On a mission
for better health

Missionpharma A/S

Annual report 2023/24

Missionpharma A/S
Vassingeroedvej 9 · 3540 Lynge · Denmark
www.missionpharma.com
CVR No. 26 90 23 98

Approved at General Meeting 24/6-2024
Chairman: Torben Nørskov,
Accura Advokatpartnerselskab

Contents

ABOUT THIS REPORT

This annual report for Missionpharma A/S covers the financial year 1 April 2023 - 31 March 2024 and contains a Management Review, Reports and Accounts.

The Management Review, in particular, includes financial and non-financial highlights of the year, our business in general and very importantly, also the impact and actions of our Environmental, Social, and Governance priorities.

The accounts of Missionpharma A/S and its subsidiaries are consolidated into the group accounts of Missionpharma A/S.

SUSTAINABILITY REPORT

As a participant of the UN Global Compact, Missionpharma is committed to contributing to the Ten Principles for human rights, labour, environment and anti-corruption and the relevant UN Sustainable Development Goals.

Our sustainability report summarises our Environmental, Social, and Governance priorities and progress for the financial year 2023-24.

View the report at www.missionpharma.com.

Company details

COMPANY

Missionpharma A/S
Vassingeroedvej 9
3540 Lynge
Denmark
www.missionpharma.com

CVR no.:	26 90 23 98
Financial year:	1 April - 31 March
Established:	6 December 2002
Reg. office:	Lynge, Denmark

BOARD OF DIRECTORS

Jean-Marc Pierre René Leccia (Chairman)
Kim Erik Ginnerup
Eric Pierre Jean Muris
Ilona Maureen Fischer

EXECUTIVE BOARD

Christian Monrad Overgaard (CEO)
Alexandre Pierre Jean Vialatte (CFO)

AUDITORS

Mazars
Statsautoriseret Revisionspartnerselskab
Midtermolen 1, 2. tv
2100 København Ø
Denmark

Business highlights

929

MILLION DKK

Missionpharma generated a historical revenue record in financial year 2023/24, mainly driven by the realisation of new commercial initiatives and strong USD currency.

180

DIFFERENT PRODUCTS IN STOCK CATALOGUE

Recognising the critical importance of providing immediate access to healthcare supplies in crisis situations, we have further developed a stockholding strategy, where we keep stock of a wide range of essential medicines, medical consumables, hospital equipment, and kits in our warehouses in India and Denmark.

Holding products in stock is key to our ability to quickly address emergencies across the globe and supports our dedication to delivering impact where needed most.

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NEW LOCAL MANUFACTURERS APPROVED THIS YEAR

Acknowledging customer preferences for locally produced or kitted products, we have taken significant steps to expand our sourcing and supply chain activities to include selected African manufacturers and local partners.

This strategic move not only supports donors' localisation strategies but also proves our commitment to delivering high quality products and services, while supporting local industry growth and capacity building. We are actively enrolling new local manufacturers into our portfolio to continuously broaden our network.

Financial highlights in DKK

1 APRIL 2023 - 31 MARCH 2024

DKK'000	2023/24	2022/23	2021/22	2020/21	2019/20
KEY FIGURES					
Revenue	928,798	924,320	682,481	726,927	780,353
Gross profit	219,958	229,341	133,504	182,236	99,252
Operating profit (EBIT)	151,336	159,600	69,020	115,464	31,897
Net financials	2,544	-5,201	268	-13,549	-7,390
Profit for the year	**119,746**	**119,258**	**52,305**	**78,068**	**16,983**
Total assets	470,294	550,154	442,228	454,882	407,596
Equity	**320,520**	**351,072**	**323,250**	**348,431**	**285,057**
Investments in the year	6,856	6,015	1,188	806	2,464
Number of full-time employees	**158**	**150**	**142**	**144**	**169**
Net cash flow for the year	**8,097**	**-5,391**	**-6,776**	**-17,118**	**33,137**
FINANCIAL RATIOS					
Operating margin (EBIT)	16.3%	17.3%	10.1%	15.8%	4.1%
Return on assets	29.7%	31.8%	15.4%	26.7%	7.6%
Equity ratio	68.2%	63.8%	73.1%	76.6%	69.9%
Return on equity	35.7%	34.1%	15.6%	24.6%	5.8%
Liquidity ratio	3.0	2.5	3.4	3.9	2.8

COMMENTS TO FINANCIAL HIGHLIGHTS

The financial performance of Missionpharma A/S during the financial year 2023/24 has been historically high, as a result of a strong commercial performance.

2023/24 revenue reached a record high year for Missionpharma, as we continue to develop our activities by diversifying our client portfolio. Further improved operational efficiency, allowed Missionpharma to deliver a high level of contribution on turnkey projects in a challenging post-COVID context.

Missionpharma secured to maintain its cost structure to a satisfactory level in an inflation context, while investing in the future through additional warehousing capacity in India and a new ERP project.

Missionpharma continues the high dividend payout ratio with a proposed 119 million DKK for the financial year 2023/24.

ESG highlights

100%

OF EMPLOYEES TRAINED IN NEW GROUP COMPLIANCE POLICIES

A range of new compliance policies are rolled out across all locations and fully embedded into our operational procedures and engagements with external partners, supported by our strong electronic Quality Management System.

All employees in Denmark, India, China, and Zambia have completed training in the new compliance policies in accordance with Group directives.

SDG 17

EXPANDING OUR SDG FRAMEWORK

This year, we have expanded our SDG framework to include SDG 17: Partnerships for the Goals, supplementing our long-standing focus on SDGs 3, 8, and 13.

SDG 17's emphasis on strengthening collaborative partnerships between governments, the private sector, and society aligns with Missionpharma's existing business, which is built on fostering and developing long-standing global partnerships. Supporting SDG 17 encourages us towards a more integrated approach to sustainable development.

95%

GLOBAL EMPLOYEE SATISFACTION

95% of employees across all locations have answered positively to the benchmark question in our annual employee engagement survey "Taking everything into account, I would say this is a great place to work".

A 99% global survey response rate demonstrates both strong support for the survey and also high validity in the survey results.

Statement from our CEO

The year 2023/24 has been another remarkable chapter in the history of Missionpharma. Building on our strong foundation, we have continued to enhance our operational and financial performance, while strengthening our market position despite the challenges presented by the global economic environment.

This financial year has seen the global economy struggling with persistent inflationary pressures and supply chain disruptions. Missionpharma has not only navigated these turbulent times successfully but has also emerged stronger to deliver a record high financial performance.

Investment in talent, constant focus on quality, substantial expansion of our Indian warehousing capacity and supply chain excellence, continued to be my strategic focus to shape a resilient Missionpharma able to navigate and seize future business opportunities. As the world's geopolitical landscape continues to be particularly complex, with ongoing conflicts and humanitarian tragedies, I am convinced that our commitment to secure availability and urgent delivery capacity of medical supplies will continue to make us a valued partner to society.

With this in mind we are proud to have launched a new bulk stock holding model with readily available products.

As always, we hold fast to our commitment of integrating sustainability at the core of our strategy. We have made significant strides in reducing our environmental footprint, embracing further renewable energy, and implementing sustainable sourcing practices in selecting and promoting local manufacturers. Our commitment to sustainability not only enhances our operational resilience but also aligns with our long-term vision of contributing to a healthier planet.

These values and commitments are perfectly embodied by Missionpharma employees, through our mission of providing safe and affordable healthcare. I am continually impressed by the dedication, agility, and diversity of the Missionpharma global team. On behalf of the Board, I extend my deepest gratitude to our employees for their hard work and to our shareholders, partners, and customers for their continued trust and support.

As we look ahead, I am confident that our strategic investments and determination will enable us to scale the impact of our work.

Christian Overgaard
CEO, Missionpharma Group

OUR PURPOSE

On a mission for better health

We believe that access to safe and affordable healthcare is a human right. Since 1975 we have contributed to improving global health by supplying quality medicines and medical devices to people all over the world.

OUR VALUES

We care

We care about people. We take responsibility and treat each other and the world around us with respect.

We deliver impact

We are dedicated to making a difference. We work relentlessly to deliver solutions with impact.

We are one

We succeed by working together as one – a diverse team of specialists. We are the sum of our collective expertise.

Facts & figures

158
employees globally

16
nationalities

929
million DKK revenue

1975
commencing business

+100 million
people are treated with medicine from Missionpharma every year

40,000
cbm of healthcare products supplied to patients in 2023/24

2012
A proud member of CFAO Healthcare

17,000
m^3 GDP-certified pharmaceutical warehousing facilities in India and Denmark

5
locations

About us

Missionpharma is a global supplier of generic pharmaceuticals, medical consumables, hospital equipment, and medical kits to public and private institutions, international development organisations, and UN entities.

As a private, global pharmaceutical wholesaler, we make significant impact by improving the health of millions of people worldwide. For almost 50 years, we have been dedicated to our mission to ensure access to safe, affordable healthcare for all.

Our team spans the globe, with 60 people at our Danish headquarters in Lynge and close to 100 across our offices in India, China, and Zambia. Additionally, we have a local agents and distribution networks in over 30 countries, primarily on the African continent.

ON A MISSION FOR BETTER HEALTH

We are committed to improving worldwide access to safe, affordable healthcare, while incorporating environmental and social responsibility into our operations.

We manage complex health supply projects, ensuring reliable deliveries worldwide. Specialising in comprehensive project management, we simplify complex challenges, prioritising respect for individuals and societies.

Our deep understanding of market needs drives our efforts to improve our market position and develop new strategic business areas, all while maintaining a commitment to quality, affordability, and societal impact.

Our business model and values drive us towards fulfilling our mission for better health and we focus on sustainable growth by leveraging collaborations with customers and local partners to develop solutions that benefit and engage communities.

▶▶ Read more about us at www.missionpharma.com

OUR PRODUCTS

- Generic pharmaceuticals
- Medical consumables
- Hospital equipment
- Medical kits

For almost 50 years we have been dedicated to our mission for better health by working to ensure access to safe and affordable healthcare for all. Every year, we supply life-saving medicine to more than 100 million people worldwide.

Quality in every aspect

We strongly believe that access to quality-assured essential pharma-ceuticals and medical supplies is a fundamental human right, and we work hard to improve access to quality products on a global scale.

Our commitment to patient safety is the foundation of all our operations. We uphold the highest quality standards in every aspect of our activities to contionusously advance the safety, reliability, and quality of our products and services.

Our dedication to quality permeates every layer of our operations. All our manufacturers must pass our comprehensive pre-qualification programme, which includes regular on-site Good Manufacturing Practice (GMP) audits conducted by our own certified auditors, as well as continuous performance monitoring and assessment.

CERTIFICATIONS AND STANDARDS

Missionpharma holds ISO 9001, ISO 13485, and ISO 14001 certifications awarded by Bureau Veritas. Our pharmaceutical warehousing and kit packing facilities in Denmark are EU-GDP certified from the Danish Medicines Agency, while our facilities in India are WHO-GDP certified by Bureau Veritas.

Additionally, our integrated Quality Management System complies with WHO Model Quality Assurance System for Procurement Agencies and is continuously refined to drive improvements in safety and quality.

GLOBAL QUALITY TEAM

We employ a global quality organisation with pharmacists based in Denmark, India, China, and Zambia. Our quality team includes a permanent team of highly trained and certified auditors, who ensure that we work with audited and approved suppliers only, conducting more than 60 GMP inspections every year.

Our strict quality practices not only ensure compliance with international standards but also support our mission to deliver impactful healthcare solutions worldwide.

Over 20% of our employees work in the quality department, underscoring our commitment to the highest standards of quality in all operations.

QUALITY POLICY

Patient safety is of great concern to Missionpharma. Therefore, we ensure that our products comply with predefined quality standards and the individual requirements of our customers. This is achieved through a focused effort on quality, safety, and reliability of products and services and adherence to current legislation and relevant guidelines – assisted by an integrated Quality Management System and personal commitment on its continuous improvement

ISO 9001
Management System Certification
BUREAU VERITAS
Certification Denmark A/S

ISO 14001
Management System Certification
BUREAU VERITAS
Certification Denmark A/S

ISO 13485
Management System Certification
BUREAU VERITAS
Certification Denmark A/S

Global warehousing and kitting

As a leading supplier of healthcare products and medical kits we offer complete warehousing and kitting solutions from our facilities in India as well as in Denmark.

GLOBAL WAREHOUSING AND KITTING

Missionpharma has established a comprehensive integrated logistics setup, which includes state-of-the-art GDP-certified pharmaceutical warehousing, kitting, and stockholding facilities in India and Denmark, providing a total of 17,000 m^3 and 11,000 pallet positions.

All facilities are a fully integrated part of the Missionpharma Group and are subject to our comprehensive Quality Management System.

We primarily source products from manufacturers in Europe and Asia, with a special focus on serving non-European Union countries, particularly in Africa and Asia. The strategic location of our Indian logistics setup not only improves our inbound logistics but also provides significant advantages by shortening the distance to our manufacturers and markets in Africa and Asia.

WAREHOUSE IN DENMARK

Our warehouse in Lynge is well located to optimise the supply chain and reduce CO_2 emissions when working with European manufacturers. Our Danish facilities offer complete pharmaceutical warehousing, storage, consolidation, kitting, and logistics services, providing 6,600 m^3 of space and 2,700 pallet positions.

Having warehousing facilities on two continents, in India and in Denmark, enhances our global distribution capabilities, ensuring efficient and timely delivery to our customers worldwide. This strategic advantage allows us to respond swiftly to market demands and maintain high service levels across different regions.

GLOBAL WAREHOUSE CAPACITY

DENMARK:	6,600 m^3	Pallet positions: 2,700
INDIA:	10,300 m^3	Pallet positions: 8,250

LOCALISATION STRATEGY

Recognising the growing preference for local production and kitting, we have taken strategic steps to expand our sourcing and supply chain activities to include selected African manufacturers and local partners. This aligns with emerging trends and regulations favouring local production, such as import restrictions and more stringent registration norms for non-local products.

To ensure the highest standards, African pharmaceutical manufacturers aspiring to join our network must successfully pass our comprehensive pre-qualification programme, which includes on-site audits. This strategic move not only supports donors' localisation strategies but also demonstrates our commitment to delivering high-quality products and services while fostering local industry growth and capacity building.

Our localisation strategy also extends to warehousing and kitting, responding to increasing client demands, and new manufacturers are continuously enrolled into our portfolio.

Expanding our Indian logistics and warehousing capacity further

Missionpharma Logistics India offers GDP-certified pharmaceutical storage, consolidation and warehousing facilities as well as complete kit packing services.

Enhancing our ability to swiftly supply life-saving medical products is crucial to the services we provide. The capacity to store and manage healthcare products and medical kits is becoming increasingly vital for international institutions, such as UN entities and the WHO, especially when handling healthcare crises worldwide.

To meet the urgent needs of our clients and partners, we have expanded our offerings, making products available directly from stock in either India or Denmark.

