

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with applicable International Financial Reporting Standards as adopted by the EU, subject to any material departures disclosed and explained in the Financial Statements;
- include any additional information required by the Companies Act 2014; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.
- The directors are responsible for keeping adequate accounting records that are sufficient to:
- correctly record and explain the transactions of the Group and Company;
- enable, at any time, the assets, liabilities and financial position of the Group and Company and profit or loss of the Group to be determined with reasonable accuracy; and
- enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those Financial Statements to be audited.

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

Under applicable law and the requirements of the AIM and ESM Rules, the directors are also responsible for preparing a directors' report that complies with that law and those rules.

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

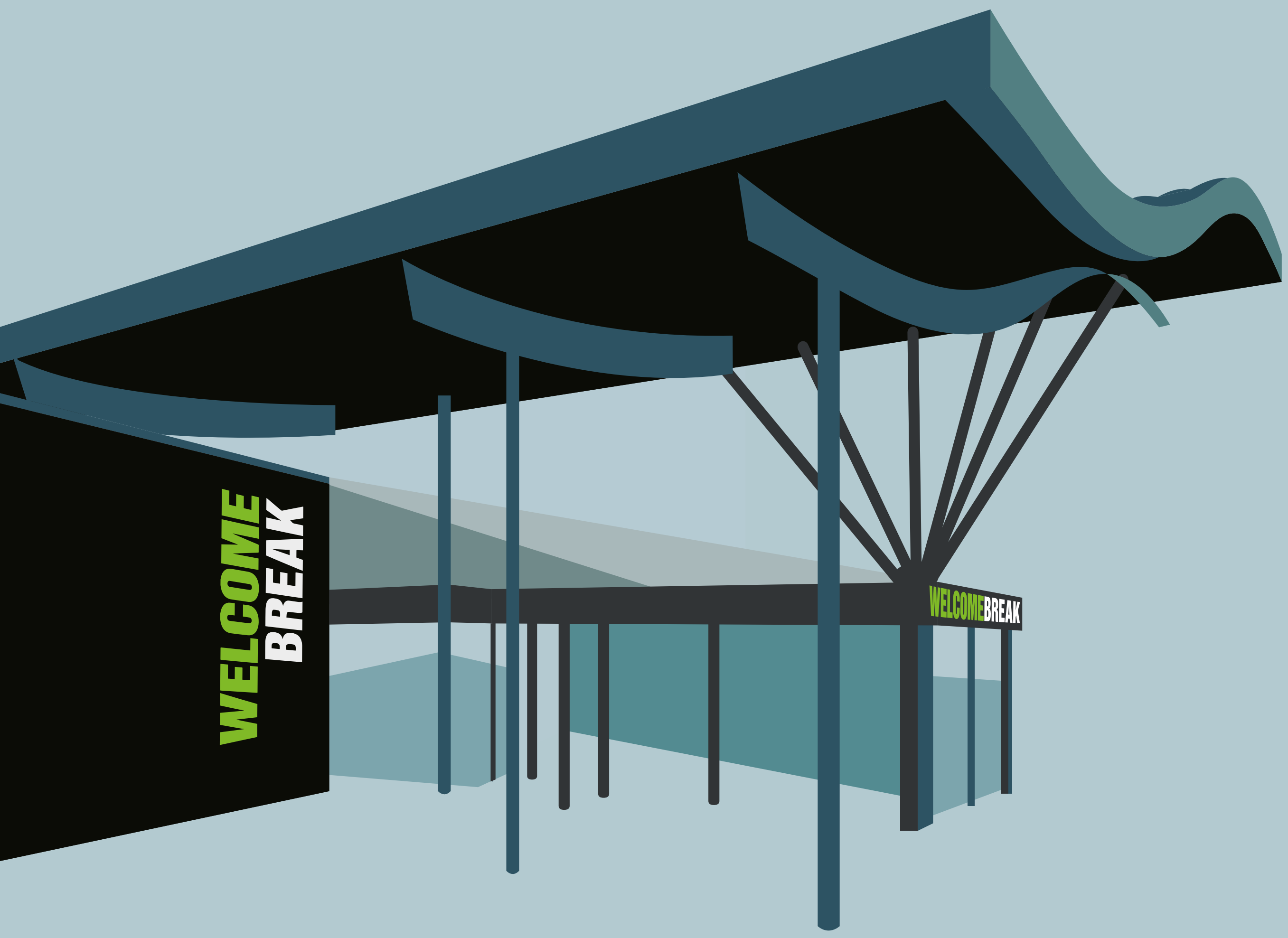
On behalf of the directors

Robert Etchingham
18 April 2019

Niall Dolan
18 April 2019


BARISTA COFFEE
EAT IN OR TAKE OUT
ALL DAY
ATM

Financial Statements


WELCOME
BREAK
WELCOMEBREAK

Independent Auditors' Report to the Members of Applegreen plc

Report on the Audit of the Financial Statements

Opinion

In our opinion, Applegreen plc's Consolidated financial Statements and Company financial Statements (the "financial statements"):

- give a true and fair view of the Group's and the Company's assets, liabilities and financial position as at 31 December 2018 and of the Group's profit and the Group's and the Company's cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and, as regards the Company's financial statements, as applied in accordance with the provisions of the Companies Act 2014; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Directors' Report and Consolidated Financial Statements (the "Annual Report"), which comprise:

- the Consolidated and Company Statements of Financial Position as at 31 December 2018;
- the Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated and Company Statements of Cash Flows for the year then ended;
- the Consolidated and Company Statements 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.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

Basis for Opinion

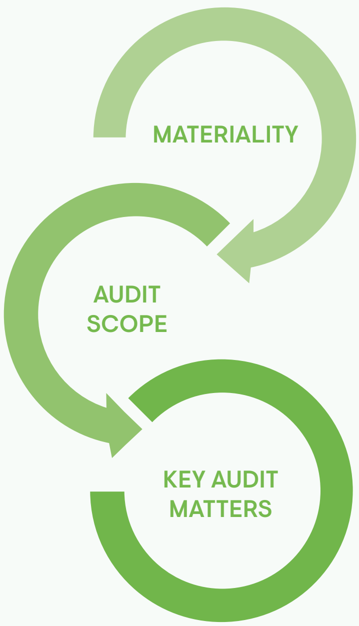
We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law. Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe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

Independence

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

Our Audit Approach

Overview



Materiality

- Overall Group materiality: €1.25 million (2017: €1.1 million) based on circa 2.5% of Earnings before Interest, Tax, Depreciation and Amortisation ('EBITDA').
- Overall Company materiality: €3.7 million (2017: €2.2 million) which represents circa 1% of net assets. Financial statement line items that do not eliminate on consolidation have been audited to lower materiality than overall materiality for the Consolidated Financial Statements.

Audit Scope

- Our audit work addressed each of the Group's three operating segments: Retail Ireland, Retail UK and Retail USA. Each of these consists of a number of reporting components.
- We performed full scope audits of the complete financial information of three financially significant reporting components, two within Retail Ireland and one within Retail UK.
- Audits of or specified audit procedures on selected account balances, classes of transactions or disclosures were performed at other reporting components within the Retail Ireland, Retail UK and Retail USA operating segments.
- Audit coverage for individual line items within the Consolidated Income Statement and Consolidated Statement of Financial Position falls in the range of 70% to 100%; most line items have audit coverage above 90%.

Key Audit Matters

- Forecourt site impairment assessment.
- Accounting for material acquisition – Welcome Break.
- Carrying value of internally generated software assets under construction.

The Scope of Our Audit

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

Key Audit Matters

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

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Forecourt site impairment assessment Refer to page 76 (Audit Committee Report), page 113 (Significant accounting policies), page 119 (Significant accounting estimates and judgements), pages 136 and 137 (Notes to the Consolidated financial statements). At 31 December 2018, there were 472 sites in the Group's estate. Their carrying amounts are reviewed at each reporting date to determine if there is any indication of impairment. If management determines that there are indicators that the carrying value of individual sites may not be recoverable, an impairment test is performed for the affected sites. In circumstances where the value in use of a site as calculated by management is less than its carrying value, management generally instruct external valuation experts to develop an estimate of the site's fair value less costs to sell. Impairment charges recorded by the Group in previous periods are separately assessed at each reporting date to determine if the conditions which gave rise to them continue to exist. If they do not, impairment charges may be wholly or partly reversed. Management has recognised an impairment charge of €5.1 million across the Group's forecourt sites. Of this impairment charge, €3.3 million is based on value in use models and €1.8 million is based on fair value less cost to sell. Management recognised an impairment reversal of €3.8 million on one site, based on a value in use model. We regard this as a key audit matter because of the materiality of the carrying value of forecourt sites and the judgements required in determining whether there is an indication of impairment and in estimating the value in use and/or fair value less costs to sell of individual sites. We focused in particular on the suitability of management's benchmark for assessing indications of impairment, the reasonableness of management's projections of future growth rates supporting cash flows at sites subject to impairment testing and the estimation of appropriate discount rates.	We compared management's benchmark for assessing indications of impairment at individual site level, which is based on projected 2019 financial performance, to that used in the prior year and established that it was consistent. We assessed the completeness of the population of sites identified by management for impairment testing by comparing it to those sites tested by management for impairment at 30 June 2018 and at 31 December 2017. We evaluated and tested management's process for the estimation of the benchmark and the value in use of each site for which impairment indicators had been found by: · Assessing management's budgeting process for 2019 site performance and cash flows and challenging assumptions for sites by reference to past performance and expected economic conditions in the Group's major markets. · Assessing the reasonableness, by reference to published economic forecasts, of assumed long term growth rates for the Irish and UK economies used by management to project site cash flows beyond 2019. · Considering, with the assistance of PwC valuation experts, management's calculations of the group's weighted average cost of capital in each of its major markets. · Performing sensitivity analysis using alternative reasonably possible assumptions for determining future site performance. We evaluated the competence and objectivity of the experts engaged by management to determine the fair value less cost to sell of sites whose value in use is less than their carrying values. We considered their reports and assessed whether appropriate valuation methodologies had been applied. We considered management's separate assessment of whether there has been sustained improvement in the performance of sites where impairment charges were taken in previous years. We tested management's assessment against records of site profitability in 2018 and preceding years and challenged its completeness. For those sites where management determined that sustained profitability improvement had occurred, we evaluated and tested management's process for the estimation of the value in use of each site and their conclusions as to whether a reversal of a previous impairment, in whole or in part, was warranted. We concluded that: · management's process for identifying impairment indicators and conducting impairment testing, where required, was reasonable; · the assumptions and methodologies adopted by management to assess if impairment charges and/or reversals were required, were reasonable; and · the impairment charges and reversals recognised in the financial statements are reasonable.

KEY AUDIT MATTER

Accounting for material acquisitions – Welcome Break

Refer to page 76 (Audit Committee Report), page 117 (Significant accounting policies), page 119 (Significant accounting estimates and judgements), pages 151 to 153 (Notes to the Consolidated financial statements).

On 31 October 2018, the Group completed the acquisition of a 50.01% controlling interest in Welcome Break, a UK motorway service area operator. Management determined that:

- the Group has obtained control of Welcome Break in accordance with the provisions of IFRS 10 'Consolidated Financial Statements'
- the transaction met the definition of a business combination under IFRS 3 'Business Combinations'.

Under IFRS 3, the Group is required to determine the fair value of identifiable net assets, the fair value of consideration transferred and the amount of any non-controlling interest. Management engaged valuation experts to assist with the determination of provisional fair values for identifiable intangible assets. As permitted by IFRS, the Group will finalise its valuations within twelve months of the transaction.

We regard the accounting for the Welcome Break transaction as a key audit matter because of:

- its significance to the financial statements;
- its complexity and the degree of judgement involved in determining whether the Group controls Welcome Break;
- identifying the appropriate accounting for the multi-step structure of the acquisition; and
- determining the appropriate valuation methodology for the identification of provisional fair values of identifiable intangible assets.

We focused in particular on the judgement that the Group had obtained control of Welcome Break and the process and judgements underlying the determination of provisional fair values of identifiable assets and liabilities and the calculation of the non-controlling interest.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

We read the legal agreements entered into by the Group and which executed the acquisition and obtained an understanding of the structure and key terms of the transaction.

We challenged management's assessment as to whether it controls Welcome Break by assessing whether the Group has the ability to direct the strategic direction and ongoing activities of Welcome Break's portfolio of sites. We also assessed the nature of the protective rights held by the minority shareholder to determine if these rights impacted on the Group's ability to control Welcome Break.

We assessed the approach which management had taken to applying the acquisition accounting principles of IFRS 3 including:

- evaluating the competence and objectivity of the valuation experts engaged by management to assist with determining the provisional fair value of identifiable intangible assets.
- considering with the assistance of PwC valuation experts, the approaches and assumptions used by management and management's valuation experts to determine the fair values of the identifiable assets and liabilities acquired. In particular, we challenged the provisional valuation of intangible assets acquired by assessing the reasonableness of the valuation methodology adopted and the key assumptions used in the valuation models including the discount rate and cash flow assumptions.
- assessing management's calculation of the goodwill arising on the transaction by reference to the fair value of the identifiable net assets and liabilities acquired by the Group, the consideration transferred and the amount of the non-controlling interest held by minority shareholders at the date of acquisition.

On the basis of the work performed and the evidence obtained:

- we concluded that management's assessment that the Group had obtained control over Welcome Break was reasonable in the circumstances; and
- we concluded that the acquisition was appropriately accounted for and that the approaches and assumptions used by management to determine the provisional fair values of identifiable assets and liabilities acquired, the consideration transferred and the amount of the non-controlling interest retained by minority shareholders were reasonable.

We read the disclosures in the consolidated financial statements in respect of the transaction and concluded that they were consistent with the requirements of IFRS.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Carrying value of internally generated software assets under construction Refer to page 76 (Audit Committee Report), page 112 (Significant accounting policies), page 119 (Significant accounting estimates and judgements), pages 132 and 133 (Notes to the Consolidated financial statements). The Consolidated Statement of Financial Position includes an asset for intangible assets under construction of €14.6m. The asset arises from expenditure incurred during 2016, 2017 and 2018 in the development of a new ERP system. The new system is expected to be put into use during 2019. Management has determined that expenditure capitalised to date is recoverable in full on the basis that: • the project will be brought into use and deliver the expected functionality for the Group's business; and • the project business case demonstrates that expected cost synergies arising from the implementation of new IT applications will deliver a business benefit over time with a net present value which exceeds the carrying value of the asset at 31 December 2018 plus estimated costs to completion. We regard this as a key audit matter because of the materiality of the asset, and the judgements involved in identifying expenditure to be capitalised and in supporting its recoverability.	We updated our understanding of the Group's ERP project by reading 2018 and 2019 governance documentation and by meeting with the Project Director. We focused in particular on changes to the project's scope, management, resourcing and budget since our last audit. We assessed whether capitalised 2018 project expenditure related to internal and third party costs that were relevant to the project. Given changes to project scope and leadership during 2018, we reviewed prior year project documentation and challenged management's assessment that expenditure capitalised in prior years continues to support the current project scope. We considered whether achievement of project milestones during 2018 supports management's assessment that the new ERP system will be brought into use during 2019. We read and considered management's project business case and assessed its estimation of future cost savings. We evaluated models prepared by management which estimate the net present value of these projected future cost savings and the value in use of those business units which will transition to the new ERP system during 2019. We concluded that the carrying value of the software intangible asset under construction in the Group's financial statements is reasonable on the basis of currently available information.

How we Tailored the Audit Scope

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

The Group is structured along three operating segments being Retail Ireland, Retail UK and Retail USA. Each operating segment comprises a number of reporting components. The Consolidated financial statements are a consolidation of 20 reporting components across the 3 operating segments. In establishing the overall approach to the Group audit, we identified 3 reporting components, which in our view required an audit of their complete financial information due to their size and financial significance to the Group.

In order to achieve the desired level of audit evidence on each account balance in the Consolidated financial statements, we selected an additional reporting component and performed an audit of its complete financial information.

In addition, audits of or specified audit procedures on selected account balances were performed across 12 of the remaining 16 reporting components. The nature and extent of audit these procedures were determined by our risk assessment.

Audit coverage for individual line items within the Consolidated Income Statement and Consolidated Statement of Financial Position falls in the range 70% to 100%; most line items have audit coverage above 90%.

PwC UK was engaged to perform full scope audit procedures on one of the financially significant reporting component within the Retail UK operating segment. No other PwC network firm was engaged for the Group audit. In relation to audit procedures that were performed by PwC UK, we issued detailed audit instructions, arranged regular physical and telephone meetings throughout the audit and we reviewed extracts from PwC UK's audit file to corroborate that their audit was executed consistent with our instructions. In addition, the PwC UK audit engagement leader attended two Applegreen plc Audit Committee meetings during the audit process.

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:

	CONSOLIDATED FINANCIAL STATEMENTS	COMPANY FINANCIAL STATEMENTS
Overall materiality	€1.25 million (2017: €1.1 million).	€3.7 million (2017: €2.2 million).
How we determined it	Circa 2.5% of earnings before interest, tax, depreciation and amortisation ('EBITDA').	Circa 1% of net assets.
Rationale for benchmark applied	The Group is profit oriented and EBITDA is one of the key metrics used by shareholders to determine its performance. We used profit before tax as our materiality benchmark for the 2017 audit. Given the significant additional interest charges arising from increased bank debt used to fund the acquisition of Welcome Break together with the existing debt carried by Welcome Break, we believe that EBITDA is the more appropriate measure of trading performance in 2018.	We believe that net assets is the primary measure used by the shareholders in assessing the performance of the entity, and is a generally accepted auditing benchmark for a holding company. Financial statement line items that do not eliminate on consolidation have been audited to lower materiality than overall materiality for the Consolidated Financial Statements.

Materiality (continued)

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between €0.15 million and €1.00 million.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above €0.06 million (Group audit) (2017: €0.06 million) and €0.185 million (Company audit) (2017: €0.11 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions Relating to Going Concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) 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 Group's or 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 Group's or the Company's ability to continue as a going concern.

Reporting on Other Information

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

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

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

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

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report (excluding the information included in the 'Non-Financial Statement' on which we are not required to report) for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.
- Based on our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report (excluding the information included in the 'Non-Financial Statement' on which we are not required to report).

Responsibilities for the Financial Statements and the Audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 88, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

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

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

Responsibilities for the Financial Statements and the Audit (continued)

Auditors' responsibilities for the audit of the financial statements

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

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

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

This description forms part of our auditors' report.

