

Movianto Nordic ApS

Ventrupvej 27
DK-2670 Greve
Denmark

Annual report 2020

The annual report has been presented and approved
at the Company's annual general meeting

on 31 May 2021



Chairman, Michael Brondt Pedersen

Contents

Statement by the Executive Board	2
Independent auditor's report	3
<i>Management's review</i>	
Company details	6
Financial highlights	7
Operating review	8
<i>Financial statements for the period 1 January - 31 December</i>	
Income statement	10
Balance sheet	11
Statement of changes in equity	13
Notes	14

Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Movianto Nordic ApS for the financial year 1 January - 31 December 2020.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

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

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

Greve, 31 May 2021

Executive Board:



Thomas Kreuzberger



Marina von Lachmann Steensen

Independent auditor's report

To the shareholders of Movianto Nordic ApS

Opinion

We have audited the financial statements of Movianto Nordic ApS for the financial year 1 January – 31 December 2020 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control, that 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 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 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis 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 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 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 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 31 May 2021

MAZARS

Statsautoriseret Revisionspartnerselskab
CVR no. 31061741



Nicklas Rasmussen
State Authorised
Public Accountant
MNE no. 43474

Management's review

Company details

Address	Movianto Nordic ApS Ventrupvej 27 DK-2670 Greve
Telephone:	+45 43 30 02 00
CVR no.:	32 47 14 04
Established:	31 August 2009
Registered office:	Greve
Financial year:	1 January - 31 December

Executive Board

Thomas Kreuzberger

Marina von Lachmann Steensen

Auditor

Mazars
Statsautoriseret Revisionspartnerselskab
Midtermolen 1, 2. tv.
DK-2100 Copenhagen Ø
Denmark

Management's review

Financial highlights

DKK'000	2020	2019	2018	2017	2016
Key figures					
Gross profit	45.090	43.819	41.694	37.305	40.900
Ordinary operating result	11.587	7.630	4.211	288	2.152
Profit/loss from financial income and exper	-5.925	-9.512	-9.237	-7.510	-7.972
Profit/loss of the year	11.909	-1.882	-5.026	-7.222	-5.820
Non-current assets	7.350	10.049	12.449	14.737	17.889
Current assets	395.434	409.084	300.096	441.088	379.790
Total assets	402.783	419.132	312.545	455.825	397.679
Share capital	760	760	760	760	760
Equity	42.385	30.476	32.359	37.385	17.073
Provisions	1.150	1.150	1.150	1.150	1.150
Non-current liabilities other than provision	0	103.958	103.958	103.958	103.958
Current liabilities other than provisions	359.248	283.548	175.078	313.332	275.498
Portion relating to investment in property, plant and equipment	274	237	322	251	85
Financial ratios					
Solvency ratio	10,5%	7,3%	10,4%	8,2%	4,3%

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios "Recommendations of Financial Ratios 2015". For terms and definitions, please see the accounting policies.

Management Review

Operating Review

Principal activities of the Company

The principal activity of Movianto Nordic ApS consists in delivering logistics services to pharmaceutical and healthcare manufacturers from the warehouse in Greve to the Nordic countries and the Baltic States. Furthermore, the company exports to the majority of European countries on behalf of clients.

The Company provides a full range of services to pharmaceutical and healthcare manufacturers to support clients in reaching end users of medicines and medical devices. The main services are storage, pick & pack, and distribution. Value added services are order to cash, GMP and non-GMP repacking services, relabeling, invoicing, debt collection as well as web page management on behalf of clients. The company manages inventory, handles returns and provides full QP based quality support to clients.

Development in activities and financial position

During 2020, sales have been at the same level as in 2019. With a reduced cost base, this has improved the result significantly. Strategic investments have been made to continuously develop and improve the Company's commercial position and cost base. The improvements will allow the Company to continuously direct efforts and priorities to support future growth, reduce costs and improve overall results.

The result for 2020 is in line with Management's expectations.

Profit for the year before tax amounted to DKK 11,9 million (2019: loss of DKK 1,9 million).

Particular risk

The Company's most important operating risk relates to receivables related to sales order processing contracts where the Company does not have the legal option to make a set-off between the pharmaceutical manufacturers (the suppliers) and the buyers. Management assesses that the risk is limited due to the customers' financial standing.

