



Missionpharma Group ApS

ANNUAL REPORT 2020/21



MISSIONPHARMA
cfaogroup.com

Missionpharma Group ApS
Vassingerøedvej 9 · 3540 Lyngø · Denmark
www.missionpharma.com
CVR No. 29 78 27 92

Approved at General Meeting / 2021
Chairman: Torben Nørskov,
Accura Advokatpartnerselskab

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ABOUT THIS REPORT

This annual report for Missionpharma Group ApS covers the financial year 1 April 2020 - 31 March 2021 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 Missionpharma within the areas of social, environmental and ethical behavior.

The report contains the consolidated accounts of Missionpharma Group ApS and the accounts of the parent company.



COMMUNICATION ON PROGRESS (COP) REPORT

As a member of the UN Global Compact we are committed to contributing to the UN Sustainable Development Goals (SDGs) and to report annually on our corporate responsibility within human rights, labour, environment and anti-corruption.

View our COP report at www.missionpharma.com

COMPANY DETAILS

COMPANY

Missionpharma Group ApS
 Vassingerødvej 9
 3540 Lyngø
 Denmark
www.missionpharma.com
 CVR no.: 29 78 27 92
 Financial year: 1 April - 31 March
 Established: 4 October 2006
 Registered office: Lyngø, Denmark

BOARD OF DIRECTORS

Jean-Marc Pierre René Leccia (Chairman)
 Kim Erik Ginnerup
 Eric Pierre Jean Muris
 Aymeric Erouart
 Patricia Hec

EXECUTIVE BOARD

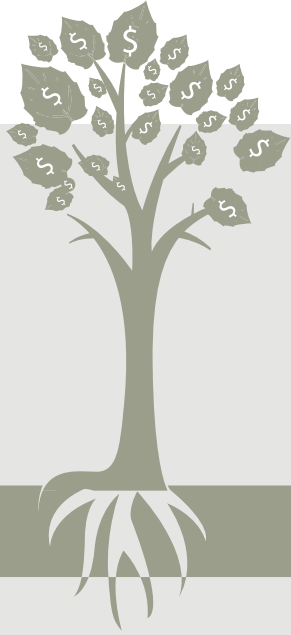
Christian Monrad Overgaard (CEO)
 Poul Lindof (CFO)

AUDITORS

PricewaterhouseCoopers
 Statsautoriseret Revisionspartnerselskab
 Strandvejen 44
 2900 Hellerup, Denmark



BUSINESS HIGHLIGHTS



727

MILLION DKK

**Revenue for
financial year 2020/21**

Missionpharma managed a strong revenue performance despite the challenges induced by COVID-19.

NO. 1

EXPORTER

Winning the Highest Export Award

Missionpharma's operation in India was again recognised for our performance in exports and won the award as "Highest Exporter" by Kandla Special Economic Zone (KASEZ) authorities in the category 'Drugs, Pharmaceuticals and Allied Products' for the 11th time.



Stronger market position

Our strategic direction towards a greater diversification of our business developed even further during the year.

Combined with a continuous strong financial position, the development allows Missionpharma to foresee an even stronger market position going forward.



FINANCIAL HIGHLIGHTS IN DKK

1 APRIL 2020 - 31 MARCH 2021

DKK'000	2020/21	2019/20	2018/19	2018 (3 months)	2017
KEY FIGURES					
Revenue	726,927	780,353	756,969	152,166	692,199
Gross profit	182,236	99,252	120,583	27,808	152,170
Operating profit (EBIT)	115,464	31,897	50,447	9,372	82,941
Net financials	-13,549	-7,390	-6,319	-6,022	5,006
Profit for the year	78,068	16,983	32,916	2,035	70,134
Total assets	454,882	407,596	424,884	459,858	479,050
Equity	348,431	285,057	297,152	319,597	318,729
Investments in the year	806	2,464	2,861	2,928	1,417
Average number of full-time employees	144	169	174	166	157
Net cash flow for the year	-17,118	33,137	4,331	-5,823	-84,480
FINANCIAL RATIOS					
Operating margin (EBIT)	15.8%	4.1%	6.7%	6.2%	12.0%
Return on assets	26.7%	7.6%	11.4%	2.0%	18.7%
Equity ratio	76.6%	69.9%	69.9%	69.5%	66.5%
Return on equity	24.6%	5.8%	10.7%	0.6%	22.4%
Liquidity ratio	3.9	2.8	2.8	2.8	2.5

COMMENTS TO FINANCIAL HIGHLIGHTS

The financial performance of Missionpharma Group ApS during the financial year 2020/21 has been strong.

A strong operational focus and plans to mitigate the global impact of COVID-19 in combination with a strong financial risk management, resulted in the success of achieving the best net result ever.

All in all the financial year 2020/21 ended with a very satisfactory result and above expectations.

Missionpharma continues the high dividend payout ratio with a proposed 78 million DKK for the financial year 2020/21.

SUSTAINABILITY HIGHLIGHTS



200 TONS

REDUCTION IN CO₂
EMISSIONS

By increasing our solar power capacity in India to 200 kW, we have generated more than 222,000 kWh green energy, which covers an increasing part of our total electricity needs in our warehouse operations in India.

40,000

CBM HEALTHCARE PRODUCTS

In financial year 2020/21 we managed to supply more than 40,000 cbm life-saving pharmaceuticals, medical devices and kits to patients worldwide.

Many of the products are packed in kits manufactured at our warehousing facilities in India or Denmark.



ISO 13485

OBTAINED ISO 13485
CERTIFICATION BY BUREAU VERITAS

In 2020 Missionpharma was certified according to the international medical device standard, ISO 13485.

The certification reflects our ability to bring safe and effective medical devices to the market, while at the same time committing to incorporate continuous improvement in quality standards.

STATEMENT FROM THE CEO

The year 2020/21 became a successful year considering the development in our own strategic initiatives, but also the external challenges of COVID-19 impacts.



The financial year 2020/21 in many ways became a year to remember.

Our financial performance ended with the best financial result ever since we commenced business back in 1975.

Equally important we managed to live up to our own mission of securing safe and affordable healthcare to millions of people in need for same. Furthermore, we managed to continue our strategic development towards a stronger Missionpharma meeting the demands of the future.

All that being said, it has for sure been a very challenging year for the entire organisation to operate in an environment, where the impact of COVID-19 kept changing and affected both our own operations and that of our customers, our suppliers and our logistics providers.

At an early stage we decided not to pursue ad hoc business opportunities of supplying equipment for the COVID-19 pandemic, as we could see a market place very much disrupted. Of course, we kept supplying COVID-related personal protective equipment to existing customers and other natural business partners, including parent group companies.

We decided to maintain extreme focus on our operations and mitigate the challenging environment and ensure constant flow in our supply chain. A decision which we today are proud of and in particular as both our financial and non-financial achievements are based upon our core business.

A new financial year has just commenced and we remain very focused. Despite a solid portfolio of orders entering the new year, we see continuous challenges related to the COVID-19 impact, particularly in India, which is an important part of our supply chain and operational platform.

However, with a continuous focus and close cooperation with customers, suppliers and logistics providers, we strongly believe in our joint ability to once again navigate the future.

We shall continue our mission for better global health by supplying high quality affordable medicines, whilst making complexity easy. We will create positive change based on respect and sustainability, always driven by continuous improvement and inspiration from world leading partners, like the UN Global Compact and TRACE International.

A handwritten signature in blue ink that reads "Christian Overgaard". The signature is fluid and cursive, with a small flourish at the end.

CHRISTIAN OVERGAARD
CEO, Missionpharma Group

ABOUT MISSIONPHARMA

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

We have offices in Denmark, India, China and Zambia and currently employ 144 people globally. Our head office is based in Denmark, from where our overall business activities are managed. We have a fully integrated logistics setup, which includes GDP-certified pharmaceutical warehousing and complete kit packing facilities in India and Denmark. In addition, we have a comprehensive network of local representatives in over 30 countries worldwide.

Missionpharma is a wholesaler specialised in managing the entire supply chain of healthcare products - from sourcing and procurement of the right product at the right price, through comprehensive quality assurance and kit packing to delivery at the final destination. Products are primarily sourced and procured from manufacturers based in Europe and Asia and supplied to customers outside the EU; primarily in Africa and Asia.

We are a part of Eurapharma, which is owned by the CFAO Group – a multinational distributor of brands, particularly within technology, healthcare and consumer goods – and ultimately owned by Toyota Tsusho Corporation (TTC) in Japan. This integration enables us to further establish and develop our wholesale operations and to extend our operational reach.

OUR PRODUCTS

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

We fundamentally believe that access to the highest attainable standard of safe and affordable health products and services should be a human right.

By delivering solutions with a long-term positive impact, we grow the communities we work in – and we grow Missionpharma. We focus on continuously improving our market position and at the same time developing new business areas through focused strategic initiatives.

We are motivated by creating value to all our stakeholders, but our core focus is to increase access to essential healthcare products in our markets at affordable prices and consistently high quality.



144

EMPLOYEES GLOBALLY



727

REVENUE IN MILLION DKK



5

LOCATIONS



1975

COMMENCING BUSINESS



2012

PART OF THE TTC, CFAO AND EURAPHARMA GROUP

ABOUT OUR BUSINESS

We are founded on a strong desire to increase access to safe and affordable healthcare globally and to integrate responsibility in the way we act as a company.

BUSINESS MODEL

Our business model, our strategic focus, our organisation and the values upon which we perform our business form a solid foundation for living our purpose, achieving our long term targets and creating shared value for all our stakeholders. At the same time, our business activities are targeted towards creating a platform for sustainable growth.

Missionpharma specialises in developing products and projects in collaboration with customers and local partners. Our solutions are based on knowledge, experience, commitment and hard work. They are developed always with respect for and in close dialogue with our partners.