Use of this Report

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

Other Required Reporting

Companies Act 2014 opinions on other matters

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

Companies Act 2014 exception reporting

Directors' remuneration and transactions

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

Kevin Egan

for and on behalf of PricewaterhouseCoopers

Chartered Accountants and Statutory Audit Firm

Dublin

24 April 2019


applegreen
4.5M MAX HEIGHT
BURGER KING
DRIVE THRU
The Bakewell
The Bakewell
freshii
Welcome to applegreen
CHOPSTIX
NOODLE BAR
applegreen
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Consolidated Income Statement
Year ended 31 December 2018

	Notes	2018 €000	2017 €000
Revenue	5	2,012,558	1,428,116
Cost of sales	8	(1,730,279)	(1,246,395)
Gross profit		**282,279**	**181,721**
Selling and distribution costs	8	(211,549)	(130,301)
Administrative expenses	8	(51,765)	(30,543)
Other income	7	4,989	2,164
Finance costs	10	(8,895)	(1,494)
Finance income	10	300	420
Profit before income tax		**15,359**	**21,967**
Income tax expense	11	(3,209)	(3,311)
Profit for the financial year		**12,150**	**18,656**
Profit attributable to:			
Equity holders of the parent		13,272	18,656
Non-controlling interest		(1,122)	-
		12,150	**18,656**

Earnings per share from continuing operations attributable to the owners of the parent company during the year

Earnings per share – Basic	6	13.68c	22.48c
Earnings per share – Diluted	6	13.48c	21.68c

Consolidated Statement of Comprehensive Income
Year ended 31 December 2018

	2018 €000	2017 €000
Profit for the financial year	**12,150**	**18,656**
Other comprehensive expense		
Items that may be reclassified to profit or loss		
Cash flow hedges	(659)	-
Income tax on cash flow hedges	112	-
Currency translation differences on foreign operations	(1,574)	(2,769)
Net other comprehensive expense that may be reclassified to profit or loss for the year, net of tax	**(2,121)**	**(2,769)**
Items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefit obligations	(340)	-
Income tax in relation to remeasurements of post-employment benefit obligations	19	-
Net other comprehensive expense that will not be reclassified to profit or loss in subsequent periods	(321)	-
Other comprehensive loss for the year, net of tax	**(2,442)**	**(2,769)**
Total comprehensive income for the year	**9,708**	**15,887**
Total comprehensive income attributable to:		
Equity holders of the parent	11,264	15,887
Non-controlling interest	(1,556)	-
	9,708	**15,887**

Consolidated Statement of Financial Position
As at 31 December 2018

	Notes	2018 €000	2017 €000
ASSETS			
Non-current assets			
Intangible assets	12	492,752	16,150
Property, plant and equipment	13	583,360	299,574
Investment in joint venture	15	1,000	1,000
Trade and other receivables	17	463	422
Derivative financial instruments	22	461	-
Deferred income tax asset	11	16,926	5,718
		1,094,962	322,864
Current assets			
Inventories	16	57,375	35,228
Trade and other receivables	17	57,687	23,171
Current income tax receivables		560	88
Cash and cash equivalents	18	121,981	57,482
		237,603	115,969
Total assets		**1,332,565**	**438,833**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Issued share capital	24	1,206	916
Share premium	25	366,240	190,464
Capital contribution	25	512	512
Cash flow hedge reserve	25	(274)	-
Merger reserve	25	(65,537)	(65,537)
Foreign currency translation reserve	25	(8,392)	(6,818)
Share based payment reserve	25	9,792	8,181
Retained earnings	25	57,714	53,591
		361,261	**181,309**
Non-controlling interest	27	(80,066)	-
Total equity		**281,195**	**181,309**
Non-current liabilities			
Trade and other payables	20	14,008	5,534
Borrowings	19	701,850	63,132
Employee benefits	30	113	-
Deferred income tax liabilities	11	39,278	7,854
		755,249	76,520
Current liabilities			
Trade and other payables	20	282,711	173,508
Borrowings	19	6,584	4,545
Provisions	21	4,313	1,393
Current income tax liabilities		2,513	1,558
		296,121	181,004
Total liabilities		**1,051,370**	**257,524**
Total equity and liabilities		**1,332,565**	**438,833**

On behalf of the Directors

Robert Etchingham
18 April 2019

Niall Dolan
18 April 2019

Consolidated Statement of Changes in Equity
Year ended 31 December 2018

	Issued share capital €000	Share premium €000	Capital contribution €000	Cash flow hedge reserve €000
At 01 January 2018 (as previously reported)	**916**	**190,464**	**512**	**-**
Adjustment from adoption of IFRS 9 (note 4)	-	-	-	-
Adjusted balance at 01 January 2018	**916**	**190,464**	**512**	**-**
Profit for the year	-	-	-	-
Other comprehensive income	-	-	-	(274)
Total comprehensive income	**-**	**-**	**-**	**(274)**
Share based payments	-	-	-	-
Deferred tax on share based payments	-	-	-	-
Issue of ordinary share capital (note 24)	290	175,776	-	-
Acquisition of non-controlling interest	-	-	-	-
Dividends to non-controlling interest	-	-	-	-
Dividends	-	-	-	-
At 31 December 2018	**1,206**	**366,240**	**512**	**(274)**

Consolidated Statement of Changes in Equity
Year ended 31 December 2017

	Issued share capital	Share premium	Capital contribution	Cash flow hedge reserve
At 01 January 2017	**805**	**140,268**	**512**	**-**
Profit for the year	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**-**
Share based payments	-	-	-	-
Deferred tax on share based payments	-	-	-	-
Issue of ordinary share capital (note 24)	111	50,196	-	-
Dividends	-	-	-	-
At 31 December 2017	**916**	**190,464**	**512**	**-**

Merger reserve €000	Foreign currency translation reserve €000	Share based payment reserve €000	Retained earnings €000	Total attributable to owners of Applegreen Plc €000	Non controlling interest €000	Total €000
(65,537)	(6,818)	8,181	53,591	181,309	-	181,309
-	-	-	(1,485)	(1,485)	-	(1,485)
(65,537)	(6,818)	8,181	52,106	179,824	-	179,824
-	-	-	13,272	13,272	(1,122)	12,150
-	(1,574)	-	(160)	(2,008)	(434)	(2,442)
-	(1,574)	-	13,112	11,264	(1,556)	9,708
-	-	1,077	-	1,077	-	1,077
-	-	534	-	534	-	534
-	-	-	(6,193)	169,873	-	169,873
-	-	-	-	-	(77,879)	(77,879)
-	-	-	-	-	(631)	(631)
-	-	-	(1,311)	(1,311)	-	(1,311)
(65,537)	(8,392)	9,792	57,714	361,261	(80,066)	281,195

Merger reserve	Foreign currency translation reserve	Share based payment reserve	Retained earnings	Total attributable to owners of Applegreen Plc	Non controlling interest	Total
(65,537)	(4,049)	5,349	37,663	115,011	-	115,011
-	-	-	18,656	18,656	-	18,656
-	(2,769)	-	-	(2,769)	-	(2,769)
-	(2,769)	-	18,656	15,887	-	15,887
-	-	1,630	-	1,630	-	1,630
-	-	1,202	-	1,202	-	1,202
-	-	-	(1,234)	49,073	-	49,073
-	-	-	(1,494)	(1,494)	-	(1,494)
(65,537)	(6,818)	8,181	53,591	181,309	-	181,309

Consolidated Statement of Cash Flows
Year ended 31 December 2018

	Notes	2018 €000	2017 €000
Cash flows from operating activities			
Profit before income tax		15,359	21,967
Adjustments for:			
Depreciation and amortisation	8	23,180	14,103
Finance income	10	(300)	(420)
Finance costs	10	8,895	1,494
Net impairment of non current assets	8	1,325	-
Share based payment expense	8	1,077	1,630
Post employment benefits		(1,005)	-
Gain on bargain purchase		-	(928)
Loss on the sale of property, plant and equipment	8	70	812
		48,601	38,658
Increase in trade and other receivables		(9,960)	(1,934)
Increase in inventories		(8,050)	(1,692)
Increase in trade payables		45,907	43,437
Increase in provisions		1,851	602
Cash generated from operations		78,349	79,071
Income taxes paid		(3,052)	(1,608)
Net cash from operating activities		**75,297**	**77,463**
Cash flows from investing activities			
Purchase of property, plant and equipment		(54,415)	(76,115)
Purchase of intangibles		(11,794)	(5,210)
Proceeds from sale of property, plant and equipment		-	167
Purchase of subsidiary undertakings, net of cash acquired		(170,189)	(31,233)
Investment in joint venture		-	(1,000)
Interest received		300	400
Net cash used in investing activities		**(236,098)**	**(112,991)**
Cash flows from financing activities			
Net proceeds from long-term borrowings		301,165	45,000
Proceeds from issue of ordinary share capital		169,873	49,071
Repayment of borrowings		(237,734)	(23,666)
Payment of finance lease liabilities		(1,258)	(787)
Interest paid		(5,619)	(1,768)
Dividends paid	32	(1,311)	(1,494)
Net cash used in financing activities		**225,116**	**66,356**
Net increase in cash and cash equivalents		**64,315**	**30,828**
Cash and cash equivalents at beginning of year		57,482	27,739
Foreign exchange losses		(279)	(1,085)
Cash and cash equivalents at end of year	18	**121,518**	**57,482**

Notes to the Consolidated Financial Statements

Year ended 31 December 2018

1. GENERAL INFORMATION

Applegreen plc ('the Company') and its subsidiaries' ('the Group') principal business is the operation of motorway service areas and petrol filling stations. The Company is a holding company whose shares are publicly traded. The Company's registration number is 491702 and is incorporated and domiciled in the Republic of Ireland. The address of its registered office is Block 17, Joyce Way, Parkwest, Dublin 12.

2. STATEMENT OF COMPLIANCE

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) as adopted by the European Union (EU) and those parts of the Companies Act 2014 applicable to companies reporting under IFRS. The Company financial statements have been prepared in accordance with IFRS as adopted by the EU and the Companies Act 2014. IFRS adopted by the EU differ in certain respects from IFRS issued by the IASB. References to IFRS hereafter should be construed as references to IFRS as adopted by the EU.

2.1 Basis of preparation

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company and Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 3.

In presenting the parent Company financial statements together with the consolidated financial statements, the Company has availed of the exemption in Section 304 of the Companies Act 2014 not to present its individual Income Statement and related notes that form part of the approved Company financial statements and not to file its individual Income Statement with the Registrar of Companies.

The Company's result for the financial year, determined in accordance with IFRS, is a loss for the year of €9.8 million (2017: profit of €10.2 million). Details of the Company accounts can be found on pages 172–183. The Company uses the same accounting policies as the Group which are listed in section 2.3.

The consolidated financial statements have been prepared under the historical cost convention, except for the following which are recognised at fair value: certain financial assets and liabilities including derivate, share based payments at grant date and pension plan assets. The consolidated and Company financial statements are presented in Euro (€) and all values are rounded to the nearest thousand (€000), except where otherwise stated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company, all its subsidiaries and joint venture as at 31 December 2018.

Subsidiaries are entities controlled by the Group. They are consolidated from the date on which the Group obtains control and continue to be consolidated until the date when such control ceases. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to affect those returns through its power over the entity. Subsidiaries are accounted for using the acquisition method as at the acquisition date i.e. when control is transferred to the Group. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company using consistent accounting policies.

The acquisition method of accounting is used to account for business combinations by the Group. See section 2.3 for details of the Group's accounting policies.

All intra-group balances, transactions and unrealised gains resulting from intra-group transactions and dividends are eliminated in full. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

2. STATEMENT OF COMPLIANCE (CONTINUED)

2.2 Basis of consolidation (continued)

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The Group determines at each reporting date whether there is any objective evidence that the equity accounted investment is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the equity accounted investment and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of joint ventures' in the Consolidated Income Statement.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. Investment in joint ventures are shown separately on the Consolidated Statement of Financial Position.

Joint operations are arrangements where the parties that have joint control of the arrangement, have rights to the assets and obligations for the liabilities relating to the arrangement. The activities are undertaken by the Group in conjunction with other joint operators that involve the use of the assets and resources of those joint operators. The Group has a joint arrangement with Valero Energy (Ireland) Limited in the operation of a fuel terminal at Dublin port which is the principal place of business. Both parties have an equal interest in the Dublin port asset.

Non-controlling interests represent the portion of a subsidiary's equity which is not attributable to the Group. They are presented separately in the consolidated financial statements.

2.3 Significant accounting policies

The following are significant accounting policies applied by the Group in preparing its consolidated financial statements:

Revenue

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of consideration received or receivable, excluding value added tax and net of returns, trade discounts and including duty on goods to external customers. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised. The transaction price is the contracted price with the customer.

Revenue is recognised when an identified performance obligation has been met. Sales of goods are recognised when the Group sells a product to the customer. This is when control is deemed to have transferred to the customer and the customer can direct the use of and obtain substantially all the remaining benefits from a good or service. The Group uses the five-step model as prescribed by the standard to determine when recognition is appropriate. Contracts with customers include a single performance obligation.

Retail sales

The Group's principle revenue is earned from fuel, food and store sales throughout its network of service stations in Ireland, the UK and the USA. Sales of goods are recognised when the Group sells a product to the customer. Retail sales are usually in cash, by credit card or by fuelcard. Due to the nature of the products sold, the Group does not experience material levels of returns.

Gross versus net presentation

When deciding the most appropriate basis for presenting revenue or costs of revenue, the Group assesses whether it controls the specified good before delivery to the customer to determine each party's respective role in the transaction. Where the Group's role in a transaction is that of principal, revenue is recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customer, after trade discounts, with any related expenditure charged as an operating cost. Where the Group's role in a transaction is that of an agent, revenue is recognised on a net basis with revenue representing the commission earned.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

2. STATEMENT OF COMPLIANCE (CONTINUED)

2.3 Significant accounting policies (continued)

Customer loyalty programmes

The Group operates a loyalty programme where retail customers accumulate points for purchases made which entitle them to discount on future purchases. A contract liability for the award points is recognised at the time of the sale. Revenue is recognised when the points are redeemed or no longer expected to be redeemed.

The points provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide points to the customer is a separate performance obligation. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the discount granted when the points are redeemed and on the basis of the likelihood of redemption, based on past experience. The stand-alone selling price of the product sold is estimated on the basis of the retail price.

A contract liability is recognised until the points are redeemed or no longer expected to be redeemed.

Hotel sales

Revenue is derived from hotel operations and includes the rental of rooms and food and beverage sales. Revenue is recognised when the rooms are occupied and food and beverages are sold.

Gaming income

The Group recognises takings due from playing gaming machines less any payouts as revenue at the point the machine is played.

Accounting policy applied before 01 January 2018

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, it is probable that economic benefits will flow to the Group, the associated costs can be measured reliably, there is no continuing managerial involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Interest income

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

Cost of sales

Cost of sales comprises the net costs of inventories recognised as an expense and other charges attributable to the acquisition of inventory.

Supplier income

Supplier rebate income is recognised in cost of goods sold concurrent with the sale of the inventories to which it relates and is calculated by reference to the expected consideration receivable from each rebate arrangement. Supplier rebate income is not recognised if there is significant uncertainty regarding recovery of the amount due. Supplier rebate income accrued but not yet received is included in accrued income.

Going concern

The Group's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the Group expects to operate within the level of its current banking facilities. The Directors are confident that the Group has adequate resources to continue in operational existence for the foreseeable future and that covenant compliance will be met. The Group therefore continues to adopt the going concern basis of accounting in preparing its consolidated financial statements.

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

2. STATEMENT OF COMPLIANCE (CONTINUED)

2.3 Significant accounting policies (continued)

Foreign currencies

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

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such trading transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Income Statement.

Intercompany foreign currency transactions are also translated into the functional currency using the exchange rates prevailing at the dates of the transactions. The Group identified a number of intercompany loans which are viewed as an extension of Applegreen plc's net investment in foreign operations. As there is no intention for these loans to be repaid in the foreseeable future, these loans are considered quasi equity. Foreign exchange gains and losses arising on the retranslation of 'quasi equity' loans are recorded in the Consolidated Statement of Comprehensive Income. All other foreign exchange gains and losses on intercompany balances are recognised in the Consolidated Income Statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Income Statement within finance costs. All other foreign exchange gains and losses are presented in the Consolidated Income Statement within administrative expenses.

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

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each Statement of Financial Position are translated at the closing rate at the date of that Statement of Financial Position;

(b) income and expenses for each Income Statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) all resulting exchange differences are recognised in the Statement of Comprehensive Income.

Property, plant and equipment

Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost plus any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in a manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Consolidated Income Statement during the financial year in which they are incurred.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

2. STATEMENT OF COMPLIANCE (CONTINUED)

2.3 Significant accounting policies (continued)

Property, plant and equipment is depreciated on a straight-line basis over its expected useful life. The typical useful lives of the Group's property, plant and equipment are:

Freehold property	Over 50 years
Leasehold improvements	Over the term of the lease or useful life, whichever is lower
Plant and equipment	20 years
Fixtures & fittings	10 years
Motor vehicles	5 years
Computer hardware and software	5 years

Freehold land is not depreciated.

The expected useful lives of property, plant and equipment are reviewed and adjusted, if appropriate, at each financial year end.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its use. Any gain or loss arising on de-recognition of the asset is recorded in the Consolidated Income Statement in the period the asset is derecognised.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is the excess of the consideration paid over the fair value of the identifiable assets, liabilities and contingent liabilities in a business combination and relates to assets which are not capable of being individually identified and separately recognised.

Goodwill acquired is allocated, at acquisition date, to the groups of Cash Generating Units (CGU's) expected to benefit from synergies related to the acquisition. Where management reassesses its groups of CGU's, goodwill is reallocated on a relative value basis.

Goodwill is measured at cost less accumulated impairment losses. The CGU's represent the lowest level within the Group at which goodwill is monitored for internal management purposes. These units are no larger than the operating segments determined in accordance with IFRS 8: Operating Segments.

Goodwill is subject to impairment testing on an annual basis and at any time during the year if an indicator of impairment exists. Where the recoverable amount of a cash generating unit is less than the carrying amount, an impairment loss is recognised. Impairment losses arising in respect of goodwill are not reversed once recognised.

Where a subsidiary is sold, any goodwill arising on acquisition, net of any impairments, is included in determining the profit or loss arising on disposal.

Intangible assets (other than goodwill)

Intangible assets (other than goodwill) include i) brands acquired on purchase of subsidiaries, ii) operating agreements for the exclusive sale of fuel from dealer sites, iii) franchise licences for the operation of franchised operations throughout the Group's retail network, iv) wine and off licence fees in respect of those retail stores that sell alcohol and v) favourable contracts acquired on purchase of subsidiaries.

Intangible assets acquired are initially capitalised at cost and amortised using the straight-line basis over their contractual lives as follows:

Branding	5–10 years
Operating agreements	5 years
Franchises	5–25 years
Licences	10 years
Favourable contracts	Over the term of the contract

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

2. STATEMENT OF COMPLIANCE (CONTINUED)

2.3 Significant accounting policies (continued)

Costs associated with maintaining software programmes are recognised as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Research expenditure and development expenditure that do not meet the criteria above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Assets under construction

Capitalisation of costs in respect of constructing property, plant and equipment commences when it is probable that future economic benefits associated with the asset will flow to the Group, the costs are directly attributable to the related asset and required to bring the asset into working condition.

Capitalisation of costs in respect of software intangible assets that are under construction and that arise from internal development commence when all the following conditions are met:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The cost of self-constructed assets includes:

- the cost of materials, labour and services;
- any other costs directly attributable to bringing the assets to a working condition for their intended use; and
- in the case of Property, Plant and Equipment, an estimate of the costs associated with the removal of the asset or restoration of the site when the Group has an obligation to remediate, if any.

Assets under construction are not depreciated and are assessed for impairment when there is an indicator of impairment. When these assets are ready and available for use, the assets are transferred out of assets under construction to the applicable heading under property, plant and equipment or intangible assets. At this point, depreciation begins.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

2. STATEMENT OF COMPLIANCE (CONTINUED)

2.3 Significant accounting policies (continued)

Impairment of non-financial assets

The carrying amounts of the Group's property, plant and equipment (including assets under construction), and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If events or changes in circumstances indicate that the carrying value of property, plant and equipment, or intangible assets may not be recoverable, the Group carries out an impairment test.

When testing for impairment, assets are grouped together into the smallest group of assets that is largely independent of the Group's other cash generating streams. The recoverable amount in respect of each cash generating unit (CGU) is the higher of its fair value less cost of disposal and the value in use.

Value in use is determined by discounting to present value the estimated future cash flows expected to be derived from the CGU. The discount rate used is the Group's weighted average cost of capital reflecting current market assessments of the time value of money and the risks specific to the CGU.

Fair value is determined as the price that would be received to sell the CGU in an orderly transaction between market participants at the measurement date. Further details of the application of this policy to the Group's CGUs is set out in note 14. To the extent that the carrying amount exceeds the recoverable amount, the asset is impaired and is written down. Any impairment loss arising is recognised in the Consolidated Income Statement.

Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

Investments in subsidiaries

Interests in subsidiary undertakings are measured at cost less provisions for impairment in value on the Company Statement of Financial Position. The Company carries out an impairment test if events or changes in circumstances indicate that the carrying value of the investment in a subsidiary may not be recoverable. The recoverable amount is determined by comparing the carrying value of the investment in the subsidiary against the higher of its fair value less costs to dispose and its value in use. The value in use is determined by discounting estimated future cash flows expected to be derived from the financial asset, to net present value.

Financial assets

Classification

From 01 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Consolidated Statement of Comprehensive Income (OCI) or through Consolidated Income Statement), and
- those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Consolidated Income Statement or Consolidated Statement of Comprehensive Income.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Measurement

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

2. STATEMENT OF COMPLIANCE (CONTINUED)

2.3 Significant accounting policies (continued)

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

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

Impairment
From 01 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 17 for further details.

Accounting policy applied before 01 January 2018

Classification
The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables in the Statement of Financial Position. Loans and receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method less any impairment losses.

Impairment of financial assets
The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset ('a loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that a debtor or a group of debtors are experiencing significant financial difficulty or default or delinquency in interest or principal payments due from a debtor or a group of debtors, indicating that they will enter bankruptcy or other financial reorganisation.

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

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

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

2. STATEMENT OF COMPLIANCE (CONTINUED)

2.3 Significant accounting policies (continued)

Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Cash and cash equivalents

In the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash in hand, cash in transit, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the Consolidated Statement of Financial Position, bank overdrafts are shown within borrowings in current liabilities.

Trade and other payables

These amounts represent liabilities for goods or services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. They are initially recorded at fair value and subsequently measured at amortised cost using the effective interest rate method.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be estimated reliably. Provisions are not recognised for future operating losses.

The amount recognised as provisions is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The effect of the time value of money is not material and therefore the provisions are not discounted.

Post-employment obligations

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

Defined benefit pension plans

The liability or asset recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Consolidated Income Statement as past service costs.

Defined contribution plans

The Group operates a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity. The Group has no further payment obligations once the contributions have been paid. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Consolidated Income Statement in the periods during which the related services are received. Prepaid expenses are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Other employee benefits

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Liabilities for wages and salaries, including accumulating annual and sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services

up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as trade payables and accruals in the Statement of Financial Position.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

2. STATEMENT OF COMPLIANCE (CONTINUED)

2.3 Significant accounting policies (continued)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Consolidated Income Statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

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

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

Borrowings costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in finance costs in the period in which they are incurred.

Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The group has determined that its derivatives should be treated as a cash flow hedge, being hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions.

At inception of the hedge relationship, the group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The group documents its risk management objective and strategy for undertaking its hedge transactions. The fair values of derivative financial instruments designated in hedge relationships are disclosed in note 22.

Movements in the hedging reserve in shareholders' equity are shown in note 22. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Cash flow hedges that qualify for hedge accounting
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated Income Statement, within other gains/(losses).

When option contracts are used to hedge forecast transactions, the group designates only the intrinsic value of the options as the hedging instrument. Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in the cash flow hedge reserve within equity. The changes in the time value of the options that relate to the hedged item ('aligned time value') are recognised within OCI in the costs of hedging reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in the Consolidated Income Statement within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to the Consolidated Income Statement.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

2. STATEMENT OF COMPLIANCE (CONTINUED)

2.3 Significant accounting policies (continued)

Share based payments

The Group operate a number of equity-settled, share-based compensation plans under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on non-market vesting conditions and service conditions. It recognises the impact of the revision of the original estimates, if any, in the Consolidated Income Statement, with a corresponding adjustment to equity.