EXPANDING OUR WAREHOUSE FACILITIES IN INDIA FURTHER

As India serves as a central hub for our activities, we are continuously upgrading our warehousing facilities and services. Last year we established a new GDP-certified and locally FDA-approved warehouse in the Kandla Special Economic Zone (KASEZ), increasing our warehouse capacity by 30%. This expansion aimed at supporting our continuous growth and the growing demand for more storage and kitting capacity.

To keep up with increasing market and customer demands, and to demonstrate extended agility in our services, we have initiated new construction work to further expand our warehouse capacity in next financial year, aiming for completion in August 2024. The new warehouse will provide over 3,000 pallet positions and increase our total storage capacity by more than 20%.

Aligned with our dedication to minimising CO_2 emissions throughout our operations, the construction of our new warehouse emphasises an environmental focus, primarily utilising solar energy and integrating eco-friendly construction methods.

STRATEGIC LOCATION

Missionpharma Logistics in India, located in the Kandla Special Economic Zone near the west coast of India, enhances our inbound logistics and lowers CO_2 emissions by being closer to our manufacturers and customers. Its proximity to Dubai's world-class trade and logistics hub offers additional advantages to our customers.

WAREHOUSE CAPACITY IN INDIA

Storage capacity:	10,300 m³
Pallet positions:	8,250
Racking systems:	Radio shuttle and traditional racks
Approvals:	ISO 9001, ISO 14001, GDP, Indian FDA

Launch of healthcare supplies in stock

Recognising the critical importance of immediate access to healthcare supplies in crisis situations, we have taken significant steps to keep stock of a wide range of essential medicines, medical supplies, hospital equipment, and kits in our warehouses in India and Denmark.

Holding bulk products and medical kits in stock is key to our ability to quickly address emergencies across the globe and supports our dedication to delivering impact where needed most.

At the same time, it underscores our readiness to support non-governmental organisations and UN entities in crisis situations. Our strategic approach to hold products in stock significantly improves our ability to serve our customers effectively in critical times.

Our inventory of pharmaceuticals aligns with the WHO's Model List of Essential Medicines in addition to a comprehensive selection of medical supplies tailored to meet the needs of hospitals and pharmacies in the regions we operate.

> Holding products in stock enables us to serve our customers quickly and effectively in emergency situations.

In partnership with our sister company, Fazzini, our product range also includes a broad selection of high-quality hospital equipment readily available from stock.

Products and kits are stored in our GDP-certified warehouses, which are strategically located in India and Denmark, and supports a swift and efficient dispatch to destinations worldwide. Our focus on securing the shelf life of products, both during transit and at their final destinations, remains vital.

Prepositioning healthcare products and medical kits demonstrates our commitment to delivering fast impact where needed most. Products are stored in our GDP-certified warehouses in India and Denmark, spanning a total area of 17,000 m^3.

Group structure

TOYOTA TSUSHO

Toyota Tsusho Corporation (TTC) is the trading arm of the Toyota Group and a specialist within the automotive, machinery, energy, chemicals and food industries in both domestic and overseas markets.

EMPLOYEES: 67,000
ANNUAL TURNOVER: EUR 60 billion
OPERATIONAL REACH: More than 1,000 group companies in 120 countries around the world

cfao WITH AFRICA FOR AFRICA

CFAO Group is a multinational distributor of brands, particularly within mobility, healthcare, consumer goods and infrastructure. The Group has a strong presence on the African continent.

EMPLOYEES: 22,600
ANNUAL TURNOVER: EUR 7.9 billion
OPERATIONAL REACH: 86 operating offices in 39 countries in Africa and 6 French overseas territories

cfao HEALTHCARE

CFAO Healthcare is the healthcare division of CFAO Group and a leading distributor of branded originator pharmaceuticals to the private market in primarily Africa.

EMPLOYEES: 3,630
ANNUAL TURNOVER: EUR 1.9 billion
OPERATIONAL REACH: 40 operating subsidiaries in 27 countries in Africa and 6 French overseas territories

FAZZINI Your Health is Our Aim

EMPLOYEES: 30
ANNUAL TURNOVER: EUR 21 million
OPERATIONAL REACH: Distribution of hospital equipment in over 80 countries worldwide

MISSIONPHARMA

EMPLOYEES: 158
ANNUAL TURNOVER: EUR 124 million
OPERATIONAL REACH: Subsidiaries in India, China, and Zambia and local representatives in 30 countries

laborex

Sister companies operating across 22 African countries, offering direct access to an extensive distribution network throughout Africa.

For further information, please visit:

Missionpharma:	missionpharma.com
CFAO Healthcare:	cfaogroup.com/en/healthcare-en/
CFAO Group:	cfaogroup.com
TTC:	toyota-tsusho.com
Fazzini:	fazzini.it

Member of CFAO Healthcare

Missionpharma is a proud member of CFAO Healthcare, the healthcare division of CFAO Group – a major distributor of international brands in Africa.

Fazzini is Missionpharma's sister company and a leading international manufacturer and supplier of hospital furniture and medical equipment.

The CFAO Group group specialises in distribution of a diverse range of brands across the mobility, healthcare, consumer goods, and infrastructure sectors. It operates under the ownership of Japanese Toyota Tsusho Corporation (TTC), listed on the Tokyo stock exchange.

CFAO Healthcare is the healthcare division of the CFAO Group and a leading distributor of branded-originator pharmaceuticals to the private market in Africa. Our partnership enables us to further develop and strengthen our operations, and thereby improve our ability to contribute to better health on a global scale.

STRATEGIC PARTNERSHIP WITH FAZZINI

Missionpharma and Fazzini are both part of CFAO Healthcare and work together to serve CFAO Healthcare's institutional clients.

The cooperation between Missionpharma and Fazzini creates significant opportunities to better serve our institutional clients with a broad range of quality hospital furniture and medical equipment, along with associated services. Through our partnership, we are able to combine our resources and make joint bids for certain contracts related to hospital equipment.

Working closely with Fazzini enhances our product portfolio, especially in the area of hospital equipment, and our cooperation is vital to ensure our ability to offer a comprehensive selection of high-quality hospital equipment readily available from stock.

JOINT PARTICIPATION IN REBUILD UKRAINE 2.0 CONFERENCE

Last year, Missionpharma and Fazzini jointly exhibited at the international exhibition and conference, ReBuild Ukraine 2.0, in Warsaw, Poland, to actively contribute to the positive transformation of Ukraine's healthcare system.

The conference aimed at attracting external financing for the purpose of rebuilding Ukraine.

Performance 2023/24

APRIL 2023 - MARCH 2024

FINANCIALS

The financial year ended 31st March 2024 with a profit of DKK 119,746 thousand. The equity as of 31st March 2024 amounts to DKK 320,520 thousand.

2023/24 was in many ways a historical year. This is mainly due to the high level of activity supported by our segment-driven commercial initiatives, and also due to the USD currency historical positive development.

Despite our growing operation and worldwide significant inflation, we managed to rationalize our cost structure while improving our productivity, concluding this financial year with an exceptional operational performance for Missionpharma.

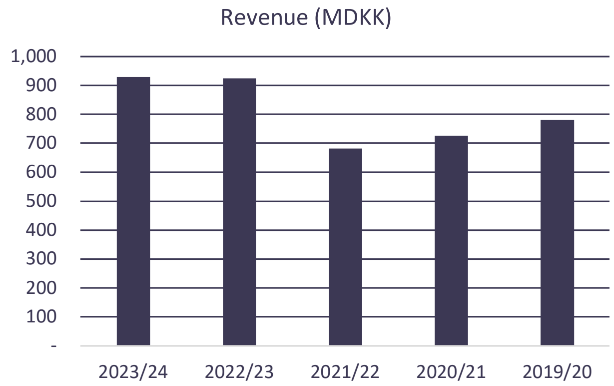
Prolonging the efforts from previous years, we continued to minimise risk on credits granted, and managed efficiently our inventory exposure.

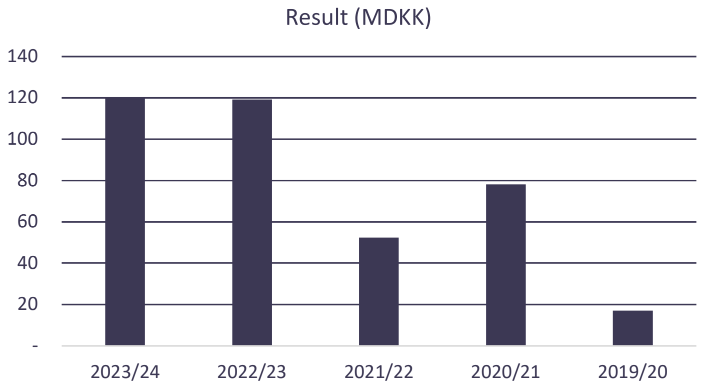
Missionpharma did not expose itself to any substantial risk during the year in this respect and managed to partly recover old debts. Finally, the year ended with an historical result much above expectations.

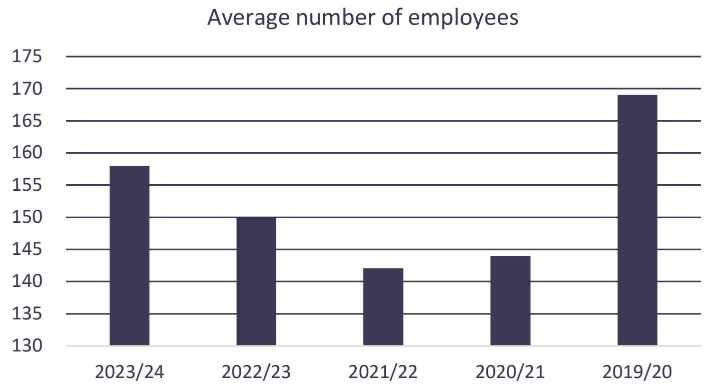
Missionpharma has not made any substantial investments during the financial year 2023/24, but has initiated an ERP transition that has substantially effected its cost base.

During the 2023/24 financial year, Missionpharma Group ApS and Gin Invest 1 Aps were merged into Missionpharma A/S with 1st April 2023 retroactive effect. The purpose of the merge was to finalise the Missionpharma Group structure simplification.

No event has occurred after the end of the financial period which significantly could affect the financial position.







Performance 2023/24

COMPARISON WITH OUTLOOK

OUTLOOK 2023/24	PERFORMANCE 2023/24
Expectation of a revenue growing when compared to previous financial year.	Revenue for the year ended slightly above previous financial year, positively impacted by USD invoicing currency rates and continuous development of long-term commercial
Expectation of a net result at a lower level compared previous financial year.	Our strong segment business orientation and risk focus, combined with operational excellence when executing projects, secured slightly higher net result than previous Financial year.
Expectation of an increase in cost of goods procurement prices due to inflation.	The focus on goods procurement price in a context of inflation, allowed to minimize the expected impact on project contribution.
Expectation of an increase in administrative expenses compared previous financial year.	The focus on administrative expenses continued, and allowed to respect the budget.
To further continue to develop our customer base with the development of new added value offers.	The further development of our stock holding strategy, secured the positive development of our new commercial perspective over the year.
To secure and mitigate the potential effects of inflation and increased financing costs on project execution.	Missionpharma succeeded in executing our plan in maintaining continuous operational excellence and financial risk management, incurred in post COVID 19 inflation environment.
To develop our standards for quality and compliance even further and in accordance with the CFAO Group methodology.	Missionpharma achieved the full global implementation of the new CFAO Group compliance methodology during this financial year.
To maintain our high standards in executing ethical and sustainable business.	The substantial increase in third party vetting and the implementation of compliance procedure, allowed to develop further our ability to secure the execution of ethical and sustainable business.
To continue the further improvement of our digital set-up.	Continuous implementation of the eQMS Solution and ongoing development of our new ERP project secured significant development of our digital set-up for the future.

Outlook 2024/25

APRIL 2024 - MARCH 2025

The portfolio of contracts, pending quotations and inquiries combined with the operational and strategic activities, leads to an expected growth in revenue for 2024/25 compared to financial year 2023/24.

The level of net result for the financial year 2024/25 is expected at a lower level compared to last financial year, as the 2023/24 exceptional performance in projects execution and correlated high margins shall not be repeated. This is mainly foreseen due to the revenue development, of significant projects presenting lower margins levels under the increased influence of competition. Finally, we expect an increase in administrative expenses due to the increased volume of activity.

Consequently, Missionpharma shall focus on the following business areas:

- To further continue to develop our customer base with the development of new added value offers
- To maintain our high standards in executing ethical and sustainable business
- To expend our supply-chain and warehousing capacities to meet anticipated activity growth.
- To continue the implementation of synergy projects with group companies.
- To continue to improve our sustainability objectives in accordance with our group CO2 emissions reduction target.
- To develop our standards for quality by implementing a new ERP solution.
- To further develop the product base and scope to support the expansion of our Stock holding business model.

Missionpharma is developing an ERP transition that will mainly occur in the financial year 2024/25, and which would most likely have to be conducted over two yearly financial periods. No other substantial investment is foreseen for 2024/25.

The capital resources have a satisfactory level and are expected to be unchanged during the coming financial year.

Our sustainability commitments

At Missionpharma, our biggest contribution to society is to make safe and affordable healthcare accessible, improving the lives of millions of people. We are dedicated to fostering better health on a global scale, recognising the critical intersection of our operations with our Environmental, Social, and Governance commitments and the relevant Sustainable Development Goals.

ENVIRONMENT

We want to reduce our impact on the environment by integrating environmental responsibility into all our activities.

SOCIAL

We want to add value to society by delivering impactful solutions. We care for our employees and we offer a safe, inclusive, diverse, and inspirational workplace.

GOVERNANCE

We want to be a responsible and trusted partner by ensuring high ethical standards across the value chain.

Our support to the Sustainable Development Goals

As a participant of the UN Global Compact since 2018, we have deeply integrated the Sustainable Development Goals (SDGs) into our ESG framework, highlighting our important role in global healthcare and our commitment to delivering impactful and sustainable solutions.

TARGETING OUR IMPACT

Since we became a participant of the UN Global Compact, we have been fully committed to engage with the Sustainable Development Goals as an integrated part of our sustainability strategy.

As a leading pharmaceutical wholesaler to the global public healthcare market, Missionpharma touches, directly or indirectly, many of the goals, and we continuously focus on where we can make the most meaningful impact.

Historically, our focus has been on Goals 3, 8, and 13, where our capabilities and purpose align closely with their objectives. Goal 3, Good Health and Well-being, stands out as our primary area of contribution, reflecting our commitment to enhancing global access to safe and affordable healthcare. We also dedicate significant efforts towards Goal 8, Decent Work and Economic Growth, and Goal 13, Climate Action, where our initiatives drive positive change.

We are expanding our SDG engagement to also include Goal 17, Partnerships for the Goals, as we recognise our focus on fostering global partnerships.

This year, we are expanding our SDG focus to also include Goal 17, Partnerships for the Goals. Our entire business is built on long-standing global partnerships and without those, we would not be able to make a positive impact on global health.

SDG 17's emphasis on strengthening collaborative partnership between governments, the private sector, and society complements Missionpharma's existing commitments and supports a more integrated approach to sustainable development.