BUSINESS APPROACH

Our proven ability to handle complex supply projects ensures reliable delivery to the final destination, even to the most remote clinics or health posts. Handling product sourcing with multiple manufacturers and performing sufficient quality assurance and quality control can be substantial tasks. Missionpharma specialises in managing the entire range of activities involved and offers a single-point-of-contact approach throughout the entire project.

Our in-depth understanding of customer needs and operating environments enable us to market and sell impactful solutions. We focus greatly on continuously improving our market position in relation to customers, markets and products, while at the same time optimizing contract execution and simultaneously developing new business areas through strategic initiatives.

CREATING SHARED VALUE

Missionpharma focuses on creating value towards all interested parties, including:

- Customers and patients in our markets by securing availability of essential health care products at affordable prices and a consistently high quality
- The societal challenges by actively contributing to the UN Global Compact's Ten Principles for human rights, labour, environment and anti-corruption
- Securing our shareholders a competitive total return on investment
- Providing a safe and healthy work environment for our employees and foster an inclusive culture where people can grow and develop



▶▶ IMPACT

Every year Missionpharma supplies

2 billion tablets/capsules

This corresponds to nearly 2 tablets/capsules per African citizen

OUR BUSINESS MODEL

Our business model forms the framework for how we use our resources to create social, environmental and economic value to the people and societies we engage with.

VALUE CREATED



PATIENTS

We make a difference for millions of people all over the world by making safe healthcare affordable. Every year, we supply around 40,000 cbm of essential medicines to patients in vulnerable communities.



PARTNERS AND STAKEHOLDERS

We rely on constructive relationships with our partners to deliver efficient solutions with impact. Always based on respect and sustainability considerations.



FINANCIAL CONTRIBUTION

Our revenue comes from sales of life-saving medicines. Focusing on long term shareholder returns allows us to invest in sustainable solutions.



EMPLOYEES

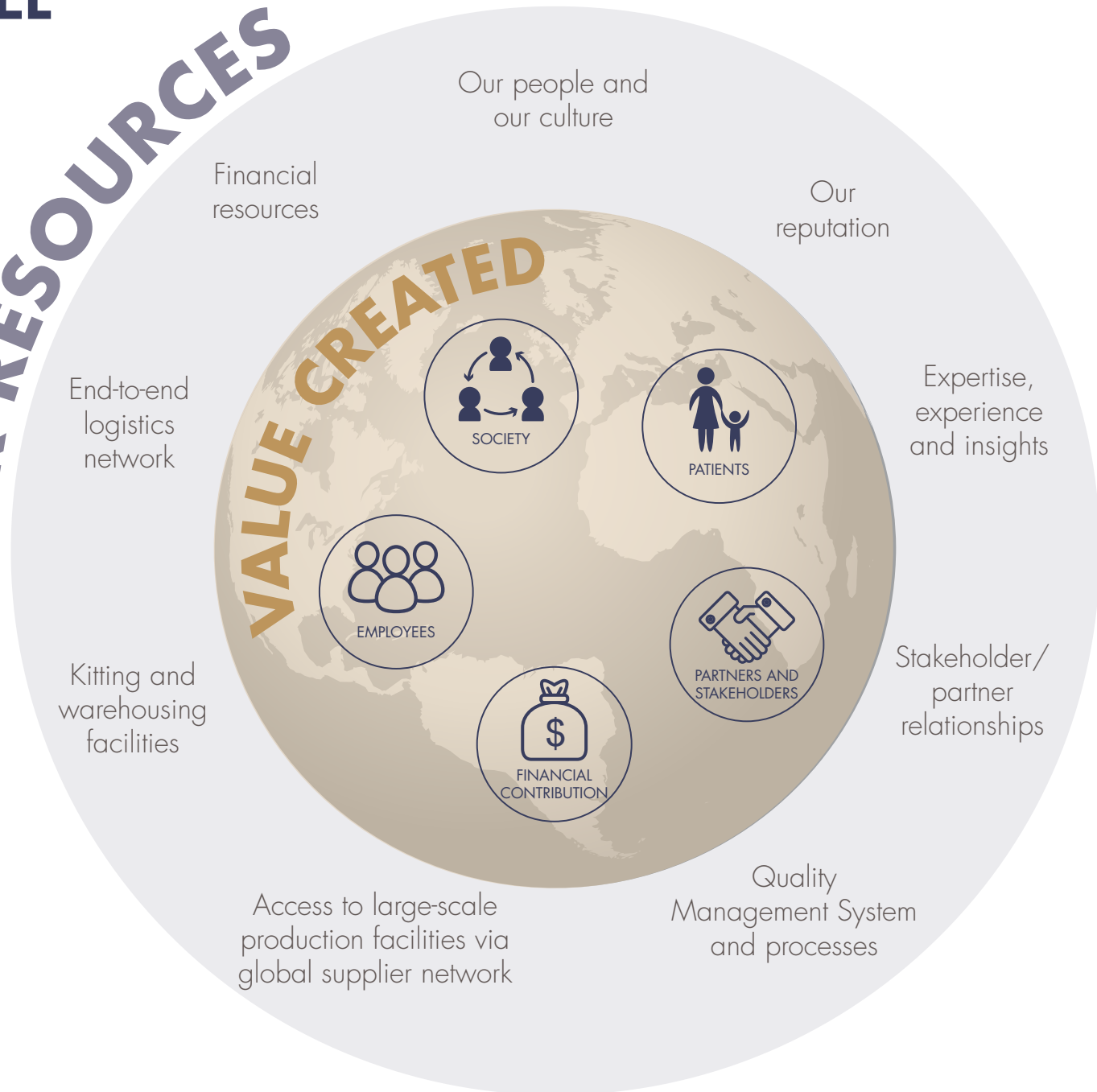
Our 144 employees are among our most important assets. With 13 different nationalities globally, we foster an inclusive and diverse culture, where people can grow and develop. Passionate employees are the driving force to reach our goals.



SOCIETY

We take active part in empowering communities by developing simple solutions to complex challenges - with respect for the people and the societies we engage with.

OUR RESOURCES



OUR GROUP

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.

TOYOTA TSUSHO CORPORATION

Employees: 66,000
 Annual turnover: EUR 55 billion
 Operational reach:
 1,000 group companies in 120 countries around the world

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

CFAO

Employees: 22,000
 Annual turnover: EUR 5.5 billion
 Operational reach:
 158 operating offices in 38 countries in Africa and 9 overseas territories

Eurapharma is a leading distributor of branded-originator pharmaceuticals to the private market in primarily Africa. Eurapharma is represented on the African continent by its own distribution companies: Laborex, Continental Pharmaceutique and E.P. DIS.

EURAPHARMA

Employees: 3,200
 Annual turnover: EUR 1.5 billion
 Operational reach:
 40 operating subsidiaries in 23 countries in Africa and 7 French overseas territories

MISSIONPHARMA

For further information please visit:

Missionpharma: www.missionpharma.com

Eurapharma: www.eurapharma.com

CFAO Group: www.cfao.com

TTC: www.toyota-tsusho.com

March 2020 figures

A complete group chart is found on Missionpharma's website at <https://missionpharma.com/about/#global-set-up>

PERFORMANCE 2020/21

APRIL 2020 - MARCH 2021

FINANCIALS

The financial year ended at 31 March 2021 with a profit of DKK 78,068 thousand. The equity as at 31 March 2021 amounts to DKK 348,431 thousand.

With a focused navigation in challenging circumstances Missionpharma managed to obtain its best financial performance ever in the financial year 2020/21.

This performance is two-legged. Firstly, Missionpharma secured a solid operational result and secondly recovered previously provisioned receivables.

The operational result was achieved in a year where the continuous focus to build more diversified customer and

market segments was successful and this despite very challenging economical environment in key markets. A strong mitigation in a business environment impacted by COVID-19 secured the sourcing of products and logistics solutions. Finally, a strong cost reduction, partly due to lack of travelling possibilities contributed positively.

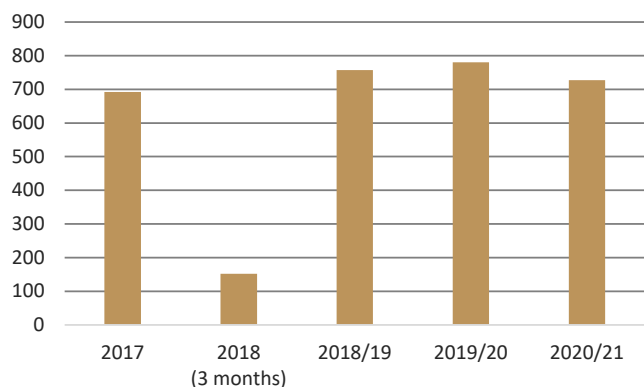
In addition hereto, we continued to minimise risk on credits granted. Missionpharma did not expose itself to any substantial risk during the year in this respect and managed to partly recover previously provisioned receivables with a positive effect on our financial performance.

All in all the year ended with a very satisfactory result and above expectations.

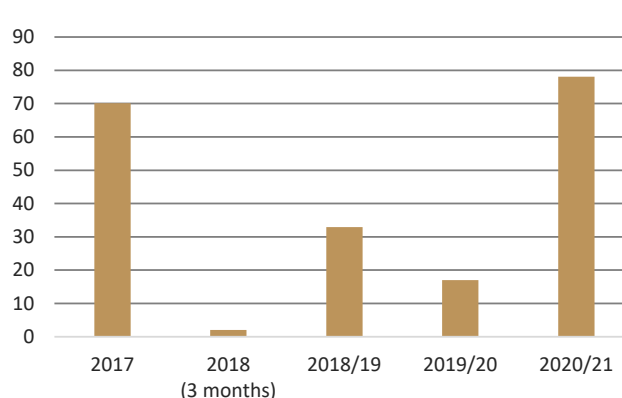
Missionpharma has not made any substantial investments during the financial year.

