

Cardinal Health Denmark ApS

C/O TMF Denmark A/S, H.C. Andersens Boulevard 38, 3. th
1553 København V
Denmark

CVR no. 37 59 31 92

Annual report for the period 1 July 2021 – 30 June 2022

The annual report was presented and approved at the
Company's annual general meeting on

22 December 2022

Francesco Diodato
chairman



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Cardinal Health Denmark ApS
Annual report 2021/22
CVR no. 37 59 31 92

Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Cardinal Health Denmark ApS for the financial year 1 July 2021 – 30 June 2022.

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

In my opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 June 2022 and of the results of the Company's operations for the financial year 1 July 2021 – 30 June 2022.

Further, in my opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, Copenhagen, 22 December 2022
Executive Board:



Francesco Diodato

The independent auditor's extended review report on the financial statements

To the shareholders of Cardinal Health Denmark ApS

Conclusion

We have conducted an extended review of the financial statements of Cardinal Health Denmark ApS for the financial year 1 July 2021 - 30 June 2022, which comprise 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.

Based on the work we have performed, in our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2022 and of the results of the Company's operations for the financial year 1 July 2021 - 30 June 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our extended review in accordance with the Danish Business Authority's standard on extended review for Small entities and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 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 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 responsibility for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance for our conclusion on the financial statements and perform specifically required supplementary procedures to obtain additional assurance for our conclusion.

An extended review comprises procedures that primarily consist of making enquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

The independent auditor's extended review report on the financial statements

Statement on the Management's review

Management is responsible for the Management's review.

Our conclusion 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 extended review 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 extended review, 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's 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, 22 December 2022

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Anders Roe Eriksen
State Authorised
Public Accountant
mne46667

Cardinal Health Denmark ApS
Annual report 2021/22
CVR no. 37 59 31 92

Management's review

Company details

Cardinal Health Denmark ApS
C/O TMF Denmark A/S
H.C. Andersens Boulevard 38, 3. th
1553 København V
Denmark

CVR no.:	37 59 31 92
Established:	25 March 2016
Financial year:	1 July – 30 June

Executive Board

Francesco Diodato

Auditor

EY Godkendt Revisionspartnerselskab
c/o Postboks 250
Dirch Passers Allé 36
2000 Frederiksberg
Denmark

Annual general meeting

The annual general meeting will be held on 22 December 2022.

Management's review

Operating review

Principal activities

The principal activity of Cardinal Health Denmark ApS is the sale and distribution of interventional cardiology devices and endovascular solutions.

On the 4th of December 2016, the Company entered into a Distribution Contract with Cardinal Health Switzerland 515 GmbH and is considered a Limited Risk Distributor. The contract stipulated that the Company acts as a seller of medical devices provided by Cardinal Health Switzerland 515 GmbH, and that the transfer price will be determined to get an operating margin within an acceptable range. The Distribution contract was replaced, on the 5th of May 2018, by a Distribution agreement with Cardinal Health Ireland Unlimited, which continues to be in effect.

Business review

On March 12, 2021, Cardinal Health, Inc., the ultimate parent of the Company, entered into a definitive agreement to sell its Cordis business for approximately \$1 billion, which includes buyer's assumption of certain liabilities and seller's retention of certain working capital accounts. The price for the Danish portion of the sale was \$0.4 million. The sales price for the Danish portion of the Cordis business was 2,526,848 DKK resulting in a gain on sale of 1,046,744 DKK, which is included in other operating income. The transaction closed on August 2, 2021. At closing most assets and liabilities associated with Cordis transferred to the seller. Sales attributed to Cordis represents approximately 55% percent of total sales for the year ended June 30, 2021. The Company continued in 2022 to operate in Denmark selling the Medical Solutions portfolio of products.

