

Template for risk identification

Cell reference	Assumption name	Default value	Risks identified by DT, DD, RM	Initial ranges proposed	Proposed mitigations (DT, SPA)	Updated ranges after mitigations
Assumptions C84	GP margin	15%, decrease by 0,5% per year	<ul style="list-style-type: none"> • Lower entry barrier • Emergence of low margin products • Slow growth of independent competitors • Drop in out of pocket expenses by client • Innovation in E-commerce distribution channels 	Decrease by 0-5%	<ul style="list-style-type: none"> • In the short to medium term, e-commerce could impact demand 4% of the sales and net income respectively in 2018. We don't foresee this as a significant risk as expected to capture this demand via it's online store. • Already launched an online store which it plans to further develop and grow over the short term. • Appoint CEO, CFO, head of IT and head of internal audit, post transaction. • To retain key staff, succession planning should be implemented at the initial stage and to lock in the operational experts (current and future) for at least 3-5 years. • Ensure implementation of ERP and other required systems timely and effectively. 	Growth by 0,5 or decrease by 0,5%