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

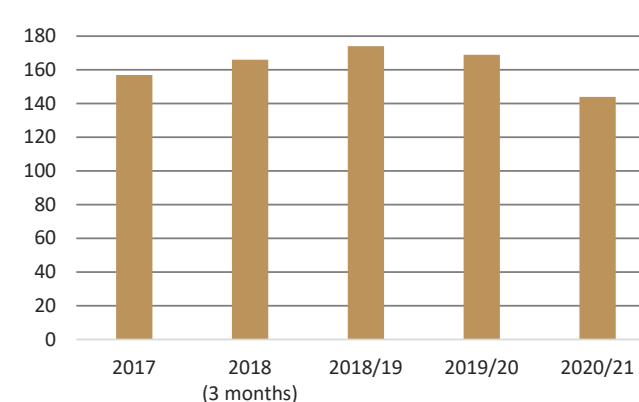
Revenue (MDKK)



Result (MDKK)



Number of employees



The 3-months figures for 2018 is a result of an alignment of reporting with group companies.

PERFORMANCE 2020/21

COMPARISON WITH OUTLOOK

OUTLOOK 2020/21	PERFORMANCE 2020/21
Expectation of a revenue in line with previous Financial year.	Revenue for the year ended slightly lower than expected, negatively impacted by exchange rates for important revenue currencies, particularly USD.
Expectation of a net result at a higher level compared previous financial year.	Our strong segment and risk focus combined with managing the challenges of COVID-19 resulted in a financial performance exceeding expectations.
Manage uncertainties related to COVID-19.	Missionpharma managed to mitigate the operational challenges related to COVID-19, whereas certain development initiatives were delayed due to travel stop.
To continue the positive development within new customer segments.	A solid development in all customer segments created the foundation for an improved financial result and a reduced risk.
To continue the implementation of synergy projects with group companies.	The focus on synergy projects within the group continued, although at a slower pace than expected. However, some sales of COVID-19-related protection equipment to group companies
To continue to reduce the financial risk in our key markets.	Missionpharma succeeded in executing our plan for continuous reduction of our financial risk towards customers in key markets.
To continue improving global teamwork across locations in Denmark, India and China as one of our cultural trademarks.	The objective was challenged by the restrictions in travelling in between locations. This partly compensated through improved digital solutions, incl. increased global communication and monthly video calls.
To maintain the highest standards in our quality and compliance orientation and processes.	We succeeded to maintain and develop our quality and compliance standards despite challenged by limitations in physical on-site audits due to restrictions in travelling.

OUTLOOK 2021/22

APRIL 2021 - MARCH 2022

At the entrance to the financial year 2021/22 we have a portfolio of confirmed orders at a satisfactory level and higher than at the entrance to the latest financial years. Missionpharma although expects a total revenue at a level similar to the financial year 2020/21.

The level of net result for the financial year 2021/22 is expected at a lower level compared to the latest financial year. This is foreseen due to expectation of a bit lower margins on certain commercial projects, combined with cost of mitigation due to continuous expected COVID-19 impact throughout the business operations. Finally, we expect a lower level of savings in administrative expenses due to initiation of postponed projects.

It is although with a continuous substantial uncertainty we enter the financial year 2021/22 due to the COVID-19 impact of markets for sourcing products and global logistic solutions. We shall continue the strong plans of mitigation and strive towards managing such uncertainties and achieving our targets.

Consequently, Missionpharma shall in particular maintain high focus within the following areas:

- To continue the mitigation of any business impact related to the challenges of COVID-19 throughout the supply chain.
- To continue the focus on minimizing risks in operations.
- To continue the development of diversified and financially strong customer segments.
- To strengthen the technical solutions and efforts within our global network of employees.
- To develop our standards for quality and compliance even further.
- To strengthen our framework and focus with sustainability objectives.

No major investments are foreseen for 2021/22.

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

Please refer to page 27 for review of risks associated with COVID-19.



▶▶ IMPACT

177,000 medical kits

manufactured at our kit packing facilities in India and Denmark in financial year 2020/21

OUR SUSTAINABILITY FRAMEWORK

Missionpharma's most important positive impact on society lies in our contribution to facilitating access to safe and affordable healthcare and thereby improving quality of life for millions of people worldwide.

INFLUENCING GLOBAL HEALTH

As a global business with activities in numerous countries worldwide, we not only have an opportunity – but also an obligation – to address, influence, support and change global healthcare issues. Our leading market position and many activities in challenged communities around the world allow us to make an impact on many people's lives, whether they are patients, partners, customers or employees. Making a difference for our broad portfolio of stakeholders is the core goal of our company. It's why we do what we do.

According to WHO, about one-third of people across the world lack access to essential healthcare, and minimum 10% of all medical products in developing countries are substandard or falsified. Since 1975 Missionpharma has continued to improve global health by supplying quality medicine, medical devices and kits to people all over the world.

WE CREATE SHARED VALUE

We seek to create economic, environmental and social value to the people and communities we engage with. Our sustainability commitment is founded in this triple bottom line approach, which ensures that business decisions balance all three areas, while always keeping in mind the best interests of our stakeholders.

FACTS*

- **99%** of all maternal deaths occur in developing countries
- Over **800 women** die each day from complications in pregnancy and childbirth
- Every **11 seconds**, a pregnant woman or newborn dies somewhere around the world - most of them due to preventable and treatable reasons
- At least **1 in 10** medical products in developing countries is substandard or falsified
- Estimated **1 million** patients die annually from toxic counterfeit pharmaceuticals

**Sources: Unicef, WHO and PwC*

As a member of the UN Global Compact we conduct our business activities with respect for the Ten Principles for human rights, labour, environment and anti-corruption and the relevant UN Sustainable Development Goals.

We also work actively to identify, prevent and mitigate any adverse impacts and risks associated with our sustainability commitments. We have addressed these risks separately in the "Risk Management" section.



▶▶ IMPACT

40,000 cbm

of healthcare products delivered to patients annually

OUR SUSTAINABILITY COMMITMENTS

Corporate responsibility is deeply rooted in our culture and in the way we work. Missionpharma is committed to acting responsibly in all parts of our business and in all relations with our surroundings.

We know that responsible business conduct provides sustainable and long-term business results and that responsibility is a prerequisite for retaining our customers', partners' and employees' trust and confidence.

Our sustainability commitments aim to ensure that our activities are conducted in a way that supports the UN Global Compact Principles and the relevant SDGs, while still mitigating significant risks and adverse impacts. The backbone of our sustainability work is shaped by the Ten Principles of the UN Global Compact within human rights, labour, environment and anti-corruption and the relevant Sustainable Development Goals (SDGs).

Missionpharma has been a member of the UN Global Compact since 2018, but even long before our active engagement, acting responsibly while continuously focusing on creating a positive impact on society has been an integrated part of our work and deeply rooted in our company culture.

Together with our employees and partners, we want to work towards a more responsible supply chain for our customers and our other stakeholders - and we want to make sure that our collaborations add value to local economies.

One of the ways to do this is to create a transparent and responsible value chain. Our approach builds on our ambition to make a positive difference, to establish responsible processes for our products and services while aiming to systematise and strengthen our stakeholder risk management.

Missionpharma has defined four sustainability commitments – in line with the UN Global Compact principles and founded on a triple bottom line approach – which we adhere to and seek to continuously develop and integrate further into our global organisation.

COVID-19 EFFECTS ON OUR OPERATIONS

As a leading supplier of essential medicines, Missionpharma plays an important role in securing health supplies also during the crisis. As for everyone else, the global COVID-19 pandemic has had an influence on Missionpharma's normal business routines.

We are continuously focusing on mitigating the impact of COVID-19 and the associated risk on our operations. In every region we operate, we are working with partners to ensure continuity of our operations. Although the world is in the midst of a global pandemic crisis, our business model has shown resilience against the disturbances and we are proud to have been able to maintain a constant delivery flow to our customers.

Precautionary measures taken are many but include, among others, proactive risk evaluation of every single order, close monitoring of manufacturing and logistics situations as well as ensuring a consistently high information level internally in our organisation as well as externally towards customers and partners on issues, which may influence supplies.

OUR FOUR SUSTAINABILITY COMMITMENTS

HUMAN RIGHTS



We improve global health

by making safe healthcare affordable

LABOUR



We empower people

by fostering an inclusive culture where people can grow and develop.

ENVIRONMENT



We reduce our environmental footprint

by striving to integrate environmental responsibility into all our activities.

ANTI-CORRUPTION



We stand for integrity

by aiming for the highest ethical standards in our business practices.

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Missionpharma is committed to contributing to the SDGs as they inspire our strategies and targets and constitute important elements towards strengthening our corporate sustainability. Therefore, we have incorporated universal principles of responsibility and sustainability into our core operations and across our value chain.

SDG FOCUS

Missionpharma has been a signatory to the UN Global Compact since 2018 and it is a natural consequence of our commitment to the Ten Principles to engage with the Sustainable Development Goals (SDGs). The goals are closely interlinked with our sustainability commitments for human rights, labour, environment and anti-corruption.

Looking across the SDGs and underlying targets, Missionpharma touches, directly or indirectly, many of the goals. We have chosen to target our efforts towards specifically the UN Sustainable Development Goals no. 3, 8 and 13 and the relevant sub-targets.

Goal 3, Good health and well-being, is by far the goal, where Missionpharma has the ability to significantly contribute to large-scale positive transformations, as this target directly relates to our focused efforts to improve access to safe healthcare globally. In addition to Goal 3, we contribute particularly to Goal 8, Decent work and economic growth and Goal 13, Climate action.

On the following pages, we seek to make our sustainability efforts tangible for employees and stakeholders by describing our progress and measure our impact.



SDG 3: GOOD HEALTH AND WELL-BEING

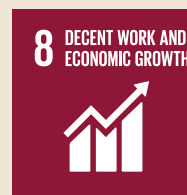
Ensure healthy lives and promote well-being for all at all ages.

In particular, Missionpharma focuses on contributing 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

MISSIONPHARMA'S CONTRIBUTION TO GOAL 3

Our activities reach further than making generics available; we organise 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 through providing access to quality medicine and vaccines.