Our efforts take place on several levels; directly with governments and Ministries of Health and indirectly via donors and UN organisations - and both at Missionpharma level and as part of CFAO.

Our ultimate objective is to boost international support for effective and targeted capacity-building activities in developing countries, thereby supporting national plans to achieve the Global Goals.

Our support to the Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING

SDG 3: GOOD HEALTH AND WELL-BEING

Ensure healthy lives and promote well-being for all at all ages.

Missionpharma particularly contributes to the following sub-targets:

3.1: Reduce the global maternal mortality ratio

3.2: End preventable deaths of newborns and children

3.3: End the epidemics of AIDS, tuberculosis, malaria

3.4: Reduce premature mortality from non-communicable diseases

3.7: Ensure access to sexual and reproductive health-care services

3.8: Achieve universal health coverage

CONTRIBUTION TO SDG 3

Missionpharma is committed to support SDG 3 and to specifically contribute to selected sub-targets through dedicated efforts to provide access to quality medicine and medical supplies on a global scale.

We do so by organising dedicated initiatives to improve maternal and child health and reduce the maternal mortality ratio, we supply products to combat HIV, TB and malaria epidemics, we provide products to prevent and treat non-communicable diseases (NCDs), we offer solutions to address family planning issues and we improve access to universal health coverage. As the biggest supplier of the injectable generic contraceptive, depot medroxyprogesterone acetate (DMPA) to the global donor community, we actively contribute to providing women all world increased control of their reproductive health.

8 DECENT WORK AND ECONOMIC GROWTH

SDG 8: DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

CONTRIBUTION TO SDG 8

We prioritise our employees' well-being, safety, and development by providing a safe, inspirational, and inclusive work environment. Additionally, we drive our company's economic expansion and secure long-term sustainable growth by constantly broadening our activities, growing our global workforce, and maintaining stringent compliance across the entire value chain.

13 CLIMATE ACTION

SDG 13: CLIMATE ACTION

Take urgent action to combat climate change and its impacts.

CONTRIBUTION TO SDG 13

With climate change being among the world's biggest challenges we aim to foster a climate-conscious culture, promoting environmentally sustainable practices across our teams. Central to our approach is our ISO 14001 certifications in India and Denmark, serving as a cornerstone framework that guides our efforts to reduce our environmental footprint. Every year, we define concrete targets to reduce our environmental footprint, focusing on energy and CO_2 reduction supported by continuous investments in solar energy in our own premises.

17 PARTNERSHIPS FOR THE GOALS

SDG 17: PARTNERSHIP FOR THE GOALS

Revitalize the global partnership for sustainable development.

CONTRIBUTION TO SDG 17

Missionpharma is committed to fostering partnerships across borders and sectors. Our approach includes building robust relationships with suppliers, customers, Ministries of Health, and other partners worldwide, thus creating a unified force for partnership progress. Understanding the importance of financial resources in driving development, we actively work to mobilise funds for developing countries from diverse sources. In addition to global partnerships, we explore localisation partnerships, aiming to build capacities within communities and ensure that development benefits are shared widely and equitably. We also cooperate with our group of sister companies, Laborex, operating across 22 countries, offering direct access to an extensive distribution network throughout Africa.

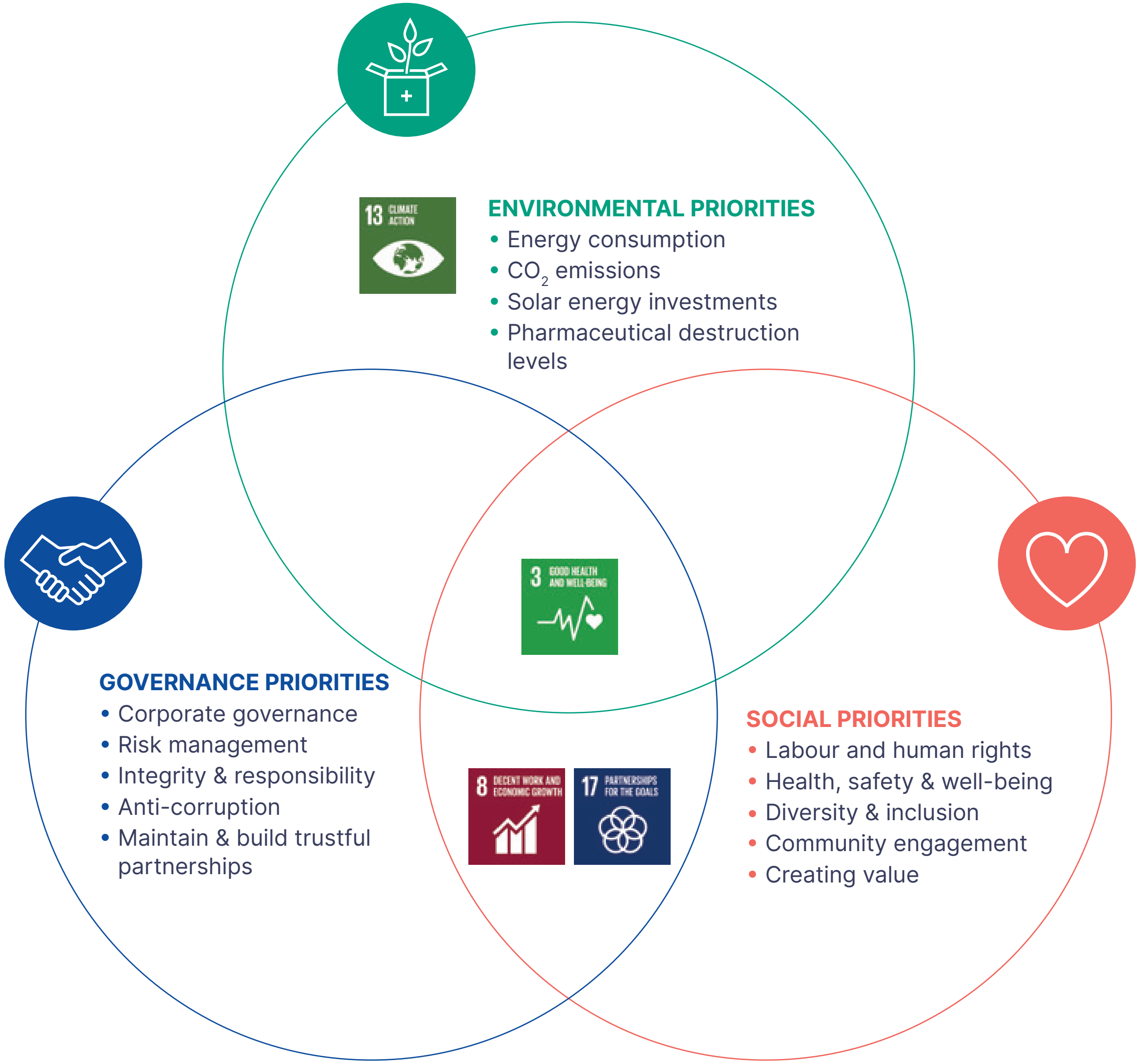
Aligning our sustainability commitments with the SDGs

Missionpharma's strategy towards sustainability has developed systematically in recent years. We actively participate in the sustainability agenda and have thoroughly incorporated sustainability into our corporate strategy and business operations.

A FOCUSED SUSTAINABILITY STRATEGY

Our sustainability strategy is built around our key sustainability and environmental, social, and governance priorities as reflected in the graphics to the right. This visual aid demonstrates how our ESG commitments are closely linked with the SDGs we support.

By having a clear and targeted strategy, we ensure that our team is united and focused on achieving our sustainability objectives. It guides us in allocating resources effectively and prioritising our efforts to make the most significant impact. To keep our momentum and continually improve, we review and adjust our short-term and long-term ESG goals every year. This ongoing evaluation helps us stay on track and enhance our sustainability initiatives.



CASE

Transforming maternal care in Ivory Coast

Missionpharma takes part in an impactful project in Ivory Coast, where the initial phase includes construction or refurbishment of 62 primary healthcare clinics across Ivory coast, aiming to significantly improve the maternal health in the country.

Missionpharma takes part in an impactful project in Ivory Coast, working alongside GCC Service Ltd., ABD Group, and GE Healthcare. Supported by an export loan from the Export Credit Agency of Denmark (EIFO), our collective goal is to improve the healthcare infrastructure in the country and open new doors for Danish exports.

We focus on establishing and improving primary healthcare clinics across Ivory Coast, with a special emphasis on maternal health. The initial phase brings 62 new or refurbished clinics all over the country, aiming to benefit around 2.7 million women.

> This hospital equipment project fully aligns with our support to SDG 17 by strengthening local capacity-building through strategic partnerships.

This initiative is crucial for reducing infant mortality rates, with the hope of significantly decreasing the current rate of 55.9 deaths per 1,000 births (WHO, 2021).

In close partnership with our Italian sister company, Fazzini, Missionpharma's role in the project includes supply, installation, and training for all essential hospital equipment necessary for the clinics to operate effectively.

We are honoured to contribute to this significant project, helping to strengthen the provision of safe childbirth facilities for mothers and their babies. This effort marks a step forward in ensuring better health outcomes for families in Ivory Coast.

2.7 million

The first part of the project aims to benefit 2.7 million women in Ivory Coast.

The Ministry of Health in Ivory Coast has expressed a keen interest in expanding the project scope further. This endorsement underscores the importance and effectiveness of our efforts to make an even broader impact on healthcare in the country.

ENVIRONMENT

We want to reduce our impact on the environment by integrating environmental responsibility into all our activities.

3 GOOD HEALTH AND WELL-BEING

13 CLIMATE ACTION

Environment

We are dedicated to minimising our environmental impact through continuous improvement initiatives, while carefully balancing business goals with the environmental effects of our entire value chain.

ENVIRONMENTAL APPROACH

Missionpharma contributes to SDG goal 13, Climate action, through defined targets to mitigate our negative impact on the environment. With climate changes being among the world's biggest challenges we have an obligation to continuously improve our environmental performance and to define concrete goals to reduce our environmental footprint.

Our environmental efforts focus on implementing initiatives, where we as a global organisation can make the biggest positive impact on the environment. We continue to work deeper with our ISO 14001, supporting processes and awareness throughout our organisation.

ENVIRONMENTAL AMBITIONS

We want to reduce our environmental footprint every year through focused efforts to reduce energy consumption and CO_2 emissions, while also investing in green energy solutions, such as solar. We strive to integrate environmental responsibility into all our activities on a global scale and, to the largest possible extent, to contribute to reducing the carbon footprint through our parts of the supply chain.

We want to minimise the electricity consumption in our own locations and we encourage employees to use resources sustainably and to create a climate-conscious working environment.

To limit the negative environmental impacts from pharmaceutical manufacturing, and to ensure continuous improvement initiatives, we keep our manufacturers' social and environmental responsibility top of mind at all times. This is particularly addressed during periodical GMP audits, where we continuously monitor manufacturers' environmental policies.

Our partners' ability to obtain ISO 14001 certification is an increasingly important Key Performance Indicator for us and is consistently evaluated prior to entering into any relationship.

ENVIRONMENTAL POLICY

Missionpharma is committed to fulfilling all applicable compliance obligations, minimising our environmental impact, and continuously improving our environmental performance.

We strive to minimise our environmental impact from a product life cycle perspective, considering the impact of our manufacturers, our carriers and freight forwarders, and our own premises and customers, balanced with our other business goals.

We will establish, maintain and develop key performance indicators for significant environmental aspects to systematically monitor and improve our overall environmental impact.

Commitment

We want to reduce our impact on the environment by integrating environmental responsibility into all our activities.

UN SDGs

3 GOOD HEALTH AND WELL-BEING

13 CLIMATE ACTION

3.1, 3.2, 3.3
3.4, 3.7, 3.8

Main progress 2023/24

- 98% of shipped value is handled by ISO 14001-certified International Freight Forwarders.
- 16% electricity savings in Lynge as a result of LED investments (only part-year effect).
- 432,000 kWh green energy generated from 400 kW solar power installations in India.
- Established a CO_2 consumption baseline on goods transportations for focused reduction efforts.

Main targets 2024/25

- Evaluate and conclude on further expansion of solar panels in India.
- Realise full-year effect on electricity savings in Lynge as a result of LED investments.
- Maintain min. 90% of shipped value with ISO 14001-certified International Freight Forwarders.

Additional electric car chargers are installed in Lynge to support greener transport solutions for our employees.

MINIMISING CO_2 EMISSIONS DURING TRANSPORTATIONS

Being an leading supplier to healthcare programmes worldwide, transportation of goods constitutes by far the biggest environmental impact within our part of the supply chain. Therefore, we use ISO 14001-certified International Freight forwarders to handle the vast majority of our shipments.

The strategic location of our logistics setup near the western coast of India directly contributes to minimising CO_2 emissions, as transportation distances to our customers in typically Africa and Asia are minimised when packing and shipping products from India as opposed to Europe. As the location is also close to our manufacturers mainly situated in Asia, our inbound logistics is optimised as well.

PHARMACEUTICAL DESTRUCTION LEVELS

At Missionpharma, we are committed to reducing our pharmaceutical destruction levels as part of our ongoing efforts to minimise waste and enhance environmental sustainability and operational efficiency.

35% reduction in pharmaceutical destruction levels compared to last year, while maintaining revenue.

This commitment is reflected in our corporate stock keeping strategies and is closely monitored as a Key Performance Indicator within our ISO 14001 framework.

In financial year 2023/24, we reduced our pharmaceutical destruction levels by 35% compared to previous year through improved procurement strategies, stock management processes and a centralised replenishment role.

The positive impact of these reductions leads to environmental benefits, cost savings, and reduced waste, which not only supports our sustainability goals but also reinforces our commitment to financial responsibility.

LED LIGHTS IN LYNGE OFFICES

In the beginning of this financial year, we switched all lighting in both the warehouse and in our offices in Lynge to LED lighting. This has led to a reduced energy consumption in addition to creating a brighter and more productive work environment for our employees.

The shift to LED lighting has resulted in 16% reduction in electricity usage this financial year compared to last year. We anticipate that the full benefits of our LED investments will be fully realised in financial year 2024/25.

ELECTRIC CAR CHARGES

This year, we have invested in additional electric car chargers at our Lynge facility. The increased availability of chargers is not just considered an employee benefit; it also supports our employees' conscious shift towards greener transportation solutions and underlines our ongoing commitment to securing that our employees have the possibility to take sustainable choices.