The fair value of options granted by the Company over its equity instruments to the employees of subsidiary undertakings in the Group is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

The social security contributions payable in connection with the grant of the share options is considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

Where the Group receives a tax deduction for share-based payments, deferred tax is provided on the basis of the difference between the market price of the underlying equity at the date of the financial statements and the exercise price of the option.

The 2016 Employee Share Option Plan is administered by the Applegreen Employee Share Option Trust. When the options are exercised, the trust transfers the appropriate amount of shares to the employee. The proceeds received net of any directly attributable transaction costs are credited directly to equity.

Leases

Assets held by the Group under leases which transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, assets held under finance leases are included in property, plant and equipment, at the lower of fair value and the present value of the minimum lease payments. Subsequent to initial recognition, each asset is depreciated over the shorter of the lease term or its useful life and otherwise accounted for in accordance with the accounting policy applicable to that asset.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in current or non-current liabilities as appropriate. The interest element of the finance cost is charged to the Consolidated Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Consolidated Income Statement on a straight-line basis over the period of the lease.

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

2. STATEMENT OF COMPLIANCE (CONTINUED)

2.3 Significant accounting policies (continued)

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the Consolidated Income Statement as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

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

Non-controlling interests are measured at their proportionate share of the acquiree's identified net assets.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

Deferred income tax is recognised using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. No deferred tax is recognised if the temporary difference arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax is recognised in respect of taxable temporary differences arising from investment in subsidiaries and joint venture, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred income tax assets is reviewed at each Statement of Financial Position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all, or part of, the deferred income tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the Statement of Financial Position date.

Provision for a corporation tax surcharge assessable on undistributed investment income (in accordance with Section 440, Taxes Consolidation Act 1997) is provided after the time limit of eighteen months has elapsed within which a dividend can be paid to avoid such surcharge.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Share capital

Ordinary shares and redeemable ordinary shares that rank pari passu with ordinary shares carry no preferential dividend right. Proceeds from the issue of ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are recorded in retained earnings within equity.

Dividends

Dividends are recognised in the period in which they are approved by the Company's shareholders, or in the case of an interim dividend, when it has been approved by the Board of Directors and paid.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be out to different from eventual outcomes.

Significant judgements

Assets under construction

The Group incurs significant levels of development expenditure on an ongoing basis in respect of the construction of new retail sites, the refurbishment of existing retail sites and more recently on internally generated software assets in respect of the development of a new ERP system. Capitalisation of costs directly attributable to an asset commences when the Group has probable future economic benefits associated with the utilisation of the asset.

For the development of internally generated software assets the key judgement relates to whether the ERP implementation will be completed and brought into use in line with timetable and deliver to the expected level of functionality and benefit to the Group in order to support the carrying value of the asset.

For building projects, the determination of the point at which probable future economic benefits associated with the development spend will flow to the Group requires management judgement and is subject to matters such as planning approval, revisions to planning approval and in the case of publically funded developments, preferred bidder status. Costs incurred in the period before the Group determines it has access to the probable future economic benefits that will flow from the asset are expensed in the Consolidated Income Statement.

Assessment of control in the acquisition of Welcome Break

The Group acquired a controlling interest of 50.01% in Appia Group Limited (Welcome Break group) on 31 October 2018. IFRS 10 explains that an investor controls an investee when it is exposed, or has rights to variable returns from its involvement with the investee and has ability to direct those returns through its power over the investee. A shareholder agreement signed between Applegreen and the other shareholder grants Applegreen the right to control strategy and operational matters of Welcome Break as well as appoint key management personnel responsible for directing the relevant activities. Management also considered the nature of protective rights held by the minority shareholder to determine if these rights impacted on the Group's ability to control Welcome Break. On the basis of the above, the Group has concluded that it has the power to direct the relevant activities and consequently controls Welcome Break under IFRS 10.

Significant estimates

Business combinations

Business combinations are accounted for using the acquisition method. This requires that the acquired assets and liabilities be recorded at their respective fair values at the date of acquisition. The application of this method in 2018 (in respect of the Welcome Break acquisition) required certain estimates and assumptions relating, in particular, to the determination of the fair values of the acquired assets and liabilities assumed at the date of acquisition. To do this, the Group engaged external valuers to assess the fair value. Management then reviewed the work and assessed the results. The acquisition in 2018 also gave rise to identifiable intangible assets which were separately recognised from goodwill. Estimation is required in the assessment and valuation of these intangible assets. For intangible assets acquired, the Group bases valuations on expected future cash flows. This method employs a discounted cash flow analysis using the present value of the estimated after-tax cash flows expected to be generated from the intangible asset. The period of expected cash flows is based on the expected useful life of the intangible asset acquired.

Impairment of non-financial assets

The carrying amounts of the Group's property, plant and equipment, and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment in accordance with the accounting policy set out in section 2.3 of these financial statements. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations which require the use of estimates including cash flow forecasts and the determination of an appropriate weighted average cost of capital (WACC) and fair value determined by external valuers. Such estimates are subject to change as a result of changing economic conditions. As forecasting future cash flows is dependent upon the Group's ability to generate returns from the assets invested across its portfolio of sites, estimates are required in relation to future cashflows which will support the asset value. These estimates may depend upon the outcome of future events and may need to be revised as circumstances change. Note 14 details the assumptions used together with an analysis of the sensitivity to changes in key assumptions.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

4. NEW STANDARDS ADOPTED BY THE GROUP AND NEW STANDARDS NOT YET EFFECTIVE

New standards adopted by the Group

The Group adopted IFRS 9, Financial Instruments, and IFRS 15, Revenue from Contracts with Customers, with effect from 01 January 2018.

IFRS 9 Financial Instruments

IFRS 9 replaces the provisions of IAS 39 Financial Instruments: Recognition and Measurement that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 from 01 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in note 2. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated.

The total impact on the Group's retained earnings as at 01 January 2018 is as follows:

	2018 €000
Opening retained earnings 01 January 2018 (before restatement for IFRS 9)	**53,591**
Gain from modification of financial liabilities (1)	877
Increase in provision for financial assets measured at amortised cost (2)	(2,755)
Increase in deferred tax relating to increase in provisions (2)	393
Restated retained earnings 01 January 2018 (post restatement for IFRS 9)	**52,106**

(1) The Group refinanced its borrowings during 2015. In accordance with IAS 39, the modification of the loan terms was not considered to result in an extinguishment of the initial borrowings. At the date of the modification no gain was recognised in the Consolidated Income Statement. Instead, the Group discounted the cash flows of the modified borrowings at a revised effective interest rate which meant that the impact of the changes in cash flows was recognised over the remaining modified term of the borrowings.

Under IFRS 9, the cash flows of the modified borrowings must be discounted at the original effective interest rate. This would have resulted in the recognition of an immediate gain in the Consolidated Income Statement at the date of the modification. As the Group has chosen not to restate comparatives in adopting IFRS 9, it has recognised an adjustment of €0.9 million to reduce non-current borrowings for the gain on 01 January 2018 with a corresponding impact on retained earnings. During the year, these borrowings were repaid and this loss was recorded in the Consolidated Income Statement.

(2) The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. Under IFRS 9, credit losses are recognised earlier than they would be in IAS 39. IFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at fair value through the Consolidated Income Statement.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. For trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. The company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 180 days past due. Where loans or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the consolidated income statement.

The adoption of the ECL requirements of IFRS 9 resulted in increases in impairment allowances for the Group's financial assets measured at amortised cost. The increase in allowances resulted in a €2.8 million impairment provision along with a corresponding increase to the deferred tax asset of €0.4 million and a net adjustment to retained earnings of €2.4 million at 01 January 2018.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

4. NEW STANDARDS ADOPTED BY THE GROUP AND NEW STANDARDS NOT YET EFFECTIVE (CONTINUED)

IFRS 15 Revenue from Contracts with Customers

IFRS 15, Revenue from Contracts with Customers, replaces IAS 18, Revenue and IAS 11, Construction Contracts and related interpretations. IFRS 15 establishes a five-step model for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 requires an entity to recognise revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration that it expects to be entitled to in exchange for transferring those goods or services to the customer. Revenue is recognised when an identified performance obligation has been met and the customer can direct the use of and obtain substantially all the remaining benefits from a good or service. The Group has adopted IFRS 15 from 01 January 2018, using the modified retrospective approach and has not restated comparatives for 2017.

The Group used the five-step model to develop an impact assessment framework to assess the impact of IFRS 15 on the Group's revenue transactions. The results of our IFRS 15 assessment indicated that the impact of applying IFRS 15 on our consolidated financial statements was not material for the Group and there was no adjustment to retained earnings on application of the new rules at 01 January 2018. The adoption of IFRS 15 has had no material impact on the principles applied by the Group for reporting the nature, amount and timing of revenue recognition. The majority of the Group's revenue stream include the delivery of a single performance obligation to see fuel, food, store and other as described in note 5. Accounting for other revenue streams remain unchanged under IFRS 15. Revenue is recognised when control of these goods are transferred to the customer, which for the Group is at a point in time when the Group sells a product to the customer.

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

4. NEW STANDARDS ADOPTED BY THE GROUP AND NEW STANDARDS NOT YET EFFECTIVE (CONTINUED)

There are a number of other changes to IFRS which became effective in 2018; however, they either did not have an effect on the consolidated financial statements or they are not currently relevant for the Group.

New standards and interpretations not yet adopted

The principal standards and interpretations that are issued but not yet effective up to the date of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 16 Leases

IFRS 16, Leases, issued in January 2016 by the IASB replaces IAS 17, Leases and related interpretations. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. For lessees, IFRS 16 eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model with some exemptions for short-term and low-value leases. The lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. It also includes an election which permits a lessee not to separate non-lease components (e.g. maintenance) from lease components and instead capitalise both the lease cost and associated non-lease cost. For lessors, IFRS 16 substantially carried forward the accounting requirement in IAS 17.

Impact – leases in which the Group is a lessee

The standard will primarily affect the accounting for the Group's operating leases. The application of IFRS 16 will result in the recognition of additional assets and liabilities in the Consolidated Balance Sheet and in the Consolidated Income Statement it will replace the straight-line operating lease expense with a depreciation charge for the right-of-use asset and an interest expense on the lease liabilities. In addition, the Group will no longer recognise provisions for operating leases that it assesses to be onerous, instead the Group will perform impairment testing on the right-of-use asset.

The Group's non-cancellable operating lease commitments on an undiscounted basis at 31 December 2018 are detailed in the Lease obligations note and provide an indication of the scale of leases held by the Group. The actual impact of applying IFRS 16 on the Consolidated Financial Statements will depend on the discount rate at 01 January 2019, the expected lease term, including renewal options, exemptions for short-term and low-value leases and the extent to which the Group chooses to use practical expedients.

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

The Group's assessment of the impact of adopting IFRS 16 is in the process of being finalised. Based on the information currently available for those operating leases that will be recognised in the Consolidated Balance Sheet at 1 January 2019, the estimated impact on the Group's key measures at 01 January 2019 is as follows:

Property, plant and equipment	increase	105%–110%
Net debt	increase	106%–111%

Transition

IFRS 16 is effective for annual periods beginning on or after 01 January 2019. The Group will apply IFRS 16 from its effective date using the modified retrospective approach. Therefore the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 01 January 2019, with no restatement of comparative information. The Group will apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to all contracts entered into before 01 January 2019 and identified as leases in accordance with IAS 17 and related interpretations. On transition the Group has also elected to measure the right-of-use assets for certain property leases as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

5. SEGMENTAL ANALYSIS AND REVENUE INFORMATION

Applegreen plc is a roadside convenience retailer, operating from motorway service areas and petrol filling stations headquartered in Dublin, Ireland. Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM has been identified as the Board of Executive Directors.

The board considers the business from both a geographic and product perspective. Geographically, management considers the performance in Ireland, the UK and the USA. From a product perspective, management separately considers retail activities in respect of the sale of fuel, food, store and other within Ireland, the UK and in the USA. Other primarily relates to income arising from the operation of hotels and gaming machines in the UK sites.

The Group is organised into the following operating segments:

Retail Ireland – Involves the sale of fuel, food and store within the Republic of Ireland.

Retail UK – Involves the sale of fuel, food and store along with hotel related revenue, gaming machines and other retail revenues within the United Kingdom.

Retail USA – Involves the sale of fuel, food and store within the United States of America.

The CODM monitors Revenue and Gross Profit of segments separately in order to allocate resources between segments and to assess performance.

Information regarding the results of each reportable segment is included within this note. Segment performance measures are revenue and gross profit as included in the internal management reports that are reviewed by the executive directors. These measures are used to monitor performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. The CODM also reviews adjusted EBITDA on a consolidated basis. Assets and liabilities are reviewed by the CODM for the Group in its entirety and as such segment information is not provided for these items.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

5. SEGMENTAL ANALYSIS AND REVENUE INFORMATION (CONTINUED)

The below Revenue, split by product type and region, has been recognised at a point in time.

Analysis of Revenue and Gross Profit

	IRL €000	UK €000	USA €000	Total €000
2018				
Revenue				
Fuel	649,453	733,184	189,478	1,572,115
Food	84,425	54,987	22,607	162,019
Store	135,298	85,442	48,167	268,907
Other	-	9,517	-	9,517
	869,176	**883,130**	**260,252**	**2,012,558**
Gross Profit				
Fuel	45,872	32,561	17,611	96,044
Food	51,518	31,697	13,026	96,241
Store	38,415	30,364	13,735	82,514
Other	-	7,480	-	7,480
	135,805	**102,102**	**44,372**	**282,279**
2017				
Revenue (restated)				
Fuel	581,617	500,578	62,973	1,145,168
Food	76,590	21,305	5,782	103,677
Store	120,515	47,288	11,468	179,271
Other	-	-	-	-
	778,722	**569,171**	**80,223**	**1,428,116**
Gross Profit (restated)				
Fuel	39,227	22,184	6,674	68,085
Food	46,699	10,677	3,467	60,843
Store	34,500	14,460	3,833	52,793
Other	-	-	-	-
	120,426	**47,321**	**13,974**	**181,721**

At 01 January 2018, the Group updated its cost allocation model in relation to its Irish distribution centre. Therefore, in order to show a true comparison, the 2017 figures have been reclassified in line with the updated methodology. This has not affected revenue but has reclassed the gross profit by €1.8 million from Store into Food within Ireland and UK.

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

5. SEGMENTAL ANALYSIS AND REVENUE INFORMATION (CONTINUED)

The total of non-current assets, other than financial instruments and deferred tax assets, by region is as follows:

	2018 €000	2017 €000
Ireland	219,442	192,128
UK	828,965	111,464
USA	28,705	13,132
	1,077,112	**316,724**

Reconciliation of profit before income tax to earnings before interest, tax, depreciation and amortisation (EBITDA), share based payments and other non-recurring charges (Adjusted EBITDA)

	Notes	Year to 31 December 2018 €000	Year to 31 December 2017 €000
Profit before income tax		**15,359**	**21,967**
Depreciation	8	21,580	13,661
Amortisation	8	1,600	442
Net impairment charge	8	1,325	-
Net finance cost	10	8,595	1,074
EBITDA		**48,459**	**37,144**
Share based payments	8	1,077	1,630
Non-recurring charges	8	8,534	1,005
Adjusted EBITDA		**58,070**	**39,779**

Assets and liabilities related to contracts with customers

The Group has recognised the following revenue-related liabilities:

	2018 €000	2017 €000
Contract liabilities - customer loyalty programme	250	658
Total contract liabilities	**250**	**658**

The decrease in the above balance was driven by continued rewards offered during the year compared with the traditional vouchers issued at Christmas in 2017. The amount of revenue recognised in relation to the loyalty programme amounted to €0.4 million.

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

6. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

Basic earnings per share	Year to 31 December 2018	Year to 31 December 2017
Profit from continuing operations attributable to the owners of the Company (€'000)	13,272	18,656
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	97,038	83,000
Earnings per share – Basic (cent)	**13.68**	**22.48**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares which comprise share options issued under the share incentive plan. For the share options, a calculation is performed to determine the number of shares that could have been acquired at fair value based on the monetary value of the outstanding share options at the exercise price. Where the number of shares calculated above is less than the number of outstanding options this difference represents dilutive share options and is added to the weighted average number of ordinary shares used for calculating basic earnings per share in order to calculate the weighted average number of ordinary shares for the purpose of the diluted earnings per share.

Diluted earnings per share	Year to 31 December 2018	Year to 31 December 2017
Profit from continuing operations attributable to the owners of the Company (€'000)	13,272	18,656
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	97,038	83,000
Adjusted for:		
Share options ('000)	1,445	3,060
Weighted average number of ordinary shares for diluted earnings per share ('000)	98,483	86,060
Earnings per share – Diluted (cent)	**13.48**	**21.68**

7. OTHER OPERATING INCOME

	Year to 31 December 2018 €000	Year to 31 December 2017 €000
Rental income – operating lease	2,373	1,220
Commission from operation of automated teller machines	344	394
Other operating income	2,272	550
	4,989	2,164

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

8. EXPENSES

Profit before tax is stated after charging/(crediting):

	Year to 31 December 2018 €000	Year to 31 December 2017 €000
Cost of inventory recognised as expense	1,699,237	1,220,265
Other external charges	31,042	26,130
Employee benefits (note 9)	119,670	78,244
Share based payment charge (1)	1,077	1,630
Operating lease charges (2)	32,917	18,309
Amortisation of intangible assets	1,600	442
Depreciation of property, plant and equipment	21,580	13,661
Net foreign exchange gain	(51)	(268)
Auditors remuneration (3)	1,780	745
Net impairment charge (note 14)	1,325	-
Loss on disposal of assets	70	812
Utilities	11,581	6,794
Rates	9,844	5,617
Non-recurring charges (4)	8,534	1,005
Other operating charges	53,387	33,853
	1,993,593	**1,407,239**

(1) Included in the charge of €1 million (2017: €1.6 million) for share based payments is a charge of €0.2 million (2017: €0.3 million) in respect of share options granted during the year under a new share option scheme.

(2) Operating lease rentals are split as follows:

	Year to 31 December 2018 €000	Year to 31 December 2017 €000
Land and buildings	32,509	18,168
Motor vehicles	408	141
	32,917	**18,309**

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

8. EXPENSES (CONTINUED)

(3) The Group obtained the following services from the Group's auditors at cost as detailed below:

	Year to 31 December 2018 €000	Year to 31 December 2017 €000
Audit of the Group financial statements	150	120
Audit of subsidiaries	555	205
Other audit related services	15	15
Total audit and audit related fees	720	340
Tax compliance and advisory services	426	97
Other non-audit services	634	308
	1,780	**745**

(4) Non-recurring charges primarily relate to business combination acquisition costs and costs incurred in relation to the upgrade of our financial ERP system.

9. EMPLOYEE BENEFITS

	Year to 31 December 2018 €000	Year to 31 December 2017 €000
Wages and salaries	109,295	71,181
Social security costs	9,436	6,431
Defined contribution plan expense (note 30)	939	632
Share based payments (note 31)	1,077	1,630
Total employee benefit expense	**120,747**	**79,874**

Total charge analysed between:

	Year to 31 December 2018 €000	Year to 31 December 2017 €000
Selling and distribution costs	98,381	65,809
Administrative expenses	22,366	14,065
	120,747	**79,874**

Capitalised employee costs during the financial year amounted to €2.1 million (2017: €0.9 million).

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

9. EMPLOYEE BENEFITS (CONTINUED)

The average number of persons (excluding directors) employed directly by the Group was:

	Year to 31 December 2018 Number	Year to 31 December 2017 Number
Retail	5,616	3,588
Administration	282	197
	5,898	**3,785**

Directors' remuneration is disclosed below:

	Year to 31 December 2018 €000	Year to 31 December 2017 €000
Directors' emoluments	1,652	1,107
Post-employment benefits	56	32
Termination benefits	-	445
	1,708	**1,584**

Further details are shown in the Remuneration Committee Report on page 85.

10. FINANCE COSTS AND INCOME

	Year to 31 December 2018 €000	Year to 31 December 2017 €000
Finance costs		
Bank loans and overdrafts [1]	7,893	1,718
Foreign exchange gain on foreign borrowings	(572)	(345)
Lease finance charges and hire purchase interest	527	319
Borrowing costs capitalised	(310)	(198)
Interest cost on employee benefit obligation	192	-
Eurobonds interest	1,165	-
	8,895	**1,494**
Finance income		
Interest income on loans to joint ventures	(300)	(416)
Interest income on loans to staff	-	(4)
	(300)	**(420)**
Net finance cost	**8,595**	**1,074**

[1] Included in bank loans and overdrafts is €0.9 million relating to early repayment of borrowings arising from the gain on transition to IFRS 9. See note 4 for details.

The capitalisation rate used to determine the amount of the applicable borrowing costs to be capitalised was 2.35% (2017: 2.05%).

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

11. TAXATION

	Year to 31 December 2018 €000	Year to 31 December 2017 €000
Current tax		
Current tax expense – Ireland	1,158	1,232
Current tax expense – overseas	1,450	1,234
Adjustments in respect of previous periods	(304)	(220)
Total current tax	**2,304**	**2,246**
Deferred tax		
Origination and reversal of temporary differences	905	1,065
Total deferred tax	**905**	**1,065**
Total tax	**3,209**	**3,311**

The total tax expense can be reconciled to accounting profit as follows:

	Year to 31 December 2018 €000	Year to 31 December 2017 €000
Profit before tax from continuing operations	**15,359**	**21,967**
Income tax at 12.5%	1,920	2,746
Non tax deductible expenses	2,882	1,786
Net effect of differing tax rates	(1,159)	(1,001)
Tax losses carried forward	(130)	-
Adjustments in respect of previous periods	(304)	(220)
Total tax expense	**3,209**	**3,311**

In the current year, non-taxable income and income taxed at higher rates have been merged to enhance the presentation. The 2017 figures have been reclassified in line with the updated presentation.

