

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 2022 – 30 June 2023

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

21 December 2023



Francesco Diodato
Chairman of the annual general meeting

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Cardinal Health Denmark ApS
Annual report 2022/23
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 2022 – 30 June 2023.

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 2023 and of the results of the Company's operations for the financial year 1 July 2022 – 30 June 2023.

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.

The general meeting has decided that the financial statements for the coming year will not be audited. Management confirms that the Company fulfils the requirements to be exempt of audit.

21 December 2023
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 performed an extended review of the financial statements of Cardinal Health Denmark ApS for the financial year 1 July 2022 – 30 June 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 30 June 2023 and of the results of the Company's operations for the financial year 1 July 2022 – 30 June 2023 in accordance with the Danish Financial Statements Act.

Basis for Conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises 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 of our report. 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 in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

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

An extended review comprises procedures that primarily consist of making inquiries 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.

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 Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 21 December 2023
EY Godkendt Revisionspartnerselskab
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Anders Roe Eriksen
State Authorised
Public Accountant
mne46667

Cardinal Health Denmark ApS
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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 21 December 2023.

Management's review

Operating review

Principal activities

The principal activity of Cardinal Health Denmark ApS was 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.

The Company's sale and distribution operations ceased during the fiscal year 2022. The Company is expected to remain dormant.

Business review

On October 2, 2015, Cardinal Health, Inc. completed the acquisition of Cordis from Ethicon, Inc., a wholly- owned subsidiary of Johnson & Johnson, for \$1.9 billion. The acquisition of Cordis, a global manufacturer and distributor of interventional cardiology devices and endovascular solutions with operations in more than 50 countries, expands the group portfolio of self-manufactured products and our geographic scope. The estimated fair values of the assets and liabilities which were assigned to the Danish business, assumed as of the acquisition date, related to customer relationship intangible assets of DKK 1,220,446 with the remaining amount of DKK 2,753,488 recorded as goodwill. The Company's acquisition of this business was primarily funded by a capital group contribution from the parent company.

On 29 July 2017, as part of the acquisition of Medtronic, the sole shareholder of Cardinal health Denmark ApS (Cardinal Health Netherlands 502 BV) approved the acquisition of the Medical Solution Business segment from Medtronic and signed a Transition Agreement (TSA) for a 15 months transition period to completion. On 26 October 2018, Cardinal Health Denmark ApS successfully exited the TSA with Medtronic and is directly serving all customer of the Medical Solutions business segment. The estimated fair values of the assets and liabilities which were assigned to the Danish business, assumed as of the acquisition date, related to customer relationship intangible assets of DKK 1,147,754 with the remaining amount of DKK 3,158,950 recorded as goodwill. The Company's acquisition of this business was primarily funded by a capital group contribution from the parent company.

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.

Management's review

Operating review

Profit/loss for the year

The income statement of the Company for 2022/23 shows a profit of DKK 1,740 on June 30, 2023 the balance sheet of the Company shows equity of DKK 5,206,114.

The result significantly decreased during the year mainly driven by the reduction of the gross profit due to the decision to exit the market. In addition, the Company is still supporting some costs including administration, office premise and sales campaign. During 2022/2023, the Company ceased its operational activities and remain dormant.

Events after the balance sheet date

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

Future development

The Company's main trade has been discontinued. As the Company is expected to remain dormant with no ongoing activities for the foreseeable future, the financial statements have been prepared on a non-going concern basis. A review of the assets and liabilities has been undertaken. It was deemed that, in the absence of the going concern assumption.

The management of the business and the execution of the Company's strategy are subject to a number of risks and uncertainties. As the Company is expected to remain dormant, the key risks and uncertainties affecting the Company is mainly relate to the currency exchange rate fluctuations and liquidity as follows:

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	2022/23	2021/22
Revenue		5,538	3,475,597
Costs of raw materials and consumables		0	-800,513
Other operating income	2	24,138	1,046,774
Other external costs		<u>-148,111</u>	<u>-1,280,515</u>
Gross profit/loss		-118,435	2,441,343
Staff costs	3	0	-315,453
Depreciation, amortisation and impairment losses		<u>0</u>	<u>-2,711,096</u>
Loss before financial income and expenses		-118,435	-585,206
Other financial income	4	120,175	222,186
Other financial expenses	5	<u>0</u>	<u>-252,899</u>
Profit/loss before tax		1,740	-615,919
Tax on profit/loss for the year	6	<u>0</u>	<u>-313,142</u>
Profit/loss for the year		<u>1,740</u>	<u>-929,061</u>
Proposed profit appropriation/distribution of loss			
Retained earnings		<u>1,740</u>	<u>-929,061</u>
		<u>1,740</u>	<u>-929,061</u>