SDG 8: DECENT WORK AND ECONOMIC GROWTH

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

MISSIONPHARMA'S CONTRIBUTION TO GOAL 8

Both permanent and casual employees count as a vital resource in our organisation. Therefore, we do our best to protect the well-being of our employees by providing a safe and healthy work environment and fostering an inclusive culture where people can grow and develop.



SDG 13: CLIMATE ACTION

Take urgent action to combat climate change and its impacts.

MISSIONPHARMA'S CONTRIBUTION TO GOAL 13

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 every year.



HUMAN RIGHTS

We want to improve access to safe and affordable medicine worldwide, while consistently focusing on ensuring that products are provided to patients under responsible and sustainable conditions.

APPROACH TO HUMAN RIGHTS

We fundamentally believe that access to safe and affordable healthcare is a human right. In many countries medical supplies from Missionpharma constitute the backbone of local healthcare solutions. Therefore, we work towards continuously refining our fundamental purpose: To ensure timely delivery of quality-assured medicine and medical devices to those who need it. Therefore, we continuously seek to advance our supply chain to make healthcare products available and to actively address barriers to accessibility.

In addition to contributing to making a difference for millions of people every year, it is our obligation to protect human rights within our organisation and, to the largest possible extent, to influence those of our manufacturers and partners throughout the value chain.

HUMAN RIGHTS POLICY

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

The WHO Technical Report Series No. 986 and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work serve as guidelines for our approach to universal human rights.

OUR GLOBAL CODE OF CONDUCT & ETHICS

- 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 tolerate any form of harassment
- We do not deal with any person that engages in or is involved with any human rights abuses
- We do not get involved in any child labour, human trafficking or any other kind of forced or involuntary labour

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.

HUMAN RIGHTS VIOLATIONS:

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

*Case investigated and closed





HUMAN RIGHTS

COVID-19 CONTINGENCY MEASURES

We recognised early COVID-19's potential to become a pandemic that could have significant consequences for our ability to ensure a consistent supply of safe medicine to customers and patients. Therefore, focus has been kept on preparing and executing business contingency plans to cover most scenarios.

HIGHLIGHTS 2020/21

- Significant contribution to SDG Goal 3 by supplying more than 40,000 cbm of healthcare products to patients worldwide
- Mobilising extensive contingency measures to limit the negative effect of COVID-19 on our ability to ensure consistency in supply of medicines
- Due to COVID-19 restrictions, we have only executed 18 GMP audits, which significantly differs from targeted 50-60 audits annually
- Obtained ISO 13485 certification by Bureau Veritas. ISO 13485 is an internationally agreed medical device standard that sets out specific requirements to quality management systems in the medical device industry
- Assessment of child labor, recruitment policies and staff labour contract details intensified as part of every GMP audit schedule
- No violations of human rights reported within our own organisation and one reporting identified with third party.

The effectiveness of our contingency plans have been clearly demonstrated, with majority of our delivery performance upheld though the COVID-19 crisis.

MAINTAINING HIGH QUALITY STANDARDS DURING COVID-19

As for everyone else, the global COVID-19 pandemic has had an influence on Missionpharma's usual business routines. Extensive travel restrictions have prevented us from maintaining our usual high levels of on-site supplier GMP audits.



As we are determined to ensure consistently high product quality standards also during crises, we have been forced to implement new routines to minimise risk of non-compliance with Missionpharma predefined quality standards.

The limitations currently faced in performing on-site supplier audits has incited us to establish procedures to conduct virtual audits to compensate for physical audits. Virtual audits include, among others, extensive evaluation of written documentation, which is cross-verified in details during the virtual audit using video conference tools.

OBJECTIVES 2021/22

- Continue our extensive contribution to SDG Goal 3 by striving to ensure consistent supplies of safe and affordable healthcare to patients worldwide
- Continue implementation of contingency measures to uphold our delivery performance through COVID-19.
- Resume supplier audit schedule post corona to reach original target of 50-60 on-site audits per year
- Meeting international regulations to minimise substandard and falsified medicine by continuing our preparations towards GS1 (Global Standards 1) and MDR (Medical Device Regulation) compliance
- Continue implementation of our Third Party Code of Conduct towards relevant stakeholders
- Engage in Corporate Social Responsibility (CSR) activities in our local communities in India targeted to improve safe and clean drinking water and to enhance skill level of our female casual workers and their children to better equip them for continuous job opportunities

LABOUR

Our employees are among our most important asset and we believe that an engaged workforce performs better. Therefore, we want to offer challenging and purposeful work with opportunities for personal and professional development.

OUR APPROACH TO LABOUR

With goal 8, Decent work and Economic growth, as one of our primary SDG targets, we are committed to promoting sustainable economic growth and ensuring a productive and decent work environment for all our employees.

Our employees are vital for Missionpharma's growth and the successful execution of our strategies. Therefore, it is important for us to focus on building a company culture in which our employees thrive both personally and professionally and where passion and engagement are principal values. We believe that a healthy and inspiring workplace in which our employees get the opportunity to develop themselves will allow our people to perform to the best of their abilities.

LABOUR POLICY

We protect labor rights and provide a safe and healthy working environment for our employees. Staying healthy and safe at work is a fundamental right and we offer our employees a sound physical and mental work environment.

We do not accept any forms of forced, compulsory and child labour in any of our affiliates. We promote social diversity, we fight discrimination and we strive to provide an inclusive environment with equal opportunities for every employee. We always seek a fair balance between men and women among our employees, as we believe it benefits our working environment and ability to develop.



13 different nationalities are employed across our five locations

SICKNESS ABSENCE

Sickness absence among our Danish employees is traditionally significantly lower than the average 3.6% among all Danish companies (2019 figure). This year, the drop may be related to increased work from home frequency and thereby less exposure to infections.

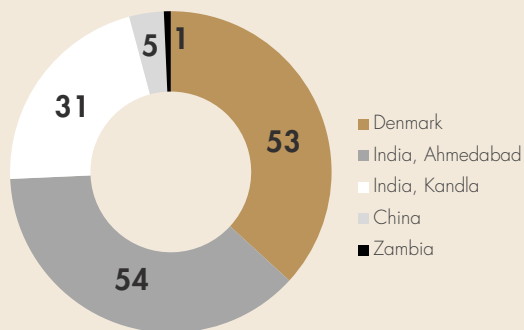


2020/21	2019/20	2018/19
1.00%	2.18%	1.16%

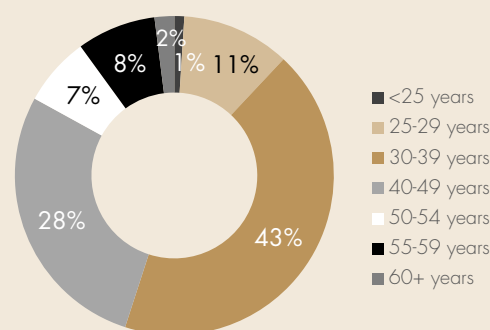
Figures include Danish employees only

STATISTICS BY MARCH 2021 (Group figures)

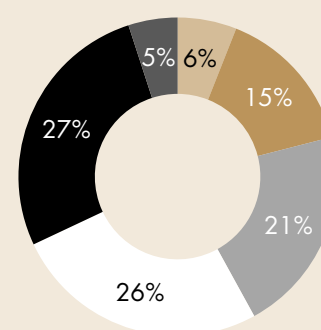
EMPLOYEE DISTRIBUTION



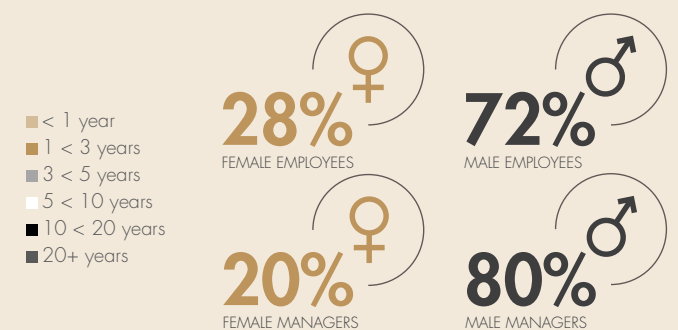
AGE DISTRIBUTION



SENIORITY



GENDER DISTRIBUTION





LABOUR

EMPLOYEE SAFETY MEASURES DURING COVID-19

While fully maintaining operations during COVID-19 pandemic, Missionpharma has taken a number of measures to protect our employees by ensuring a healthy and safe working environment and to limit exposure to the virus in all our locations.

Specifically, we have encouraged employees to work from home to the maximum possible extent, we have provided a large range of personal protective and cleaning measures in all locations and have maintained a high information level about precautionary and preventive measures according to guidelines from local authorities.

HIGHLIGHTS 2020/21

- 97% response rate to this year's global employee satisfaction survey
- 90% of all employees globally believe that "Missionpharma is a great place to work"
- Gender distribution among managers slightly dropped from 24% to 20% female managers
- Global coverage of annual Personal Development Talks and Personal Evaluation reached 100% across locations
- Introduction of a range of COVID-19 employee safety measures across locations
- Upholding the social glue via digital social initiatives substituting physical interaction.

FAST FORWARDING ON THE DIGITAL AGENDA

The COVID-19 situation has forced us to rethink how to best optimise communication and secure a consistently high level of information-sharing within our global organisation and in our communication with customers and partners.



As in many other companies, Missionpharma has been scaling up on virtual meetings, which has resulted in new meeting structures and communication channels.

The COVID pandemic has forced us to increase work from home arrangements for our employees, which put additional requirements to technological performance and discipline. At the same time, work from home arrangements are adding to a more flexible work-life balance and leading to decrease in CO₂ emissions.

90% of employees have responded positively to the question *"When working remotely, our technology enables me to have good social interaction with my colleagues"* in this year's global employee satisfaction survey.

Without a doubt the COVID pandemic is forcing us to prepare for a more flexible and digitally driven workplace globally going forward.