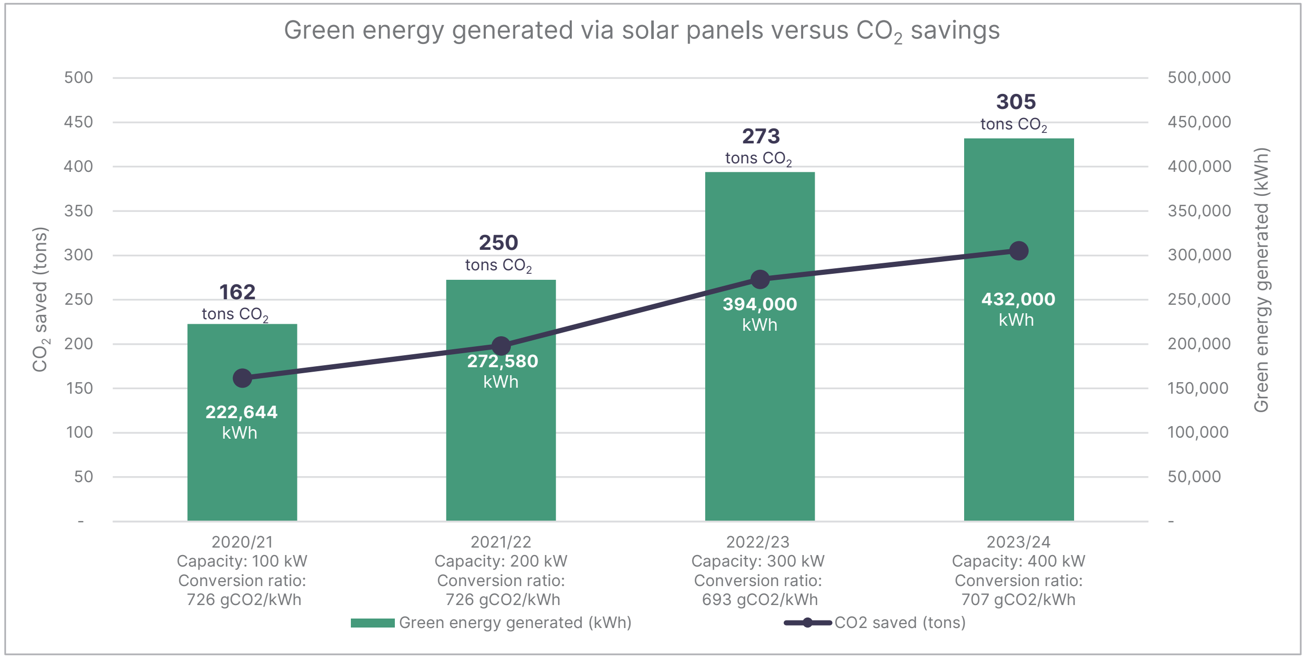
CONTINUOUS INVESTMENTS IN SOLAR POWER

With our warehouse operations in India constituting over 70% of the energy consumption across all locations, we have prioritised to invest in solar energy in line with the CFAO Group's carbon neutral strategy. Embracing this commitment, we have systematically installed solar panels on the roofs of our Indian warehouses since 2018 to produce green electricity for our operations.

In March 2023, we completed of the 4th phase of our solar power installations, increasing our total capacity to 400 kW. This investment plays an important role in minimising our environmental footprint by substantially contributing to our electricity needs in Kandla.

GROWING ENERGY NEEDS

Last year in March, we celebrated the inauguration of our new warehouse in Kandla, which provided a significant 30% increase in storage capacity. To ensure optimal temperature conditions for stored goods, we installed 10 additional air conditioning units, consequently increasing the total energy requirements for our warehouse operations in India.



Our expanded warehousing capacity has significantly increased the energy demands for running our warehouse operations, leading to a reduction in the proportion of energy covered by our solar panel installations compared to previous years.

Presently, our 400 kW solar panel installations generate approximately 30% of the energy needs for managing our Indian warehouse operations, including the power consumption required for air conditioning to uphold temperature control in all warehouses.

Our commitment to solar power as the primary energy source for our Indian operations remains firm, as we continue to invest in additional solar power.

Since 2018, we have been systematically installing solar panels on the warehouse roofs at Missionpharma Logistics India, reaching a capacity of 400 kW in financial year 2023/2024.

KEY FIGURES 2023/24

Solar power capacity:	400 kW
Green energy generated in FY:	432,000 kWh
CO_2 savings:	305 tons
Green energy electricity coverage: (of total warehousing, packaging and air conditioning needs in Kandla)	30%*

**Full effect of our 400 kW solar installations expected seen in financial year 2024/25.*

© Franck Dunouau

CFAO CARBON NEUTRAL STRATEGY

In 2021 CFAO committed to a carbon neutral strategy, aiming for a 50% reduction in its greenhouse gas (GHG) emissions by 2030.

This ambitious target is part of a wider business strategy, focusing on significant carbon reduction initiatives. Specifically, the Group is dedicated to lowering its own greenhouse gas emissions and investing in projects that have a positive impact on Africa.

GROUP EMISSION TARGET:

50% reduction in CO_2 emissions by 2030

In 2023, CFAO has intensified its efforts to promote renewable energy development across the African continent.

DEVELOPING RENEWABLE ENERGY IN AFRICA

The International Energy Agency (IEA) projects that, by 2030, solar and wind energy will account for over 80% of new power generation capacity in Africa, constituting 56% of the continent's energy mix - a significant increase from 20% in 2020.

Committed to promoting a respectful and sustainable African continent, CFAO has strengthened its commitment to renewable energies in 2023 by working to create sustainable infrastructures and develop clean energy across Africa.

By 2035, the goal is to provide 1 gigawatt (GW) of clean energy to Africa. This involves setting up or expanding facilities that use sun, wind, and water to generate electricity in partnership with international energy suppliers.

CARBON NEUTRAL

The Group's goal is to contribute to the decarbonization of society and also step up the decarbonisation of CFAO sites in Africa to reach the target of halving CO_2 emissions by 2030.

SUPPORTING GROUP EMISSION TARGET

As a member of the CFAO Group, Missionpharma actively contributes to supporting the Group's ambitious environmental target through dedicated focus on implementing initiatives to reduce our environmental footprint. Our commitment is deeply integrated with our environmental strategy and aligns with our ISO 14001 certification.

To date, 55 CFAO sites across 14 countries are equipped with solar panels. Missionpharma Logistics India highly invests in this energy source to cover an increasing part of the electricity needs in our Indian warehouses.

Celebrating Navratri dance festival in our Ahmedabad office. The festival spans nine nights with dancing, fun, music, colourful dresses, and cultural bonding as some of the key components.

SOCIAL

We want to add value to society by delivering impactful solutions. We care for our employees and we offer a safe, inclusive, diverse, and inspirational workplace.

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

17 PARTNERSHIPS FOR THE GOALS

Social

At Missionpharma, we believe that global access to safe healthcare is not just a privilege but a universal right. We prioritise creating a safe, inclusive, and diverse workplace that inspires every employee to contribute towards realising our vision.

OUR SOCIAL RESPONSIBILITY

At Missionpharma, our core mission is to ensure healthcare is safe, affordable, and available for all. We are dedicated to delivering our products in a way that is responsible, sustainable, and respects human rights throughout our supply chain.

We recognise that our employees play a crucial role in achieving our mission. In acknowledgement of this, we offer a secure and inclusive work environment that promotes both physical and mental well-being.

HUMAN RIGHTS POLICY

Missionpharma has a zero tolerance for the infringement of human rights, including the use of child labour. Working in global partnerships, we are guided by national laws and internationally proclaimed human rights.

The International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and the UN Universal Declaration of Human Rights (1948), serve as guidelines for our approach to universal human rights and corporate social responsibility.

We do not accept any kind of forced or compulsory labour, we work actively to abolish child labour and we aim to assure that no breach of local and global regulations takes place in our operations or with our partners, to the extent possible. We value diversity high and we do not discriminate based on race, colour, gender, religion or sexual orientation.

HUMAN RIGHTS PRINCIPLES

- We do not engage or get involved in any business that is against human dignity.
- We do not discriminate based on race, colour, gender, religion or national origin.
- We do not get involved in any child labour, human trafficking or any other kind of forced or involuntary labour.
- We do not tolerate any form of harassment.
- We do not deal with any person that engages in or is involved with any human rights abuses.

HUMAN RIGHTS VIOLATIONS IN 2023/24:

Discrimination:	Zero reports
Forced labour:	Zero reports
Freedom of Association and Collective Bargaining:	Zero reports
Child labour:	Zero reports

Commitment

We want to add value to society by delivering impactful solutions. We care for our employees and we offer a safe, inclusive, diverse, and inspirational workplace.

UN SDGs

3.1, 3.2, 3.3
3.4, 3.7, 3.8

Main progress 2023/24

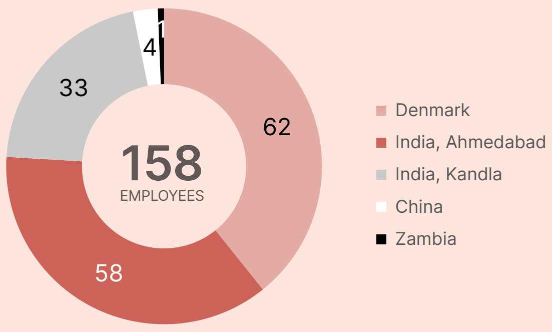
- Increased organisational coherence through global process harmonisation and Insights Discovery® personality profiling and training.
- Global employee satisfaction score of 95% with Missionpharma as a great place to work.
- Employment of HR Manager in India.

Main targets 2024/25

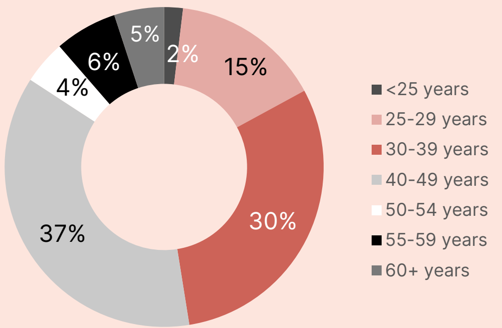
- Intensify training of our global leaders through cross-organisational leadership training.
- Maintain a global employee satisfaction score of >90%.
- Continue donation efforts to Mercy Ships and local communities in India.

SOCIAL FIGURES BY 31 MARCH 2024
(Group figures)

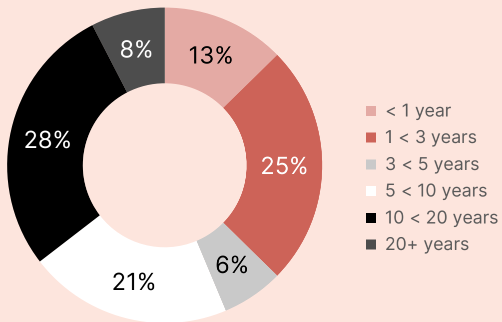
EMPLOYEE DISTRIBUTION



AGE DISTRIBUTION



SENIORITY



FULL TIME HR MANAGER IN INDIA

This year, we have expanded our management team in India by employing a full-time HR Manager, who works closely with our HR Director in Denmark. This is a big step for us in strengthening our global HR focus and emphasises the importance of India as a part of our global strategy.

Mital Shukla
HR Manager, India

Having a dedicated HR resource in India means that we can better support and develop our local teams. Our HR Manager helps us secure our employees' well-being and professional growth by making sure that our global processes fit the Indian culture in an optimal way, and that local processes are developed and implemented when needed.

Employing a full-time HR resource in India enhances communication and bridges cultural gaps, by simplifying interactions between our Danish headquarters and our Indian locations and fostering better cultural understanding.

SICK ABSENCE

Sick absence rate among our employees continues to be low across our locations.

	2023/24	2022/23	2021/22	2020/21	2019/20
DENMARK*	1.2%	1.6%	1.2%	1%	2.2%
INDIA	1.2%	1.1%	2.1%	0.5%	0.7%

**Average sick absence rate among Danish companies in 2023 is 3.7%*
Source: Dansk Arbejdsgiverforening (Confederation of Danish Employers)

WORKPLACE IMPROVEMENTS IN INDIA

This year, we have made a number of workplace improvements in our Indian locations with the aim of enhancing the well-being, comfort, and work satisfaction for our employees.

In our Ahmedabad offices we have expanded the staff canteen to fit 60 people for a better lunch experience, added more washrooms for female staff, and refurbished the recreation room into a more welcoming space for relaxation.

In Kandla, we have a new staff canteen with modern furniture, creating a comfortable and inviting environment. This canteen is more than just a place to enjoy a meal; it's a space where colleagues can come together, share a laugh, and create memories. With an connecting recreation room, it offers a perfect spot for leisure activities.

We are also constructing a spacious canteen for our female casual workers with washroom facility and are in a process of refurbishing canteen facility for the male casual workers.

These steps not only enhance physical comfort but also provide a more supportive and positive environment for everyone.

GENDER DISTRIBUTION

Recognising that gender is only one dimension of diversity, we continue to focus on greater diversity in our teams. The table below presents the number of female and male employees relative to the total number of employees at year end for Missionpharma A/S.

	MARCH 2024	MARCH 2023	MARCH 2022	MARCH 2021	MARCH 2020
Employees (Female/Male)	39% / 61%	37% / 63%	37% / 63%	30% / 70%	27% / 73%
Other managerial levels (Female/Male)	32% / 68%	33% / 67%	31% / 69%	29% / 71%	33% / 67%
Executive management (Female/Male)	25% / 75%	25% / 75%	0% / 100%	0% / 100%	0% / 100%
Board members (Female/Male)	25% / 75%	25% / 75%	20% / 80%	20% / 80%	20% / 80%

DONATION

Our donation to Mercy Ships changed 39 lives

Our commitment to improving health in Africa is more than just a promise. This year, through the "Missionpharma Charity Run" initiative, the dedication of our Lynge team translated into significant support for Mercy Ships with a donation enabling 39 operations aboard the ships.

SUPPORTING BETTER HEALTH IN AFRICA

9 out 10 people in Africa lack access to essential surgical care. The international humanitarian organisation, Mercy Ships, operates two hospital ships that deliver safe and free surgical operations to the poorest people in Africa.

Again this year Missionpharma proudly supports Mercy Ships with money raised at the Missionpharma Charity Run; an annual event which is greatly supported by our Lynge employees.

The total distance completed in a span of one hour is converted to an amount, that is donated to charity. This year's donation from the Charity Run directly funds 39 life-changing surgeries aboard one of Mercy Ships' floating hospitals.

We are indeed proud to make a tangible impact in communities where healthcare access is very limited.

Papa was just 21 years old, when a large tumor began growing from the left side of his face. Luckily, Papa received a life-changing surgery aboard the floating hospital, Mercy Ships.

What started as a slight lump when Papa was just a teenager was initially dismissed as a toothache. At the age of 21, the lump had grown into a tumour, which impaired Papa's sight and caused significant pain, affecting his self-esteem and future dreams.

After a failed attempt to remove the tumour at a local hospital, Papa underwent successful surgery on the ship, Global Mercy, in Dakar in December 2023. His tumor was removed, restoring his sight and transforming his life.

ABOUT MERCY SHIPS

Mercy Ships is an international humanitarian organisation, which operates hospital ships that deliver free surgeries and other healthcare services to those with little access to safe medical care.

Mercy Ships has focused entirely on partnering with African nations for the past three decades. Working with in-country partners, Mercy Ships also provides training to local healthcare professionals and supports the construction of in-country medical infrastructure to leave a lasting impact. Mercy Ships was founded in 1978 and has offices in 16 countries globally as well as an African Service Center in Dakar, Senegal.