Financial statements 1 July – 30 June

Balance sheet

DKK	Note	<u>30/6 2023</u>	<u>30/6 2022</u>
ASSETS			
Current assets			
Receivables			
Trade receivables		4,023	784,936
Receivables from group entities		<u>27,441</u>	<u>922,392</u>
		<u>31,464</u>	<u>1,707,328</u>
Cash at bank and in hand		<u>6,169,947</u>	<u>6,109,331</u>
Total current assets		<u>6,201,411</u>	<u>7,816,659</u>
TOTAL ASSETS		<u><u>6,201,411</u></u>	<u><u>7,816,659</u></u>

Financial statements 1 July – 30 June

Balance sheet

DKK	Note	30/6 2023	30/6 2022
EQUITY AND LIABILITIES			
Equity			
Contributed capital		50,000	50,000
Retained earnings		5,156,114	5,154,374
Total equity		<u>5,206,114</u>	<u>5,204,374</u>
Liabilities			
Non-current liabilities			
Corporation tax		0	378,278
Other payables		0	7,504
		<u>0</u>	<u>385,782</u>
Current liabilities			
Trade payables		418,761	1,676,976
Payables to group entities		7,038	417,215
Corporation tax		356,070	0
Other payables		213,428	132,312
		<u>995,297</u>	<u>2,226,503</u>
Total liabilities		<u>995,297</u>	<u>2,612,285</u>
TOTAL EQUITY AND LIABILITIES		<u><u>6,201,411</u></u>	<u><u>7,816,659</u></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 for the year	<u>0</u>	<u>-929,061</u>	<u>-929,061</u>
Equity at 1 July 2022	50,000	5,154,374	5,204,374
Profit of the year	<u>0</u>	<u>1,740</u>	<u>1,740</u>
Equity at 30 June 2023	<u><u>50,000</u></u>	<u><u>5,156,114</u></u>	<u><u>5,206,114</u></u>

Financial statements 1 July – 30 June

Notes

1 Accounting policies

The annual report of Cardinal Health Denmark ApS for 2022/23 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. Other operating income for the year comprise of income from transfer pricing agreement.

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

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

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.

Financial statements 1 July – 30 June

Notes

DKK	<u>2022/23</u>	<u>2021/22</u>
2 Other operating income		
The Company is operating under a return-on-sales transfer pricing model. Other operating income items comprise of income from transfer pricing agreement. Due to the limited activity in the company and the nature of the income from transfer pricing agreement, management has presented the income from the transfer pricing agreement for the year as other operating income.		
Other operating items for the year are specified below		
Income from transfer pricing agreement	24,138	0
Gains on divestiture	<u>0</u>	<u>1,046,774</u>
	<u>24,138</u>	<u>1,046,774</u>
3 Staff costs		
Wages and salaries	0	299,128
Pensions	0	15,757
Other social security costs	<u>0</u>	<u>568</u>
	<u>0</u>	<u>315,453</u>
Average number of full-time employees	<u>0</u>	<u>1</u>
4 Other financial income		
Interest income from group entities	0	222,186
Exchange gains	<u>120,175</u>	<u>0</u>
	<u>120,175</u>	<u>222,186</u>
5 Other financial expenses		
Exchange losses	<u>0</u>	<u>252,899</u>
	<u>0</u>	<u>252,899</u>
6 Tax on profit for the year		
Current tax for the year	0	438,278
Deferred tax for the year	0	-132,460
Adjustment of tax concerning previous years	<u>0</u>	<u>7,324</u>
	<u>0</u>	<u>313,142</u>

Financial statements 1 July – 30 June

Notes

7 Deferred tax assets

At 30 June 2023, 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.

8 Contractual obligations, contingencies, etc.

No contractual obligations, contingencies, etc.

9 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

10 Disclosure of events after the balance sheet date

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