Factors affecting the tax charge in future years

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 07 September 2016). These include reductions to the main rate to reduce the rate to 19% from 01 April 2017 and to 17% from 01 April 2020. Deferred taxes at the Statement of Financial Position date have been measured using these enacted tax rates and reflected in these financial statements.

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

11. TAXATION (CONTINUED)

Deferred income tax:

The following is an analysis of the movement in the major categories of deferred tax liabilities/(assets) recognised by the Group for the year ended 31 December 2017:

	Property, plant and equipment €000	Intangibles €000	Tax losses and credits €000	Share based payments €000	Short term temporary and other differences €000	Total €000
At 01 January 2017	**2,327**	**-**	**(244)**	**(1,242)**	**179**	**1,020**
Consolidated income statement	1,532	-	(256)	(219)	8	1,065
Share based payments reserve	-	-	-	(1,202)	-	(1,202)
Acquisitions (note 26)	119	1,189	-	-	-	1,308
Translation adjustment and other	(52)	(14)	-	11	-	(55)
At 31 December 2017	**3,926**	**1,175**	**(500)**	**(2,652)**	**187**	**2,136**
Analysed as follows:						
Deferred tax asset	(2,553)	-	(500)	(2,652)	(13)	(5,718)
Deferred tax liability	6,479	1,175	-	-	200	7,854
	3,926	**1,175**	**(500)**	**(2,652)**	**187**	**2,136**

The following is an analysis of the movement in the major categories of deferred tax liabilities/(assets) recognised by the Group for the year ended 31 December 2018:

	Property, plant and equipment €000	Intangibles €000	Tax losses and credits €000	Share based payments €000	Short term temporary and other differences €000	Total €000
At 01 January 2018 (as previously reported)	**3,926**	**1,175**	**(500)**	**(2,652)**	**187**	**2,136**
Adjustment from adoption of IFRS 9 (note 4)	-	-	-	-	(393)	(393)
Adjusted balance at 01 January 2018	**3,926**	**1,175**	**(500)**	**(2,652)**	**(206)**	**1,743**
Consolidated income statement	916	(9)	-	(67)	65	905
Cash flow reserve	-	-	-	-	(112)	(112)
Share based payments reserve	-	-	-	(534)	-	(534)
Defined benefit pension obligations	-	-	-	-	(19)	(19)
Acquisitions (note 26)	15,413	5,019	-	-	192	20,624
Translation adjustment and other	(190)	(65)	-	2	(2)	(255)
At 31 December 2018	**20,065**	**6,120**	**(500)**	**(3,251)**	**(82)**	**22,352**
Analysed as follows:						
Deferred tax asset	(11,888)	(892)	(500)	(3,251)	(395)	(16,926)
Deferred tax liability	31,953	7,012	-	-	313	39,278
	20,065	**6,120**	**(500)**	**(3,251)**	**(82)**	**22,352**

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

11. TAXATION (CONTINUED)

Of the €22.4 million net deferred tax liability at 31 December 2018, the majority of this is expected to reverse after more than twelve months.

Deferred income tax assets are recognised for tax losses carry-forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

The Group has only recognised deferred tax assets in relation to impairments up to the value that offsets the value of recognised deferred tax liabilities on the revaluation of land. Within the Group there are impairments of land of €5.2 million (2017: €7.1 million) which would result in deferred tax assets of €1.7 million (2017: €2.3 million) which have not been recognised.

12. INTANGIBLE ASSETS

Cost	Goodwill €000	Branding €000	Operating agreements €000	Franchises €000	Licences €000	Favourable contracts €000	Assets under construction €000	Total €000
At 01 January 2017	-	-	518	1,157	1,513	-	512	3,700
Additions	-	-	79	516	272	-	4,902	5,769
Acquisitions (note 26)	3,736	455	-	4,202	-	-	-	8,393
Disposals	-	-	-	(94)	(173)	-	-	(267)
Translation adjustment	(45)	(26)	-	(260)	(5)	-	-	(336)
At 31 December 2017	3,691	429	597	5,521	1,607	-	5,414	17,259
Amortisation								
At 01 January 2017	-	-	98	229	616	-	-	943
Disposals	-	-	-	(94)	(173)	-	-	(267)
Amortisation charge	-	23	106	157	156	-	-	442
Translation adjustment	-	(2)	-	(6)	(1)	-	-	(9)
At 31 December 2017	-	21	204	286	598	-	-	1,109
Net book value								
31 December 2017	3,691	408	393	5,235	1,009	-	5,414	16,150
01 January 2017	-	-	420	928	897	-	512	2,757

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

12. INTANGIBLE ASSETS (CONTINUED)

Cost	Goodwill €000	Branding €000	Operating agreements €000	Franchises €000	Licences €000	Favourable contracts €000	Assets under construction €000	Total €000
At 01 January 2018	**3,691**	**429**	**597**	**5,521**	**1,607**	**-**	**5,414**	**17,259**
Additions	-	-	548	2,635	322	-	9,212	12,717
Acquisitions (note 26)	435,610	12,546	-	-	-	22,280	-	470,436
Disposals	-	-	-	(5)	(151)	-	-	(156)
Translation adjustment	(4,813)	(130)	-	257	-	(232)	-	(4,918)
At 31 December 2018	**434,488**	**12,845**	**1,145**	**8,408**	**1,778**	**22,048**	**14,626**	**495,338**
Amortisation								
At 01 January 2018	**-**	**21**	**204**	**286**	**598**	**-**	**-**	**1,109**
Disposals	-	-	-	-	(151)	-	-	(151)
Amortisation charge	-	318	174	563	167	378	-	1,600
Impairment charge	-	-	-	17	-	-	-	17
Translation adjustment	-	-	-	11	-	-	-	11
At 31 December 2018	**-**	**339**	**378**	**877**	**614**	**378**	**-**	**2,586**
Net book value								
31 December 2018	**434,488**	**12,506**	**767**	**7,531**	**1,164**	**21,670**	**14,626**	**492,752**
01 January 2018	**3,691**	**408**	**393**	**5,235**	**1,009**	**-**	**5,414**	**16,150**

Assets under construction

Assets under construction as at 31 December 2018 relate to development costs incurred in the upgrade of the Group's financial ERP system.

Amortisation charge

The amortisation charge has been split between administration expenses of €7,000 (2017: €17,000) and selling and distribution costs of €1,593,000 (2017: €425,000).

Capitalised Interest

Interest capitalised on qualifying assets during the year amounted to €221,000 using an average rate of 2.35% (2017: €55,000 using an average rate of 2.05%).

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

13. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings €000	Plant and equipment €000	Fixtures, fittings and motor vehicles €000	Computer hardware and software €000	Assets under construction €000	Total €000
Cost						
At 01 January 2017	**166,416**	**16,299**	**69,316**	**10,723**	**17,644**	**280,398**
Additions	30,090	14,864	19,319	2,153	9,594	76,020
Acquisitions (note 26)	19,568	2,258	963	71	-	22,860
Disposals	(919)	(448)	(8,804)	(1,913)	(733)	(12,817)
Reclassifications	7,532	297	1,064	209	(9,102)	-
Translation adjustment	(2,574)	(381)	(943)	(90)	(302)	(4,290)
At 31 December 2017	**220,113**	**32,889**	**80,915**	**11,153**	**17,101**	**362,171**
Depreciation/impairment						
At 01 January 2017	**32,490**	**2,743**	**21,510**	**4,429**	**-**	**61,172**
Charge for the year	2,913	1,272	7,428	2,048	-	13,661
Disposals	(866)	(404)	(8,610)	(1,890)	-	(11,770)
Translation adjustment	(218)	(26)	(186)	(36)	-	(466)
At 31 December 2017	**34,319**	**3,585**	**20,142**	**4,551**	**-**	**62,597**
Net book value						
31 December 2017	**185,794**	**29,304**	**60,773**	**6,602**	**17,101**	**299,574**
01 January 2017	**133,926**	**13,556**	**47,806**	**6,294**	**17,644**	**219,226**

Included in additions is the purchase of a 50% interest in a Dublin port fuel terminal for a total consideration of €16.2 million. The Group has a joint arrangement with Valero Energy (Ireland) Limited in the operation of this terminal.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and buildings €000	Plant and equipment €000	Fixtures, fittings and motor vehicles €000	Computer hardware and software €000	Assets under construction €000	Total €000
Cost						
At 01 January 2018	**220,113**	**32,889**	**80,915**	**11,153**	**17,101**	**362,171**
Additions	24,776	10,664	16,762	2,648	2,798	57,648
Acquisitions (note 26)	200,127	27,425	21,662	3,498	-	252,712
Disposals	(238)	(226)	(2,604)	(247)	(18)	(3,333)
Reclassifications	5,464	108	(98)	253	(5,727)	-
Translation adjustment	(2,451)	(244)	(415)	(55)	91	(3,074)
At 31 December 2018	**447,791**	**70,616**	**116,222**	**17,250**	**14,245**	**666,124**
Depreciation/impairment						
At 01 January 2018	**34,319**	**3,585**	**20,142**	**4,551**	**-**	**62,597**
Charge for the year	6,815	2,727	9,485	2,553	-	21,580
Disposals	(120)	(121)	(2,047)	(234)	-	(2,522)
Impairment charge	2,958	118	1,822	46	114	5,058
Impairment reversal	(3,750)	-	-	-	-	(3,750)
Translation adjustment	(101)	(1)	(84)	(13)	-	(199)
At 31 December 2018	**40,121**	**6,308**	**29,318**	**6,903**	**114**	**82,764**
Net book value						
31 December 2018	**407,670**	**64,308**	**86,904**	**10,347**	**14,131**	**583,360**
01 January 2018	**185,794**	**29,304**	**60,773**	**6,602**	**17,101**	**299,574**

Depreciation charge

The depreciation charge has been split between administration expenses of €1.6 million (2017: €1.4 million) and selling and distribution costs of €20 million (2017: €12.3 million).

Assets under construction

Assets under construction as at 31 December 2018 includes the following significant projects; eight service stations in the Republic of Ireland (€8.9 million), one motorway services area in Northern Ireland (€0.7 million) and one service station in the US (€0.9 million). The remaining amounts relate to several other developments across all region.

Capital expenditure commitments

The Group has commitments of €2.7 million (2017: €1.3 million) for capital expenditure on property, plant and equipment at the financial year end contracted for but for which no provision has been made.

Capitalised Interest

Interest capitalised on qualifying assets during the year amounted to €89,000 using an average rate of 2.35% (2017: €143,000 using an average rate of 2.05%).

Assets pledged as security

Assets with a carrying value of €2.0 million (2017: €2.6 million) have been pledged as security to the Group's leasing providers. The Group was not permitted to pledge these assets as security for other borrowings or sell these assets to another entity without the prior consent of the Group's lenders.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Assets held under finance leases

	Year ended 31 December 2018			Year ended 31 December 2017		
	Cost €000	NBV €000	Depreciation charge €000	Cost €000	NBV €000	Depreciation charge €000
Land and buildings	9,780	7,989	12,586	1,783	1,506	40
Plant and equipment	646	465	32	646	498	32
Fixtures and fittings	3,066	1,150	384	3,066	1,637	311
Computer hardware	1,097	364	184	1,062	507	208
	14,589	**9,968**	**13,186**	**6,557**	**4,148**	**591**

The Group leases various assets under non-cancellable finance lease agreements. The lease terms are between 3 and 101 years.

14. IMPAIRMENT

The Group operates a number of service station sites in Ireland, the UK and the USA. The Group considers each individual site as a cash generating unit (CGU) for the purpose of impairment assessment in accordance with IAS 36 'Impairment of assets'. Impairment assessments are conducted at this level when indicators of impairment are considered to exist. The recoverable amounts of sites that are assessed for impairment have been determined based on the higher of value-in-use methodology or fair value less costs of disposal.

In 2018, an impairment charge of €5.1 million was recognised in the Consolidated Income Statement within selling and distribution costs. The impairment charge relates to a number of service stations in Ireland and the UK and a development site in Ireland. Impairment indicators were identified when these 14 service stations failed to meet profitability expectations and the impairment charge arises from lower forecasts for profitability in respect of these sites as a result of trading conditions. The development site was identified as impaired due to the fair value being less than the carrying value. The recoverable amount of these sites was €12.9 million of which €1.6 million was determined on a value in use basis and €11.3 million was determined on a fair value less costs of disposal basis. There was no impairment charge recorded in 2017.

Value in use

	31 December 2018		31 December 2017	
	Ireland €000	UK €000	Ireland €000	UK €000
Value in use	18	1,598	-	-
Carrying value	(1,022)	(3,929)	-	-
Impairment charge	**(1,004)**	**(2,331)**	-	-

Significant assumptions used in the value in use assessments are summarised below:

	31 December 2018		31 December 2017	
	Ireland	UK	Ireland	UK
Discount rate	7.66%	7.61%	7.61%	7.68%
Long term growth rate	2%	2%	2%	2%
Market risk free rate	0.91%	1.27%	0.71%	1.19%

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

14. IMPAIRMENT (CONTINUED)

Cash flows used in the value in use assessment are calculated based on management's best estimate of pre-tax cash flow for each individual site for 2019 and forecasted thereafter over the remaining useful life of the assets in the site using long term growth rates. Cash flows used in the value in use assessment also include capital maintenance expenditure required to maintain the site assets in their current condition.

The above assumptions are subject to sensitivity analysis and the impairment review performed is predominantly dependent upon the judgements used in arriving at the future growth rates and the discount rates used in the cash flow projections. Cash flow projections have been performed over the remaining life of each cash generating unit (maximum 50 years).

The impact on the impairment charge of applying a 10% reduction to the long term growth rate would increase the impairment charge by €0.1 million (2017: an impairment charge of €1.4 million). The impact of a 5% increase in the discount rate would increase the impairment charge by €0.2 million (2017: an impairment charge of €1.6 million). The impact of a 10% reduction in pre-tax cash flow would increase the impairment charge by €1.9 million (2017: an impairment charge of €1.2 million).

Fair value less costs of disposal

	31 December 2018		31 December 2017	
	Ireland	UK	Ireland	UK
	€000	€000	€000	€000
Fair value less cost of disposal	6,450	4,838	-	-
Carrying value	(7,050)	(5,979)	-	-
Impairment charge	**(600)**	**(1,141)**	**-**	**-**

The recoverable amount of certain sites were assessed for impairment based on fair value less costs of disposal. The valuation is consistent with external sources of information. An independent valuation of this site was performed by valuers to determine the fair value as at 31 December 2018. An impairment charge of €1.7 million was recognised in respect of these sites.

The fair value measurement of each of these sites is categorised within level 3 of the fair value hierarchy of IFRS 13 'Fair Value Measurement' and is based on inputs, other than quoted prices, that are observable for the asset either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 fair values of sites are derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity to the Group's sites are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot based on market value.

Impairment reversals

Management performs a review in respect of sites that had previously been impaired for indicators of improved performance at each reporting period. Performance is deemed to have improved if positive profitability trends are present for a period of three consecutive years. In 2018, impairment reversals of €3.9 million were identified due to improved performance for which a value in use assessment was performed. This improvement in trading conditions are expected to be maintained. After adjusting for the impact of depreciation
of €0.1 million, an impairment reversal of €3.8 million was recorded in selling and distribution costs in the Consolidated Income Statement in 2018. There were no impairment reversals in 2017.

Impairment of goodwill

Goodwill arising on business combinations is not amortised but is reviewed for impairment on an annual basis, or more frequently if there are indications that goodwill may be impaired. Goodwill arising as part of a business combination is allocated to groups of CGUs for the purpose of impairment testing. These groups of CGUs represent the lowest level at which the goodwill is monitored for internal management purposes and are not larger than the operating segments determined in accordance with IFRS 8, Operating Segments.

A total of two groups of CGUs have been identified. These are the goodwill associated with i) the Welcome Break group acquisition (See note 26 for details) and ii) the seven Carsley sites that were acquired during 2017. Of the two groups of CGUs, Welcome Break accounts for 99% of the total carrying amount of goodwill, with the remaining amount regarded as not being significant.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

14. IMPAIRMENT (CONTINUED)

Impairment testing methodology and results

The recoverable amount of the CGU is determined based on value-in-use calculations similar to the above. The cash flow forecasts for the purposes of these calculations are based on a 5-year plan. Cash flows used in the value in use assessment are calculated based on management's best estimate of pre-tax cash flow (based on forecasted EBITDA) for the CGU for 2019 to 2023 and then a growth rate of 2% thereafter until 2033. The Group believes that 15 years are appropriate due to the nature of the business that the Group operate and the lives of the assets.

Forecasted EBITDA has been derived through a combination of internal and external factors based on historical experience which were assessed as part of the acquisition process.

Key assumptions included management's estimates of future profitability, replacement capital expenditure requirements, growth rate and discount rate.

Using a discount rate of 7.61%, this gives a value-in-use which is significantly in excess of the carry value of goodwill.

The below table identifies the amounts by which the key assumptions must change in order for the recoverable amount to be equal to the carrying amount of the CGU:

	2018 %
Increase in discount rate (percentage points)	12.7
Reduction in EBITDA	48.3

15. INVESTMENT IN JOINT VENTURE

Company	Investment held by	Principal activity	Country of incorporation	% equity held 2018	% equity held 2017
SuperStop Limited	SuperStop Holdings Limited	Operation of Motorway Service areas	Republic of Ireland	50	50

Superstop Limited was established as part of a joint consortium with Petrogas Group Limited, Tedcastles Oil Products Limited and Pierse Contracting Limited. The consortium was awarded the public-private partnership contract to design, build, maintain and operate six motorway service areas by Transport Infrastructure Ireland (TII). This investment was treated as an associate in the Group financial statements. These six motorway service areas are operated by the Group with a fee paid to the TII based on a percentage of revenue. All other revenue and costs are attributable to the Group and are reflected in the Consolidated Income Statement.

During 2017, Petrogas Group Limited and Tedcastles Oil Products Limited purchased Pierse Contracting Limited's shareholding. This investment increased the Group share to 50% and therefore is now being treated as a joint venture in the Group financial statements using the existing equity method of accounting. The Company is a private entity which is not listed on any public exchange and, therefore, there is no published quotation price for the fair value of this investment.

The following table provides summarised information on the Group's investment in the undertaking:

	2018 €000	2017 €000
Investment in joint venture – unquoted		
At 01 January	3,135	2,135
Acquisition of long term loan notes	-	1,000
At 31 December	3,135	3,135
Share of losses retained by joint venture		
At 01 January	(2,135)	(2,135)
Share of loss for the year	-	-
At 31 December	(2,135)	(2,135)
Net investment in joint venture	1,000	1,000

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

15. INVESTMENT IN JOINT VENTURE (CONTINUED)

The Group ceased to recognise its share of losses in Superstop Limited during 2012 as the Group's share of losses reached the carrying value of the Group's interest in the joint venture (including long term interests of €2.1 million).

The Group's share of unrecognised losses amounts to €2.3 million (2017: €2.6 million).

16. INVENTORIES

	2018 €000	2017 €000
Raw materials and consumables	4,165	1,203
Finished goods	53,210	34,025
	57,375	**35,228**

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to €1.7 billion (2017: €1.2 billion).

17. TRADE AND OTHER RECEIVABLES

	2018 €000	2017 €000
Current		
Trade receivables	20,291	9,485
Provision for impairment	(1,011)	(242)
Deposits received from customers	(105)	(83)
Net trade receivables	**19,175**	**9,160**
Accrued income	7,240	3,740
Prepayments	18,310	4,846
Other debtors	7,093	2,980
Withholding tax receivable	24	24
VAT receivable	5,727	11
Amounts due from related companies (note 29)	118	2,410
	57,687	**23,171**
Non-current		
Other debtors	463	422
	463	**422**

Current trade and other receivables are non-interest bearing and are generally less than 30 day credit terms. Non-current debtors relates to loans advanced to our dealer network and are denominated in Euro. The fair values of non-current trade and other receivables approximates to their carrying value. The fair value has been determined on the basis of discounted cash flows.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2018 €000	2017 €000
Euro	14,085	14,073
UK Pound Sterling	39,915	6,782
US Dollar	3,687	2,316
	57,687	**23,171**

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

The ageing analysis of gross trade receivables based on invoice date is as follows:

	2018 €000	2017 €000
Amounts falling due within one year:		
Less than 1 month	13,237	6,641
Greater than 1 month but less than 2 months	5,598	2,007
Greater than 2 months but less than 3 months	765	200
3 months or greater	691	637
	20,291	**9,485**

As of 31 December 2018, trade receivables of €6 million (2017: €2.6 million) were past due. The ageing analysis of these trade receivables based on invoice date is as follows:

	2018 €000	2017 €000
Duration overdue		
Less than 1 month	5,455	2,007
Greater than 1 month but less than 2 months	474	156
Greater than 2 months but less than 6 months	114	402
6 months or greater	-	37
	6,043	**2,602**

Impairment losses

As of 31 December 2018, trade receivables of €1 million (2017: €0.2 million) were determined to be impaired. In the prior year, the impairment of trade receivables was assessed based on the incurred loss model under IAS 39. Receivable balances were monitored and reviewed for indicators of impairment at each reporting date. This mainly related to individually impaired receivables of customers that were in difficult economic situations.

In the current year, the Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permit the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the historical payment profiles of sales and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors if there is evidence to suggest that these factors affect the ability of the customer to settle the receivables.

Comparative amounts for 2017 were determined under IAS 39.