Events after the balance sheet date

No subsequent events have occurred after the balance sheet date, which are considered to have significant influence on the Company's financial position as of 31 December 2020.

Outlook

Movianto Nordic operates in a market, which is more robust than many other markets.

The Company constantly seeks new markets and works to improve its cost base. Focus for 2021 will be on improving services and growth. Management expects to continue to expand within its core services; logistics services to pharmaceutical and healthcare manufacturers, and thereby increasing revenue.

Management expects a decrease in volumes for a few clients in 2021, as increased sales in 2020 due to COVID-19 are not expected going forward. This is assessed to result in a short-term decrease in revenue; however, measures have been taken to mitigate this by adjusting cost base and continuing expansion and growth for existing and new clients. For that reason management expects the result for 2021 to be improved slightly compared to 2020, and for the long-term outlook, the result will improve with continued business growth.

The 18th of June 2020 Walden (ex-EHDH) finalized the acquisition of Movianto and then became the leading pharmaceutical logistics and transport player in Europe. Walden comes with a pharmaceutical background and Movianto can base further growth on Walden's experience particularly in GDP transports and innovative IT solutions. Being part of the Walden Group opens up even more opportunities for Movianto Nordic and our clients. We look forward to working with our clients and other stakeholders to take advantage of the opportunities, being part of the Walden Group opens up for us.

Income statement

DKK'000	Note	2020	2019
Gross profit		45.090	43.819
Staff costs	2	-30.745	-33.240
Depreciation and amortisation	7,8	-2.758	-2.949
Ordinary operating result		11.587	7.630
Financial income	3	17.037	7.050
Financial expenses	4	-22.962	-16.562
Profit before tax		5.662	-1.882
Tax for the year	5	6.247	0
Profit for the year	6	11.909	-1.882

Balance sheet - Assets

DKK'000	Note	2020	2019
Non-current assets			
Intangible assets			
Software		529	818
Software under development		0	216
Total intangible assets	7	529	1.034
Property, plant and equipment			
Leasehold improvements		1.671	3.027
Fixtures and fittings, tools and equipment		5.150	5.988
Total property, plant and equipment	8	6.821	9.015
Total non-current assets		7.350	10.049
Current assets			
Receivables			
Trade receivables in respect of sales order processing contracts		286.573	242.259
Deferred tax assets	9	6.247	0
Other receivables		43.016	16.977
Prepayments	10	264	431
Total receivables		336.100	259.667
Cash at bank and cash equivalents		59.334	149.417
Total current assets		395.434	409.084
TOTAL ASSETS		402.783	419.132

Balance sheet - Equity and Liabilities

DKK'000	Note	2020	2019
Equity			
Share capital		760	760
Retained earnings		41.625	29.716
Total equity		42.385	30.476
Provisions			
Other provisions	11	1.150	1.150
Total provisions		1.150	1.150
Non-current liabilities			
Amounts owed to group entities	12	0	103.958
Total non-current liabilities		0	103.958
Current liabilities			
Trade payables in respect of sales order processing contracts		343.896	267.708
Trade payables		1.810	3.608
Amounts owed to group entities	13	2.165	1.159
Deferred revenue		308	1.017
Other payables		11.069	10.056
Total current liabilities		359.248	283.548
Total liabilities other than provisions		359.248	387.506
TOTAL EQUITY AND LIABILITIES		402.783	419.132
Contractual obligations and contingencies, etc.	14		
Related party disclosures	15		

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity, 1 January 2020	760	29.716	30.476
Transferred, cf. distribution of loss	0	11.909	11.909
Equity, 31 December 2020	760	41.625	42.385

The share capital consist of 760.000 shares of a nominal value of DKK 1.

All shares rank equally.

Notes

Note 1 Accounting policies

The annual report of Movianto Nordic ApS for 2020 has been presented in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

The Company has with reference to the Danish Financial Statements Act section 86(4) refrained from preparing a cash flow statement, as the Company is part of the consolidated cash flow statement of Owens and Minor, Inc.

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

Gross Margin

The Company uses the regulations in the Danish Financial Statements Act section 32, after which the Company's revenue is not stated.