Mercy Ships

GOVERNANCE

We want to be a responsible and trusted partner by ensuring high ethical standards across the value chain.

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

17 PARTNERSHIPS FOR THE GOALS

Governance

Our high business standards reflect our dedication to being ethical in every interaction with customers and partners, fostering trust and long-lasting relationships.

OUR APPROACH TO GOVERNANCE

Maintaining high ethical standards throughout our value chain is not just a commitment; it's a fundamental principle that guides every aspect of our operations. We are guided by the CFAO Anti-Corruption Code of Conduct, which aims to strengthen the prevention of corruption risks and to promote ethics in our professional relationships.

At Missionpharma, integrity is key to our principles and essential for building trust and strong partnerships. Our strict business standards show our dedication to ethical practices in every interaction with customers and partners.

OUR GOVERNANCE STRATEGY

Our governance strategy aims at encouraging proper conduct throughout our organisation. Key elements encompass:

- Ensuring transparency: Keeping open communication with all stakeholders, offering clear and honest insights into our business activities and outcomes.
- Promoting accountability: We maintain and follow the highest ethical standards, with clear policies and guidelines to guide our behaviour.
- Fostering an ethical culture: Through continuous education and training, we empower our team to make ethical decisions and incorporate this responsibility as a part of our company culture.
- Engaging in fair practices: Our commitment to respect relevant laws and regulations, fully aligned with our Group's legal framework.
- Supporting community well-being: Our governance efforts extend to social responsibility, striving to positively influence not only our direct stakeholders but also the communities where we operate.

To summarise, governance at Missionpharma is about creating trust, supported by a culture of integrity and responsibility. We are firmly committed to ethical behaviour, as we strive to make a significant impact on global healthcare.

0 human rights violations have been reported in our part of the supply chain in 2023/24.

Commitment

We want to be a responsible and trusted partner by ensuring high ethical standards across the value chain.

UN SDGs

3.1, 3.2, 3.3
3.4, 3.7, 3.8

Main progress 2023/24

- Full implementation of new Group compliance policies and whistleblowing procedure in line with Group directives.
- 100% of employees globally trained in new compliance policies.
- 100% of target group completed individual trainings in assigned digital compliance courses.

Main targets 2024/25

- Expand the target group eligible for our third-party vetting programme.
- Full implementation of new anti-harassment policy and supporting procedures.
- Roll out and implementation of new digital training in Global Code of Conduct & Ethics.

FULL IMPLEMENTATION OF GROUP COMPLIANCE POLICIES

As a member of the CFAO Group, Missionpharma is not only committed to adhering to but also mandated to implement all compliance policies and tools established by the Group.

In the beginning of this financial year, Missionpharma implemented a series of new compliance policies, ensuring full alignment with the Group's directives:

- TTC Global Code of Conduct & Ethics
- CFAO Anti-Corruption Code of Conduct
- MP Business Ethics Policy
- CFAO Whistleblowing Procedure and Reporting tool

These policies not only foster professional relationships and promote ethical business conduct across our operations, but they also assist our employees in navigating the complexities of global healthcare. In addition, the policies guide us towards ensuring that our environmental, social, and governance (ESG) goals are met.

Comprehensive training programmes have been conducted across the organisation to embed the policies and guidelines into our everyday work.

Furthermore, we have integrated these compliance policies into our operational procedures and in our interactions with external partners. This integration ensures that our business conduct consistently reflects our high standards of ethics and integrity.

By doing so, we reinforce our commitment to maintaining transparent and responsible business practices throughout the value chain.

WHISTLEBLOWING SYSTEM

A key component of our compliance framework is our whistleblowing system, which is an integrated part of our group policies. The system is called Speak Up and is available through Missionpharma's and CFAO's website at any time.

The system provides all employees and partners with a dedicated and fully confidential communication channel to report potential cases of non-compliance or breach of the rules set forth in our Code of Conduct.

Having a stringent and anonymous communication channel helps identify and address unethical or illegal activities early, reducing potential harm and legal implications for our stakeholders and for Missionpharma.

4 new compliance policies implemented

100% of employees globally trained in new compliance policies.

1,937 third party vettings performed

100% of target group completed assigned digital compliance trainings

SCALING UP ON THIRD PARTY VETTING

Missionpharma has established a comprehensive vetting programme that includes detailed vetting of all third parties prior to entering into any business relationship. The purpose of the programme is to safeguard both the third party, our employees, and Missionpharma against legal, human, economic, and financial consequences of inadequate diligence.

To supplement our own vetting procedures, vetting also includes media screening conducted through the advanced online media screening solution, MemberCheck, which provides realtime media monitoring for identifying risks associated with the third party in addition to advanced Know Your Customer (KYC) checks.

The depth of our vetting procedures is determined by individual risk assessments, and failure to meet defined criteria results in exclusion from potential business engagements.

As part of our commitment to continuous improvement and accountability, we have this year expanded the scope of our vetting programme to include a broader range of stakeholders and added further areas of potential risk.

By continuously enhancing and broadening our vetting programme in line with Group directives, we aim to strengthen our partnerships and to uphold the highest standards of integrity and ethical conduct in all business activities.

COMPLIANCE TRAINING PROGRAMMES

At Missionpharma, it is essential that all our employees globally, as well as selected third parties, understand and adhere to our corporate ethics and compliance guidelines. Consequently, we require all employees and selected partners to undergo regular compliance training. This training is designed to protect by helping them make well-informed decisions and have the necessary knowledge of how to act in potentially ambiguous situations.

Our training framework is supported by the digital training tool, TRACE, which is used across the entire CFAO Group. This e-learning platform is central to our training strategy, as it ensures that courses are consistent, easy to handle, and effectively implemented. To continuously improve the relevance and impact of our training, we regularly review and adjust the target groups for each training programme, ensuring new employees are assigned relevant courses.

Looking ahead, we will be expanding our training portfolio in the next financial year to include a training programme on Group Code of Conduct & Ethics (COCE), which will be rolled out to employees within the defined target group. The aim of this training module is to maintain a consistent focus on upholding the highest standards of safety and corporate ethics as outlined in Group policies.

CURRENT TRAINING MODULES INCLUDE:

- Anti-corruption
- Anti-money laundering
- Economic sanctions
- Conflicts of interest
- Sexual harassment prevention
- Anti-bribery for Shipping & Logistics
- Code of Conduct & Ethics
  (will be introduced in 2024/25)

In financial year 2023/24 Missionpharma's auditors conducted 60 supplier audits. No observations of infringement of human rights were reported.

THE TEN CREEDS (PRINCIPLES) FROM OUR GLOBAL CODE OF CONDUCT & ETHICS

Safety At Work (ANZEN)

In 2017, the CFAO Group adopted the principle of “ANZEN” (the Japanese word for safety) into its Code of Conduct and Ethics.

WORLD SAFETY DAY

The World Day for Safety and Health at Work is marked every year on 28 April. This day is an international annual campaign to promote the prevention of occupational accidents and diseases globally.

It is led by the International Labour Organization (ILO) and is intended to focus international attention on emerging trends in the field of occupational safety and health, and on the magnitude of work-related injuries, diseases, and deaths worldwide.

All companies within the CFAO Group, including Missionpharma, are committed to upholding ANZEN to ensure a safe and healthy work environment for their employees through the "Safety First" principle.

ANZEN DAY IN ALL CFAO GROUP SUBSIDARIES

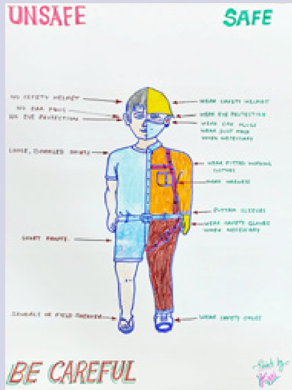
To mark the World Safety Day on April 28, CFAO organised its first ever “ANZEN Day” in 2023 with participation from over 60 subsidiaries. Celebrating the day is a great opportunity to promote safety at work across companies in the CFAO Group, as it allowed subsidiaries to initiate various awareness-raising activities and engage employees in innovative, focused efforts on safety.

Needless to say, it is highly important for Missionpharma to always prioritise the safety of our employees and ensure that they follow applicable safety guidelines.

BEST SAFETY POSTER AWARD 2023

Therefore, we actively involved our permanent and temporary employees, particularly in Missionpharma India, our largest blue-collar subsidiary, in celebrating the World Safety Day in 2023.

With a great amount of enthusiasm, dedication and creativity, our employees created a number of posters, each emphasizing the importance workplace safety.



The 2023 winner poster was created by Mrs. Kesi, one of the temporary workers in Missionpharma Logistica India.

Their creativity was rewarded by winning the “CFAO Best Safety Poster Award” in 2023 - a proud accomplishment for us all.

CONTINUED SUPPORT

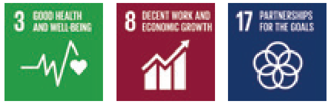
To continuously support the World Safety Day, Missionpharma is arranging a number of safety events in all locations also in 2024. Activities will include a range of first aid trainings as well as fire safety and emergency response sessions, in addition to a number of competitions, awards and celebration events.

Summary of progress and targets

The table below presents the highlights of our commitments, progress and targets in the context of the UN Sustainable Development Goals in financial year 2023/24.

AREA	ENVIRONMENT
UN SDGs	3 GOOD HEALTH AND WELL-BEING; 13 CLIMATE ACTION 3.1, 3.2, 3.3 3.4, 3.7, 3.8
Commitment	We want to reduce our impact on the environment by integrating environmental responsibility into all our activities.
Progress 2023/24	• ISO 14001 re-certification of Missionpharma Lynge by Bureau Veritas with zero non-conformities reported. • 98% of our shipped value is handled by ISO 14001-certified International Freight Forwarders. • Pharmaceutical destruction levels decreased by 35% compared to last year despite a similar revenue this year. • 432,000 kWh green energy generated from our 400 kW solar power installations in India resulting in reduced CO_2 emissions of 305 tons. • Utilisation of 400 kW solar power to cover 30% of total electricity needs for our Indian warehousing and packing operations (decrease from 50% last year due to increased capacity, airconditioning units, and volume handling). • Electricity savings of 16% in Lynge, primarily as a result of replacement of all lights with LED. Full effect of investments expected seen in 2024/25. • Investment in additional electric car chargers in Lynge to support employees' shift towards greener transportation solutions. • Established a CO_2 consumption baseline for focused reduction efforts.
Targets 2024/25	• Maintain min. 90% of shipped value with ISO 14001-certified International Freight Forwarders. • Evaluate and conclude on further expansion of solar panels in India. • Continue to reduce pharmaceutical destruction levels relative to sales volumes. • Realise full-year effect on electricity savings in Lynge as a result of LED investments.

Summary of progress and targets

AREA	SOCIAL
UN SDGs	 3.1, 3.2, 3.3 3.4, 3.7, 3.8
Commitment	We want to add value to society by delivering impactful solutions. We care for our employees and we offer a safe, inclusive, diverse, and inspirational workplace.
Progress 2023/24	• Significant contribution to SDG 3, supported by focused stockholding strategy to improve our emergency preparedness. • Execution of hospital equipment project in Ivory Coast, which included construction of 62 primary healthcare clinics, totally benefitting more than 2.7 million women across the country. • Support to SDG 17 through participation in ReBuild Ukraine 2.0 conference and ongoing dialogue and project scoping with EIFO (Export Credit Agency of Denmark) on future hospital projects in Ivory Coast and Senegal. • Awarded as No. 1 exporter of healthcare products in Kandla Special Economic Zone. • Employment of HR Manager in India. • 95% of all employees globally think that Missionpharma is a great place to work compared with 94% last year. • Increase in recruitment of female employees globally (64% versus 40% last year). • Increased organisational coherence through global process harmonisation and Insights Discovery® personality profiling and training, hereunder rolled out quarterly manager meetings in India to align with the Danish structure. • Conducted more than 10 internal Insights Discovery® trainings globally. • A number of workplace improvements in our Indian locations. • Voluntary first aid training courses offered to all Lynge employees. • Donation to the international organisation, Mercy Ships, through the annual Missionpharma Charity Run enabling 39 operations aboard the hospital ships. • CSR donations, among these also voluntary employee donations, to our local communities in India.
Targets 2024/25	• Expand our contribution to SDG 3 by broadening our product portfolio and enhancing emergency preparedness with products and kits available from stock. • Strengthen our commitment to SDG 17 by fostering partnerships across borders and sectors to mobilise fund for developing countries aiming to build capacities locally. • Intensify training of our global leaders through cross-organisational leadership training. • Maintain a global employee satisfaction score of >90%. • Develop and implement new tool for conducting Personal Development Talks to anchor personal development in our business needs. • Continue to raise money to Mercy Ships and to our local communities in India.

Summary of progress and targets

AREA	GOVERNANCE
UN SDGs	3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH; 17 PARTNERSHIPS FOR THE GOALS 3.1, 3.2, 3.3 3.4, 3.7, 3.8
Commitment	We want to be a responsible and trusted partner by ensuring high ethical standards across the value chain.
Progress 2023/24	• Full implementation of four new Group compliance policies and whistleblowing procedure in line with Group directives. • 100% of employees globally trained in new compliance policies. • 100% of target group completed individual trainings in assigned digital compliance courses (full or refresher courses) via TRACE training platform as per defined training schedule. • 1,937 third party vettings performed through the advanced media screening tool, MemberCheck. • Execution of 60 GMP audits versus 39 audits last year (35% increase). • Won the Best Safety Poster Award on CFAO World Safety Day 28 April 2023. • No observations of infringement of human rights reported in our own organisation or with our suppliers. • No reports received through our whistleblower scheme.
Targets 2024/25	• Expand the target group eligible for our third-party vetting programme. • Full implementation of new anti-harassment policy and supporting procedures. • Roll out and implementation of new TRACE training in Global Code of Conduct & Ethics for Executive management, managers and externally exposed employees. • Further formalise global ANZEN (safety) day 28 April with additional safety events and initiatives. • Maintain level of around 60 supplier audits.

Statutory statement

IN ACCORDANCE WITH §99B OF THE DANISH FINANCIAL STATEMENTS ACT

	BOARD OF DIRECTORS	OTHER MANAGEMENT LEVELS
POLICY	Missionpharma strives to achieve the gender equality by maintaining focus on identifying and recommending qualified female candidates for the Boards within the Group, which have an obligation to set a diversity target.	Missionpharma's policy strives towards a higher degree of gender diversity within its management teams, as we believe it benefits our working environment and ability to develop.
TARGET	Missionpharma has set a total target of two female members of the Boards by end of March 2025, equal to 40%.	Missionpharma has set a target of 40% female managers by the end of March 2027.
PROGRESS	There has been no change in the Board of Directors during the year, and consequently the target is still being strived for.	To achieve the overall target, we maintain a continuous focus on ensuring gender equality during recruitment processes as well as through personal development and talent programs. During the year, the total number of female managers remained constant.
STATUS	<table><tr><td></td><td>March 2023</td><td>March 2024</td></tr><tr><td>Female members</td><td>25% (1)</td><td>25% (1)</td></tr><tr><td>Male members</td><td>75% (3)</td><td>75% (3)</td></tr></table>	<table><tr><td></td><td>March 2023</td><td>March 2024</td></tr><tr><td>Female managers</td><td>33% (5)</td><td>32% (6)</td></tr><tr><td>Male managers</td><td>67% (10)</td><td>68% (13)</td></tr></table>

Data ethics

IN ACCORDANCE WITH §99D OF THE DANISH FINANCIAL STATEMENTS ACT

Missionpharma complies with both Danish and EU law on data and privacy protection. We recognise that the fast pace of technological development, along with evolving risks and benefits from large scale data use, require thoughtful and responsible decision-making, where existing laws and regulations do not necessarily provide clear ethical guidance.