	2018 €000	2017 €000
At 01 January	**242**	**265**
Adjustment from adoption of IFRS 9 (note 4)	618	-
Adjusted balance at 01 January	**860**	**265**
Additional provisions	325	200
Unused amounts reversed	(174)	(223)
At 31 December	**1,011**	**242**

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

The ageing of these receivables based on invoice date is as follows:

	2018 €000	2017 €000
Duration overdue		
Less than 1 month	143	-
Greater than 1 month but less than 2 months	291	44
Greater than 2 months but less than 6 months	233	98
6 months or greater	344	100
	1,011	**242**

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are included in the Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows and, are analysed as follows:

	2018 €000	2017 €000
Cash at bank	97,161	40,815
Cash in transit	24,820	16,667
Cash and cash equivalents (excluding bank overdrafts)	**121,981**	**57,482**

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	2018 €000	2017 €000
Cash and cash equivalents	121,981	57,482
Bank overdrafts (note 19)	(463)	-
	121,518	**57,482**

Non-cash transactions

The Group acquired a 50.01% shareholding in Appia Group Limited. To facilitate the purchase of this, Applegreen acquired a 55.02% majority stake in Welcome Break from NIBC Infrastructure Fund for €360.5 million. The Group then sold an 8.6% shareholding in Welcome Break to AIP, the sole other current shareholder of Welcome Break for €56.5 million.

The Group then transferred some of its existing UK MSA and TRSA assets, as well as development pipeline assets to Welcome Break for €135 million in exchange for shares. Subsequent to the above transactions, the Group hold 50.01% of the equity in Appia Group Limited.

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

19. BORROWINGS

	2018 €000	2017 €000
Current		
Bank overdrafts	463	-
Bank loans	5,869	3,820
Finance leases	252	725
	6,584	**4,545**
Non-current		
Bank loans	600,761	60,615
Finance leases	21,540	2,517
Eurobonds	79,549	-
	701,850	**63,132**
Total borrowings	**708,434**	**67,677**

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	2018 €000	2017 €000
Euro	103,012	56,688
UK Pound Sterling	605,422	10,989
	708,434	**67,677**

Eurobonds

Eurobonds are unsecured loans that are required to be held by the shareholders in Welcome Break in the same proportion to their respective shareholdings in the Welcome Break Group as per the share purchase agreement executed on the 31 October 2018. Eurobonds (unsecured 14% fixed rate notes) comprise an aggregate principal amount of £81 million issued on 28 March 2008 and further loan notes issued bi annually from 31 July 2008 to 31 July 2017 inclusive under the terms of the loan. The loan notes mature on 31 March 2021.

Maturity profile of bank loans

	2018 €000	2017 €000
Within one year	8,094	3,820
Between one and two years	17,032	4,203
Between two and five years	581,504	56,412
	606,630	**64,435**

The value of committed undrawn bank facilities at 31 December 2018 was €87.5 million (2017: €20 million). The carrying amounts of the current and non-current borrowings equate to their fair value as the borrowings incur interest charges based on variable rates reflected in the Consolidated Income Statement using the effective interest rate method. There has been limited change in credit or other risk characteristics of the Group since the debt was originally drawn down by the Group. The fair value has been determined on the basis of discounted cash flows.

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

19. BORROWINGS (CONTINUED)
Bank overdrafts
Bank overdrafts are short term financing and are repayable on demand. At 31 December 2018, the Group had access to overdraft facilities totalling €10 million and £1.7 million.

Analysis of total borrowings (net of unamortised issue costs)

	2018 €000	2017 €000
Senior debt facility 2013 [1]	-	64,435
Senior debt facility 2018 [2]	211,223	-
Senior debt facility [3] *	357,972	-
Junior debt facility [3] *	29,192	-
Other loans [3] *	8,243	-
	606,630	**64,435**

* These loans were acquired as part of the Welcome Break business combination. See note 26 for details of this transaction.

[1] As part of the Group refinancing that occurred during 2013, long term loan finance was obtained from Ulster Bank Ireland and Allied Irish Bank plc. Finance totalling €32 million and £8.5 million was obtained with all loan facilities due to mature in 2019.

In March 2015, the Group extended its banking arrangements with its senior lenders, Ulster Bank Ireland and Allied Irish Bank plc. This arrangements extended the maturity of the Group's debt and made additional facilities available to the Group. Finance totalling €62.4 million and £9.7 million was obtained, with all loan facilities due to mature in March 2020. In August 2017, the Group secured
an increase to its revolving credit facilities of €20 million, also due to mature in March 2020.

On 31 October 2018, all amounts due under this facility were repaid in full and cancelled. This included the write off of the gain recognised on transition to IFRS 9 in relation to debt modification that occurred during 2015. See note 4 for details.

[2] In August 2018, the Group entered into a new €300 million Facilities Agreement. The syndicated multicurrency lending arrangements include a €150 million Term Facility and a €150 million Revolving Credit Facility, each of which mature in August 2023. Commitments made by senior lenders in respect of Ancillary Facilities (including bank overdrafts noted above) are offset against the Revolving Credit Facility.

In addition to the €300 million facilities noted, there is provision for a further increase to commitments of €75 million in future upon the satisfaction of certain criteria.

All facilities are on floating rate terms based on Euribor for loans denominated in Euro and Libor for loans denominated in Pound Sterling.

This loan stated net of unamortised issue costs of €7.8 million (2017: €0.5 million). These issue costs were incurred in respect of the senior debt facilities and any subsequent amendments thereto. These costs together with the interest expense are allocated to the Consolidated Income Statement over the term of the facility using the effective interest rate method.

As security for loans advanced by the senior lenders, the following charges have been granted:

(i) Debenture or equivalent over all material group subsidiaries; and

(ii) Fixed charge on shares in all material subsidiaries.

In addition, joint and several guarantees of the obligations of the borrower by Applegreen plc and several other 100% owned group companies have been granted.

[3] As part of the Welcome Break acquisition, the Group acquired a number of loans which included senior debt, junior debt and other loans.

The senior debt facility was entered into on 30 January 2017 for 5 years for £300 million, a £30 million capital facility, £10 million working capital facility and £50 million uncommitted incremental capital facility.

The interest rate on the senior facility is at LIBOR plus 2.75% in years 1 and 2, 3.0% in year 3, 3.25% in year 4 and 3.5% in the final year. Interest is paid quarterly in arrears in cash. The debt is subject to excess cash flow arrangements from the third anniversary of the loan (rising from 25% in the first half year to 100% in the final half year of the five-year term).

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

19. BORROWINGS (CONTINUED)

The issue costs for the senior loan totalled €10.2 million and are being amortised over the term of the loan. In presenting the borrowings the loan and issue costs have been offset. The unamortised amount of these costs was €6 million. The bank loans are secured by way of fixed and floating charges over the assets of Welcome Break Holdings (1) Limited, Welcome Break Group Limited, Welcome Break Limited and Motorway Services Limited.

The junior facility is a 6-year £100 million junior debt facility which commenced on 30 January 2017. The interest rate on this facility is at LIBOR plus 8.0%. Interest is paid quarterly in arrears in cash. The junior debt is repayable in full on maturity.

Welcome Break No. 1 Limited has guaranteed the obligations of itself and Welcome Break No. 2 Limited under the junior loan obtained by Welcome Break No. 1 Limited which are secured by fixed and floating charges over its assets.

Other loans relate to a £7.7 million loan taken out for the redevelopment of Sarn Park. This loan matures on 22 October 2065.

The Welcome Break debt facilities are non-recourse to Applegreen plc.

20. TRADE AND OTHER PAYABLES

	2018 €000	2017 €000
Current		
Trade payables and accruals *	245,704	163,427
Other creditors	8,678	3,121
Deferred income	2,086	824
Value added tax payable	16,147	2,637
Other taxation and social security	9,811	3,140
Amounts due to related parties (note 29)	285	359
	282,711	**173,508**
Non-current		
Other creditors	7,733	-
Deferred income	6,275	5,534
	14,008	**5,534**

*The prior year number has been updated due to the reassessment of certain accruals. In 2018, the self-insurance costs due to their size have been treated asa provision rather than an accrual. Therefore, €1.4 million has been moved out of trade payables and accruals and into a separate provisions note. See note 21 for details.

Trade and other payables are non-interest bearing and are generally on 30 day credit terms. The fair values of current trade and other payables are equivalent to their carrying value.

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	2018 €000	2017 €000
Current		
Euro	91,497	84,776
UK Pound Sterling	178,706	82,205
US Dollar	12,508	6,527
	282,711	**173,508**
Non-current		
Euro	4,968	4,206
UK Pound Sterling	9,040	1,328
US Dollar	-	-
	14,008	**5,534**

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

21. PROVISIONS

	2018 €000	2017 €000
At 01 January	**1,393**	**791**
Acquisitions (note 26)	1,086	-
Used during the year	(317)	(199)
Additional provisions	2,167	801
Translation adjustment	(16)	-
At 31 December	**4,313**	**1,393**

The provision relates to self-insurance costs for accidents and other claims which have been provided against. These have been incurred but not reported or paid as at the balance sheet date and are expected to be utilised within 12 months.

22. CAPITAL AND FINANCIAL RISK MANAGEMENT

The main risks affecting the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board reviews and agrees policies for the prudent management of each of these risks as documented below.

Interest rate risk

The Group's exposure to changes in interest rates arises in respect of its floating rate borrowings. The Group regularly reviews its loan agreements with a view to fixing a portion of its interest rates if deemed appropriate. At the financial year end, no loan balances were held on fixed interest rates as the floating rate is considered advantageous to the Group. Management review the need to engage in hedging activities with respect to interest rate risk on negotiating new financing facilities. The Group has entered into an interest rate swap which establishes a fixed interest rate with respect to certain of its borrowings.

Based on the Group's net debt position at the year-end a movement of 100 basis points in base market interest rates would affect the Group's profit before tax and shareholder's funds by approximately €0.8 million (2017: €0.5 million).

Foreign currency risk

The Group currently purchases goods for resale in foreign currency on a tactical basis where the cost and risk of foreign currency purchasing is materially less than local purchasing.

The Group's activities in the UK and USA are conducted primarily in their local currencies. Variances arising from foreign currency translations are reflected in operating costs or in costs of sales in the Consolidated Income Statement in the year in which they arise. The principal foreign exchange risk arises from fluctuations in the Euro value of the Group's investments in Pounds Sterling and US Dollars. The Group manages its borrowings where practical and cost effective, to partially hedge these foreign currency assets. Hedging is done using currency borrowings in the same currency as the assets held by the operations using the borrowings.

A portion of the Group's borrowings is denominated in Pounds Sterling and carried in Euro in the Statement of Financial Position. A movement of 10% in exchange rates would change the carrying value of borrowings by €55 million (2017: €0.1 million).

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

22. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk

Credit risk arising in the context of the Group's operations is not significant with the total bad debt provision at the Statement of Financial Position date amounting to 5% of gross trade receivables (2017: 3%). Customer credit risk is managed centrally according to established policies, procedures and controls. Customer credit quality is assessed in line with strict credit rating criteria and credit limits established where appropriate. Outstanding customer balances are regularly monitored and a review for indicators of impairment (evidence of financial difficulty of the customer, payment default, breach of contract etc.) is carried out at each reporting date. Significant balances are reviewed individually while smaller balances are grouped and assessed collectively.

Receivables balances are in general unsecured and non-interest-bearing.

Cash and cash equivalents give rise to credit risk on amounts due from counterparty financial institutions (stemming from their insolvency or a downgrade in their credit ratings). Dealings are restricted to those banks with the relevant combination of geographic presence and investment grade rating. The Group continually monitors the credit ratings of its counterparties and the credit exposure to each counterparty. Of the Group's total cash and cash equivalents at 31 December 2018, 100% of cash is held with financial institutions in the A or higher category of Standard & Poor's and Moody's. For other financial assets there is no material levels of concentrations of credit risk.

Liquidity risk

The Group's policy in relation to liquidity and cash flow risk is to ensure sufficient resources are available from cash balances or cash flows so that all obligations can be met when they fall due. To achieve this, the Group operates a demand deposit account for excess cash, as it is continuously redeveloping and incurring capital expenditure on service stations, and managing working capital peaks and troughs for trading seasonality and timing of payments.

The tables below summarise the maturity profile of the Group's financial liabilities at 31 December 2018 and 31 December 2017, based on contractual undiscounted payments, including interest:

2018	<1 Year	1–2 Years	2–5 Years	>5 Years	Total
	€000	€000	€000	€000	€000
Bank loans and overdrafts	21,607	50,688	638,019	16,691	727,005
Eurobonds	-	-	97,003	-	97,003
Finance leases	2,510	2,434	6,867	41,155	52,966
Trade payables	245,704	-	-	-	245,704
Other creditors	10,764	3,010	4,592	6,406	24,772
Amounts due to related parties	285	-	-	-	285
	280,870	**56,132**	**746,481**	**64,252**	**1,147,735**

2017	<1 Year	1–2 Years	2–5 Years	>5 Years	Total
	€000	€000	€000	€000	€000
Bank loans and overdrafts	5,369	5,661	56,465	-	67,495
Eurobonds	-	-	-	-	-
Finance leases	930	419	775	13,356	15,480
Trade payables	163,427	-	-	-	163,427
Other creditors	3,945	321	954	4,259	9,479
Amounts due to related parties	359	-	-	-	359
	174,030	**6,401**	**58,194**	**17,615**	**256,240**

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

22. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Commodity price risk management

The Group is exposed to commodity cost risk in its fuel retail businesses. Market dynamics are such that these commodity cost price movements are reflected in oil commodity sales prices within a short period. However, the Group's exposure is considered minimal as a natural hedge is in place between the purchase price of the commodity from suppliers and the ultimate resale to customers. The Group does not use hedging instruments to manage commodity price risk.

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or buy back existing shares, increase or reduce debt or sell assets. The Group includes borrowings in its measure of capital. The Group's borrowings are subject to covenants which have been complied with throughout the year.

The policy for net debt is to ensure a structure of longer term debt funding and cash balances with deposit maturities up to three months.

The capital structure of the Group, which includes equity and net debt, may be summarised as follows:

	2018 €000	2017 €000
Total borrowings (note 19)	708,434	67,677
Less: cash and cash equivalents (note 18)	(121,981)	(57,482)
Net debt	586,453	10,195
Total equity	281,195	181,309
Total capital	**867,648**	**191,504**

Fair value hierarchy

Fair value measurement	2018 €000	2017 €000
Derivative financial instruments		
Assets at fair value through other comprehensive income	461	-

The fair value of the derivative instruments set out above has been measured in accordance with Level 2 of the fair value hierarchy. All are plain derivative instruments, valued within reference to observable interest rates.

Cash flow hedging

The Group principally utilises interest rate swaps to swap its variable rate debt into fixed rates. These swaps are designated as cash flow hedges and are set to closely match the critical terms of the underlying debt being hedged. They have accordingly been determined by the Group to be highly effective in achieving offsetting cash flows for its variable rate debt, and no material level of ineffectiveness in hedged risk has been recorded in the Consolidated Income Statement in relation to these hedges in financial periods.

Amounts accounted for in the cash flow hedging reserve in respect of these swaps during the current and preceding periods have been set out in the Consolidated Statement of Comprehensive Income. These fair value gains and losses are expected to impact on the consolidated income statement over the period from 2018 to 2022, in line with the underlying debt being hedged.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

23. MOVEMENTS OF LIABILITIES WITHIN CASH FLOWS ARISING FROM FINANCING ACTIVITIES AND NET DEBT RECONCILIATIONS

	Bank loans €000	Eurobonds €000	Lease liabilities €000	Liabilities arising from financing activities €000	Cash and cash equivalents €000	Net debt €000
At 01 January 2017	**(43,188)**	**-**	**(3,976)**	**(47,164)**	**27,739**	**(19,425)**
Cash flows	(21,334)	-	787	(20,547)	30,828	10,281
Other non-cash movements	(258)	-	(122)	(380)	-	(380)
Translation adjustment	345	-	69	414	(1,085)	(671)
At 31 December 2017	**(64,435)**	**-**	**(3,242)**	**(67,677)**	**57,482**	**(10,195)**

	Bank loans €000	Eurobonds €000	Lease liabilities €000	Liabilities arising from financing activities €000	Cash and cash equivalents €000	Net debt €000
At 01 January 2018	**(64,435)**	**-**	**(3,242)**	**(67,677)**	**57,482**	**(10,195)**
Acquisitions (note 26)	(500,632)	(79,268)	(19,690)	(599,590)	135,218	(464,372)
Cash flows	(63,431)	-	1,258	(62,173)	(70,903)	(133,076)
Other non-cash movements	16,905	(1,165)	(345)	15,395	-	15,395
Translation adjustment	4,963	884	227	6,074	(279)	5,795
At 31 December 2018	**(606,630)**	**(79,549)**	**(21,792)**	**(707,971)**	**121,518**	**(586,453)**

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

24. SHARE CAPITAL

	Ordinary	
	No.	€
Authorised shares of €0.01 each		
At 31 December 2017	1,000,000,000	10,000,000
At 31 December 2018	1,000,000,000	10,000,000
Called up, issued and fully paid shares of €0.01 each		
At 01 January 2017	**80,471,053**	**804,710**
Allotted	11,087,105	110,871
At 01 January 2018	**91,558,158**	**915,581**
Allotted	29,057,895	290,578
At 31 December 2018	**120,616,053**	**1,206,159**

The holders of ordinary shares are entitled to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. Ordinary shareholders also have the right to receive notice of and attend and vote at all general meetings of the Company and they are entitled, on a poll or a show of hands, to one vote for every ordinary share they hold. Votes at general meetings may be given either personally or by proxy. Subject to the Companies Acts and any special rights or restrictions as to voting attached to any shares, on a show of hands every member who (being an individual) is present in person and every proxy and every member (being a corporation) who is present by a representative duly authorised, shall have one vote, so, that no individual shall have more than one vote for every share carrying voting rights and on a poll every member present in person or by proxy shall have one vote for every share of which they are the holder.

2018

During 2018, the Company issued 28,782,895 ordinary shares of €0.01 at an issue price of €6.08/£5.43 per share, resulting in gross proceeds of €176 million. Share premium of €175.4 million was recorded on these shares. Directly attributable issue costs of €6.2 million have been deducted from retained earnings.

275,000 share options were exercised during 2018. Share premium of €0.4 million was recorded on these shares.

2017

During 2017, the Company issued 8,082,105 ordinary shares of €0.01 at an issue price of €5.80/£5.09 per share, resulting in gross proceeds of €46.3 million. Share premium of €46.2 million was recorded on these shares. Directly attributable issue costs of €1.2 million have been deducted from retained earnings.

3,005,000 share options were exercised during 2017. Share premium of €4 million was recorded on these shares.

These funds have been used and will be used to further expand the Group.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

25. RESERVES

	Share premium €000	Capital contribution €000	Cash flow hedge reserve €000	Merger reserve €000	Foreign currency translation reserve €000	Share based payment reserve €000	Retained earnings €000	Total €000
At 01 January 2017	**140,268**	**512**	**-**	**(65,537)**	**(4,049)**	**5,349**	**37,663**	**114,206**
Profit for the year	-	-	-	-	-	-	18,656	18,656
Other comprehensive income	-	-	-	-	(2,769)	-	-	(2,769)
Share based payments	-	-	-	-	-	1,630	-	1,630
Deferred tax on share based payments	-	-	-	-	-	1,202	-	1,202
Issue of ordinary share capital (note 24)	50,196	-	-	-	-	-	(1,234)	48,962
Dividends	-	-	-	-	-	-	(1,494)	(1,494)
At 31 December 2017	**190,464**	**512**	**-**	**(65,537)**	**(6,818)**	**8,181**	**53,591**	**180,393**
Adjustment from adoption of IFRS 9 (note 4)	-	-	-	-	-	-	(1,485)	(1,485)
Adjusted balance at 01 January 2018	**190,464**	**512**	**-**	**(65,537)**	**(6,818)**	**8,181**	**52,106**	**178,908**
Profit for the year	-	-	-	-	-	-	13,272	13,272
Other comprehensive income	-	-	(274)	-	(1,574)	-	(160)	(2,008)
Share based payments	-	-	-	-	-	1,077	-	1,077
Deferred tax on share based payments	-	-	-	-	-	534	-	534
Issue of ordinary share capital (note 24)	175,776	-	-	-	-	-	(6,193)	169,583
Dividends	-	-	-	-	-	-	(1,311)	(1,311)
At 31 December 2018	**366,240**	**512**	**(274)**	**(65,537)**	**(8,392)**	**9,792**	**57,714**	**360,055**

Cash flow hedge reserve

This reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments (net of tax) related to floating rate debt which has been swapped into fixed interest using interest rate swaps on certain of the Group's borrowings.

Merger Reserve

On 01 January 2011, as part of a reorganisation of the group structure, the shareholders' interests in Petrogas Group Limited (PGL) and Applegreen Service Areas Limited (ASA) were combined in Applegreen plc. Immediately following this arrangement, the former shareholders of PGL and ASA held the same economic interest in Applegreen plc as they held in PGL and ASA immediately prior to its implementation. The Group adopted predecessor accounting to reflect this transaction in the Group financial statements under Irish GAAP in 2011. The effect of the arrangement was to increase share premium by €66.3 million and create a merger reserve of €(65.5) million.