Recognition and measurement

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognized in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

In recognizing and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognized in the income statement as earned. Equally, costs incurred to generate the year's earnings are recognized.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognized in the income statement as financial income or financial expenses.

Notes

Note 1 Accounting policies (continued)

Income statement

Revenue

The Company's activities consist of inventory management, distribution services, inventory financing as well as sales order processing.

The Company acts as an agent in relation to inventory management, distribution services, inventory financing as well as sales order processing, and therefore, revenue comprises commission income, which is recognized in the income statement, when the services have been delivered.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year.

Other External expenses

Other external expenses comprise items secondary to the activities of the entity, including expenses for premises, stationery and office supplies, marketing costs, etc.

Staff cost

Staff cost comprise salaries and wages, social security contributions and pension contributions.

Finance income and expense

Financial income and expense comprise interest income and expense, including interest income and expenses on payables and receivables to and from group enterprises, currency translation adjustments and foreign currency transactions.

Tax for the year

Tax for the year comprises current tax for the year and changes in deferred tax. 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.

Balance sheet

Intangible assets

On initial recognition, intangible assets are measured at cost.

Development costs comprise costs, salaries and amortization directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable, and where the technical feasibility, sufficient resources and a potential future market or development opportunities in the Company are evidenced, and where the Company intends to market and use the project, are recognized as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover direct costs, selling costs and administrative expenses and development costs. Other development costs are recognized in the income statement when incurred.

Development costs that are recognized in the balance sheet are measured at cost less accumulated amortization and impairment losses.

Following the completion of the development work, development costs are amortized on a straight-line basis over the estimated useful life. The amortization period is usually 3-5 years.

Software is measured at cost less accumulated amortization and impairment losses and amortized on a straight-line basis, normally 3-5 years.

Gains and losses on the disposal of software 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 as other operating income or other operating costs, respectively.

Notes

Note 1 Accounting policies (continued)

Property, plant and equipment

Leasehold improvements and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is the cost less any expected residual value after the end of the useful life.

The basis of depreciation is depreciated on a straight-line basis over the expected useful life.

The expected useful lives are as follows:

Leasehold improvements	10-15 years
Fixtures and fittings, tools and equipment	4-15 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognized prospectively.

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 as other operating income or other operating costs, respectively.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by amortization or depreciation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the expected net cash flows from the use of the asset or the group of assets and expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Trade receivables

Trade receivables

Receivables are measured at amortized cost and consist of commission income, etc.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a receivable portfolio has been impaired. If there is an objective indication that an individual receivable has been impaired, a write-down is made on an individual basis.

Notes

Note 1 Accounting policies (continued)

Trade receivables/trade payables in respect of sales order processing contracts

As part of the sales order processing, the Company charges full payment for sales to customers and subsequently settles the account with the pharmaceutical manufacturers.

Receivables related to sales order processing contracts represent the total selling price for goods delivered by the Company on behalf of pharmaceutical manufacturers (the suppliers) where the Company, as part of its distribution activities, performs order processing and has the credit risk

Payables related to sales order processing contracts represent payables to pharmaceutical manufacturers (the suppliers) where the Company has supplied products on behalf of pharmaceutical manufacturers and collects payment on behalf of them.

Prepayments

Prepayments comprise costs incurred in relation to subsequent financial years.

Other provisions

Other provisions are recognized when, as a result of past events, the Company has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at net realizable value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

Corporation tax and deferred tax

Current tax payable and receivable is 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.

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.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognized at the expected value of their utilization.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallize as current tax. The change in deferred tax as a result of changes in tax rates is recognized in the income statement.