To cope with these challenges Missionpharma has developed a policy on data ethics based on six principles for how to handle data in an ethical way. The rules describe how we use and process both personal data and non-identifiable (e.g. anonymized, aggregated, non-personal) data. The policy complements the rules and policies for handling of personal and other data, referred to in the employment contract, which all employees sign in connection with the employment.

Missionpharma will periodically review and revise the principles to reflect evolving technologies, the regulatory landscape, stakeholder expectations, and understanding of the risks and benefits to individuals and society of data use.

THE SIX PRINCIPLES

We take measures to ensure that any data shared and used – whether personal or business data – is protected through robust security features and reliable IT applications and providers. On top of this, we have defined six principles on data ethics and responsible handling of personal data:

1. Respect for the privacy of own employees, individuals applying for employment, as well as individuals external to Missionpharma is a fundamental principle
2. Missionpharma perceives data ethics considerations as more far-reaching than compliance with specific legislation, such as GDPR.
3. Missionpharma prioritises openness and transparency in the ongoing challenges that handling both personal data and non-identifiable data entails. The aim is that companies, organisations, and authorities can learn from each other's experiences.
4. All employees sign a declaration of confidentiality in connection with their employment with Missionpharma. Any personal data, proprietary knowledge, trade secrets etc., are always kept at a minimum, securely stored, kept accurate, retained for no longer than necessary, and is only used for a specific and legitimate purpose.
5. Missionpharma only discloses the data on individuals to authorities if there is an obligation to do so according to legislation and a court or authority decision.
6. Machine learning, artificial intelligence, analysis, impact measurements and the use of algorithms will become part of Missionpharma's strategic endeavours to provide access to safe and affordable healthcare, and to promote openness and transparency about Missionpharma's activities and social impact.

USE OF COMPUTER PROGRAMS, ARTIFICIAL INTELLIGENCE AND ALGORITHMS

- Missionpharma uses computer programmes, artificial intelligence and algorithms in analysis and evaluations aimed solely at supporting Missionpharma's work to provide access to safe and affordable healthcare and to be transparent about Missionpharma's societal impact and the effects of Missionpharma's activities.
- Artificial intelligence and similar technologies are widely used in society. Missionpharma will use these technologies, as well as new technologies, new data sources and new research methods to improve Missionpharma's own decision-making processes, to make evaluations of strategic focus areas, and to analyse the societal effects of Missionpharma's activities.
- Missionpharma assures that actual decisions made under the auspices of Missionpharma are always carried out by an informed individual with the needed procuration.
- At any time, the Danish authorities will be able to access and check applied algorithms upon request to verify that these are not programmed to deliver discriminatory or biased results.

Risk management

Missionpharma works with a structured internal control scheme as part of its business as well as being subject to internal controls procedures by its parent companies.

The internal control measures are aimed to secure not only a high level of effectiveness and correctness throughout its business and organisation, the protection of resources and assets but also very much to secure compliance and control risk management in accordance with policies.

RISK ASSESSMENT - MAPPING AND DEVELOPMENT

The risks highlighted in the matrix, and subsequently described, are assessed to be 2024/25 key risks, which may influence the business in general as well as short-term performance and long-term strategic objectives.

As a consequence of our successful development within strategic initiatives towards a more diversified business model and the adjusted financial risk profile on customer credits the following adjustment to key risk is considered:

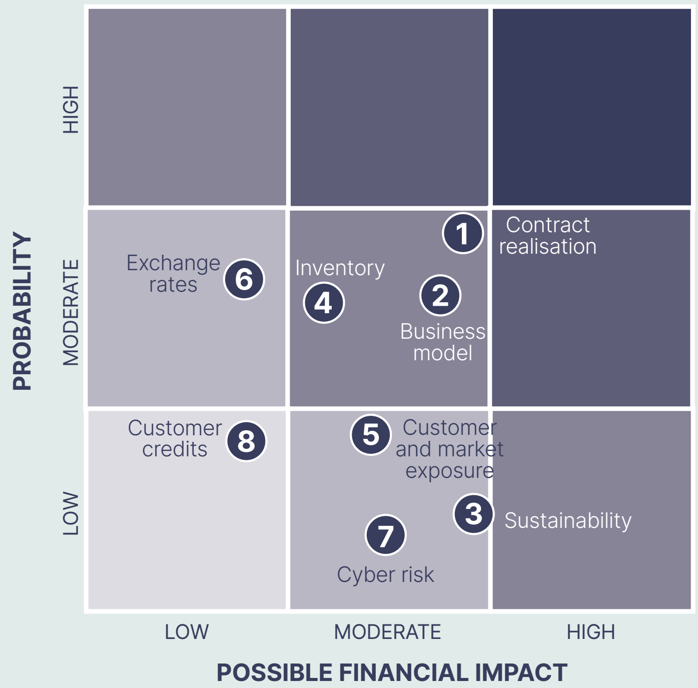
1. "Contract realisation" has increased in terms of financial impact but maintained in terms of probability.
2. "Business model" remains unchanged.
3. "Sustainability" remains unchanged.
4. "Inventory" risk has increased in terms of probability and financial impact.
5. "Customer and market exposure" has decreased i terms of probability but remains unchanged in terms of financial impact.
6. Risks related to "Exchange rates" has decreased in terms of probability and financial impact.
7. "Cyber risk" remains unchanged.
8. "Customer credits" has decreased i terms of probability but remains unchanged in terms of financial impact.

KEY RISKS 2024/25

Missionpharma systematically works with risk management as an integrated part of its business. Financial as well as non-financial risks are continuously identified and monitored to secure transparency in the accepted risks and to secure mitigation in line with policies whenever possible.

The matrix below shows the eight key risks that may impact Missionpharma's business in general as well as our short-term performance and long-term strategic objectives in 2024/25.

Risks are assessed based on a two-dimensional matrix which estimates the possible financial impact and the probability of that risk materializing.



Risk management - description

RISK DESCRIPTION	POSSIBLE IMPACT	RISK MITIGATION
1. Contract realisation		
The positive outcome of a tender leads to binding sales prices and contractual terms in general. Cost of goods and other cost elements, being the calculative base for tenders participated in, are only locked at time of customer contract. Occasionally purchase is committed prior to conclusive contract.	The time lag between tender bid, sales contract and purchase transactions for contract realization is substantial. As cost elements only are renegotiated at time of final orders, the time lag represents a risk in predicting financial outcome in comparison to expectations for contracts. We are impacted by this year's inflation, why we increase the probability for contract realisation. Eventual commitment prior to conclusive contract constitutes a separate risk. Each risk represents a possible short- and medium-term impact on financial performance.	The mitigation of risk is concentrated around the intelligence in building and pricing bids. As raw materials in the price of products offered represents the most significant element out of the total costing, particular focus on expected future price setting is made.
2. Business model		
The business model of Missionpharma is exposed to the uncertainty of inquiries from the market and subsequent successful outcome of tenders participated in. The business consists of a combination of smaller and larger tenders where frequency, timing, value, and conditions for participation are concurrent elements of uncertainty.	The ability to predict financial performance on revenue, earning and cash flow is affected by the uncertainty in general and in particular if not successful on major tenders with larger financial impact. The short-term (less than 1 year) uncertainty is moderate due to a certain portfolio of confirmed orders whereas the long-term uncertainty (above 1 year) is significant.	An ongoing monitoring of inquiries, quotations and actual orders, versus targets set, is an essential element in internal reporting and management of the business. A high level of agility in capacity and cost structures is equally an important focus area. Continuous focus on strategic initiatives to further diversify the business based upon a deeper customer understanding.

Risk management - description

3. Sustainability

RISK DESCRIPTION

Risks related to Sustainability are considered to have a moderate probability and a potential moderate/high financial impact.

ENVIRONMENT

1. Possibility to influence manufacturers' environmental impact during pharmaceutical production.
2. Inability to influence customers' transportation preferences.
3. Inability to meet own environmental targets.

SOCIAL

1. Inability to attract skilled employees coupled with a high employee turnover.
2. Lack of diversity in management teams.
3. Infringement of human rights in our supply chain.
4. Manufacturers' use of child labour.

GOVERNANCE

1. Breach of our Global Code of Conduct & Ethics.
2. Insufficient training of employees, agents and partners in Missionpharma compliance policies with potentially negative impact.

POSSIBLE IMPACT

Some risks can materialise within short time, whereas others could emerge more gradually. Such circumstances may affect our possibility to respond to customer inquiries or to be awarded future contracts, which may consequently affect our financial performance.

RISK MITIGATION

ENVIRONMENT

1. Continuous risk assessment of consequences of influencing manufacturers' environmental policies and practices.
2. Continuously plan for the most environmentally effective mode of transportation in own operations and to continuously bring awareness into CO_2 impact of our shipments.
3. As our environmental targets are also a part of our ISO 14001 targets, we closely monitor progress and implement corrective actions in due time.

SOCIAL

1. Keep constant attention towards our goal of remaining an attractive employer. Continue our work with the results and comments received in connection with global employee engagement surveys.
2. Continuously strive towards a more balanced gender composition in our management teams.
3. Increase assessment of manufacturers and partners towards obtaining a higher level of control of their protection of human rights.
4. Emphasize a zero tolerance against the use of child labour and incorporate assessment of use of child labour as an integrated part of our Good Manufacturing Practice (GMP) audits.

GOVERNANCE

1. Roll out of new digital training on Global Code of Conducts & Ethics to target group.
2. Monitoring potential risks through comprehensive third party vetting programme and whistle-blower scheme.
3. Further implement digital compliance training to defined training groups to anchor knowledge and improve training management, consistency and measurability.

Risk management - description

RISK DESCRIPTION	POSSIBLE IMPACT	RISK MITIGATION
4. Inventory		
In line with our contractual terms, Missionpharma procures and holds stock that is not subject to a firm buying commitment from customers.	The inventory is partially composed of expiry products and may impact earnings as a result of slow-moving goods that would lead to product destruction. A risk that is growing in terms of probability and financial impact as Missionpharma continues to develop its stock-holding strategy.	Missionpharma defined an inventory exposure policy, aiming to secure that inventory is built up according to sale perspectives. Product re-saleability is assessed on a regular basis to define and implement structured liquidation action plans. A comprehensive inventory provision methodology has been implemented to secure that financial risk would be reflected and hence mitigated.
5. Customer and market exposure		
A significant customer segment is public entities located within the main markets of Missionpharma, being African countries. A larger number of these customers and markets are subject to volatile economic and political conditions under both national as well as international influence.	The ability to predict short and long-term financial performance on revenue, earning and cash flow is affected by: • Possible changes in customers overall environment which impacts purchase pattern, value and timing of inquiries. • Predicted or unpredicted changes in assumptions for contract realization. • Delays and defaults in customer payments.	Throughout both bidding and contract realization periods, maximum focus is maintained upon changes that possibly could represent a risk. Possible means of intervention are carefully considered. No appropriate insurance possibilities are available. Internal processes secure proper and transparent risk exposures. Probability of customer and market exposure has decreased, as we continue to diversify across other segments than the Public segment.
6. Exchange rates		
With a globalised business Missionpharma is throughout its operations exposed to foreign exchange rates. Exposure is primarily towards US Dollar (USD) vs. the reporting currency in Danish Kroner (DKK). Therefore, Missionpharma is mainly exposed to a USD decrease versus DKK.	The ability to predict financial performance on revenue, earning and cash flow is affected by fluctuation in USD exchange rate both short and long-term. Considering the historically high level of USD currency, the likelihood of a USD decreasing trend could negatively impact Missionpharma, hence supporting our risk probability.	In accordance with policies Missionpharma hedges major flows in USD exposures through forward contracts. Hedging policy includes invoiced flows whereas flows related to orders and bids are not included. Missionpharma is not engaged in currency speculation.

Risk management - description

RISK DESCRIPTION	POSSIBLE IMPACT	RISK MITIGATION
7. Cyber risk		
Missionpharma's business information, communication systems and information systems are exposed to viruses, sabotage or cyber-attacks.	Cyber-attacts may cause a loss of confidentiality, integrity and availability of information, as well as lead to an incapacity for Missionpharma to operate its daily business.	Missionpharma has over the past years implemented strong solutions to cover safe data backup and recovery capacity. We are implementing regular internal cyber security audits and following up on action points.
8. Customer credits		
In line with contractual terms Missionpharma grants credits to customers.	Defaulted payments from customers have a short-term impact on cash flow and possibly earnings through increased provision for losses. Defaulted payments have a medium- and long-term impact on revenue, earnings and cash flow as participation in new tenders is limited with such customers in default.	Missionpharma's credit policy prescribes a comprehensive evaluation of any credit granted. Credit policies are implemented to guide and control when credit is granted to a customer. Ongoing monitoring and dunning procedures play an important part of daily operations. No appropriate insurance possibilities are available.

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Reports

Statement by the Executive Board and Board of Directors

The Board of Directors and the Executive Board have today discussed and approved the annual report of Missionpharma A/S for the financial year 1 April 2023 - 31 March 2024.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 March 2024 and of the results of the Company's operations for the financial year 1 April 2023 – 31 March 2024.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, the results for the year and its financial position.

We recommend that the annual report be approved at the annual general meeting for the year.

Lynge, 24 June 2024

Executive Board

Christian Monrad Overgaard CEO	Alexandre Pierre Jean Vialatte CFO

Board of Directors

Jean-Marc Pierre René Leccia Chairman	Kim Erik Ginnerup
Eric Pierre Jean Muris	Ilona Maureen Fischer

Independent auditor's report

To the shareholders of Missionpharma A/S.

OPINION

We have audited the consolidated financial statements and the parent company financial statements of Missionpharma A/S for the financial year 1 April 2023 – 31 March 2024, which comprise an income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for both the group and the parent company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and parent company financial statements give a true and fair view of the company's financial position at 31 March 2024 and of the results of the group and the parent company's operations for the financial year 1 April 2023 – 31 March 2024 in accordance with the Danish Financial Statements Act.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and parent company financial statements" section of our report.

We are independent of the group in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

MANAGEMENT'S RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE FINANCIAL STATEMENTS

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and parent company financial statements, management is responsible for assessing the group's and the parent 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 in preparing the consolidated financial statements and parent company financial statements unless management either intends to liquidate the group or the company or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PARENT COMPANY FINANCIAL STATEMENTS

Our objective is to obtain reasonable assurance about whether the consolidated financial statements and parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark 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 and parent company financial statements. As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the consolidated financial statements and parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, international omissions, misrepresentations, or the override of internal control.