This transaction resulted in the combining of businesses under common control. IFRS 3 'Business Combinations' defines such an arrangement as a business combination in which all of the combining businesses are ultimately controlled by the same party or parties before and after the business combination. Common control transactions of this nature fall outside the scope of IFRS 3 and consequently the Directors have adopted the same accounting policy of predecessor accounting under IFRS as was adopted under Irish GAAP and explained above. Consequently no adjustments arose in respect of this transaction on transition to IFRS at 01 January 2012.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

25. RESERVES (CONTINUED)

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency translation adjustments arising from the translation of the Group's net investment in foreign operations including quasi equity.

Share-based payment reserve

This reserve represents the amounts credited to equity in relation to the share-based payment expense and related deferred tax recognised in the Consolidated Income Statement.

Capital contribution

The capital contribution relates to a payment made to the Group in respect of a bonus payment to employees made by the largest shareholder in 2015. The award was treated as a short term employee benefit (once committed, the employee had no further service to earn the award) of the Applegreen Group resulting in a charge (employee expense) to the Consolidated Income Statement in respect of the year ended 31 December 2015 and a corresponding credit to a capital contribution in equity.

26. BUSINESS COMBINATIONS

On 31 October 2018, Applegreen acquired a 55.02% majority stake in Welcome Break from NIBC Infrastructure Fund. As part of the transaction, Applegreen sold an 8.6% shareholding in Welcome Break to AIP, the sole other current shareholder of Welcome Break. Applegreen also transferred its UK MSA and TRSA assets, as well as development pipeline assets to Welcome Break. The net impact of transactions resulted in Applegreen ultimately holding a 50.01% shareholding in Welcome Break and management control.

As part of the transaction, Applegreen not only acquired the shares in Appia Group Limited (ultimate parent of Welcome Break) but also unsecured subordinated Eurobonds fixed rate notes. Eurobonds are unsecured loans that are required to be held by the shareholders in Welcome Break in the same proportion to their respective shareholdings in the Welcome Break Group as per the share purchase agreement executed on the 31 October 2018.

The provisional fair values of the acquired assets and liabilities at acquisition are set out below:

	Welcome Break €000
Non-current assets	
Intangible assets	34,826
Property, plant and equipment	252,712
Deferred tax asset	12,144
Current assets	
Inventories	13,990
Cash and cash equivalents	135,218
Trade and other receivables	27,870
Current liabilities	
Trade and other payables	(63,490)
Provisions	(1,086)
Non-current liabilities	
Borrowings	(500,632)
Eurobonds	(79,268)
Deferred tax liabilities	(32,768)
Other long-term liabilities	(8,463)
Total identifiable liabilities	**(208,947)**
Goodwill	435,610
Non-controlling interest	78,744
Total equity consideration	**305,407**
Satisfied by:	305,407
Total cash consideration	**305,407**

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

26. BUSINESS COMBINATIONS (CONTINUED)

The initial assignment of fair values to identifiable net assets acquired has been performed on a provisional basis given the proximity of the acquisition to year-end. Any amendments to these fair values within the twelve month timeframe from the date of acquisition will be disclosable in the 2019 Annual Report, as stipulated by IFRS 3.

Non-controlling interest was measured as 49.99% of total identifiable assets adjusted for fair value measurements at 31 October 2018.

The principal factors contributing to the recognition of goodwill on the Welcome Break acquisition are the realisation of synergies and the creation of scale in the UK while deepening the Group's exposure to non-fuel food and beverages earnings.

None of the goodwill recognised in respect of acquisitions completed during the financial year is expected to be deductible for tax purposes.

No contingent liabilities were recognised on the acquisitions completed during the year.

The Group incurred acquisition costs of €7.2 million predominately relating to external legal fees, due diligence and advisory fees. These costs have been included in non-recurring charges as per note 8.

The post-acquisition impact of business combinations completed during the year on Group revenue and profit for the financial year was as follows:

	2018 €000
Revenue	133,660
Loss for the financial year	(4,073)

If the acquisition was acquired at the start of the year, the impact on Group revenue and profit on a pro-forma basis for the financial year would be:

	2018 €000
Revenue	859,659
Loss for the financial year	(10,173)

Prior year acquisitions

In October 2017, the Group acquired both the Brandi Group, a 42-site retail operation based in South Carolina, USA and the Carsley Group, a seven-site forecourt retail operation based in the UK.

The Group acquired the trade and assets of the Brandi Group for a consideration of €8.2 million. In accordance with IFRS 3 Business Combinations, this transaction constituted an acquisition of a business and therefore, was accounted for under this standard.

The Group also acquired the Carsley Group for a consideration of €23.5 million. The Group purchased 100% of the share capital of the following entities:

- BMC Petroleum Limited
- MCM Forecourts Limited
- Wyboston Service Station Limited
- Cromwell Service Station Limited
- Muskham Services Limited
- Casterton Hill Service Station Limited
- MCM Sandwiches Limited

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

26. BUSINESS COMBINATIONS (CONTINUED)

The fair values of the acquired assets and liabilities at acquisition are set out below:

	Brandi Group €000	Carsley Group €000	Total €000
Non-current assets			
Intangible assets	4,640	17	4,657
Property, plant and equipment	1,334	21,526	22,860
Current assets			
Inventories	3,120	780	3,900
Trade and other receivables	-	1,580	1,580
Current liabilities			
Trade and other payables	-	(2,424)	(2,424)
Current income tax liabilities	-	(443)	(443)
Non-current liabilities			
Deferred income tax liabilities	-	(1,308)	(1,308)
Total identifiable assets	**9,094**	**19,728**	**28,822**
Goodwill	-	3,736	3,736
Fair value gain	(928)	-	(928)
Total consideration	**8,166**	**23,464**	**31,630**
Satisfied by:			
Cash (net of cash acquired)	8,166	23,067	31,233
Deferred consideration	-	397	397
	8,166	**23,464**	**31,630**

The fair value gain of €0.9 million is shown within non recurring charges offset against acquisition-related costs of €1.9 million. These are included within administrative expenses in the Consolidated Income Statement.

The deferred consideration reflects the final consideration made in respect of preacquisition working capital which was outstanding at the year end. This has now been agreed with the sellers and was paid in Q1 2018.

No contingent liabilities were recognised on the acquisitions completed during the year.

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

27. NON-CONTROLLING INTEREST

	2018 €000
At 01 January 2018	-
Arising on acquisition (note 26)	78,744
Loss for the year attributable to non-controlling interest	1,122
Share of other comprehensive income	434
Dividend	631
Translation adjustment	(865)
At 31 December 2018	**80,066**

During the year, the Group acquired 50.01% of the ordinary share capital of Welcome Break, a UK company. As part of the acquisition the Group recognised the 49.99% non-controlling interest of €78.7 million. Further details are provided in note 26.

The loss allocated to the non-controlling interest of this subsidiary in the Group's financial statement is €1.1 million.

Set out below is the summarised financial information of the subsidiary that has non-controlling interest and is material to the Group.

	2018 €000
Summarised statement of financial position	
Non-current assets	846,752
Non-current liabilities	(571,234)
Non-current net assets	**275,518**
Current assets	81,633
Current liabilities	(89,678)
Current net liabilities	**(8,045)**
Net assets	**267,473**
Accumulated non-controlling interest	**80,066**
Loss before tax for the period	**(4,073)**
Dividends payable to non-controlling interest	**631**
Net decrease in cash and cash equivalents	**(75,093)**

Included in the summarised statement of financial position are:

- intercompany balances applicable to non-controlling interests which are eliminated in full on consolidation; and
- the gross amount of Eurobonds. On consolidation the investment in Eurobonds are netted against the financial liability.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

28. LEASE COMMITMENTS AND OTHER CONTINGENCIES

Operating lease commitments

The Group leases various buildings and sites for use across the Group's retail operations. These leases are non-cancellable operating leases with varying terms, escalation clauses, incentives and renewal rights. Future minimum rentals payable under non-cancellable operating leases, on an undiscounted basis, are as follows:

	2018 €000	2017 €000
Land and buildings		
Due within one year	70,032	22,482
Due after one year but not more than five years	303,626	112,454
Due after five years	791,800	252,315
Total operating lease commitments	**1,165,458**	**387,251**

Finance lease commitments

The Group has finance leases and hire purchase contracts for various items of property, plant and equipment. These leases have terms of renewal but no purchase options or escalation clauses. Renewals are at the option of the specific entity holding the lease. The future minimum lease payments, and their associated present values, payable under finance leases and hire purchase contracts are as follows:

	2018 Minimum payments €000	2018 Present value €000	2017 Minimum payments €000	2017 Present value €000
Within one year	2,510	714	930	725
Between two and five years	9,301	2,619	1,194	522
More than five years	41,155	18,459	13,356	1,995
	52,966	21,792	15,480	3,242
Amounts allocated to future finance costs	(31,174)	-	(12,238)	-
Present value of minimum lease payments	**21,792**	**21,792**	**3,242**	**3,242**

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

29. RELATED PARTY DISCLOSURES

A – Key management personnel

Compensation of key management personnel is as follows:

	2018 €000	2017 €000
Short term employee benefits	1,652	1,107
Post-employment benefits	56	32
Share based payments	537	156
Termination benefits	-	445
	2,245	**1,740**

For the purposes of the disclosure requirements of IAS 24, the term “key management personnel” (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the Group) comprises the Board of Directors.

B - Transactions with directors

The Group’s largest shareholder is B&J Holdings Limited (incorporated in Malta), which owns 41.3% of the Company’s shares. This company is owned by Joseph Barrett and Robert Etchingham who hold 100% of the shares in B&J Holdings Limited.

Directors’ interest in share options
Information on directors’ share options to subscribe for ordinary shares of the Company are set out below:

	Options held at 31 December 2017	Granted during 2018	Exercised during 2018	Options held at 31 December 2018
Joe Barrett	-	100,000	-	100,000
Niall Dolan	450,000	100,000	-	550,000

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

29. RELATED PARTY DISCLOSURES (CONTINUED)

C - Joint ventures

Superstop Limited was established jointly as part of a consortium with Petrogas Group Limited, Tedcastles Oil Products Limited and Pierse Contracting Limited. The consortium was awarded the public-private partnership contract to design, build, maintain and operate six motorway service areas in Ireland by Transport Infrastructure Ireland (TII). During 2017, Petrogas Group Limited and Tedcastles Oil Products Limited purchased Pierse Contracting Limited's shareholding in the entity. This is treated as a joint venture in the Group financial statements. Petrogas Group Limited has unsecured loan notes in Superstop (Holdings) Limited of €3.1 million. For details of the Group's investment in its joint venture, see note 15.

Details of amounts owed to and by the Group at the year-end net of impairment provisions are as follows:

	2018 €000	2017 €000
Trade and other receivables		
Interest receivable on loan notes[1]	-	867
Operating and maintenance advance[2]	-	118
Maintenance works[3]	118	1,336
	118	**2,321**
Trade and other payables		
Commission payable[4]	**285**	**329**

[1] Interest receivable on the unsecured loan note of €3.1 million (2017: €3.1 million). At the year end, an amount of €1 million (2017: €0.9 million) is outstanding with a corresponding impairment provision against this.

[2] This is an advancement to Superstop Limited as per the terms of the operating and maintenance agreement.

[3] Selling and distribution costs include a credit of €96,000 (2017: €94,000) receivable from Superstop Limited for maintenance work carried out by the Group at the motorway service areas. The Group also purchased assets on behalf of Superstop Limited in accordance with the Lifecycle Costs agreement. These costs were recharged back to Superstop Limited.

[4] Included in cost of sales is an amount of €5.2 million (2017: €5.1 million) paid to Superstop Limited, a wholly owned subsidiary of Superstop (Holdings) Limited, in respect of commission due from the Group for the operation of Motorway Service Areas. At 31 December 2018 there was a balance of €285,000 (2017: €329,000) due to Superstop Limited.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

29. RELATED PARTY DISCLOSURES (CONTINUED)

D – Other related parties

The Group conducted transactions and held balances with certain related parties during the year. Details of these related parties are disclosed below.

Related Party	Nature of Relationship
Mountpark Developments Limited	Mountpark Developments Limited is controlled by members of key management of the Group.
Acute Enterprises Limited	Acute Enterprises Limited is controlled by members of key management of the Group.
PL Active Management Limited	PL Active Management Limited is controlled by a former Director of the Group. This company was no longer regarded a related party on 30 June 2017 when the Director ceased employment within the Group.

Related party	Balance owing (to)/from 01-Jan-17 €000	Expenses paid on behalf of related party €000	Services provided to the Group €000	Sale of inventory to related party €000	Remittances/ advances to/(from) related party €000	Balance owing (to)/from 31-Dec-17 €000
Trade and other receivables						
Acute Enterprises Limited	162	-	-	37	(184)	15
Mountpark Developments Limited	57	17	-	-	-	74
	219	17	-	37	(184)	89
Trade and other payables						
PL Active Management Limited	-	-	(30)	-	-	(30)
	-	-	(30)	-	-	(30)

Related party	Balance owing (to)/from 01-Jan-18 €000	Expenses paid on behalf of related party €000	Services provided to the Group €000	Sale of inventory to related party €000	Remittances/ advances to/ (from) related party €000	Balance owing (to)/from 31-Dec-18 €000
Trade and other receivables						
Acute Enterprises Limited	15	-	-	-	(15)	-
Mountpark Developments Limited	74	19	-	-	(93)	-
	89	19	-	-	(108)	-

Brian Geraghty is a partner in Crowe Horwath (formerly Phelan Prescott & Company). Professional services provided by this company during the year whilst Brian Geraghty was also a director of the Group amounted to €nil (2017: €30,000).

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

29. RELATED PARTY DISCLOSURES (CONTINUED)

E – Subsidiaries

The Company's subsidiary companies, which (except where indicated) are incorporated in Ireland and have their registered office at Block 17, Joyce Way, Parkwest, Dublin 12, the principal activities and the changes, where applicable, during the financial period, as required by the Companies Act 2014, are set out below:

Republic of Ireland

Subsidiary	Principal activity	2018
Petrogas Holdings Limited	Holding company	100%
Petrogas Group Limited	Operation of service stations	100%
Applegreen Service Areas Limited	Operation of service stations	100%
Petrogas Brands Limited	Licencing of intellectual property	100%
Applegreen BK Limited	Franchise holder	100%
Applegreen Cafe Limited	Franchise holder	100%
Petrogas International Limited	Not operating	100%
Petrogas Facilities Limited	Holding company	100%
Applegreen Finance (Ireland) DAC	Not operating	100%

The Netherlands

Subsidiary	Principal activity	2018
Petrogas Services B.V. (i)	Licencing of intellectual property	100%

United Kingdom

Subsidiary	Principal activity	2018
Petrogas Holdings UK Limited (ii)	Holding company	100%
Petrogas Group UK Limited (ii)	Operation of service stations	100%
Petrogas Western Limited (ii)	Not operating	100%
Petrogas Group NI Limited (iii)	Operation of service stations	50.01%
Applegreen Service Areas NI Limited (iv)	Operation of service stations	50.01%
Applegreen BK (NI) Limited (iv)	Franchise holder	50.01%
BMC Petroleum Limited (ii)	Dormant company	100%
MCM Forecourts Limited (ii)	Dormant company	100%
Wyboston Service Station Limited (ii)	Dormant company	100%
Cromwell Service Station Limited (ii)	Dormant company	100%
Muskham Services Limited (ii)	Dormant company	100%
Casterton Hill Service Station Limited (ii)	Dormant company	100%
MCM Sandwiches Limited (ii)	Dormant company	100%
Appia Group Limited (v)	Holding company	50.01%
Appia Europe Limited (v)	Holding company	50.01%
Welcome Break Holdings Limited (v)	Holding company	50.01%
Welcome Break Holdings (2) Limited (v)	Holding company	50.01%
Welcome Break Finance (2) Limited (v)	Dormant company	50.01%
Welcome Break Finance (3) Limited (v)	Dormant company	50.01%
Welcome Break Services Limited (v)	Hospitality	50.01%
Welcome Break No. 2 Limited (v)	Dormant company	50.01%
Welcome Break No. 1 Limited (v)	Dormant company	50.01%
Welcome Break Holdings (1) Limited (v)	Holding company	50.01%
Welcome Break Group Limited (v)	Hospitality	50.01%
Welcome Break Limited (v)	Hospitality	50.01%
Motorway Services Limited (v)	Hospitality	45.86%
Welcome Break KFC Limited (v)	Dormant company	50.01%

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

29. RELATED PARTY DISCLOSURES (CONTINUED)

E – Subsidiaries

United Kingdom (continued)

Subsidiary	Principal activity	2018
Welcome Break Coffee Primo Limited (v)	Dormant company	50.01%
Welcome Break KFC Starbucks Limited (v)	Dormant company	50.01%
Welcome Break Birchanger Limited (v)	Dormant company	50.01%
Welcome Break Burger King Limited (v)	Dormant company	50.01%
Welcome Break Waitrose Limited (v)	Dormant company	50.01%
Welcome Break McDonald's Limited (v)	Dormant company	50.01%
Coffee Primo Burger King Limited (v)	Dormant company	50.01%
Welcome Break Waitrose KFC Limited (v)	Dormant company	50.01%
Welcome Break Starbucks Waitrose KFC Limited (v)	Dormant company	50.01%
Welcome Break Starbucks Burger King Limited (v)	Dormant company	50.01%
Welcome Break Starbucks McDonald's Limited (v)	Dormant company	50.01%
Welcome Break Starbucks Waitrose Burger King Limited (v)	Dormant company	50.01%
Starbucks Coffee Burger King Limited (v)	Dormant company	50.01%
Starbucks Coffee KFC Limited (v)	Dormant company	50.01%
Starbucks Coffee McDonald's Limited (v)	Dormant company	50.01%
Starbucks Coffee Waitrose Limited (v)	Dormant company	50.01%
Starbucks Coffee Waitrose KFC Limited (v)	Dormant company	50.01%
Starbucks Coffee McDonald's Waitrose Limited (v)	Dormant company	50.01%
Welcome Break Gretna Green Partnership (v)	Hospitality	50.01%

United States of America

Subsidiary	Principal activity	2018
Petrogas Group US Inc. (vi)	Operation of service stations	100%
Petrogas Group New England Inc. (vi)	Operation of service stations	100%
Petrogas Group South Carolina, LLC. (vi)	Operation of service stations	100%
Petrogas Group South Carolina (SUB), LLC (vi)	Franchise holder	100%
Petrogas Group South Carolina (FTG), LLC (vi)	Franchise operator	100%
Petrogas Group New England (FTG) LLC (vi)	Not operating	100%
Applegreen Florida LLC (vi)	Operation of service stations	100%
Applegreen Florida (sub) LLC (vi)	Franchise operator	100%

(i) The registered office of Petrogas Services B.V. is Paasheuvelweg 16, 1105 BH Amsterdam, Zuidoost, Netherlands.

(ii) The registered office of these companies is 200 Strand Road, London WC2R 1DJ, United Kingdom.

(iii) The registered office of this company is 1 Lanyon Quay, Belfast BT1 3LG, Northern Ireland.

(iv) The registered office of these companies is 50 Bedford Street, Belfast BT2 7FW, Northern Ireland.

(v) The registered office of these companies is 2 Vantage Court, Tickford Street, Newport Pagnell, Buckinghamshire MK 16 9EZ, United Kingdom.

(vi) The registered office of these companies is 3500 South Dupont Highway, Dover, Kent, DE 19901, USA.

Shares in Petrogas Holdings Limited are held directly by Applegreen plc. Shares in the other subsidiaries are held directly or indirectly by Petrogas Holdings Limited. All of the above companies have been included in the Group consolidation.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

30. EMPLOYEE BENEFIT OBLIGATIONS

The Group operates a defined contribution pension plan in Ireland and the UK and separately a defined benefit plan in the UK. Under the defined contribution scheme, the Group has no further payment obligations once contributions have been paid. Contributions are recognised as an employee benefit expense in the Consolidated Income Statement in the periods during which the related services are received. The expense for the defined contribution pension plan for the year was €0.9 million (2017: €0.6 million).

Welcome Break Group Limited is the sponsoring employer of and has legal responsibility for the defined benefit plan.

The level of benefits provided from the Plan depends on members' length of service and their compensation. The defined benefit plan is administered by the Trustees that are legally separate from the Group. Trustees of pension schemes are required by law to act in the best interest of scheme members and are responsible for setting certain policies, such as investment and contribution policies, and governance of the schemes. The Trustees can include representatives of the sponsoring employer and plan participants.

The valuation used has been based on the most recent actuarial valuation at 31 December 2018 by a qualified independent actuary to take account of the requirements of IAS 19.

The plan closed to future accrual for defined benefits on 9 January 2011. As members are no longer accruing further defined benefits, there is no current service cost.

Any surplus in the Plan at the statement of financial position date is recognised on the basis that future economic benefits would be available to the Group in the form of an eventual cash refund were the pension scheme to be wound up.

Scheme liabilities are estimated using the Projected Unit Credit Method. Under this method each participant's benefits under the Plan are attributed to years of service, taking into consideration future increases and the Plan's benefit allocation formula. The scheme liability is the present value of the individuals' attributed benefits for valuation purposes at the measurement date, and the service cost is the total present value of the individuals' benefits attributable to service during the year.

Scheme assets are stated at their fair value at the statement of financial position dates as provided by the plans investment consultants.