OBJECTIVES 2021/22

- Obtain a global employee satisfaction score of minimum 85% satisfaction with Missionpharma as a workplace
- Ensure Personal Evaluation (PE) and Personal Development Talks (PDT) coverage of 100%
- Strive towards increasing gender equality in our management teams globally
- Develop our technical platforms to ensure that performance matches increasing needs for virtual meetings and digital communication
- Ensure a healthy and safe working environment for our employees also during COVID-19.



ENVIRONMENT

We are committed to minimising the impact of our business operations on the environment and to continuously working to improve our environmental performance - not only today, but also well into the future.

ENVIRONMENTAL APPROACH AT MISSIONPHARMA

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 continuously reducing our environmental footprint.

Being an important supplier to healthcare programmes worldwide, transportation of goods constitutes by far the biggest environmental impact within our part of the supply chain. That's why we plan for the most environmentally effective mode of transportation, given the circumstances and with respect for customers' individual preferences.

Our fully integrated logistics setup in India directly contributes to minimising carbon emissions, as transportation distances to our customers in, typically, Africa and Asia are minimised when packing and shipping products directly from our logistics hub - and from our manufacturers located in India and China.

However, as a project-oriented wholesaler, we are often subject to a range of external factors on which we have limited influence. Still, we always try to influence our customers' and manufacturers' transportation preferences towards the method with the lowest possible environmental impact.

ENVIRONMENTAL POLICY

We want to reduce our environmental footprint every year through focused efforts to reduce energy consumption and CO₂ emissions. We strive to integrate environmental responsibility into all our activities on a global scale and, to the largest possible extent, to contribute to reducing our carbon footprint throughout the entire 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.

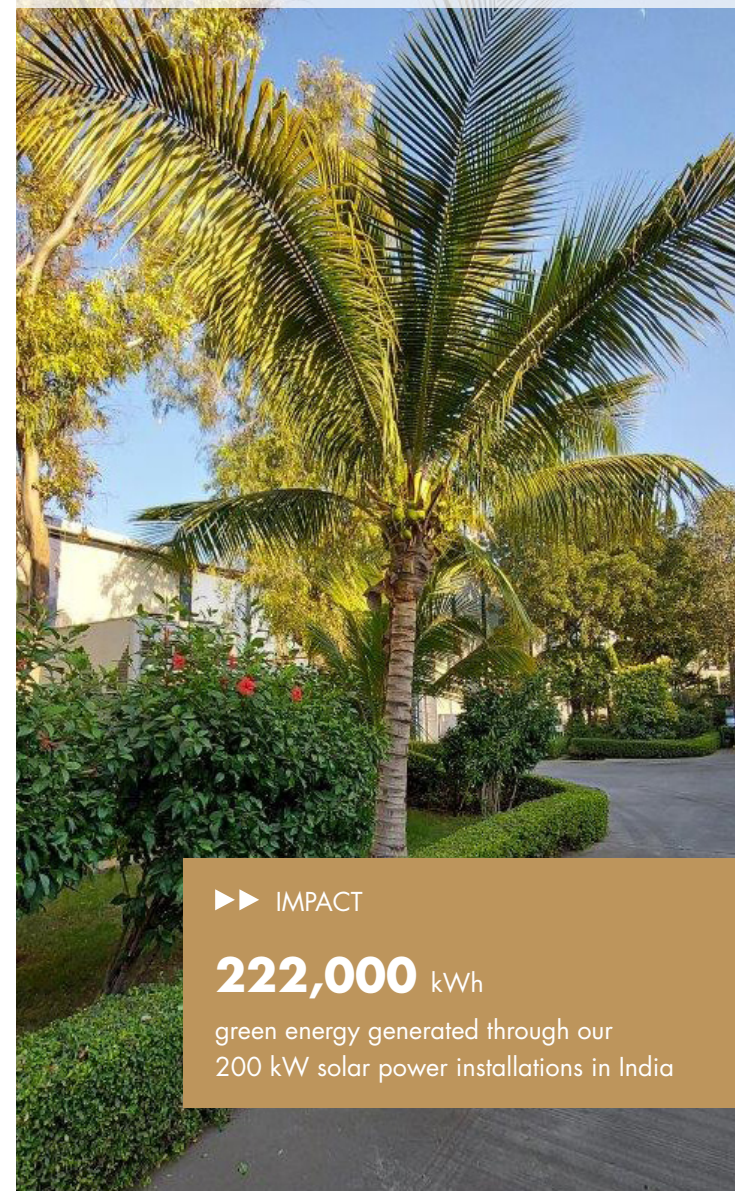
We will further establish, maintain and develop key performance indicators covering selected environmental areas to systematically monitor and improve our overall environmental performance.

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 are intensifying monitoring of and requirements to our manufacturers' environmental policies.

13 CLIMATE ACTION



We have consistently been growing oxygen-generating plants and trees at our Indian facilities to encourage green and sustainable surroundings.



▶▶ IMPACT

222,000 kWh

green energy generated through our 200 kW solar power installations in India



ENVIRONMENT

GREEN SOLAR POWER

Knowing that we have limited influence on customers' choice of transportation method towards the most environmentally friendly solution, we are focusing our efforts on where we can directly make a positive contribution on the environment.

Our logistics hub in India accounts for nearly half of the total energy consumption within our Group. In 2020, we increased our solar power capacity with another 100 kW - increasing our total capacity to 200 kW.



The installation has provided an estimated reduction of 200 tons CO₂ and a generation of more than 222,000 kWh green energy in financial year 2020/21. Continued savings of over 250 tons CO₂ per year is expected going forward.

The 200 kW solar power generates power to cover close to 40% of the total electricity needs of our logistics hub in India. This includes extensive air conditioning power consumption to maintain all warehouses under temperature control.

RECYCLING INITIATIVES

We believe that environmental challenges can also be great opportunities to innovate and become more cost- and time-efficient.

Being one of the world's biggest manufacturers of medical kits, we use an extensive amount of cartons to run our kitting operations. All our shipper cartons are FSC certified and made from 100% recyclable and biodegradable material, but we continuously investigate innovative and alternative ways of reducing waste, optimising use of packing material and incorporating recycling initiatives in our warehousing operations.

HIGHLIGHTS 2020/21

- Reduction in CO₂ emissions of 200 tons due to installation of totally 200 kW solar power in India, generating more than 222,000 kWh green energy
- Electricity consumption across locations increased compared to last year due to additional airconditioning needs in warehouses, however, based on more green energy generated from solar panels
- Initiation of recycling initiatives in our warehousing operations
- Installation of Poly Urethane Foam (PUF) panels in our Indian warehouse to maintain a lower temperature at container loading zones
- Direct printing of identification colours on cartons instead of using plastic bands
- Significant reduction in travel activity and transportation requirements within our group due to COVID-19 leading to decrease in CO₂ emissions.

OBJECTIVES 2021/22

- Obtain ISO 14001 environmental certification of Missionpharma A/S by Bureau Veritas
- Define and implement a range of key performance indicators covering selected environmental areas to systematically monitor and improve our overall environmental performance
- Strengthen control of and requirements to manufacturers' environmental responsibilities as a consequence of our ISO 14001 certification and Third Party Code of Conduct
- Increase reuse of cartons in our kitting operations and reduce waste through intelligent reuse and recycling initiatives
- Continued focus on reducing pharmaceutical destruction levels.

▶▶ IMPACT

Solar power capacity:	200 kW
Green energy generated:	222,000 kWh
Reduction in CO ₂ emissions:	200 tons
Electricity coverage, India:	40% of needs
Expected CO ₂ savings per year going forward:	250 tons



ANTI-CORRUPTION

Missionpharma is committed to maintaining trust throughout our operations and to conducting business with integrity and high ethical standards with respect for applicable laws, regulations and internal policies.

ANTI-CORRUPTION AT MISSIONPHARMA

Integrity is one of our core values. At Missionpharma, we are committed to upholding high business standards and promoting good business conduct globally in our interactions with customers, healthcare professionals, public officials, suppliers and other business partners.

We focus on SDG 8, Decent work and economic growth, as we want to promote sustainable growth for our company and our stakeholders, while still maintaining a productive work environment with transparent ethical standards for all.

Missionpharma's compliance policies apply to all employees of the Missionpharma Group as well as our local representatives and partners. The policies align our activities, promote uniform procedures and enable us to live up to our promise of being a trusted business partner.

GROUP COMPLIANCE POLICIES

- Group Global Code of Conduct & Ethics
- Third Party Code of Conduct
- Anti-bribery and Anti-corruption Policy
- Whistleblowing Procedure

All employees, local representatives and, where relevant, third parties receive training in our compliance policies and practices and commit to adhere to them in writing. New employees undergo mandatory training shortly after their employment.

POLICIES AND PROCEDURES

We firmly believe that responsible business conduct adds value to our business and to our employees and partners. Missionpharma is committed to ensuring that the business we conduct globally is fair, transparent and ethical. We aim to conduct ethical business practices and we comply with the laws in the countries we do business with, to the extent possible.

Missionpharma does not tolerate any form of corruption or bribery. To mitigate the risk of unethical behaviour, we have implemented a comprehensive vetting programme, which all business relations must pass through to ensure compliance with Missionpharma standards of integrity. Partners are always screened for critical information on persons and entities and our local representatives go through a rigorous due diligence process and approval procedure.

Guidelines and instructions are implemented in our group policies, which are supported by a whistle-blower system, where employees and external stakeholders can report concerns in a secure and confidential way.

8 DECENT WORK AND ECONOMIC GROWTH



▶▶ IMPACT

6 digital compliance training courses enrolled among Missionpharma employees





ANTI-CORRUPTION

THIRD PARTY CODE OF CONDUCT

To complement our existing compliance policies, Missionpharma has implemented a Code of Conduct, which applies to all third parties, i.e. service providers, suppliers, customers, agents and consultants acting for or on behalf of Missionpharma - or partners supplying or selling any goods or services to us.