Independent auditor's report

- Obtain and understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the parent company's internal control.
- Evaluate the appropriateness of accounting policies and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the consolidated financial statements and parent company financial statements and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern.

  If we conclude that a material uncertainty exists, we are required to draw attention to our auditor's report to the related disclosures in the consolidated financial statements and parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient and appropriate evidence regarding the financial information for the group's entities or business activities to express an opinion on the consolidated financial statements. We are responsible for directing, supervising, and conducting the audit of the group. We alone are responsible for our audit opinion. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

STATEMENT ON MANAGEMENT'S REVIEW
Management is responsible for management's review.

Our opinion on the consolidated financial statements and parent company financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and parent company financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude, that management's review is in accordance with the consolidated financial statements and parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management's review.

Copenhagen, 24 June 2024

MAZARS
Statsautoriseret Revisionspartnerselskab
CVR no. 31 06 17 41

Karsten Vedel
State-authorised public accountant
MNE no. mne47841

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Accounts

Income statement

		CONSOLIDATED		PARENT COMPANY	
DKK'000	**Note**	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Revenue		928,798	924,320	940,120	942,492
Goods for resale and consumables		-545,383	-571,596	-560,025	-592,483
Other external expenses		-163,457	-123,383	-176,509	-135,079
Gross profit		**219,958**	**229,341**	**203,586**	**214,930**
Staff costs	1	-65,693	-65,444	-56,972	-56,410
Depreciation of property, plant, equipment and IT development costs	2	-2,929	-4,297	-1,415	-1,550
Other operating costs		0	0	-1,376	-746
Operating profit		**151,336**	**159,600**	**143,823**	**156,224**
Income from investments in subsidiaries	3	0	0	5,521	1,718
Financial Income	4	6,003	3,934	5,591	1,977
Financial expenses	5	-3,459	-9,135	-2,765	-6,124
Profit before tax		**153,880**	**154,399**	**152,170**	**153,795**
Tax on profit	6	-34,134	-35,141	-32,305	-33,785
Profit for the year	7	**119,746**	**119,258**	**119,865**	**120,010**

Balance sheet - Assets

31 MARCH

		CONSOLIDATED		PARENT COMPANY	
DKK'000	**Note**	**2024**	**2023**	**2024**	**2023**
ASSETS					
IT project in progress	8	1,295	0	1,295	0
Land and property	9	23,883	24,902	20,343	21,304
Plant and equipment	9	6,126	4,816	1,839	1,577
Ongoing investment	9	2,188	438	0	438
Investments in subsidiaries	3	0	0	34,313	36,456
Other investments	10	18,285	18,418	0	0
Non-current assets		**51,777**	**48,574**	**57,790**	**59,775**
Goods for resale		125,298	111,485	45,540	37,799
Trade receivables		57,664	62,232	37,635	42,360
Receivables group companies		153,462	212,391	275,914	330,455
Prepayments		22,200	73,606	9,242	58,153
Other receivables	11	6,074	4,561	4,931	2,945
Tax receivables		20,052	12,263	19,626	12,193
Cash and bank		33,767	25,042	19,706	11,219
Current assets		**418,517**	**501,580**	**412,594**	**495,124**
TOTAL ASSETS		**470,294**	**550,154**	**470,384**	**554,899**

Balance sheet - Liabilities and shareholder's equity

31 MARCH

		CONSOLIDATED		PARENT COMPANY	
DKK'000	**Note**	**2024**	**2023**	**2024**	**2023**
LIABILITIES AND SHAREHOLDER'S EQUITY					
Share capital		2,100	2,100	2,100	2,100
Reserve for exchange adjustments		-2,608	-2,337	-994	-723
Net revaluation (equity method)		0	0	32,718	31,173
Reserve for revaluation of the building		0	0	3,377	3,794
Retained earnings		200,825	199,960	163,115	163,378
Proposed dividends	7	119,000	150,000	119,000	150,000
Equity attributable to shareholders in Missionpharma A/S		**319,317**	**349,723**	**319,316**	**349,722**
Minority interests		1,203	1,349	0	0
TOTAL EQUITY		**320,520**	**351,072**	**319,316**	**349,722**
Provisions					
Provisions	12	9,654	7,192	9,654	7,192
Deferred tax	13	0	22	93	427
Provisions		**9,654**	**7,214**	**9,747**	**7,619**
Current liabilities					
Prepayments received from customers		76,366	104,282	76,366	104,282
Trade payables		25,203	56,613	27,120	55,377
Payables to group companies		4,692	0	7,095	9,068
Other payables		33,859	30,974	30,740	28,832
Tax liability		0	0	0	0
Current liabilities		**140,120**	**191,868**	**141,321**	**197,558**
TOTAL LIABILITIES		**149,774**	**199,082**	**151,068**	**205,177**
LIABILITIES AND SHAREHOLDER'S EQUITY		**470,294**	**550,154**	**470,384**	**554,899**

Auditors' fees	Note 16
Contingent assets and liabilities and other financial obligations	Note 17
Related parties	Note 18

Statement of changes in equity

PARENT COMPANY

DKK'000	Share capital	Reserve for exchange adjust-ments	Net re-valuation equity method	Re-valuation reserve property	Retained earnings	Proposed dividends	Total
Equity at 1 April	2,000	-723	31,851	3,794	153,921	150,000	340,843
Primo effect from merger under combining method	100	0	-678	0	9,457	0	8,879
Corrected equity at 1 April	2,100	-723	31,173	3,794	163,378	150,000	349,722
Net effect from merger under combining method	0	0	-3,976	0	3,976	0	0
Dividends paid/received	0	0	0	0	0	-150,000	-150,000
Exchange adjustment	0	-271	0	0	0	0	-271
Depreciation on revaluation	0	0	0	-417	417	0	0
Profit for the year	0	0	5,521	0	-4,656	119,000	119,865
Equity at 31 March	**2,100**	**-994**	**32,718**	**3,377**	**163,115**	**119,000**	**319,316**

CONSOLIDATED

DKK'000	Share capital	Reserve for exchange adjust-ments	Retained earnings	Proposed dividends	Minority interests	Total
Equity at 1 April	2,000	-723	189,566	150,000	1,349	342,192
Net effect from merger under combining method	100	-1,614	10,394	0	0	8,880
Corrected equity at 1 April	2,100	-2,337	199,960	150,000	1,349	351,072
Dividends paid/received	0	0	0	-150,000	0	-150,000
Exchange adjustment	0	-271	11	0	-38	-298
Profit for the year	0	0	854	119,000	-108	119,746
Equity at 31 March	**2,100**	**-2,608**	**200,825**	**119,000**	**1,203**	**320,520**

§ **ACCOUNTING POLICIES**

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

NOTE

Share capital is divided into 2,100 shares each DKK 1,000. No shares have separate privileges.

Cash flow statement

		CONSOLIDATED	
DKK'000	**Note**	**2023/24**	**2022/23**
Profit for the year		119,746	119,258
Changes of non-cash operating items	14	35,034	44,718
Cash flow from operations before changes in working capital		**154,780**	**163,976**
Changes in working capital	15	-8,638	19,931
Cash generated from operations (operating activities)		**146,142**	**183,907**
Financial income received		6,003	2,572
Financial expense paid		-3,663	-8,079
Cash flow from operations before tax		**148,482**	**178,400**
Corporation tax paid		-41,945	-37,724
Cash flow from operating activities		**106,537**	**140,676**
Additions of property, plant and equipment	9	-6,856	-6,015
Disposals of property, plant and equipment		115	40
Cash flow from investing activities		**-6,741**	**-5,975**
Deposit with group companies		58,929	-50,092
Dividend distributed		-150,000	-90,000
Cash flow from financing activities		**-91,071**	**-140,092**
Net cash flow from operating, investing and financing activities		**8,725**	**-5,391**
Cash and cash equivalents at 1 April		25,042	30,433
Cash and cash equivalents at 31 March		**33,767**	**25,042**

§ ACCOUNTING POLICIES

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are subject to an insignificant risk of changes in value.

Notes to the annual report

1 Staff costs

DKK'000	CONSOLIDATED 2023/24	CONSOLIDATED 2022/23	PARENT COMPANY 2023/24	PARENT COMPANY 2022/23
Wages and salaries	58,803	58,984	50,940	50,828
Pension costs	4,462	4,010	4,053	3,613
Other social security costs	435	442	434	439
Other staff costs	1,993	2,008	1,545	1,530
	65,693	**65,444**	**56,972**	**56,410**
Salaries and fees paid to the Executive Board	7,609	7,471	7,609	7,471
The Board of Directors did not receive any remuneration				
Number of employees	158	150	61	58

2 Depreciation of property, plant, equipment, and IT development costs

DKK'000	CONSOLIDATED 2023/24	CONSOLIDATED 2022/23	PARENT COMPANY 2023/24	PARENT COMPANY 2022/23
Property, plant and equipment	2,929	2,429	1,415	1,550
and IT development costs	0	1,868	0	0
Carrying amount at 31 March	**2,929**	**4,297**	**1,415**	**1,550**

§ ACCOUNTING POLICIES

Staff costs comprise wages and salaries, inclusive holiday allowances, pensions and other expenses related to social contributions.

Notes to the annual report

3 Investments in subsidiaries

DKK'000	PARENT COMPANY 2023/24	PARENT COMPANY 2022/23
Cost at 1 April	2,589	2,589
Cost at 31 March	**2,589**	**2,589**
Adjustments at 1 April	33,867	31,077
Adjustments by merge with MP Group and GIN	722	2,197
Foreign exchange rate adjustment	-994	-1,125
Share of equity transactions	-7,392	0
Share of profit for the year	5,521	1,718
Dividend distributed	0	0
Adjustments at 31 March	**31,724**	**33,867**
Carrying amount at 31 March	**34,313**	**36,456**
Specification of the company's share of the profit or loss for the year		
Share of profit for the year	5,521	1,718
Adjustments at 31 March	**5,521**	**1,718**
Specification of the carrying amount at 31 March		
Share of the equity in group entities	34,313	36,456
Carrying amount at 31 March	**34,313**	**36,456**

Name	Registered office	Ownership
PharmaDanica A/S	Lynge, Denmark	100 %
Missionpharma Logistics India Pvt. Ltd.	Kandla, India	100 %
Mifamed Medical Ltd.	Ahmedabad, India	100 %
Missionpharma Zambia Ltd.	Lusaka, Zambia	80 %

§ ACCOUNTING POLICIES

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the parent company after full elimination of intra-group profits/losses.

Investments in subsidiaries in the parent company are measured using the equity method. Investments in subsidiaries are measured at the proportionate share of the entities' net asset values calculated in accordance with the Group's accounting policies minus or plus unrealized intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the acquisition method.

Investments in subsidiaries with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognized under provisions.

Net revaluation of investments in subsidiaries is recognized in the reserve for net revaluation in equity under the equity method to the extent that the carrying amount exceeds cost.

Notes to the annual report

4 Financial income

DKK'000	CONSOLIDATED 2023/24	CONSOLIDATED 2022/23	PARENT COMPANY 2023/24	PARENT COMPANY 2022/23
Other interest receivables, exchange gains and similar income	943	2,216	531	0
Interest receivables, group entities	5,060	1,718	5,060	1,977
	6,003	**3,934**	**5,591**	**1,977**

5 Financial expenses

DKK'000	CONSOLIDATED 2023/24	CONSOLIDATED 2022/23	PARENT COMPANY 2023/24	PARENT COMPANY 2022/23
Other interest payable, exchange losses hedging costs and similar expenses	3,325	9,135	2,765	6,124
Revaluation of other investments	134	0	0	0
	3,459	**9,135**	**2,765**	**6,124**

6 Tax on the profit for the year

DKK'000	CONSOLIDATED 2023/24	CONSOLIDATED 2022/23	PARENT COMPANY 2023/24	PARENT COMPANY 2022/23
Current tax for the year	34,264	36,386	32,496	34,993
Change in provision for deferred tax	-130	-1,327	-191	-1,208
Prior year adjustments	0	82	0	0
	34,134	**35,141**	**32,305**	**33,785**

§ ACCOUNTING POLICIES

Financial income and expenses that relate to the reporting period are recognized in the income statement.

Net financials include interest income and expenses, realized and unrealized capital and exchange gains and losses on securities and foreign currency transactions, amortization of mortgage loans and surcharges and allowances under the advance-payment-of-tax- scheme, etc. Shares are valued at market price.

Tax on profit/loss for the year comprises current tax, joint taxation contributions for the year and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognized in the income statement, and the tax expense relating to amounts directly recognized in equity is recognized directly in equity.

The parent company is covered by the Danish rules on compulsory joint taxation of the Missionpharma A/S' Danish subsidiaries. Subsidiaries form part of the joint taxation from the date on which they are included in the consolidation of the consolidated financial statements and up to the date on which they exit the consolidation.

The parent company is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carryforwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

Notes to the annual report

7 Proposed profit appropriation

DKK'000	CONSOLIDATED 2023/24	CONSOLIDATED 2022/23	PARENT COMPANY 2023/24	PARENT COMPANY 2022/23
Proposed dividends	119,000	150,000	119,000	150,000
Reserve for net revaluation equity method	0	0	5,521	774
Retained earnings	854	-31,818	-4,656	-30,764
Minority interests	-108	1,076	0	0
	119,746	**119,258**	**119,865**	**120,010**

8 Intangible assets

DKK'000	CONSOLIDATED IT dev. costs	CONSOLIDATED Total	PARENT COMPANY IT dev. costs	PARENT COMPANY Total
Cost at 1 April	5,500	5,500	5,500	5,500
Addition during the year	1,295	1,295	1,295	1,295
Cost at 31 March	**6,795**	**6,795**	**6,795**	**6,795**
Impairment losses and depreciation at 1 April	5,500	5,500	5,500	**5,500**
Amortization during the year	0	0	0	**0**
Impairment losses and amortization at 31 March	**5,500**	**5,500**	**5,500**	**5,500**
Carrying amount at 31 March	**1,295**	**1,295**	**1,295**	**1,295**

§ **ACCOUNTING POLICIES**

IT development costs consist of costs from IT-suppliers for IT projects which are in progress. In the balance, development costs are measured at cost less accumulated depreciation and write-downs. From project completion, development costs are amortized using the straight-line method, typically over 3-5 years.

Notes to the annual report

9 Property, plant and equipment

CONSOLIDATED

DKK'000	Land and property	Plant and equipment	Ongoing Invest-ments	Total
Cost at 1 April	41,369	16,916	438	58,723
Foreign exchange rate adjustment	-44	-89	0	-133
Additions during the year	306	3,066	2,188	5,560
Disposals during the year	-295	-608	-438	-1,341
Cost at 31 March	**41,336**	**19,285**	**2,188**	**62,809**
Revaluation at 1 April	13,378	0	0	13,378
Revaluation at 31 March	**13,378**	**0**	**0**	**13,378**
Impairment losses and depreciation at 1 April	**29,845**	**12,100**	**0**	**41,945**
Foreign exchange rate adjustment	-20	-66	0	-86
Disposals during the year	-197	-601	0	-798
Depreciation during the year	1,203	1,726	0	2,929
Impairment losses and depreciation at 31 March	**30,831**	**13,159**	**0**	**43,990**
Carrying amount at 31 March	**23,883**	**6,126**	**2,188**	**32,197**
Amount at 31 March without revaluation	**10,505**	**6,126**	**2,188**	**18,819**

§ ACCOUNTING POLICIES

Property, plant and equipment include land and property as well as plant and equipment. Property, plant and equipment are measured at cost price, less accumulated depreciation, and write-downs.