The following is a summary of the Group's employee benefit obligations and their related funding status:

	2018 €000
Present value of funded obligations	(44,080)
Fair value of plan assets	43,967
Net pension liability	**(113)**

Movement in present value of defined benefit obligation:

	2018 €000
At the beginning of the financial period	-
Acquisitions	(43,788)
Interest cost	(192)
Past service costs	(681)
Actuarial gains	260
Benefits paid	321
At the end of the financial period	**(44,080)**

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

30. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

Movement in fair value of plan assets:

	2018 €000
At the beginning of the financial period	-
Acquisitions	43,771
Interest income on plan assets	(1)
Return on plan assets (excluding amounts in interest income)	(600)
Contributions by employer	1,118
Benefits paid	(321)
At the end of the financial period	**43,967**

Composition of fair value of plan assets:

	2018 €000
Equity securities	25,122
Debt securities	17,087
Other	1,758
Total fair value of plan assets	**43,967**

Fair value of plan assets	43,967
Present value of plan liabilities	(44,080)
Net pension scheme liability	**(113)**

The amounts recognised in the statement of comprehensive income are as follows:

	2018 €000
Net interest cost on net pension liability	(192)

Analysis of actuarial losses recognised in the consolidated statement of comprehensive Income

	2018 €000
Return on plan assets (excluding amounts in interest income)	(600)
Actuarial gain due to experience adjustments	1,016
Actuarial loss due to changes in financial assumptions	(774)
Actuarial gain due to changes in demographic assumptions	18
Total loss recognised in the consolidated statement of comprehensive income	**(340)**

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

30. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

Maturity analysis

The expected maturity analysis is set out in the table below:

	Projected amounts €000
Expected benefit payments:	
Financial period 2020	1,030
Financial period 2021	1,054
Financial periods 2022 - 2024	3,322

The weighted average duration of the defined benefit obligation at 31 December 2018 is 15 years.

The Group are committed to pay a further €1.1 million payment into the defined benefit scheme during the year to 31 December 2019. A new contribution towards plan expenses has been agreed with the pension trustees going forward of €0.3 million per annum.

Principal actuarial assumptions at the balance sheet date are as follows:

	2018 %
Weighted-average assumptions to determine defined benefit obligation	
Discount rate	2.75
Pensions in payment increase rate	2.25
Retail price inflation	3.20
Assumed life expectations on retirement at age 65	
Retiring today (male member age 65)	22.8
Retiring in 20 years (male member age 45 today)	24.2
Retiring today (female member age 65)	24.7
Retiring in 20 years (female member age 45 today)	26.3
Weighted average assumptions to determine cost related to defined benefit plans	
Discount rate	2.70
Pensions in payment increase rate	2.20
Retail price inflation	3.20

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

30. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

Sensitivity analysis

The following table illustrates the key sensitivities to the amounts included in the Consolidated Financial Statements which would arise from adjusting certain key actuarial assumptions. The sensitivity of the defined benefit obligation to changes in actuarial assumptions has been calculated using the projected credit method, which is the same method used to calculate the pension liability in the Consolidated Statement of Financial Position. The methods and assumptions used in preparing the sensitivity analysis have not changed compared to the prior year. In each case all of the other assumptions remain unchanged:

Increase/(decrease) in pension liabilities
Change in assumptions:

	2018 €000
Increase discount rate by 0.25%	(1,631)
Decrease discount rate by 0.25%	1,666
Increase inflation rate by 0.25%	1,530
Decrease inflation rate by 0.25%	(1,514)
Increase in life expectancy by one year	1,066

The sensitivity information shown above has been determined by performing calculations of the liabilities using different assumptions.

Analysis of plan assets and liabilities	2018 €000
Equities	25,122
Corporate bonds	1,470
Government bonds	8,635
Cash	1,758
Liability driven investments	6,982
Fair value of plan assets	**43,967**

Employee benefit plan risks

The employee benefit plans expose the Group to a number of risks, the most significant of which are:

Asset volatility:	The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield, this will create a deficit. The plans hold a significant proportion of equities which, though expected to outperform corporate bonds in the long-term, create volatility and risk in the short-term. The allocation to equities is monitored to ensure it remains appropriate given the plans' long-term objectives.
Changes in bond yields:	A decrease in corporate bond yields will increase the value placed on the plans' liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.
Inflation risk:	The plans' benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). The majority of the assets are either unaffected by or only loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.
Life expectancy:	The majority of the plans' obligations are to provide benefits based on the life of the member, so increases in life expectancy will result in an increase in the liabilities.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

31. SHARE BASED PAYMENT PLANS

Long Term Incentive Plan (LTIP) - 2014 Share Option Scheme

The Group operates an equity-settled, share-based compensation plan, under which subsidiaries receive services from employees as consideration for equity instruments (options) of the Group. The share options are granted to directors and selected employees. The options are granted with a fixed exercise price which is determined firstly based on the implied market value per share of the Company at the grant date of the options and secondly based on the tenure of the employee. Part of the share options vested when the Company's shares became publicly traded. The remainder vest three years after the date of grant. Employees are required to remain in employment with the Group until the options become exercisable. The options expire seven years after the date of grant. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The expense recognised for this plan for the year is shown in the following table:

	2018 €000	2017 €000
Expense arising from equity settled transactions	2	862
Expense arising from cash settled transactions	-	-
Total expense arising for share based payments	**2**	**862**

Movements in share option schemes during the year

	No. of share options	Weighted average exercise price €
At 01 January 2017	4,800,000	1.76
Exercised during the year	(3,005,000)	1.32
Forfeited during the year	(150,000)	2.00
Outstanding 01 January 2018	**1,645,000**	**1.30**
Exercised during the year	(275,000)	1.38
Outstanding 31 December 2018	**1,370,000**	**1.28**
Vested and exercisable 31 December 2017	**1,595,000**	**1.27**
Vested and exercisable 31 December 2018	**1,370,000**	**1.28**

The weighted average share price at the date of exercise for share exercised during 2018 was €6.08.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Actual/expected vest date	Expiry date	Exercise price per share option	No. of share options
05 December 2014	19 June 2015	05 December 2021	€1.00	230,000
05 December 2014	05 December 2017	05 December 2021	€1.00	750,000
05 December 2014	05 December 2017	05 December 2021	€1.67	20,000
05 December 2014	05 December 2017	05 December 2021	€2.00	320,000
28 April 2015	28 April 2018	28 April 2022	€2.00	50,000
				1,370,000

The weighted average remaining contractual life for the share options outstanding as at 31 December 2018 is 3 years (2017 is 4 years).

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

31. SHARE BASED PAYMENT PLANS (CONTINUED)

The Group has used the Black Scholes valuation model to determine the grant date fair value of share options. The weighted average fair value of the options at the grant date was €0.72. The following table lists the inputs used in the model:

Expected volatility (%)	28.3–30.6
Risk free interest rate (%)	0.10–0.38
Expected life of share options (years)	7
Weighted average share price (€)	1.67
Valuation model for new grants	Black Scholes

Expected volatility reflects historic volatility of similar companies over a period equal to the expected life of the share options.

The risk-free rate is the rate of interest obtainable from government securities over the expected life of the share options.

Applegreen Employee Share Option Trust - 2016 share option scheme

During 2016, Applegreen plc's majority shareholder B&J Holdings established the Applegreen Employee Share Option Trust ('the trust') for the purpose of holding shares to be awarded to employees. The trust granted 515,000 share options on 31 March 2016 to selected employees to reward them for their service to the Group. The options were granted with a fixed exercise price. The Group considers this an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The award of the options will have no cash impact on the Group nor will it result in any reduction in shareholder's equity. However, the award falls fully within the scope of IFRS 2 as an equity settled share based payment and therefore the following has been booked in the Consolidated Income Statement:

	2018 €000	2017 €000
Expense arising from equity settled transactions	241	501
Expense arising from cash settled transactions	-	-
Total expense arising for share based payments	**241**	**501**

Movements in share option schemes during the year

	No. of share options	Weighted average exercise price €
At 01 January 2017	515,000	2.00
Forfeited during the year	(39,000)	2.00
Outstanding 01 January 2018	**476,000**	**2.00**
Exercised during the year	(274,000)	2.00
Issued during the year	39,000	2.00
Outstanding 31 December 2018	**241,000**	**2.00**

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Actual/expected vest date	Expiry date	Exercise price per share option	No. of share options
31 March 2016	31 March 2018	31 March 2023	€2.00	241,000

The weighted average remaining contractual life for the share options outstanding as at 31 December 2018 is 4 years (2017 is 5 years).

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

31. SHARE BASED PAYMENT PLANS (CONTINUED)

The Group has used the Black Scholes valuation model to determine the grant date fair value of share options. The weighted average fair value of the options at the grant date was €2.34. The following table lists the inputs used in the model:

Expected volatility (%)	29.61
Risk free interest rate (%)	(0.01)
Expected life of share options (years)	7
Dividend yield (%)	2
Weighted average exercise price (€)	2.00
Weighted average share price at grant date (€)	4.75
Valuation model for new grants	Black Scholes

Expected volatility reflects historic volatility of similar companies over a period equal to the expected life of the share options. The risk-free rate is the rate of interest obtainable from government securities over the expected life of the share options.

Long Term Incentive Plan (LTIP) – 2015 Share Option Scheme

The Group established a further share based payment plan which was approved by the Board of Directors on 27 May 2015.

The conditions attached to the transfer of ownership of any equity entitlements and/or vesting of share options are as follows:

- The employee must remain in service throughout a three year performance period.
- There is an additional holding period of one year to facilitate any clawback.
- Awards will not be granted to a participant with a market value in excess of 150% of salary in respect of any financial year.
- The plan is subject to the overall limits where, in any ten year period, the number of shares which may be issued under the LTIP together with the number of shares issued under any other employees' share plan adopted by the Company (in a general meeting) after 19 June 2015 may not exceed 5% of the issued share capital of the Company.

Transfer of ownership of any equity entitlements and/or vesting of any share options will be determined by reference to the following conditions:

- 50% will vest contingent on the Total Shareholder Return ("TSR") of Applegreen plc relative to ten listed peers. The portion of this award will vest as follows:

	Award
Applegreen TSR is below the median	0%
Applegreen TSR is at the median level	25%
Applegreen TSR is at or above the upper quartile	25% up to 100% on a sliding scale

- The other 50% portion will vest dependent on EPS growth as follows:

	Award
Less than Consumer Price Index +3%	0%
At Consumer Price Index +3%	25%
Reaches Consumer Price Index +9%	25% up to 100% on a sliding scale

Notes to the Consolidated Financial Statements (continued)
Year ended 31 December 2018

31. SHARE BASED PAYMENT PLANS (CONTINUED)

The expense recognised for this plan for the year is shown in the following table:

	2018 €000	2017 €000
Expense arising from equity settled transactions	834	267
Expense arising from cash settled transactions	-	-
Total expense arising for share based payments	**834**	**267**

Movements in share option schemes during the year

	No. of share options	Weighted average exercise price €
At 01 January 2017	-	-
Granted during the year	1,600,000	4.78
Outstanding 01 January 2018	**1,600,000**	**4.78**
Granted during the year	1,000,000	6.36
Forfeited during the year	(50,000)	6.36
Outstanding 31 December 2018	**2,550,000**	**5.37**

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Actual/expected vest date	Expiry date	Exercise price per share option	No. of share options
25 April 2017	25 April 2020	25 April 2024	€4.78	1,600,000
09 May 2018	09 May 2021	09 May 2025	€6.36	950,000

The weighted average remaining contractual life for the share options outstanding as at 31 December 2018 is 2 and 3 years respectively.

The Group has used the Monte Carlo valuation model to determine the grant date fair value of share options. The weighted average fair value of the options at the grant date was €0.885 and €0.915 respectively. The following table lists the inputs used in the model:

	Grant date 25 April 2017	Grant date 09 May 2018
Expected volatility (%)	27.75	22.05
Risk free interest rate (%)	(0.6)	(0.47)
Expected life of share options (years)	7	7
Dividend yield (%)	0.3	0.3
Weighted average exercise price (€)	4.78	6.36
Weighted average share price at grant date (€)	4.78	6.36
Valuation model for new grants	Monte Carlo	Monte Carlo
Fair value of TSR share award at grant date (€)	0.685	0.75
Fair value of EPS share award at grant date (€)	1.085	1.08

Expected volatility reflects historic volatility of similar companies over a period equal to the expected life of the share options.
The risk-free rate is the rate of interest obtainable from government securities over the expected life of the share options.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 December 2018

32. DIVIDENDS

	2018 €000	2017 €000
Final dividend 2016	-	1,010
Interim dividend	603	484
Final dividend 2017	708	-
	1,311	**1,494**

On 5 July 2018, a final dividend for the year ended 31 December 2017 of 0.80 cent per share was paid.

On 19 October 2018, an interim dividend for 2018 of 0.63 cent per share was paid (2017: 0.60 cent per share).

The Board has proposed a final dividend of 0.91 cent per share (2017: 0.80 cent per share) which will be paid on 28 June 2019 to shareholders on the register as at 7 June 2019. These financial statements do not reflect this final dividend. There is no income tax consequence for the Company in respect of dividends proposed prior to issuance of the financial statements.

33. POST YEAR END EVENTS

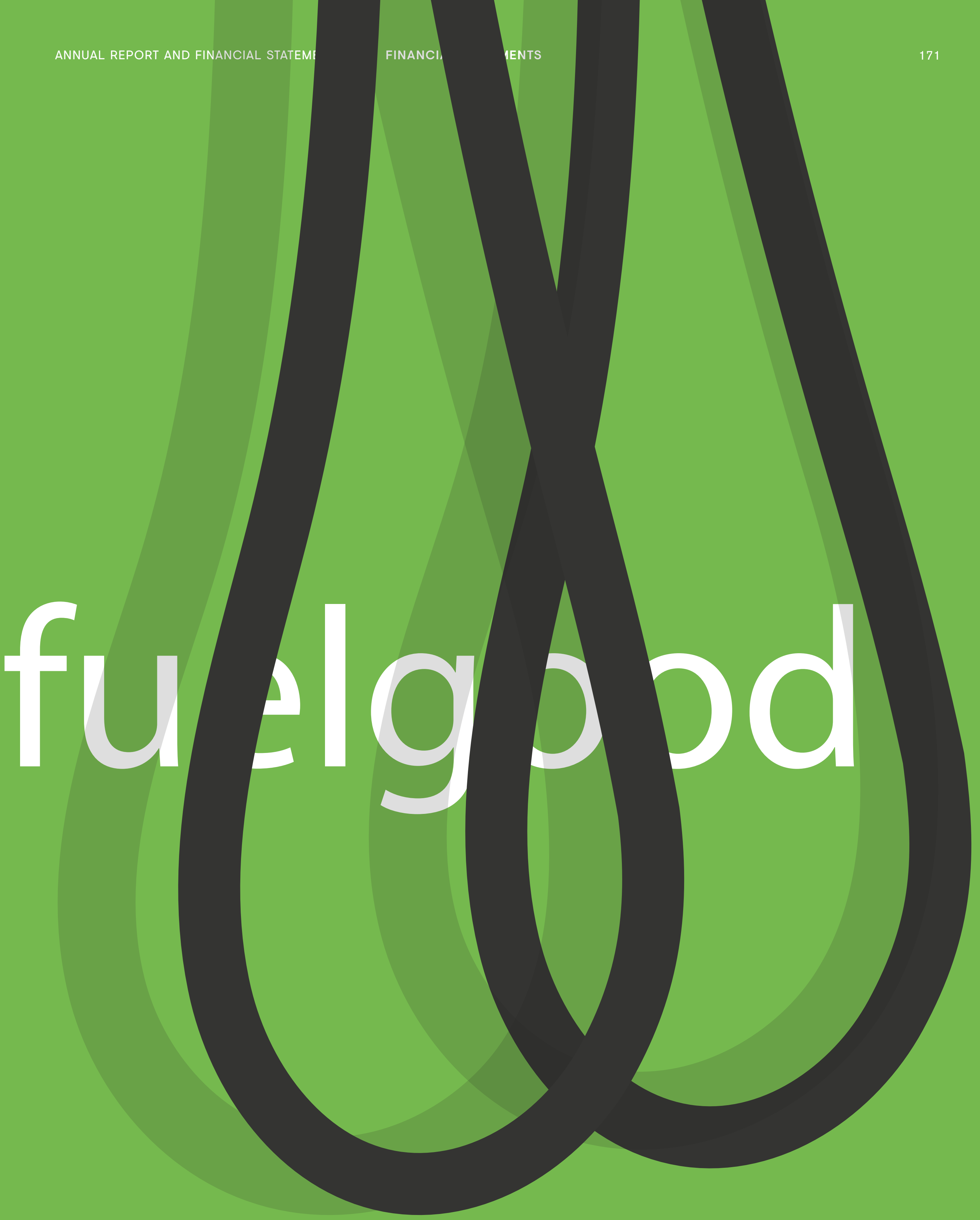
Since the year end, the Group has added one new petrol filling station in the Republic of Ireland and one new petrol filling station in the UK. The Group will continue to pursue new developments to enhance shareholder value, through a combination of organic growth, acquisitions and development opportunities.

The Directors have proposed a final dividend in respect of the 2018 financial year of 0.91 cent per ordinary share, €1.1 million in total. This dividend has not been provided for in the Group balance sheet as there was no present obligation to pay the dividend at the year end. The final dividend is subject to approval by the Company's shareholders at the Annual General Meeting.

34. APPROVAL OF FINANCIAL STATEMENTS

The Board of Directors approved and authorised for issue the financial statements in respect of the year ended 31 December 2018.

Company Financial Statements


fuelgood

Company Statement of Financial Position
As at 31 December 2018

	Notes	2018 €000	2017 €000
Assets			
Non-current assets			
Financial assets	4	514,631	250,156
Trade and other receivables	5	85,813	11,253
		600,444	**261,409**
Current assets			
Trade and other receivables	5	4,931	4,285
Cash and cash equivalents	6	2,470	23,989
		7,401	**28,274**
Total assets		**607,845**	**289,683**
Equity and liabilities			
Issued share capital	11	1,206	916
Share premium	12	366,240	190,464
Capital contribution	12	512	512
Share based payment reserve	12	5,946	5,110
Retained earnings	12	2,368	18,734
Total equity		**376,272**	**215,736**
Non-current liabilities			
Borrowings	7	208,140	60,615
		208,140	**60,615**
Current liabilities			
Trade and other payables	8	20,350	9,512
Borrowings	7	3,083	3,820
		23,433	**13,332**
Total liabilities		**231,573**	**73,947**
Total equity and liabilities		**607,845**	**289,683**

The Company made a loss of €9,740,000 for the financial year ended 31 December 2018 (2017: profit €10,215,000).

On behalf of the Directors

Robert Etchingham
18 April 2019

Niall Dolan
18 April 2019

Company Statement of Changes in Equity
Year ended 31 December 2018

	Issued share capital €000	Share premium €000	Capital contribution €000	Share based payment reserve €000	Retained earnings €000	Total €000
At 01 January 2017	**805**	**140,268**	**512**	**3,981**	**11,247**	**156,813**
Profit for the year	-	-	-	-	10,215	10,215
Total comprehensive income	**-**	**-**	**-**	**-**	**10,215**	**10,215**
Share based payments	-	-	-	1,129	-	1,129
Issue of ordinary share capital	111	50,196	-	-	(1,234)	49,073
Dividends	-	-	-	-	(1,494)	(1,494)
At 31 December 2017	**916**	**190,464**	**512**	**5,110**	**18,734**	**215,736**
At 01 January 2018	**916**	**190,464**	**512**	**5,110**	**18,734**	**215,736**
Adjustment from adoption of IFRS 9 (note 1)	-	-	-	-	877	877
Adjusted balance at 01 January 2018	**916**	**190,464**	**512**	**5,110**	**19,611**	**216,613**
Loss for the year	-	-	-	-	(9,739)	(9,739)
Total comprehensive income	**-**	**-**	**-**	**-**	**(9,739)**	**(9,739)**
Share based payments	-	-	-	836	-	836
Issue of ordinary share capital (note 11)	290	175,776	-	-	(6,193)	169,873
Dividends	-	-	-	-	(1,311)	(1,311)
At 31 December 2018	**1,206**	**366,240**	**512**	**5,946**	**2,368**	**376,272**

Company Statement of Cashflows
Year ended 31 December 2018

	Notes	2018 €000	2017 €000
Cash flows from operating activities			
(Loss)/profit before income tax		(9,739)	10,215
Adjustments for:			
Finance income		-	(4)
Finance costs		3,417	1,214
Dividend income		-	(11,250)
Cash used in operations		(6,322)	175
(Decrease)/increase in trade and other receivables		(23)	34
Increase in trade payables		1,369	-
Net cash from/(used in) operating activities		**(4,976)**	**209**
Cash flows from investing activities			
Increase in investment in subsidiary		(263,639)	(59,528)
Loans (advanced to)/repaid from subsidiary undertakings		(65,443)	1,592
Dividend income received		-	11,250
Net cash used in investing activities		**(329,082)**	**(46,686)**
Cash flows from financing activities			
Net proceeds from long-term borrowings		301,165	45,000
Proceeds from issue of ordinary share capital		169,873	49,071
Repayment of borrowings		(153,676)	(23,666)
Interest paid		(3,512)	(1,535)
Dividends paid	15	(1,311)	(1,494)
Net cash (used in) investing activities		**312,539**	**67,376**
Net (decrease)/increase in cash and cash equivalents		(21,519)	20,899
Cash and cash equivalents at beginning of year		23,989	3,090
Cash and cash equivalents at end of year	6	**2,470**	**23,989**

Notes to the Company Financial Statements
Year ended 31 December 2018

1. NEW STANDARDS ADOPTED BY THE COMPANY

As described in note 4 of the consolidated financial statements, the Group adopted IFRS 9, Financial Instruments, and IFRS 15, Revenue from Contracts with Customers, with effect from 01 January 2018. As the Company is a holding company, it has no revenue and therefore, IFRS 15 does not apply.

IFRS 9 Financial Instruments

IFRS 9 replaces the provisions of IAS 39 Financial Instruments: Recognition and Measurement that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 from 01 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated.