HIGHLIGHTS 2020/21

- All key local representatives trained in Missionpharma's compliance and whistle-blowing procedures and policies
- Completion of digital compliance training courses for managers and selected employees via TRACE International
- Release of new Code of Conduct for third parties - greatly aligned with SA8000 requirements
- Renewal of our TRACE certification by completing a comprehensive due diligence process administered by the anti-bribery business organisation, TRACE International
- Vetting of all key local representatives through third party vetting and screening database
- 4 reports received through our whistle-blower system. All cases have been investigated and dealt with according to procedures and have not given rise to corrective actions.

OUR CODE OF CONDUCT ELEMENTS

- Child labor
- Forced or compulsory Labour
- Diversity, discrimination and harassment
- Freedom of Association & Right to Collective Bargaining
- Health and safety
- Environmental considerations
- Business ethics and trade rules

Third parties undertake to apply and promote the principles of our Code of Conduct, which fully supplements our Anti-bribery and Anti-corruption policy and Whistleblowing procedure.

The principles described in the Third Party Code of Conduct are, to a great extent, aligned with the leading social certification program, SA8000, to the extent that they emphasise partners to align their business with the principles of international human rights as described in the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

DIGITAL COMPLIANCE TRAINING

Missionpharma has the responsibility to ensure that all employees globally are aware of our ethics and compliance culture and policies. Therefore, all employees are provided mandatory compliance training to guide them in making the right decisions and to raise awareness when facing questionable situations.

To supplement our existing compliance training programmes, and with the aim to improve current training management, consistency and measurability, we have enrolled digital compliance training - accommodated to the relevance for the individual participant.

The digital training is based on an advanced e-learning platform and executed through TRACE International - a globally recognised anti-bribery business association and leading provider of third party risk management solutions. The training courses are web-based and developed in conjunction with experts within each selected theme.

Training has contributed to strengthening employees' knowledge on key regulations within global compliance, enabling them to better mitigate risk of compliance violations.

OBJECTIVES 2021/22

- Continue implementation of our Third Party Code of Conduct towards relevant stakeholders
- Enroll additional employees and local representatives in digital compliance training programmes
- Increase depth and procedures of our due diligence screening of suppliers and third parties according to Group policies
- Strengthen our compliance organisation with dedicated resources.

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 2022, equal to 40%.	Missionpharma maintains its target of further increasing the number of females in managerial positions.																		
PROGRESS	During the year one female member of the Board has retired and replaced by another female member. Consequently, the target is still being strived for.	To achieve the overall target, we maintain a continuous focus to ensure gender equality during recruitment processes as well as through personal development and talent programs. During the year, one female manager has retired and the position was closed, consequently a drop in female representation among managers.																		
STATUS	<table border="1"> <thead> <tr> <th></th> <th>March 2021</th> <th>March 2020</th> </tr> </thead> <tbody> <tr> <td>Female members</td> <td>20%</td> <td>20%</td> </tr> <tr> <td>Male members</td> <td>80%</td> <td>80%</td> </tr> </tbody> </table>		March 2021	March 2020	Female members	20%	20%	Male members	80%	80%	<table border="1"> <thead> <tr> <th></th> <th>March 2021</th> <th>March 2020</th> </tr> </thead> <tbody> <tr> <td>Female managers</td> <td>20%</td> <td>24%</td> </tr> <tr> <td>Male managers</td> <td>80%</td> <td>76%</td> </tr> </tbody> </table>		March 2021	March 2020	Female managers	20%	24%	Male managers	80%	76%
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Male members	80%	80%																		
	March 2021	March 2020																		
Female managers	20%	24%																		
Male managers	80%	76%																		

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 and during 2021/22 to become the key risks which may influence the business in general as well as short term performance and long term strategic objectives. The risks are assessed and the development described as an ongoing evolution of our business and initiatives, independent from any COVID-19 impact. The latter is separately described afterwards.

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:

- "Business model" has been lowered in terms of probability but with an unchanged financial impact
- "Contract realization" has been maintained in terms of probability but increased on financial impact

- "Customer and market exposure" has been lowered in terms of probability
- "Customer credits" has been lowered both in terms of probability and financial impact
- "Sustainability" has been lowered in terms of probability but with a slightly higher financial impact

Risk related to "Exchange rates" remains unchanged.

COVID-19

With the continuous and unpredictable issues related to COVID-19, the possibility to predict and mitigate within our key risks remains challenging.

During the financial year 2020/21 we have seen challenges in both sourcing of products as well as disrupted supply chains which continuously could threaten our ability to honor commitments for consistent supply of healthcare products. Our actions towards mitigating actions and contingency plans are intensified during the last year are expected to remain in force throughout the financial year 2021/22.

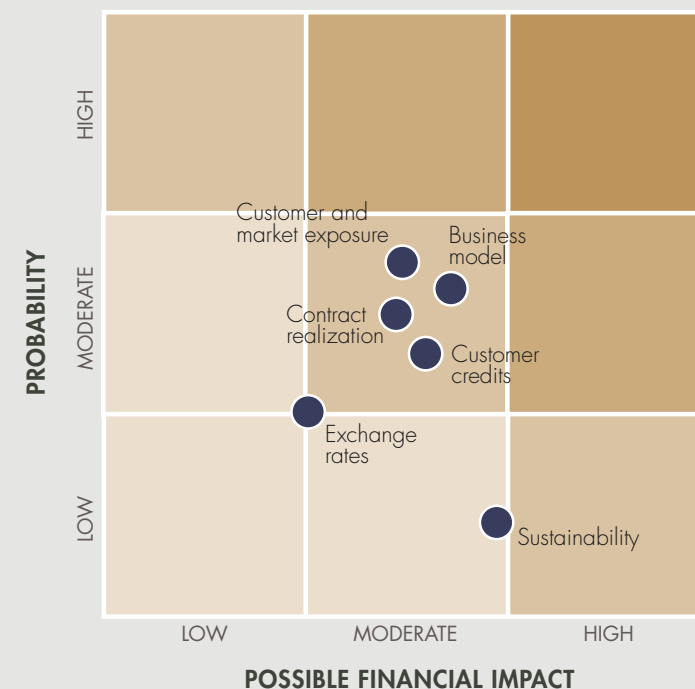
During the financial year 2020/21 we saw little consequence on the funding structure of our customers but the topic remains a high risk for the market in which we operate. An eventual change in such funding structures would negatively affect our risks associated with "Customer and market exposure", "Business model" and "Contract realization".

KEY RISKS 2021/22

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 six key risks that may impact Missionpharma's business in general as well as our short term performance and long term strategic objectives in 2020/21.

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

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.

See remarks regarding COVID-19 on the previous page.

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.

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.

See remarks regarding COVID-19 on the previous page.

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.

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.

RISK MANAGEMENT - DESCRIPTION

RISK DESCRIPTION	POSSIBLE IMPACT	RISK MITIGATION
Customer and market exposure		
<p>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.</p> <p>See remarks regarding COVID-19 on the previous page.</p>	<p>The ability to predict short and long term financial performance on revenue, earning and cash flow is affected by:</p> <ul style="list-style-type: none"> • 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. 	<p>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.</p> <p>No appropriate insurance possibilities are available.</p> <p>Internal processes secure proper and transparent risk exposures.</p> <p>Through diversification of customer segments to obtain a higher revenue from customers outside Africa.</p>
Customer credits		
<p>In line with contractual terms Missionpharma grants credits to customers.</p>	<p>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.</p>	<p>The Missionpharma 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.</p> <p>No appropriate insurance possibilities are available.</p>
Exchange rates		
<p>With a globalized 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)</p>	<p>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.</p>	<p>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.</p>

RISK MANAGEMENT - DESCRIPTION

Sustainability

Our aim is to identify and mitigate sustainability risks as early as possible in order to reduce their likelihood and impact. With reference to the risk matrix presented on page 27, Missionpharma considers the risks associated with sustainability to be low in terms of probability but with a moderate financial impact.

The main reason for the low probability is that Missionpharma works actively to identify, prevent and mitigate the adverse impacts and risks associated with our sustainability commitments.

However, breach of business ethics, misbehavior or inadequate performance, represent a risk with a possible moderate/high financial impact. Some can materialize within a short space of 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.

By improving and ensuring high standards, clear processes and training throughout operations, maximum focus is secured on our performance. Internal control, compliance and vetting measures, including our sustainability commitments, all lead to minimization of risks.

The COVID-19 pandemic represents a risk not only on our operations but also on our sustainability commitments, why we continuously focus on mitigating an eventual impact.



HUMAN RIGHTS

KEY RISKS

1. Infringement of human rights in our supply chain
2. Manufacturers' use of child labour

RISK MITIGATION

1. Increase assessment of manufacturers and partners towards obtaining a higher level of control of their protection of human rights
2. 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



LABOUR

KEY RISKS

1. Inability to attract skilled employees coupled with a high employee turnover
2. Lack of diversity in management teams

RISK MITIGATION

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 engagement surveys
2. Continuously strive towards a more balanced gender composition in our management teams



ENVIRONMENT

KEY RISKS

1. Influence manufacturers' possible environmental impact during pharmaceutical production
2. Inability to influence customers' transportation preferences
3. Inability to meet own CO₂ targets

RISK MITIGATION

1. Continuous risk assessment of consequences of influencing manufacturers' environmental policies
2. Continuously plan for the most environmentally effective mode of transportation in own operations as well as influence customers' transportation preferences in favour of environmentally friendly solutions
3. As our CO₂ targets are also a part of our Communication on Progress (COP) targets, we closely monitor progress and implement corrective actions in due time



ANTI-CORRUPTION

KEY RISKS

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

RISK MITIGATION

1. Monitoring potential risks through defined due diligence processes and whistle-blower scheme
2. Implement digital compliance training tools to improve training management, consistency and measurability



MISSIONPHARMA
cfaogroup.com

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 Group ApS for the financial year 1 April 2020 - 31 March 2021.

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

It is our opinion that the financial statements and the consolidated financial statements give a true and fair view of the financial position at 31 March 2021 of the Company and the Group and of the results of the Company and the Group's operations and Group's cash flow for the financial year 1 April 2020 – 31 March 2021.