Cardinal Health Group has been taking quick, decisive action throughout the fiscal year to streamline and simplify the business, and this work remains a top priority heading into fiscal year 2022. The Group recently restructured the organization to establish clearer lines of ownership and accountability and made management changes, including appointing a single leader to manage International activities. With the divestiture of Cordis, Cardinal Health plans to significantly reduce its international commercial footprint and has initially identified 36 markets with intend to exit to focus on the locations where the Group has a competitive advantage and can generate sustained long-term growth. In June 2021, the Company announced the exit of Denmark market during 2022/2023 regarding Medical Solutions Business segment.

Profit/loss for the year

The income statement of the Company for 2021/22 shows a loss of DKK 929,061 on June 30, 2022 the balance sheet of the Company shows equity of DKK 5,204,374

Due to the Cordis divestiture in August 2021 and decision to exit the market for Medical Solutions product, the activities of the Company were reduced in 2021/22. The Company revenue decreased of 74% of which 70% linked with the Cordis divestiture and 30% related to Medical Solutions business. Despite revenue decrease year on year, the Company managed to maintain its gross margin using a better mix of products with higher margin. The gross margin percentage for the financial year 2021/22 is 70% (2020/21: 25%). The loss for the year is mainly attributable to the impairment of intangible assets, see note 8.

Events after the balance sheet date

There have been no significant events impacting the Company since the period end.

Management's review

Operating review

Future development

With Cordis divestiture and market exit during 2022/2023, the Company is expecting a reduction of the activities during 2023/2024.

In reviewing the going concern basis, the Directors have considered the Strategic position the Company has within the Cardinal Health group. They have also reviewed the Company's actual and expected cash flows taking into account the amounts advanced by other group companies that are reflected in creditors and the continued financial support that will be available should the Company require it from other companies within the Cardinal Group.

The Directors have also considered the impact of COVID-19 and as discussed under the COVID-19 paragraphs that precede in the Directors' Report, it is expected that it will not have a material adverse impact on the Company's ability to continue as a going concern.

After making inquiries and on the basis of the above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The management of the business and the execution of the Company's strategy are subject to a number of risks and uncertainties. They key business risks and uncertainties affecting the company are considered to relate to the general economic conditions and competition; economic conditions such as currency exchange rate fluctuations. The Company is subject to other various risks. These are as follows:

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from the Company's trader receivables and amounts owed by group undertakings. In managing risk, the Company assesses the risk of its counterparties before entering into a contract. This assessment is based upon management knowledge and experience.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's cash flow planning is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due. Loan facilities from group undertakings are available if required.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company's sales and business are primarily transacted in Danish Krone and the company's main foreign currency exposure are in respect of the intercompany funding loan and certain intercompany creditors which are denominated in US Dollar.

Financial statements 1 July – 30 June

Income statement

DKK	Note	2021/22	2020/21
Revenue		3,475,597	13,444,239
Costs of raw materials and consumables		-800,513	-8,832,412
Other operating income	2	1,046,774	0
Other external costs		-1,280,515	-1,240,163
Gross profit		2,441,343	3,371,664
Staff costs	3	-315,453	-1,656,866
Depreciation, amortisation and impairment losses		-2,711,096	-997,062
Profit/loss before financial income and expenses		-585,206	717,736
Other financial income	4	222,186	133,831
Other financial expenses	5	-252,899	-70,411
Profit/loss before tax		-615,919	781,156
Tax on profit/loss for the year	6	-313,142	-173,699
Profit/loss for the year		-929,061	607,457
Proposed profit appropriation/distribution of loss			
Retained earnings		-929,061	607,457
		-929,061	607,457

Financial statements 1 July – 30 June

Balance sheet

DKK	Note	30/6 2022	30/6 2021
ASSETS			
Fixed assets			
Intangible assets	7		
Customer relationships		0	371,585
Goodwill		0	3,808,036
		0	4,179,621
Total fixed assets		0	4,179,621
Current assets			
Inventories			
Finished goods and goods for resale		0	23,370
Receivables			
Trade receivables		784,936	609,732
Receivables from group entities		922,392	732,252
		1,707,328	1,341,984
Cash at bank and in hand		6,109,331	2,466,793
Total current assets		7,816,659	3,832,147
TOTAL ASSETS		7,816,659	8,011,768