Cost comprises purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Land and property are valued at purchase price. Revaluations and reversals hereof, less deferred tax, are taken directly to equity.

Property, plant, and equipment are tested for impairment whenever there is an indication that an asset might be impaired. The impairment test is performed for each individual asset or group of assets, respectively. the assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

Property, plant, and equipment are depreciated using the straight-line method, based on the cost measured by reference to the below assessment of the useful lives and residual values of the assets.

Property:	25 years
IT equipment:	3-5 years
Plant and equipment:	5-10 years

Gains and losses on the disposal of property, plant, and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognized in the income statement under "amortization/depreciation".

Residual values of the company's material assets are reviewed annually.

Notes to the annual report

9 Property, plant and equipment

PARENT COMPANY

DKK'000	Land and property	Plant and equipment	Ongoing Invest-ments	Total
Cost at 1 April	35,341	5,104	438	40,883
Additions during the year	0	716	0	716
Disposals during the year	0	-282	-438	-720
Cost at 31 March	**35,341**	**5,538**	**0**	**40,879**
Revaluation at 1 April	13,378	0	0	13,378
Revaluation at 31 March	**13,378**	**0**	**0**	**13,378**
Impairment losses and depreciation at 1 April	**27,415**	**3,527**	**0**	**30,942**
Disposals during the year	0	-281	0	-281
Depreciation during the year	961	453	0	1,415
Impairment losses and depreciation at 31 March	**28,376**	**3,699**	**0**	**32,076**
Carrying amount at 31 March	**20,343**	**1,839**	**0**	**22,181**
Amount at 31 March without revaluation	**6,965**	**1,839**	**0**	**8,803**

§ ACCOUNTING POLICIES

Property, plant and equipment include land and property as well as plant and equipment. Property, plant and equipment are measured at cost price, less accumulated depreciation, and write-downs.

Cost comprises purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Land and property are valued at purchase price. Revaluations and reversals hereof, less deferred tax, are taken directly to equity.

Property, plant, and equipment are tested for impairment whenever there is an indication that an asset might be impaired. The impairment test is performed for each individual asset or group of assets, respectively. the assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

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Gains and losses on the disposal of property, plant, and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognized in the income statement under “amortization/depreciation”.

Residual values of the company's material assets are reviewed annually.

Notes to the annual report

10 Other investments

DKK'000	CONSOLIDATED 2023/24	CONSOLIDATED 2022/23	PARENT COMPANY 2023/24	PARENT COMPANY 2022/23
Shares in non-group company	18,285	18,418	0	0

11 Other receivables

DKK'000	CONSOLIDATED 2023/24	CONSOLIDATED 2022/23	PARENT COMPANY 2023/24	PARENT COMPANY 2022/23
Other receivables, due, within 1 year	6,074	4,561	4,931	2,945
Other receivables, due, within 1 year and 5 years	0	0	0	0
	6,074	**4,561**	**4,931**	**2,945**

12 Provisions

DKK'000	CONSOLIDATED 2023/24	CONSOLIDATED 2022/23	PARENT COMPANY 2022/23	PARENT COMPANY 2021/22
Provisions, due, within 1 year	0	0	0	0
Provisions, due, within 1 year and 5 years	9,654	7,192	9,654	7,192
	9,654	**7,192**	**9,654**	**7,192**

13 Deferred tax provisions

DKK'000	CONSOLIDATED 2023/24	CONSOLIDATED 2022/23	PARENT COMPANY 2023/24	PARENT COMPANY 2022/23
Provision for deferred tax at 1 April	22	1,349	427	3,921
Provisions during the year	-22	-1,327	-334	-3,494
	0	**22**	**93**	**427**

§ ACCOUNTING POLICIES

Provision is covering a risk on stock agreement with a customer until December 2025.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognized on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where different tax rules can be applied to determine the tax base, deferred tax is measured based on Management's planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognized at the expected value of their utilization; either as a set-off against tax on future income or as a setoff against deferred tax liabilities in the same legal tax entity and jurisdiction.

Notes to the annual report

14 Changes of non-cash operating items, cash flow statement

DKK'000	CONSOLIDATED 2023/24	CONSOLIDATED 2022/23
Amortization/depreciation	2,929	4,297
Net gain on sale of fixed assets	-11	-39
Financial income	-6,003	-3,934
Financial expenses	3,459	9,135
Tax for the year	34,134	35,141
Other non-cash operating items, net	526	118
	35,034	**44,718**

15 Changes in working capital, cash flow statement

DKK'000	CONSOLIDATED 2023/24	CONSOLIDATED 2022/23
Change in goods of resale	-13,813	-12,538
Change in trade receivables	4,568	-6,960
Change in prepayments	51,407	-47,407
Change in other receivables	-1,512	5,405
Change in provision	2,462	4,464
Change in trade payables	-31,410	631
Change in group trade payables	4,692	0
Change in other payables	2,884	5,975
Change in prepayments received from customers	-27,916	70,361
	-8,638	**19,931**

16 Auditors' fees

	CONSOLIDATED		PARENT COMPANY	
DKK'000	2023/24	2022/23	2023/24	2022/23
Fee for statutory audit	341	377	317	254
Tax assistance	10	10	10	10
Fee for non-audit services	15	0	15	0
	366	**387**	**342**	**264**

§ ACCOUNTING POLICIES

Cash flows from operating activities are calculated as the Group's share of the profit/ loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are subject to an insignificant risk of changes in value.

Notes to the annual report

17 Contingent liabilities and other financial obligations

CONTINGENT LIABILITIES

The company is jointly taxed with the other Danish entities in the Missionpharma Group. As a wholly owned subsidiary, the company is jointly and severally liable, together with the other jointly taxed entities, for Danish income taxes and withholding taxes on dividends, interest and royalties within the group of jointly taxed entities. Any subsequent adjustments of the joint taxable income or withholding taxes may result in an increase of the company's liability.

The subsidiary Missionpharma Logistics (India) Pvt. Ltd. is currently involved in a transfer pricing dispute with the Indian tax authorities for more income years. Missionpharma is confident about a positive outcome of the dispute even if it still represents an uncertainty.

Missionpharma A/S has not assumed any guarantee obligations except for the guarantees issued in connection with operations for a total amount of DKK 43.4 million.

GUARANTEES

The Group companies (Missionpharma A/S and PharmaDanica A/S) are jointly liable for a total credit and facility line of DKK 201.6 million.

Rental commitments for land, buildings, and equipment amount to DKK 7.5 million.

18 Related parties

The Company's ultimate Parent Company at 31 March 2024, which prepares the Group Annual Report in which the Company is included as a subsidiary, is Toyota Tsusho Corporation, Japan.

The Group Annual Report can be obtained at the following address:

Toyota Tsusho Corporation
9-8 Meieki 4-chome, Nakamura-ku
Nagoya 450-8575
Japan

Transactions between the company and its subsidiaries are made at internal transfer prices according to the arm's length principle in accordance with section 98c(7) of the Danish Financial Statements Act.

Accounting policies

Accounting policies not already covered in the report.

General accounting policies

The annual report of Missionpharma A/S for the year 2023/24 has been prepared in accordance with the provisions applying to reporting class large C enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

CONSOLIDATED FINANCIAL STATEMENTS

In pursuance of section 112 (1) of the Danish Financial Statements Act, consolidated financial statements have not been prepared. The financial statements of Missionpharma A/S and its group entities are included in the consolidated financial statements of Missionpharma A/S.

BUSINESS COMBINATIONS IN THE GROUP

For business combinations such as the purchase and sale of investments, mergers, demergers, transfers of assets and share swaps, etc. involving companies controlled by the parent company, the book value method is used, whereby the combination is deemed to be completed at the acquisition date without restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired company are recognised directly in equity.

In vertical and reverse vertical intra-group mergers, the group method is used to combine the companies. This means that the companies are combined at the revaluation value that is recognised in the consolidated financial statements or that would be recognised in the consolidated financial statements of the parent company involved in the merger.

The group method is applied as if the companies had been combined from the time when the parent company acquired shares in the companies included in the merger, and comparative figures have therefore been restated.

FOREIGN CURRENCY TRANSLATION

Transactions denominated in foreign currencies are translated into Danish kroner at the exchange rates at the date of the transaction.

Receivables, liabilities, and other monetary items denominated in foreign currencies are translated at the closing rates. The differences between the closing rates and the exchange rates at the time of emergence or recognition in the latest financial statements of the receivable or liability are recognized in the income statement as financial income and expenses.

Foreign subsidiaries and associates are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date are recognized directly in equity.

DERIVATIVES

Derivative financial instruments are initially recognized on the balance sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognized as other receivables and other payables, respectively.

Changes in fair value of derivative financial instruments designated as or qualifying for recognition as a fair value hedge of a recognized assets or liabilities are recognized in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in fair value of derivative financial instruments designated as or qualifying for recognition as a hedge of future transactions are recognized as other receivables or other payables and in equity until the realization of the hedged transaction. If the future transaction results in the recognition of assets or liabilities, amounts which were previously recognized in equity are transferred to the cost of the asset or liability. If the future transaction results in income or costs, amounts which were previously recognized in equity are transferred to the income statement for the period when the hedged item affects the income statement.

Accounting policies

Income statement

REVENUE
Income from the sale of goods held for sale and finished goods is recognized in the income statement at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably.

Revenue is measured at the fair value of the remuneration agreed upon, excluding VAT and indirect taxes levied on behalf of a third party. All types of discounts are recognized in the revenue.

In pursuance of section 96 (1) of the Danish Financial Statement Act, a geographical and activity breakdown of revenue is not disclosed for competitive reasons.

GOODS FOR RESALE AND CONSUMABLES
Goods for resale and consumables include cost of goods sold, provision/actual loss on stock depreciation.

OTHER EXTERNAL EXPENSES
Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, lease payments under operating leases, etc.

Balance sheet

INVENTORIES
Inventories are measured at cost in accordance with the FIFO method. Where the net realizable value is lower than cost, inventories are written down to this lower value.

RECEIVABLES
Receivables are measured at amortized cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a receivable portfolio has been impaired.

Prepayment covers prepayment to suppliers of goods for resale.

CORPORATION TAX AND DEFERRED TAX
Current tax payables and current tax receivables are recognized in the balance sheet as the estimated tax charge in respect of the taxable income of the year, adjusted for tax on prior years' taxable income and tax paid in advance.

Joint-taxation contribution payable and receivable is recognized in the balance sheet as "Corporation tax receivable" or "Corporation tax payable".

Provisions for deferred tax are calculated using the expected tax rate by elimination of the temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, and temporary differences on non-amortizable goodwill.

Deferred tax assets, including the tax value of deferrable taxable losses, are recognized at the value at which they are expected to be utilized, either through elimination against tax on future earnings or a set-off against deferred tax liabilities within the same legal tax entity.

LIABILITIES
Financial liabilities are recognized on the raising of the loan at the cost, corresponding to the proceeds received net of transaction costs incurred. The financial liabilities are subsequently measured at amortized cost.

Prepayments from customers are measured to received amount.

Other liabilities are measured at the net realizable value.

Definition of financial ratios

The financial ratios stated in the financial highlights have been calculated as follows:

Operating margin (EBIT margin)	$\frac{\text{Operating profit x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Operating profit x 100}}{\text{Average total assets}}$
Equity ratio	$\frac{\text{Equity x 100}}{\text{Total assets}}$
Return on equity	$\frac{\text{Profit for the year x 100}}{\text{Average equity}}$
Liquidity ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$

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Appendices

Appendix 1

Financial highlights USD

USD'000	**2023/24**	**2022/23**	**2021/22**	**2020/21**	**2019/20**
KEY FIGURES					
Average DKK/100 USD rate (P&L)	687.33	715.73	640.74	639.54	672.68
Closing DKK/100 USD rate (balance sheet)	689.55	684.92	670.02	634.31	681.15
Revenue	135,130	129,144	106,515	113,664	116,007
Gross profit	32,002	32,043	20,836	28,495	14,755
Operating profit (EBIT)	22,018	22,299	10,772	18,054	4,742
Net financials	370	-727	42	-2,119	-1,099
Profit of the year	**17,422**	**16,662**	**8,163**	**12,207**	**2,525**
Total assets	68,203	80,324	66,002	71,713	59,839
Equity	**46,482**	**51,257**	**48,245**	**54,931**	**41,849**
Investments in the year	997	840	185	126	366
Number of full-time employees	**158**	**150**	**142**	**144**	**169**
Net cash flow for the year	**1,178**	**-753**	**-1,058**	**-2,677**	**4,926**
FINANCIAL RATIO					
Operating margin (EBIT)	16.3%	17.3%	10.1%	15.8%	4.1%
Return on assets	29.7%	31.8%	15.4%	26.7%	7.6%
Equity ratio	68.2%	63.8%	73.1%	76.6%	69.9%
Return on equity	35.7%	34.1%	15.6%	24.6%	5.8%
Liquidity ratio	3.0	2.5	3.4	3.9	2.8

Appendix 2

Financial highlights EUR

EUR'000	2023/24	2022/23	2021/22	2020/21	2019/20
KEY FIGURES					
Average DKK/100 EUR rate (P&L)	745.43	744.01	743.76	744.64	746.73
Closing DKK/100 EUR rate (balance sheet)	745.82	744.85	743.79	743.73	746.74
Revenue	124,599	124,235	91,761	97,621	104,502
Gross profit	29,508	30,825	17,950	24,473	13,284
Operating profit (EBIT)	20,302	21,451	9,280	15,506	4,264
Net financials	341	-699	36	-1,820	-990
Profit of the year	**16,064**	**16,029**	**7,033**	**10,484**	**2,267**
Total assets	63,057	73,861	59,456	61,162	54,583
Equity	**42,976**	**47,133**	**43,460**	**46,849**	**38,173**
Investments in the year	920	808	160	108	330
Number of full-time employees	**158**	**150**	**142**	**144**	**169**
Net cash flow for the year	**1,086**	**-725**	**-911**	**-2,299**	**4,437**
FINANCIAL RATIO					
Operating margin (EBIT)	16.3%	17.3%	10.1%	15.8%	4.1%
Return on assets	29.7%	31.8%	15.4%	26.7%	7.6%
Equity ratio	68.2%	63.8%	73.1%	76.6%	69.9%
Return on equity	35.7%	34.1%	15.6%	24.6%	5.8%
Liquidity ratio	3.0	2.5	3.4	3.9	2.8