Notes

Note 1 Accounting policies (continued)

Financial Highlights

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

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

Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$
----------------	--

Notes

DKK'000	<u>2020</u>	<u>2019</u>
2 Staff cost		
Wages and salaries	27.785	29.961
Pensions	2.358	2.617
Other social security costs	411	413
Other staff costs	191	249
	<u>30.745</u>	<u>33.240</u>
Average number of full-time employees	<u>58</u>	<u>62</u>
Remuneration to Board of Directors DKK 278 thousand (31 December 2019: DKK 343 thousand)		
3 Financial income		
Foreign currency exchange gains	16.876	7.027
Interest income	161	23
	<u>17.037</u>	<u>7.050</u>
4 Financial expenses		
Interest expenses, group enterprises	4.050	7.225
Foreign currency exchange losses	18.254	7.408
Interest expenses and fees	658	1.929
	<u>22.962</u>	<u>16.562</u>
5 Tax for the year		
Current tax for the year	0	0
Deferred tax adjustment in the year	6.247	0
	<u>6.247</u>	<u>0</u>
6 Proposed distribution of loss		
Retained earnings	11.909	-1.882
	<u>11.909</u>	<u>-1.882</u>

Notes

7 Intangible assets

DKK'000	Software under development	Software	Total
Cost, 1 January 2020	216	7.959	8.175
Addition of assets	0	0	0
Disposals during the year	0	0	0
Transferred from/(to) other items	-216	0	-216
Cost, 31 December 2020	0	7.959	7.959
Impairment losses and amortisation, 1 January 2020	0	7.142	7.142
Amortisation	0	288	288
Impairment losses and amortisation, 31 December 2020	0	7.430	7.430
Carrying amount, 31 December 2020	0	529	529
Carrying amount, 31 December 2019	216	818	1.034

8 Property, plant and equipment

DKK'000	Leasehold improve- ments	Fixtures and fittings, tools and equipment	Total
Cost, 1 January 2020	14.255	20.044	34.299
Addition of assets	58	216	274
Cost, 31 December 2020	14.313	20.260	34.572
Impairment losses and depreciation, 1 January 2020	11.228	14.055	25.283
Depreciation	1.356	1.113	2.469
Impairment losses and depreciation, 31 December 2020	12.584	15.168	27.752
Carrying amount, 31 December 2020	1.729	5.092	6.820
Carrying amount, 31 December 2019	3.027	5.989	9.016

Notes

9 Deferred tax assets

DKK'000	2020	2019
Deferred tax assets, 1 January	0	0
Deferred tax adjustment in the year	6.247	0
Deferred tax assets, 31 December	6.247	0

Deferred tax asset of DKK 6.247 thousand is recognized on the basis of expected future earnings, of which DKK 1.974 thousand is expected to be realized within one year.
 The Company has a deferred tax asset of DKK 4.123 thousand (31 December 2019: DKK 11.617 thousand), which is not recognised in the annual report.

10 Prepayments

Prepayments comprise of costs relating to coming years and incurred in relation to IT, facility and insurance.

11 Other provisions

Other provisions, 1 January	1.150	1.150
Provisions for the year	0	0
Other provisions, 31 December	1.150	1.150

A provision of DKK 1.150 thousand has been recognised at 31 December 2020 in respect of the expected future costs for re-establishment.

Provisions are recognised based on specific estimates, and amounts may vary as these are uncertain.

12 Non-current liabilities

Non-current liabilities to group entities amount to DKK 0 as DKK 103.958 thousand were paid in 2020.

13 Contractual obligations and contingencies, etc.

Lease obligations (operating lease) amounts to DKK 23.281 thousand at 31 December 2020 (31 December 2019: DKK 37.991 thousand), of which DKK 15.442 thousand falls due within one year, and DKK 7.838 thousand falls due within 2-5 years.

Notes

14 Related party disclosures

DKK'000	<u>2020</u>	<u>2019</u>
Movianto Nordic ApS related parties comprise the following:		
Purchase of services from group enterprises	10.297	10.198
Interest expense	4.050	7.225
Payables to related parties	<u>2.165</u>	<u>105.117</u>
	<u>16.512</u>	<u>122.540</u>

Ownership

The immediate parent undertaking is Healthcare Service Group Limited, the Registered Office of which is located at 1 Progress Park, Bedford, MK42 9XE, United Kingdom. The ultimate parent undertaking and controlling party is EHDH SAS, a simplified joint-stock company registered in the Paris Trade Companies Register under number 449 430 537, the registered office of which is 31 rue de Fleurus 75006 Paris.

The only group in which Movianto Nordic ApS is consolidated is that headed by EHDH SAS, whose principal place of business is Paris France.