The total impact on the Company's retained earnings as at 01 January 2018 is as follows:

	2018 €000
Opening retained earnings 01 January 2018 (before restatement for IFRS 9)	**18,734**
Gain from modification of financial liabilities [1]	877
Restated retained earnings 01 January 2018 (post restatement for IFRS 9)	**19,611**

[1] The Company refinanced its borrowings during 2015. In accordance with IAS 39, the modification of the loan terms was not considered to result in an extinguishment of the initial borrowings. At the date of the modification no gain was recognised in the Income Statement. Instead, the Company discounted the cash flows of the modified borrowings at a revised effective interest rate which meant that the impact of the changes in cash flows was recognised over the remaining modified term of the borrowings.

Under IFRS 9, the cash flows of the modified borrowings must be discounted at the original effective interest rate. This would have resulted in the recognition of an immediate gain in the Income Statement at the date of the modification. As the Company has chosen not to restate comparatives in adopting IFRS 9, it has recognised an adjustment of €0.9 million to reduce non-current borrowings for the gain on 01 January 2018 with a corresponding impact on retained earnings. During the year, these borrowings were repaid and the resulting loss was recorded in the Income Statement.

2. AUDITORS REMUNERATION

Total auditors' remuneration paid to PwC and its affiliated firms was as follows:

	Year to 31 December 2018 €000	Year to 31 December 2017 €000
Audit of Company's financial statements	8	6

3. EMPLOYEE BENEFITS

The Company had no employees in 2018 and 2017. The Company's directors are not employees but are remunerated for their service by another Group company. See note 9 Directors' Remuneration of the consolidated financial statements for a summary of their remuneration.

Notes to the Company Financial Statements (continued)
Year ended 31 December 2018

4. FINANCIAL ASSETS

	2018 €000	2017 €000
Investment in subsidiaries - unquoted		
Shares at cost		
At 01 January	**250,156**	**189,499**
Additions	264,475	60,657
At 31 December	**514,631**	**250,156**

The increase in investments in the year relates to the issue of shares and share based payments transactions. Details of the Company's subsidiary company is contained in note 13.

5. TRADE AND OTHER RECEIVABLES

	2018 €000	2017 €000
Current		
Other debtors	-	35
Provision for impairment	-	(35)
Net other debtors	-	-
Prepayments	23	-
Withholding tax receivable	24	24
Amounts owed by group undertakings (note 13)	4,884	4,261
	4,931	**4,285**
Non-current		
Amounts owed by group undertakings (note 13)	85,813	11,253
	85,813	**11,253**

The fair value of trade and other receivables approximates to their carrying values. As of 31 December 2018, other debtors of €nil (2017: €35,000) were impaired. All other receivables were fully performing, were not past due and were not impaired.

Amounts owed by group company undertakings are unsecured, carry a 0% interest rate, and are repayable on demand. There are no provisions against amounts receivable from group companies. The Company exercises judgement on amounts due from group companies based upon the substance of the instrument.

The carrying amounts of the Company's receivables are denominated in Euro.

Notes to the Company Financial Statements (continued)
Year ended 31 December 2018

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are included in the Company Statement of Financial Position and Company Statement of Cash Flows and are analysed as follows:

	2018 €000	2017 €000
Cash at bank	2,470	23,989
Cash and cash equivalents (excluding bank overdrafts)	**2,470**	**23,989**

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	2018 €000	2017 €000
Cash and cash equivalents	2,470	23,989
	2,470	**23,989**

Non-cash transactions

Applegreen plc operates a number of share based payment schemes. These schemes reward employees in subsidiary entities. These transactions represent a capital contribution to the subsidiaries and therefore, are treated as an investment in the subsidiaries.

There were no other significant non-cash transactions during 2018 or 2017.

7. BORROWINGS

	2018 €000	2017 €000
Current		
Bank loans	3,083	3,820
	3,083	**3,820**
Non-current		
Bank loans	208,140	60,615
	208,140	**60,615**
Total borrowings	**211,223**	**64,435**

The carrying amounts of the Company's borrowings are denominated in the following currencies:

	2018 €000	2017 €000
Euro	102,178	55,254
UK Pound Sterling	109,045	9,181
	211,223	**64,435**

Notes to the Company Financial Statements (continued)
Year ended 31 December 2018

7. BORROWINGS (CONTINUED)

Maturity profile of bank loans

	2018 €000	2017 €000
Within one year	3,044	3,820
Between one and two years	17,032	4,203
Between two and five years	191,147	56,412
	211,223	**64,435**

The value of committed undrawn bank facilities at 31 December 2018 was €64.8 million (2017: €20 million). The carrying amounts of the current and non-current borrowings equate to their fair value as the borrowings incur interest charges based on variable rates reflected in the Income Statement using the effective interest rate method. There has been limited change in credit or other risk characteristics of the Company since the debt was originally drawn down by the Company at the end of October 2018. The fair value has been determined on the basis of discounted cash flows.

Bank overdrafts

Bank overdrafts are short term financing and are repayable on demand. At 31 December 2018, the Company had access to overdraft facilities totalling €10 million and £1.7 million.

Bank loans

As part of the Company refinancing that occurred during 2013, long term loan finance was obtained from Ulster Bank Ireland and Allied Irish Bank plc. Finance totalling €32 million and £8.5 million was obtained with all loan facilities due to mature in 2019.

In March 2015, the Company extended its banking arrangements with its senior lenders, Ulster Bank Ireland and Allied Irish Bank plc. These new arrangements extended the maturity of the Company's debt and made additional facilities available to the Company. Finance totalling €62.4 million and £9.7 million was obtained, with all loan facilities due to mature in March 2020.

In August 2017, the Company secured an increase to its revolving credit facilities of €20 million, also due to mature in March 2020.

On 31 October 2018, all amounts due under these facilities were repaid in full and cancelled.

In August 2018, the Company entered into a new €300 million Facilities Agreement. The syndicated multicurrency lending arrangements include a €150 million Term Facility and a €150 million Revolving Credit Facility, each of which mature in August 2023. Commitments made by senior lenders in respect of Ancillary Facilities (including bank overdrafts noted above) are offset against the Revolving Credit Facility.

In addition to the €300 million facilities noted, there is provision for a further increase to commitments of €75 million in future upon the satisfaction of certain criteria.

All facilities are on floating rate terms based on Euribor for loans denominated in Euro and Libor for loans denominated in Pound Sterling.

Company bank borrowings are stated net of unamortised issue costs of €7.8 million (2017: €0.5 million). These issue costs were incurred in respect of the senior debt facilities and any subsequent amendments thereto. These costs together with the interest expense are allocated to the Income Statement over the term of the facility using the effective interest rate method.

Guarantees and security

As security for loans advanced by the senior lenders, the following charges have been granted:

(i) Debenture or equivalent over all material group subsidiaries; and

(ii) Fixed charge on shares in all material subsidiaries.

In addition, joint and several guarantees of the obligations of the borrower by Applegreen plc and several other 100% owned group companies have been granted.

Notes to the Company Financial Statements (continued)
Year ended 31 December 2018

8. TRADE AND OTHER PAYABLES

	2018 €000	2017 €000
Current		
Trade payables and accruals	1,526	114
Amounts owed to group undertakings (note 13)	18,824	9,398
	20,350	**9,512**

The fair value of trade and other payables is equivalent to their carrying values. The carrying amounts of the Company's payables are denominated in Euro.

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

9. CAPITAL AND FINANCIAL RISK MANAGEMENT

Interest rate and foreign currency risk

The Company has exposure to changes in interest rates arises in respect of its floating rate borrowings and to foreign currency risk in respect of its borrowing denominated in Pound Sterling. See note 22 of the consolidated financial statements for further details.

Based on the Company's net debt position at the year-end a movement of 100 basis points in base market interest rates would affect the Company's profit before tax and shareholder funds by approximately €0.5 million (2017: €0.5 million).

A movement of 10% in exchange rates would change the carrying value of borrowings by €9.9 million (2017: €0.1 million).

10. MOVEMENTS OF LIABILITIES WITHIN CASH FLOWS ARISING FROM FINANCING ACTIVITIES AND NET DEBT RECONCILIATIONS

	Bank loans €000	Cash and cash equivalents €000	Net debt €000
At 01 January 2017	**(43,188)**	**20,899**	**(22,289)**
Cash flows	(21,334)	3,090	(18,244)
Other non-cash movements	(258)	-	(258)
Translation adjustment	345	-	345
At 31 December 2017	**(64,435)**	**23,989**	**(40,446)**

	Bank loans €000	Cash and cash equivalents €000	Net debt €000
At 01 January 2018	**(64,435)**	**23,989**	**(40,446)**
Cash flows	(147,489)	(21,519)	(169,008)
Other non-cash movements	129	-	129
Translation adjustment	572	-	572
At 31 December 2018	**(211,223)**	**2,470**	**(208,753)**

Notes to the Company Financial Statements (continued)
Year ended 31 December 2018

11. SHARE CAPITAL

	Ordinary No.	€
Authorised shares of €0.01 each		
At 31 December 2017	1,000,000,000	10,000,000
At 31 December 2018	1,000,000,000	10,000,000
Called up, issued and fully paid shares of €0.01 each		
At 01 January 2017	**80,471,053**	**804,710**
Allotted	11,087,105	110,871
At 01 January 2018	**91,558,158**	**915,581**
Allotted	29,057,895	290,578
At 31 December 2018	**120,616,053**	**1,206,159**

The holders of ordinary shares are entitled to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. Ordinary shareholders also have the right to receive notice of and attend and vote at all general meetings of the Company and they are entitled, on a poll or a show of hands, to one vote for every ordinary share they hold. Votes at general meetings may be given either personally or by proxy. Subject to the Companies Acts and any special rights or restrictions as to voting attached to any shares, on a show of hands every member who (being an individual) is present in person and every proxy and every member (being a corporation) who is present by a representative duly authorised, shall have one vote, so, that no individual shall have more than one vote for every share carrying voting rights and on a poll every member present in person or by proxy shall have one vote for every share of which they are the holder.

2018

During 2018, the Company issued 28,782,895 ordinary shares of €0.01 at an issue price of €6.08/£5.43 per share, resulting in gross proceeds of €176 million. Share premium of €175.4 million was recorded on these shares. Directly attributable issue costs of €6.2 million have been deducted from retained earnings.

275,000 share options were exercised during 2018. Share premium of €0.4 million was recorded on these shares.

2017

During 2017, the Company issued 8,082,105 ordinary shares of €0.01 at an issue price of €5.80/£5.09 per share, resulting in gross proceeds of €46.3 million. Share premium of €46.2 million was recorded on these shares. Directly attributable issue costs of €1.2 million have been deducted from retained earnings.

3,005,000 share options were exercised during 2017. Share premium of €4 million was recorded on these shares.

These funds have been used and will be used to further expand the Group.

Notes to the Company Financial Statements (continued)

Year ended 31 December 2018

12. RESERVES

	Share premium €000	Capital Contribution €000	Share based payment reserve €000	Retained earnings €000	NTotal €000
At 01 January 2017	**140,268**	**512**	**3,981**	**11,247**	**156,008**
Profit for the year	-	-	-	10,215	10,215
Issue of ordinary share capital (note 11)	50,196	-	-	(1,234)	48,962
Share based payments	-	-	1,129	-	1,129
Dividends	-	-	-	(1,494)	(1,494)
At 31 December 2017	**190,464**	**512**	**5,110**	**18,734**	**214,820**
Adjustment from adoption of IFRS 9 (note 1)	-	-	-	877	877
Adjusted balance at 01 January 2018	**190,464**	**512**	**5,110**	**19,611**	**215,697**
Profit for the year	-	-	-	(9,739)	(9,739)
Share based payments	-	-	836	-	836
Issue of ordinary share capital (note 11)	175,776	-	-	(6,193)	169,583
Dividends	-	-	-	(1,311)	(1,311)
At 31 December 2018	**366,240**	**512**	**5,946**	**2,368**	**375,066**

Share-based payment reserve

This reserve represents the amounts credited to equity in relation to the share-based payment expense recognised in the applicable subsidiary's income statement in which the employees are employed.

Capital contribution

The capital contribution relates to a payment made to the Group in 2015 in respect of a bonus payment to employees made by the largest shareholder. The award was treated as a short term employee benefit (once committed, the employee had no further service to earn the award) of the Applegreen Group resulting in a charge (employee expense) to the Income Statement in respect of the year ended 31 December 2015 and a corresponding credit to a capital contribution in equity.

13. RELATED PARTY DISCLOSURES

A - Transactions with directors

The Group's largest shareholder is B&J Holdings Limited (incorporated in Malta), which owns 41.3% of the Company's shares. This company is owned by Joseph Barrett and Robert Etchingham who hold 100% of the shares in B&J Holdings Limited.

Directors' interest in share options

Information on directors' share options to subscribe for ordinary shares of the Company are set out below:

	Options held at 31 December 2017	Granted during 2018	Exercised during 2018	Options held at 31 December 2018
Joe Barrett	-	100,000	-	100,000
Niall Dolan	450,000	100,000	-	550,000

Notes to the Company Financial Statements (continued)

Year ended 31 December 2018

13. RELATED PARTY DISCLOSURES (CONTINUED)

B – Other related parties

The Company conducted transactions and held balances with fellow Group companies and other related parties during the year. Details of these related parties are disclosed below:

	Nature of Relationship	Balance Owing (to)/from 01-Jan-17 €000	Transfers to/(from) group companies €000	Expenses paid on behalf of/ (by) group companies €000	Intra-group interest charge €000	Balance Owing (to)/from 31-Dec-17 €000
Trade and other receivables						
Applegreen Service Areas Limited	Subsidiary	1,229	-	-	-	1,229
Applegreen Service Areas NI Limited	Subsidiary	623	-	32	-	655
Petrogas Holdings Limited	Subsidiary	3,000	-	-	-	3,000
Petrogas Group UK Limited	Subsidiary	10,630	-	-	-	10,630
		15,482	-	32	-	15,514
Trade and other payables						
Petrogas Group Limited	Subsidiary	(5,907)	(1,078)	(585)	-	(7,570)
Petrogas Services B.V.	Subsidiary	(1,670)	112	-	(64)	(1,622)
Petrogas Group UK Limited	Subsidiary	(443)	615	(378)	-	(206)
		(8,020)	(351)	(963)	(64)	(9,398)

	Nature of Relationship	Balance Owing (to)/from 01-Jan-18 €000	Transfers to/(from) group companies €000	Expenses paid on behalf of/ (by) group companies €000	Intra-group interest charge €000	Balance Owing (to)/from 31-Dec-18 €000
Trade and other receivables						
Applegreen Service Areas Limited	Subsidiary	1,229	-	-	-	1,229
Applegreen Service Areas NI Limited	Subsidiary	655	(655)	-	-	-
Petrogas Holdings Limited	Subsidiary	3,000	655	-	-	3,655
Petrogas Group UK Limited	Subsidiary	10,630	(10,630)	-	-	-
Petrogas Services B.V.	Subsidiary	(1,622)	87,435	-	-	85,813
		13,892	76,805	-	-	90,697
Trade and other payables						
Petrogas Group Limited	Subsidiary	(7,570)	(1,475)	173	-	(8,872)
Petrogas Group UK Limited	Subsidiary	(206)	(390)	(47)	-	(643)
Petrogas Holdings UK Limited	Subsidiary	-	(9,309)	-	-	(9,309)
		(7,776)	(11,174)	126	-	(18,824)

During the year, Petrogas Holdings Limited paid a dividend of €nil (2017: €11.2 million) to Applegreen plc.

There are no provisions against amounts receivable from group companies. The Company exercises judgement on amounts due from group companies based upon the substance of the instrument.

Notes to the Company Financial Statements (continued)
Year ended 31 December 2018

13. RELATED PARTY DISCLOSURES (CONTINUED)

C – Subsidiaries

The Company's subsidiary company, Petrogas Holdings Limited, is incorporated in Ireland and has its registered office at Block 17, Joyce Way, Parkwest, Dublin 12. The principal activities and the changes, where applicable, during the financial period, as required by the Companies Act 2014, are set out below:

Subsidiary	Principal activity	Country of incorporation	2018
Petrogas Holdings Limited	Holding company	Republic of Ireland	100%

Shares in the other subsidiaries are held directly or indirectly by Petrogas Holdings Limited. See note 29 of consolidated financial statements for details.

14. COMMITMENTS AND CONTINGENCIES

There were no commitments for capital expenditure or contingent liabilities as at 31 December 2018 (2017: €nil).

Guarantees

Pursuant to the provisions of Section 357 of the Companies Act 2014, the Company has irrevocably guaranteed the liabilities of its wholly owned subsidiary undertakings in the Republic of Ireland (as listed below), for the financial year ended 31 December 2018 and, as a result, such subsidiary undertakings have been exempted from the filing provisions of Section 347 of the Companies Act 2014.

Petrogas Holdings Limited
Petrogas Group Limited
Applegreen Service Areas Limited
Petrogas Brands Limited
Applegreen BK Limited
Applegreen Cafe Limited
Petrogas International Limited
Petrogas Facilities Limited
Applegreen Finance (Ireland) DAC

15. DIVIDENDS

	2018 €000	2017 €000
Final dividend 2016	-	1,010
Interim dividend	603	484
Final dividend 2017	708	-
	1,311	**1,494**

On 5 July 2018, a final dividend for the year ended 31 December 2017 of 0.80 cent per share was paid.

On 19 October 2018, an interim dividend for 2018 of 0.63 cent per share was paid (2017: 0.60 cent per share).

The Board has proposed a final dividend of 0.91 cent per share (2017: 0.80 cent per share) which will be paid on 28 June 2019 to shareholders on the register as at 07 June 2019. These financial statements do not reflect this final dividend. There is no income tax consequence for the Company in respect of dividends proposed prior to issuance of the financial statements.

16. POST YEAR END EVENTS

The Directors have proposed a dividend in respect of the 2018 financial year of 0.91 cent per ordinary share, €1.1 million in total. This dividend has not been provided for in the Statement of Financial Position as there was no present obligation to pay the dividend at the year end. The final dividend is subject to approval by the Company's shareholders at the Annual General Meeting.

17. APPROVAL OF FINANCIAL STATEMENTS

The Board of Directors approved and authorised for issue the financial statements in respect of the year ended 31 December 2018.

Glossary of Financial Terms

The key financial terms used by the Group in this report are as follows:

Measure	Description
Constant currency	Constant currency measure eliminates the effects of exchange rate fluctuations that occur when calculating financial performance numbers. They are calculated by taking the current year figures and applying the prior year average exchange rates.
EBITDA and adjusted EBITDA	EBITDA is defined as earnings before interest, tax, depreciation, amortisation and impairment charges. Adjusted EBITDA refers to EBITDA adjusted for share based payments and non-recurring items. The adjusted EBITDA calculation can be found on page 125.
EBITDAR and adjusted EBITDAR	EBITDAR is defined as EBITDA before rent. Adjusted EBITDAR refers to Adjusted EBITDA before rent.
Adjusted PBT	Adjusted PBT is calculated using the profit for the financial year adjusted for share based payments, non-recurring operating charges, interest on shareholder loans, non-recurring interest charges and acquisition related intangible asset amortisation. Adjusted PBT is calculated as follows:

	2018 €000	2017 €000
Profit before tax	**15,666**	**21,967**
Share based payments	1,001	1,630
Non-recurring charges	8,534	1,005
Acquisition related intangible assets amortisation	1,136	93
Interest on shareholder loans	1,165	-
Non-recurring finance cost	1,015	-
Adjusted PBT	**28,517**	**24,695**

Measure	Description
Adjusted EPS	Adjusted Diluted EPS is calculated using the profit for the financial year adjusted for share based payments, non-recurring operating charges, interest on shareholder loans, non-recurring interest charges, acquisition related intangible asset amortisation charges and the related non-controlling interest and tax impact on these items divided by the weighted average number of ordinary shares in issue for diluted earnings per share. Adjusted EPS is calculated as follows:

	2018 €000	2017 €000
Profit for the financial year	**13,580**	**18,656**
Share based payments	1,001	1,630
Non-recurring charges	8,534	1,005
Acquisition related intangible assets amortisation	1,136	93
Interest on shareholder loans	1,165	-
Non recurring finance cost	1,015	-
Tax	(80)	(32)
Non-controlling interest	(1,013)	-
Adjusted profit after tax and non-controlling interest	**25,338**	**21,352**
Weighted average number of ordinary shares for diluted earnings per share ('000)	98,483	86,060
Adjusted Diluted EPS	**25.73**	24.81

Measure	Description
Like for like	Like for like statistics measure the performance of stores that were open at 01 January 2017 and excluding any stores that were closed or divested since that date.
Net debt position	Net debt position comprises current and non-current borrowings excluding shareholder loans and cash and cash equivalents.
Cash flow summary	The Cash Flow Summary uses cash flow categorisations as reviewed by management.
Pro forma adjusted leverage	Pro forma adjusted leverage is defined as net debt divided by adjusted EBITDA. Net debt is adjusted for shareholder loans and adjusted EBITDA incorporates the full year Welcome Break performance.

Directors and other Information

Directors

Daniel Kitchen
(Independent Non-Executive Chairman)

Robert Etchingham
(Chief Executive Officer)

Joseph Barrett
(Chief Operating Officer)

Niall Dolan
(Chief Financial Officer – appointed 6 March 2018)

Howard Millar
(Independent Non-Executive Director)

Martin Southgate
(Independent Non-Executive Director)

Brian Geraghty
(Independent Non-Executive Director)

Company Secretary

Niall Dolan

Company Registration Number

491702

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