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

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

Lynge, 22 June 2021

Executive Board

Christian Monrad Overgaard
CEO

Poul Lindof
CFO

Board of Directors

Jean-Marc Pierre René Leccia
Chairman

Kim Erik Ginnerup

Eric Pierre Jean Muris

Aymeric Erouart

Patricia Hec

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Missionpharma Group ApS

OPINION

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 March 2021 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 April 2020 - 31 March 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Missionpharma Group ApS for the financial year 1 April 2020 - 31 March 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company as well as the consolidated statements of cash flows ("the Financial Statements").

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 Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics

for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

STATEMENT ON MANAGEMENT'S REVIEW

Management is responsible for Management's Review.

Our opinion on the 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 Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained 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, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the 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 in Management's Review.

MANAGEMENT'S RESPONSIBILITIES FOR 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the 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 RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists.

INDEPENDENT AUDITOR'S REPORT

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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 misstatement of the 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 for 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, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an 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 Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used 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 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely 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.

Copenhagen, 22 June 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR-nr. 33 77 12 31

Rasmus Friis Jørgensen
State Authorised Public Accountant
mne28705

Henrik Ødegaard
State Authorised Public Accountant
mne31489



MISSIONPHARMA
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GROUP AND PARENT ACCOUNTS

INCOME STATEMENT

DKK'000	Note	CONSOLIDATED		PARENT COMPANY	
		2020/21	2019/20	2020/21	2019/20
Revenue		726,927	780,353	0	0
Goods for resale and consumables		-429,909	-486,837	0	0
Other external expenses		-114,782	-194,264	-66	-51
Gross profit		182,236	99,252	-66	-51
Staff costs	1	-57,652	-55,501	0	0
Depreciation of property, plant, equipment and IT development costs	2	-9,120	-11,854	0	0
Operating profit		115,464	31,897	-66	-51
Income from investments in subsidiaries	3	0	0	78,148	16,937
Financial income	4	1,334	3,604	0	0
Financial expenses	5	-14,883	-10,994	-12	-20
Profit before tax		101,915	24,507	78,070	16,866
Tax on profit	6	-23,847	-7,524	-29	1
Profit for the year	7	78,068	16,983	78,041	16,867

BALANCE SHEET - ASSETS

31 MARCH 2021

DKK'000	Note	CONSOLIDATED		PARENT COMPANY	
		2021	2020	2021	2020
ASSETS					
Goodwill	8	8,274	14,678	0	0
IT development costs	8	0	306	0	0
Land and Property	9	25,493	25,681	0	0
Plant and Equipments	9	2,403	3,075	0	0
Ongoing investment	9	0	1,375	0	0
Investments in subsidiaries	3	0	0	346,282	285,067
Other investments	10	19,169	19,996	0	0
Non-current assets		55,339	65,111	346,282	285,067
Current assets					
Goods for resale		97,921	77,503	0	0
Trade receivables		154,903	182,258	0	0
Income tax receivables		1,091	5,892	0	4,033
Other Receivables	11	15,574	21,461	0	0
Receivables group companies		89,284	0	229	0
Accrued expenses		3,561	1,044	0	0
Cash		37,209	54,327	2,427	294
Current assets		399,543	342,485	2,656	4,327
TOTAL ASSETS		454,882	407,596	348,938	289,394

BALANCE SHEET - LIABILITIES AND SHAREHOLDER'S EQUITY

31 MARCH 2021

DKK'000	Note	CONSOLIDATED		PARENT COMPANY	
		2021	2020	2021	2020
LIABILITIES AND SHAREHOLDER'S EQUITY					
Equity					
Share capital		125	125	125	125
Net revaluation according to equity method		0	0	144,022	82,798
Reserve for currency adjustment		-1,386	0	0	0
Retained earnings		271,441	271,137	126,033	188,339
Proposed dividends		78,000	13,500	78,000	13,500
Equity attributable to shareholders in Missionpharma Group ApS					
		348,180	284,762	348,180	284,762
Minority interests		251	295	0	0
Total equity		348,431	285,057	348,180	284,762
Provisions					
Deferred tax	12	2,874	3,122	0	0
Non-Current liabilities		2,874	3,122	0	0
Other credit institutions		76	69	0	0
Prepayment received from customers		19,686	36,721	0	0
Trade payables		57,557	62,427	0	0
Payables to subsidiaries		0	0	33	4,582
Income tax payable		561	199	665	0
Other payables		25,697	20,001	60	50
Current liabilities		103,577	119,417	758	4,632
LIABILITIES AND SHAREHOLDER'S EQUITY		454,882	407,596	348,938	289,394

Proposed profit appropriation

Note 7

Auditors' fees

Note 15

Contingent assets and liabilities and other financial obligations

Note 16

Related parties

Note 16

STATEMENT OF CHANGES IN EQUITY

PARENT COMPANY

DKK'000	Share capital	Revaluation (equity method)	Retained earnings	Proposed dividends	Total
Equity at 1 April	125	82,535	188,602	13,500	284,762
Dividends distributed	0	0	0	-13,500	-13,500
Exchange adjustment	0	-1,386	0	0	-1,386
Cash flow hedge, net	0	263	0	0	263
Profit for the year	0	62,610	-62,569	78,000	78,041
Equity at 31 March	125	144,022	126,033	78,000	348,180

CONSOLIDATED

DKK'000	Share capital	Reserve for currency adjustment	Retained earnings	Proposed dividends	Total	Minority interests	Total equity
Equity at 1 April	125	0	271,137	13,500	284,762	295	285,057
Dividends distributed	0	0	0	-13,500	-13,500	0	-13,500
Exchange adjustment	0	-1,386	0	0	-1,386	-71	-1,457
Cash flow hedge, net	0	0	263	0	263	0	263
Profit for the year	0	0	41	78,000	78,041	27	78,068
Equity at 31 March	125	-1,386	271,441	78,000	348,180	251	348,431

Share capital of the parent company

	2021	2020
Number of shares	125	125
Share capital in DKK	125,000	125,000

No shares have specific rights

§ ACCOUNTING POLICIES

Proposed dividends are recognized 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.

CASH FLOW STATEMENT

DKK'000	Note	CONSOLIDATED	
		2020/21	2019/20
Profit for the year		78,068	16,983
Changes of non-cash operating items	13	46,625	26,077
Cash flow from operations before changes in working capital		124,693	43,060
Changes in working capital	14	-5,902	78,229
Cash generated from operations (operating activities)		118,791	121,289
Financial income received		1,334	3,603
Financial expense paid		-14,216	-11,971
Cash flow from operations before tax		105,909	112,921
Corporation tax paid		-19,698	-247
Cash flow from operating activities		86,211	112,674
Additions of property, plant and equipment		-806	-2,464
Disposals of property, plant and equipment		254	1,801
Cash flow from investing activities		-552	-663
Change other credit institutions		7	-52,574
Deposit with group companies		-89,284	0
Dividend distributed		-13,500	-26,300
Cash flow from financing activities		-102,777	-78,874
Net cash flow from operating, investing and financing activities		-17,118	33,137
Cash and cash equivalents at 1 April		54,327	21,190
Cash and cash equivalents at 31 March		37,209	54,327

§ 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

Group

Wages and salaries

Pension costs

Other social security costs

Other staff costs

Salaries and fees paid to the Executive Board

The Board of Directors did not receive any remuneration

Average number of employees

CONSOLIDATED

	2020/21	2019/20
	52,566	49,585
	3,825	3,692
	368	580
	893	1,644
	<u>57,652</u>	<u>55,501</u>
	6,535	6,234
	150	169

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

DKK'000

Group

Goodwill and IT-development costs

Property, plan and equipment

Carrying amount at 31 March

CONSOLIDATED

	2020/21	2019/20
	6,710	8,237
	2,410	3,617
	<u>9,120</u>	<u>11,854</u>

See notes 8 and 9 for further specification of assets.

§ 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

Parent

DKK'000

Cost at 1 April

Disposal by merge with MP Group

Cost at 31 March

Adjustments

Adjustments at 1 April

Adjustment by merge with MP Group

Foreign exchange rate adjustment

Share of equity transactions

Share of profit for the year

Dividend distributed

Adjustments at 31 March

Carrying amount at 31 March

Specification of the company's share of the profit or loss for the year

Share of profit for the year

Amortization of goodwill

Adjustments at 31 March

Specification of the carrying amount at 31 March

Share of the equity in group entities

Goodwill

Carrying amount at 31 March

2020/21
202,532
-272
202,260
82,535
-2,038
-1,386
263
78,148
-13,500
144,022
346,282
84,552
-6,404
78,148
338,009
8,273
346,282

Name	Registered office	Ownership
Missionpharma A/S	Lynge, Denmark	100 %
GIN INVEST I ApS	Lynge, Denmark	100 %
PharmaDanica A/S	Lynge, Denmark	100 %
Missionpharma Logistics India Pvt. Ltd.	Ahmedabad, 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 recognized 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

Other interest receivables, exchange gains
and similar income
Interest group companies

	CONSOLIDATED		PARENT COMPANY	
	2020/21	2019/20	2020/21	2019/20
Other interest receivables, exchange gains and similar income	1,293	3,604	0	0
Interest group companies	41	0	0	0
	<u>1,334</u>	<u>3,604</u>	<u>0</u>	<u>0</u>

5 Financial expense

DKK'000

Other interest payable, exchange losses
and similar expenses
Revaluation of other investments

	CONSOLIDATED		PARENT COMPANY	
	2020/21	2019/20	2020/21	2019/20
Other interest payable, exchange losses and similar expenses	14,076	10,096	12	20
Revaluation of other investments	807	898	0	0
	<u>14,883</u>	<u>10,994</u>	<u>12</u>	<u>20</u>

§ 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.