Financial statements 1 July – 30 June

Balance sheet

DKK	Note	30/6 2022	30/6 2021
EQUITY AND LIABILITIES			
Equity			
Contributed capital		50,000	50,000
Retained earnings		<u>5,154,374</u>	<u>6,083,434</u>
Total equity		<u>5,204,374</u>	<u>6,133,434</u>
Provisions			
Provisions for deferred tax		<u>0</u>	<u>132,460</u>
Total provisions		<u>0</u>	<u>132,460</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Corporation tax		378,278	112,460
Other payables		<u>7,504</u>	<u>13,598</u>
		<u>385,782</u>	<u>126,058</u>
Current liabilities other than provisions			
Trade payables		1,676,976	190,464
Payables to group entities		417,215	550,335
Other payables		<u>132,312</u>	<u>879,017</u>
		<u>2,226,503</u>	<u>1,619,816</u>
Total liabilities other than provisions		<u>2,612,285</u>	<u>1,745,874</u>
TOTAL EQUITY AND LIABILITIES		<u>7,816,659</u>	<u>8,011,768</u>
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Financial statements 1 July – 30 June

Statement of changes in equity

DKK	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 July 2021	50,000	6,083,435	6,133,435
Profit of the year	0	-929,061	-929,061
Equity at 30 June 2022	<u>50,000</u>	<u>5,154,374</u>	<u>5,204,374</u>

Financial statements 1 July – 30 June

Notes

1 Accounting policies

The annual report of Cardinal Health Denmark ApS for 2021/22 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

Income statement

Revenue

The entity has chosen IAS 18 as interpretation for revenue recognition. Hereby Income from the sale of goods, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms © 2010.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Other operating income

Other operating income comprises items secondary to the activities of the entity which is the gains on the divestiture.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

On initial recognition, intangible assets are measured at cost. Acquired goodwill is subsequently measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the estimated useful life. Management has assessed that 10 years is appropriate considering the length of the customer relationships, including churn-ratio.

Customer relationships are measured at cost less accumulated amortisation. Customer relationships are amortized over the contractual lifetime of the existing customer contracts, which is currently 4 years. Gains and losses on the disposal of intangible assets are calculated as the difference between the selling price less costs to sell and the carrying amount at the date of disposal.

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the depreciation on period or the residual value, the effect on the depreciation charges are recognised prospectively as a change in accounting estimates.

Impairment of intangible assets

The carrying amount of intangible assets is tested annually for evidence of impairment other than the decrease in value reflected by amortisation/depreciation. Impairment tests are conducted on individual assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

Inventories

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

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

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

Cash and cash equivalents

Cash and cash equivalents comprise cash.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised cost.

Corporation tax

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on management's intended use.

2 Other operating income

On March 12, 2021, Cardinal Health, Inc., the ultimate parent of the Company, entered into a definitive agreement to sell its Cordis business for approximately \$1 billion, which includes buyer's assumption of certain liabilities and seller's retention of certain working capital accounts. The price for the Danish portion of the sale was \$0.4 million. The sales price for the Danish portion of the Cordis business was 2,526,848 DKK resulting in a gain on sale of 1,046,744 DKK, which is included in other operating income. The transaction closed on August 2, 2021. At closing most assets and liabilities associated with Cordis transferred to the seller. Sales attributed to Cordis represents approximately 55% percent of total sales for the year ended June 30, 2021. The Company continued in 2022 to operate in Denmark selling the Medical Solutions portfolio of products.

DKK	<u>2021/22</u>	<u>2020/21</u>
Gains on divestiture	<u>1,046,774</u>	<u>0</u>

Financial statements 1 July – 30 June

Notes

3 Staff costs

The last employee left the Company in December 2021. As such, there are no employees at the end of the financial year.