NOTES TO THE ANNUAL REPORT

6 Tax on the profit for the year

DKK'000

Current tax for the year
Change in provision for deferred tax
Prior year adjustments

	CONSOLIDATED		PARENT COMPANY	
	2020/21	2019/20	2010/21	2019/20
Current tax for the year	24,375	7,182	17	16
Change in provision for deferred tax	-248	386	0	0
Prior year adjustments	-280	-44	-46	-15
	<u>23,847</u>	<u>7,524</u>	<u>-29</u>	<u>1</u>

§ ACCOUNTING POLICIES

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 Group'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

Proposed dividends	
Reserve for net revaluation under equity method	
Retained earnings	
Minority interests	

CONSOLIDATED		PARENT COMPANY	
2020/21	2019/20	2020/21	2019/20
78,000	13,500	78,000	13,500
0	0	62,610	-9,363
41	3,367	-62,569	12,730
27	116	0	0
<u>78,068</u>	<u>16,983</u>	<u>78,041</u>	<u>16,867</u>

8 Intangible assets

DKK'000

Group

Cost at 1 April

Cost at 31 March

Impairment losses and amortization at 1 April

Amortization during the year

Impairment losses and amortization at 31 March

Carrying amount at 31 March

	Goodwill	IT dev. costs	Total
Cost at 1 April	78,940	5,500	84,440
Cost at 31 March	<u>78,940</u>	<u>5,500</u>	<u>84,440</u>
Impairment losses and amortization at 1 April	64,262	5,194	69,456
Amortization during the year	6,404	306	6,710
Impairment losses and amortization at 31 March	<u>70,666</u>	<u>5,500</u>	<u>76,166</u>
Carrying amount at 31 March	<u>8,274</u>	<u>0</u>	<u>8,274</u>

§ ACCOUNTING POLICIES

Goodwill is amortized over its estimated useful life determined on the basis of Management's experience of the specific business areas. Goodwill is amortized on a straight-line basis over an amortization period of 10 years.

Goodwill is tested for impairment whenever there is an indication that it might be impaired. The impairment test is performed for the activity or business area to which the goodwill relates. Goodwill is written down to the higher of the value in use and the net selling price for the activity or the business to which the goodwill relates.

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 DKK'000

Group	CONSOLIDATED			Total
	Land and property	Plant and equipment	Ongoing investment	
Cost at 1 April	37,959	15,170	1,375	54,504
Foreign exchange rate adjustment	-149	-486	0	-635
Transfer	1,375	0	-1,375	0
Additions during the year	0	806	0	806
Disposals during the year	0	-952	0	-952
Cost at 31 March	39,185	14,538	0	53,723
Revaluation at 1 April	13,378	0	0	13,378
Revaluation at 31 March	13,378	0	0	13,378
Impairment losses and depreciation 1 April	25,656	12,095	0	37,751
Foreign exchange rate adjustment	-77	-150	0	-227
Depreciation during the year	1,491	919	0	2,410
Depreciation disposal during the year	0	-729	0	-729
Impairment losses and depreciation at 31 March	27,070	12,135	0	39,205
Carrying amount at 31 March	25,493	2,403	0	27,896
Carrying amount at 31 March without revaluation	12,115	2,403	0	14,518

§ ACCOUNTING POLICIES

Property, plant and equipment include land and buildings, other fixtures and fittings, tools and equipment. Property, plant and equipment are measured at cost less accumulated depreciation and write-downs.

Cost comprises the 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.

Buildings:	25 years
IT equipment:	3-5 years
Fixtures and fittings, tools and equipment:	5 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

10 Other investments

DKK'000

Group

Shares in non-group company

2020/21	2019/20
19,169	19,996

11 Other receivables

DKK'000

Group

Other receivables, due

Within 1 year	5 years	Total
15,574	0	15,574

12 Deferred tax provisions

DKK'000

Group

Provision for deferred tax at 1 January

Provisions during the year

Deferred tax at 31 March

2020/21	2019/20
3,122	2,873
-248	249
2,874	3,122

§ ACCOUNTING POLICIES

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

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

DKK'000

Group

	2020/21	2019/20
Amortization/depreciation	9,120	11,854
Net gain on sale of fixed assets	-51	-428
Financial income	-1,334	-3,604
Financial expenses	14,883	10,994
Tax for the year	23,847	7,524
Provision and other non-cash operating items, net	160	-263
	46,625	26,077

14 Changes in working capital, cash flow statement

DKK'000

Group

	2020/21	2019/20
Change in goods of resale	-20,418	-34,301
Change in trade receivables	27,355	42,575
Change in other receivables	3,370	22,103
Change in trade payables	-6,870	30,868
Change in other payables	7,696	1,191
Change in prepayments received from customers	-17,035	15,793
	-5,902	78,229

15 Auditors' fees

Group

DKK'000

	CONSOLIDATED	
	2020/21	2019/20
Fee for statutory audit	270	254
Tax assistance	10	10
Fee for non-audit services	1	1
	281	265

NOTES TO THE ANNUAL REPORT

16 Contingent liabilities and other financial obligations

GROUP

The Group has not assumed any guarantee obligations except for the guarantees issued in connection with operations for a total amount of DKK 35.5 million.

The subsidiary Missionpharma Logistics 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.

GUARANTEES

The Group companies (Missionpharma Group ApS, Missionpharma A/S and PharmaDanica A/S) are jointly liable for a total credit and facility line of DKK 191.6 million.

Rental commitments for land and buildings amount to DKK 13 million.

17 Related parties

The Company's ultimate Parent Company at 31 March 2020 that prepares 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



ACCOUNTING POLICIES

Accounting policies not already covered in the report.

GENERAL ACCOUNTING POLICIES

The annual report of Missionpharma Group ApS for the year 2020/21 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 consolidated financial statements and the parent company financial statements are consistent with those of last year.

REPORTING CURRENCY

The financial statements are presented in Danish kroner (DKK).

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent company, Missionpharma Group ApS, and subsidiaries in which Missionpharma Group ApS directly or indirectly holds more than 50% of the voting rights or which it, in some other way, controls.

The consolidated entities' financial statements are prepared in accordance with the accounting policies applied by the parent. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realized and unrealized gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets or liabilities at the acquisition date.

FOREIGN CURRENCY TRANSLATION

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognized in the latest financial statements is recognized in the income statement as financial income or financial 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.

Foreign exchange adjustments of intra-group balances with independent foreign subsidiaries which are considered part of the investment in the subsidiary are

recognized directly in equity. Foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign subsidiaries are also 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 when delivery and transfer of risk to the buyer have taken place and provided that the income can be reliably measured and is expected to be received.

Revenue is measured at fair value of the agreed consideration ex. VAT and taxes charged on behalf of third parties. All discounts granted are recognized in 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.

PREPAYMENTS

Prepayments comprise costs incurred concerning subsequent financial years.

CORPORATION TAX

Current tax payable and receivable are recognized in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account. Joint taxation contribution payable and receivable is recognized in the balance sheet as "Corporation tax receivable" or "Corporation tax payable".

FINANCIAL LIABILITIES

Financial liabilities are recognized on the raising of the loan at the proceeds received net of transactions transaction costs incurred. Interest-bearing debt is subsequently measured at amortized cost, using the effective interest rate method.

OTHER PAYABLES

Other liabilities are measured at net realizable value.

DEFINITION OF FINANCIAL RATIOS

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

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





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APPENDICES

APPENDIX 1

Financial highlights USD

USD'000	2020/21	2019/20	2018/19	2018 (3 months)	2017
Key figures					
Average DKK/100 USD rate (P&L)	639.54	672.68	642.33	607.22	659.46
Closing DKK/100 USD rate (balance sheet)	634.31	681.15	664.46	601.01	620.77
Revenue	113,664	116,006	117,847	25,059	104,965
Gross profit	28,495	14,746	18,773	4,580	23,075
Operating profit (EBIT)	18,054	4,733	7,854	1,543	12,577
Net financials	-2,119	-1,099	-984	-992	759
Profit of the year	12,207	2,517	5,124	335	10,635
Total assets	71,713	59,839	63,944	76,514	77,170
Equity	54,931	41,849	44,721	53,177	51,344
Investments in the year	126	366	445	482	215
Average number of full-time employees	144	169	174	166	157
Net cash flow for the year	-2,677	4,865	674	-959	-12,810
FINANCIAL RATIO					
Operating margin (EBIT)	15.8%	4.1%	6.7%	6.2%	12.0%
Return on assets	26.7%	7.6%	11.4%	2.0%	18.7%
Equity ratio	76.6%	69.9%	69.9%	69.5%	66.5%
Return on equity	24.6%	5.8%	10.7%	0.6%	22.4%
Liquidity ratio	3.9	2.8	2.8	2.8	2.5

APPENDIX 2

Financial highlights EUR

EUR'000	2020/21	2019/20	2018/19	2018 (3 months)	2017
Key figures					
Average DKK/100 EUR rate (P&L)	744.64	746.73	745.69	744.62	743.86
Closing DKK/100 EUR rate (balance sheet)	743.73	746.74	746.52	745.13	744.49
Revenue	97,621	104,502	101,513	20,435	93,055
Gross profit	24,473	13,284	16,171	3,735	20,457
Operating profit (EBIT)	15,506	4,264	6,765	1,259	11,150
Net financials	-1,820	-990	-847	-809	673
Profit of the year	10,484	2,267	4,414	273	9,428
Total assets	61,162	54,583	56,915	61,715	64,346
Equity	46,849	38,173	39,805	42,891	42,812
Investments in the year	108	330	384	393	190
Average number of full-time employees	144	169	174	166	157
Net cash flow for the year	-2,299	4,437	581	-782	-11,357
FINANCIAL RATIO					
Operating margin (EBIT)	15.8%	4.1%	6.7%	6.2%	12.0%
Return on assets	26.7%	7.6%	11.4%	2.0%	18.7%
Equity ratio	76.6%	69.9%	69.9%	69.5%	66.5%
Return on equity	24.6%	5.8%	10.7%	0.6%	22.4%
Liquidity ratio	3.9	2.8	2.8	2.8	2.5