	<u>2021/22</u>	<u>2020/21</u>
DKK		
Wages and salaries	299,128	1,555,068
Pensions	15,757	97,822
Other social security costs	<u>568</u>	<u>3,976</u>
	<u>315,453</u>	<u>1,656,866</u>
Average number of full-time employees	<u>1</u>	<u>2</u>

4 Other financial income

	<u>2021/22</u>	<u>2020/21</u>
DKK		
Interest income from group entities	222,186	0
Exchange gains	<u>0</u>	<u>133,831</u>
	<u>222,186</u>	<u>133,831</u>

5 Other financial expenses

	<u>2021/22</u>	<u>2020/21</u>
DKK		
Interest expense to group entities	0	70,411
Exchange losses	<u>252,899</u>	<u>0</u>
	<u>252,899</u>	<u>70,411</u>

6 Tax on profit for the year

	<u>2021/22</u>	<u>2020/21</u>
DKK		
Current tax for the year	438,278	133,078
Deferred tax for the year	-132,460	39,858
Adjustment of tax concerning previous years	<u>7,324</u>	<u>763</u>
	<u>313,142</u>	<u>173,699</u>

Financial statements 1 July – 30 June

Notes

7 Intangible assets

As of June 30, 2022, there was a Goodwill balance of 2.0 million DKK and Intangible balance of 0.1m DKK. After considering the market exit strategy, management determined that the fair value of goodwill and customer relationships was zero and therefore they should be fully written off at the end of 2022, resulting in an impairment charge of 2.1 million DKK.

DKK	Customer relationship	Goodwill	Total
Cost at 1 July 2021	2,335,200	5,912,438	8,247,638
Disposals for the year	<u>-1,220,446</u>	<u>-2,753,488</u>	<u>-3,973,934</u>
Cost at 30 June 2022	<u>1,114,754</u>	<u>3,158,950</u>	<u>4,273,704</u>
Amortisation and impairment losses at 1 July 2021	-1,963,615	-2,104,402	-4,068,017
Impairment losses for the year	-92,897	-2,000,669	-2,093,566
Amortisation for the year	-278,688	-338,840	-617,528
Reversed amortisation and impairment losses on assets sold	<u>1,220,446</u>	<u>1,284,961</u>	<u>2,505,407</u>
Amortisation and impairment losses at 30 June 2022	<u>-1,114,754</u>	<u>-3,158,950</u>	<u>-4,273,704</u>
Carrying amount at 30 June 2022	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

8 Special items

Special items comprise significant income and expenses of a special nature relative to the Company's revenue-generating operating activities, e.g. expenses incurred for extensive structuring of processes and basic structural adjustments as well as any related disposal gains and losses, that have a material impact over time. Special items also comprise significant one-off items that, in Management's opinion, do not form part of the Company's operating activities.

As disclosed in the Management's review, the profit/loss for the year is affected by a number of matters that Management does not consider part of the operating activities.

Special items of the year are specified below, including the line items in which they are recognized in the income statement. Further reference is made in Notes 2 and 7

DKK	2021/22	2020/21
Gains from divestiture of Cordis Business	1,046,774	0
Impairment of intangible assets	<u>-2,093,566</u>	<u>0</u>
Net loss from special items	<u><u>-1,046,792</u></u>	<u><u>0</u></u>

Special items are recognised in the below line items

Other operating income	1,046,774	0
Depreciation, amortisation and impairment losses	<u>-2,093,566</u>	<u>0</u>
	<u><u>-1,046,792</u></u>	<u><u>0</u></u>

Financial statements 1 July – 30 June

Notes

9 Contractual obligations, contingencies, etc.

DKK	30/6 2022	30/6 2021
Operating lease obligations		
Lease obligations	0	306,994
	<u>0</u>	<u>306,994</u>

10 Related party disclosures

Ownership

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the contributed capital:

Cardinal Health Netherlands 502 B.V.
Prins Bernhardplein 200
1097JB Amsterdam
The Netherlands

11 Deferred tax assets

At 30 June 2022, the Company has a deferred tax asset. As it is uncertain if the tax asset can be utilised within a foreseeable future, their carrying amount has not been recognised in the financial statements.

12 Disclosure of events after the balance sheet date

There have been no significant events impacting the Company since the period end.